

**City of Wooster
Wayne County, Ohio**

**Report Letters
December 31, 2007**



Mary Taylor, CPA
Auditor of State

Members of Council
City of Wooster
538 North Market Street
Wooster, Ohio 44691

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, 2007 through December 31, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 22, 2008

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**CITY OF WOOSTER
WAYNE COUNTY, OHIO**

Report Letters

December 31, 2007

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 27, 2008

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wooster as of and for the year ended December 31, 2007, which collectively comprise the City of Wooster's basic financial statements and have issued our report thereon dated June 27, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Wooster's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wooster's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Wooster's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings as item 2007-001 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the management of the City of Wooster in a separate letter dated June 27, 2008.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We did, however, note certain noncompliance or other matters not requiring inclusion in this report that we reported to management of the City of Wooster in a separate letter dated June 27, 2008.

The District's response to the finding identified in our audit are described in the accompanying Schedule of Findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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.

Hea & Associates, Inc.

**CITY OF WOOSTER
SCHEDULE OF FINDINGS
DECEMBER 31, 2007**

<p style="text-align:center">2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>
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FINDING NUMBER 2007-01

Significant Deficiency in Internal Control Over Financial Reporting: A restatement of prior period's net assets was necessary to properly account for Long term receivables. Because of this restatement, total net assets at December 31, 2006 increased by \$1,029,869. and fund balance reserved for long term receivables increased \$478,500 in other governmental funds

Recommendation: We recommend the Finance Director monitor the accounting treatment and how it relates to long term receivables within the basic financial statements.

Management's Response: The Finance Director will monitor receivables more closely to ensure that all necessary revenue accruals relating to long term receivables will be recorded in accordance with accounting principles generally accepted in the United States (GAAP).

City of Wooster, Ohio
Fiscal year ended December 31, 2007
Comprehensive Annual Financial Report



**CITY OF WOOSTER, OHIO
Comprehensive Annual Financial Report
For the year ended December 31, 2007**

Prepared by Finance Department

CITY OFFICIALS
As of January 1, 2008

MAYOR

Robert A. Breneman
Term Expires 12-31-11

CITY COUNCIL

Jeff Griffin
President
First Term Expires 12-31-11

Mike Buytendyk
Term Expires 12-31-11
First Term – At Large

Ed Schuch
Term Expires 12-31-11
First Term – Ward 1

Keith Topovski
Term Expires 12-31-09
First Term – Ward 2

Jon Ulbright
Term Expires – 12-31-09
Second Term – At Large

David Silvestri
Term Expires 12-31-11
Second Term - Ward 3

Jon Ansel
Term Expires 12-31-09
First Term - At Large

Jeff Steiner
Term Expires 12-31-09
First Term - Ward 4.
Appointed January 7, 2008

DIRECTOR OF FINANCE

Andrei A. Dordea, CPA – 5 years of service

DIRECTOR OF LAW

Richard Benson – 17 years of service

DIRECTOR OF ADMINISTRATION

Michael Sigg – 8 years of service

WOOSTER COMMUNITY HOSPITAL ADMINISTRATOR

William Sheron – 13 years of service

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Introductory Section



Robert F. Breneman
Mayor

Andrei A. Dordea, CPA
Director of Finance

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

CITY OF WOOSTER

June 27, 2008

City Council and Citizens of Wooster
Wooster, Ohio

The Comprehensive Annual Financial Report

The Ohio Revised Code requires that every public office, other than a state agency, publish a financial report for each fiscal year. Because the City prepares this report pursuant to generally accepted accounting principles, the report must be filed with the Auditor of State within one hundred fifty days after the end of the fiscal year. This document is produced to fulfill this requirement for the year ended December 31, 2007.

City Management is fully responsible for the completeness and reliability of the information contained in this report. The City uses a comprehensive framework of internal controls to ensure that this information is dependable. Because the cost of internal controls should not exceed the benefit derived from such controls, the objective of the framework is to provide reasonable, not absolute, assurance that this report is free from any material misstatements.

Rea and Associates, Inc., Accountants and Business Consultants, have issued an unqualified ("clean") opinion for the City of Wooster's financial statements for the year ended December 31, 2007. The independent auditor's report is located in the front of the financial section of this report on page 13.

Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative of the financial statements including an introduction, overview and analysis of the information reported in this document. MD&A, beginning on page 15, complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Wooster, incorporated in 1817, is located in the north central part of the State of Ohio. The City's 17.121 square mile area is home to a population of 26,527. Located within Wayne County, Wooster 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.

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

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.

Annual budgets are adopted for all City funds, with the exception of agency funds. Under state law, the Mayor is required to submit an annual budget (often referred to as the "tax budget") to Council for consideration and approval no later than July 15. By Charter the Mayor must submit an annual appropriation ordinance to City Council by the last Council meeting in the November of the preceding year. This ordinance builds upon the tax budget of the previous July and is updated for any estimates or revisions. The legal level of City Council appropriated budgetary control is at the program level within a fund.

Local Economy

The Economic Segment Mix and The Change of Economic Segment Mix as Measured by Total Income Tax Receipts for the Tax Years 2001 through 2007

Change%	2001	2002	2003	2004	2005	2006	2007	01/07
Industrial	36.9%	34.2%	33.0%	33.0%	31.6%	28.2%	28.0%	-24.1%
Construction	4.8	4.9	4.7	4.1	4.1	5.1	4.0	-16.7
Retail	9.3	8.6	9.0	8.6	9.1	8.1	7.4	-20.4
Oil	2.0	2.2	2.3	2.4	2.8	2.7	2.8	40.0
Services	10.6	11.1	12.0	11.7	12.3	11.9	12.5	17.9
Education/Govt.	14.6	17.4	17.8	18.5	18.0	18.0	18.7	28.1
Financial	4.3	3.9	4.3	4.6	5.0	4.9	4.6	7.0
Restaurants	2.2	2.2	2.3	2.0	2.2	1.9	2.3	4.6
Medical	9.0	7.1	7.1	7.1	8.2	6.9	7.0	-22.2
Miscellaneous	6.4	8.4	7.5	9.5	10.1	12.2	12.7	98.4
% Chg. in \$ by Yr.	0.63%	-0.08%	-1.19%	0.81%	5.43%	6.31%	8.55%	

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. The significant dollar permits issued in 2007 were: Grace Brethren Church \$5.7 million (addition); The College of Wooster \$4.7 million (new dormitory); Ambulatory Care Center \$3 million (new construction); Lightning Rod Mutual Insurance \$858,000 (interior remodel); Center for Occupational Medicine \$850,000 (new construction); Stop-N-Go \$700,000 (new construction); as well as multiple building permits for both Milltown Pointe (new construction) and the Chesterland Development (new construction and addition to existing building)

For comparison purposes, it should be noted that the City of Wooster implemented mandatory income tax filing for the year ending December 31, 2006. Percentage changes in total taxes collected have been affected by this change in ordinance and the accompanying amnesty period.

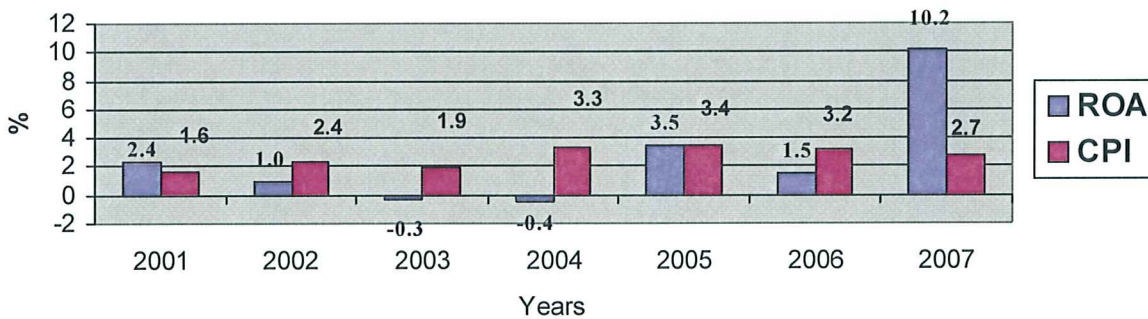
Financial Management Initiatives

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:

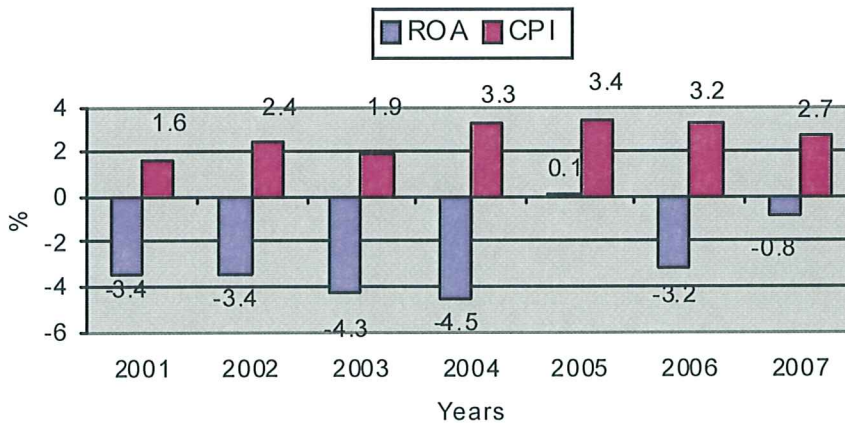
- (1) The governmental funds shall be budgeted to have a rate of return on all assets greater than or equal to the rate of inflation;
- (2) Council will not provide new services unless new revenue is available or there is a cost reduction in another service;
- (3) By 1999, the General Fund shall have 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:

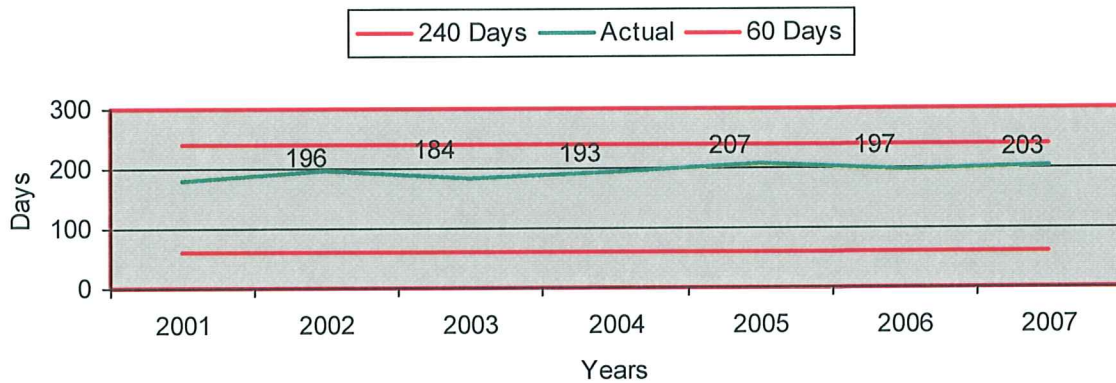
Total Return on Assets (Governmental Operations) vs CPI



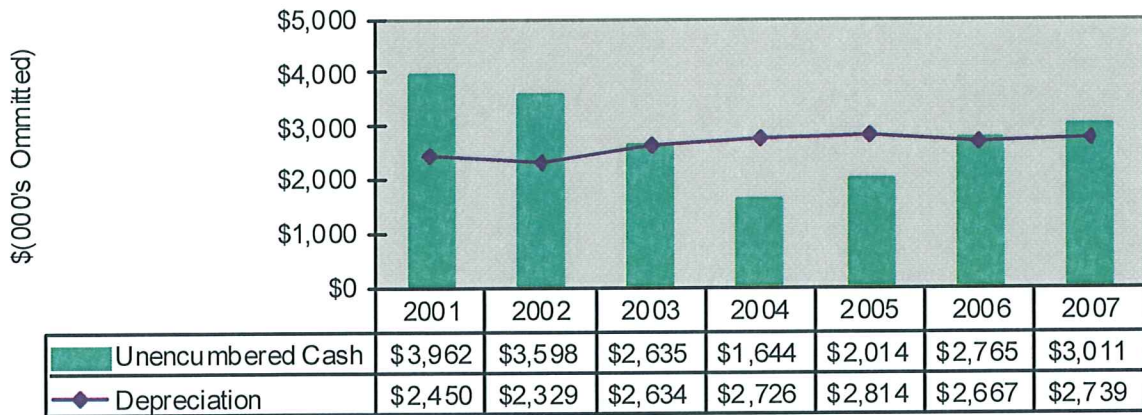
Return on Assets From Operations (Governmental Operations) vs CPI



Days in Unencumbered General Fund Cash



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



The City's financial management team makes an authorized annual transfer each fiscal year from the General Fund to the Capital Improvements Fund. This item is budgeted and the transfer is made to ensure that the cash balance in the Capital Improvements Fund remains at least equal to the amount of annual depreciation of governmental fund assets.

Major Initiatives

On March 17, 2008, Wooster Community Hospital was named one of the nation's top 100 hospitals by Thomson Healthcare. Thomson studies more than 3,000 hospitals of all sizes nationwide and the award recognizes the top 100 hospitals that have achieved excellence in clinical outcomes, patient safety, financial performance, and efficiency. Additionally, Wooster Community Hospital was recognized as one of the top 20 across the nation of more than 1,100 similarly sized hospitals. This is the 15th Edition of the Thomson 100 Top Hospitals and appeared in the March 17, 2008, edition of *Modern Healthcare* magazine.

In an effort to reduce overall healthcare costs, the City has made efforts to encourage employee physical fitness. The Human Resources Division organized multiple six-week fitness challenges to promote weight loss through friendly competition. In order to win the challenge, teams of four to six employees or

spouses compete to lose the highest percentage of weight or compete in measurement of body mass index (BMI). Human Resources also hosted a Lunch-n-Learn series where nutrition or other health professionals make a presentation during the employee lunch hour. The City has also partnered with the local YMCA to offer a discounted fitness class available semi-weekly to employees.

The City of Wooster maintains 14 parks. In 2005 a new state of the art playground was added to Knight's Field Park with assistance from a community development block grant and the local Kiwanis Club. In 2007 the City invested in the replacement of the under-used Knight's Field Pool with a zero-depth spray ground an attempt to enhance pool attendance, reduce operational costs and draw patrons from a larger segment of the community. Currently, construction of Kiddie City is under way at the park. The feature will be a miniature city with buildings, marked streets, street lights, traffic lights, bridges, tunnels and a small play structure. It will be open for tricycles, big wheels and small electric cars used by preschoolers. With the great results experienced in the prior year, the City intends that Knights Field Park will be completely transformed from a small neighborhood park to a "destination park" for families with small children.

Award and Acknowledgements

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 comprehensive annual financial report for the fiscal year ended December 31, 2006. This was the twenty-seventh consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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 their assistance in the preparation of this report, but also for the efforts expended throughout the year in following good financial management in order to maintain sound business practices. We would also like to acknowledge the members of City Council who have consistently supported the City's goals of both excellence and continuous improvement in all aspects of financial management.

Respectfully submitted,



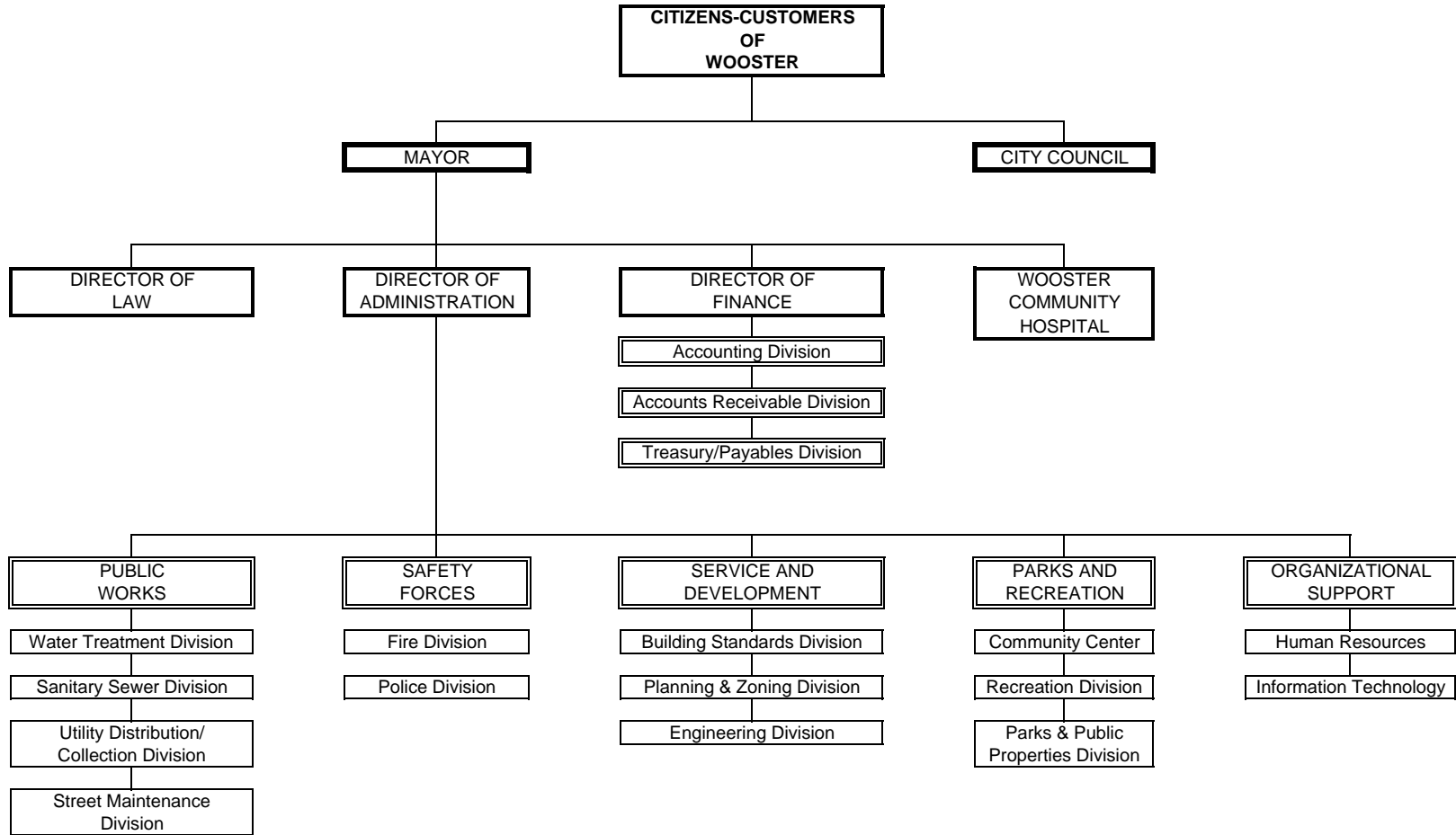
Robert F. Breneman
Mayor



Andrei A. Dordea, CPA
Director of Finance

CITY OF WOOSTER, OHIO ORGANIZATION CHART

As of December 31, 2007



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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director



Financial Section



June 27, 2008

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, 2007, 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, 2007, 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 June 27, 2008, 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 grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the budgetary comparison information on pages 15 through 26 and page 66 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wooster, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are 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.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hea & Associates, Inc.

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2007. 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.

FINANCIAL HIGHLIGHTS

- The City's net assets (total assets minus total liabilities) increased \$15.34 million as a result of this year's operations.
- The City-wide total return on assets was 5.28%.
- Total expenses of all City services was \$113.57 million in 2007 compared to \$106.37 million in 2006.
- Net assets of our business-type activities increased by \$8.10 million. Of these amounts Wooster Community Hospital net assets increased \$9.54 million while the City's utility service and economic development funds net assets decreased by \$1.44 million.
- The return on total assets for the business-type activities was 3.69% with the Hospital returning 6.60% on its total assets and the City's utility and economic development services returning (1.93%).
- Net assets of the governmental activities increased by \$7.24 million. The return on total assets for the governmental activities was 10.22%.
- The capital improvements fund ended the year with a cash balance of \$3.67 million. Depreciation expense for all governmental capital assets for 2007 was \$2.74 million. The City budgeted \$1.90 million (including carry-over projects) from the capital improvements fund (for governmental capital projects) in 2007.
- Net governmental capital assets increased by \$0.88 million in 2007.

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.

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 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:** hospital, water, sanitary sewer, storm drainage, and trash collection 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 governmental activities 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 categories 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
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 the accrual basis and present a statement of assets and liabilities and a statement of changes in assets and liabilities.

THE CITY AS A WHOLE

The City's combined net assets increased from \$229.64 million to \$244.98 million. The primary reason for this increase can be attributed to the strong financial performance of the Wooster Community Hospital and a donation of \$4.3 million from the College of Wooster for the Beall Avenue Streetscape Project. 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	
	2006 Restated	2007	2006	2007	2006 Restated	2007
Current Assets	\$ 25,943	\$ 31,708	\$ 88,755	\$ 99,236	\$114,698	\$130,944
Noncurrent receivables	2,670	2,799	562	490	3,232	3,289
Net capital assets	35,460	36,344	118,706	119,701	154,166	156,045
	64,073	70,851	208,023	219,427	272,096	290,278
Current Liabilities	(8,234)	(6,139)	(12,434)	(11,265)	(20,668)	(17,404)
Noncurrent liabilities	(2,853)	(4,488)	(18,933)	(23,403)	(21,786)	(27,891)
	(11,087)	(10,627)	(31,367)	(34,668)	(42,454)	(45,295)
Net Assets						
Invested in capital assets, net of related debt	30,220	31,480	99,531	96,419	129,751	127,899
Restricted	8,753	13,170	1,918	2,013	10,670	15,183
Unrestricted (deficit)	14,013	15,574	75,207	86,327	89,220	101,901
Total net assets	\$ 52,986	\$ 60,224	\$176,656	\$184,759	\$229,642	\$244,983

Unrestricted net assets of governmental activities, 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 11.13% from \$14.01 million at December 31, 2006 to \$15.57 million at December 31, 2007. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance, increased \$4.42 million (50.46%). This increase can be attributed to a donation of \$4.3 million from the College of Wooster for the Beall Avenue Streetscape Project. Investment in governmental capital assets net of related debt increased by \$1.26 million (4.17%).

The net assets of our business-type activities increased by \$8.10 million or 4.59% (\$176.66 million to \$184.76 million) in 2007. The majority of this increase was in the hospital fund which increased by \$9.54

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

million. The City is required to use these business-type net assets for sustaining services of the water, sanitary sewer, storm sewer and hospital funds.

Overall, the City's financial position improved as evidenced by the 6.68% increase in total net assets.

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.

Working Capital (\$ in thousands)	2001	2002	2003	2004	2005	2006	2007
Entity Wide Summary	\$ 87,483	\$ 92,021	\$ 98,878	\$ 99,549	\$ 95,154	\$ 94,031	\$ 113,539
Governmental	\$ 17,255	\$ 16,365	\$ 17,089	\$ 16,413	\$ 18,136	\$ 17,709	\$ 25,569
Business-type	\$ 70,228	\$ 75,656	\$ 81,789	\$ 83,136	\$ 77,018	\$ 76,322	\$ 87,970

Current Ratio	2001	2002	2003	2004	2005	2006	2007
Entity Wide Summary	4.86	4.52	5.77	6.30	5.39	5.55	7.52
Governmental	3.93	3.03	3.31	3.78	3.56	3.15	5.17
Business-type	5.21	5.19	7.14	7.45	6.28	7.14	8.81

"Liabilities to Net Assets" indicates the extent of borrowing.

Liabilities to Net Assets	2001	2002	2003	2004	2005	2006	2007
Entity Wide Summary	22%	21%	18%	16%	16%	19%	18%
Governmental	22%	22%	24%	21%	22%	23%	18%
Business-type	22%	20%	16%	14%	14%	18%	19%

"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	2001	2002	2003	2004	2005	2006	2007
Entity Wide Summary	3%	3%	2%	1%	3%	1%	1%
Governmental	-3%	-3%	-4%	-4%	0%	-3%	-1%
Business-type	4%	4%	4%	3%	4%	2%	2%

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

"Total Return on Assets" includes all operating and non-operating revenues and expenses.

Total Return on Assets	2001	2002	2003	2004	2005	2006	2007
Entity Wide Summary	5%	6%	3%	3%	5%	4%	5%
Governmental	2%	2%	0%	0%	3%	2%	10%
Business-type	6%	7%	5%	4%	5%	4%	4%

"Capital Asset Change" from previous year indicates whether the City of Wooster financially maintains infrastructure, buildings and equipment for future generations.

Capital Asset Change	2001	2002	2003	2004	2005	2006	2007
Entity Wide Summary	3%	5%	6%	3%	14%	15%	1%
Governmental	-1%	1%	4%	0%	2%	3%	2%
Business-type	5%	7%	7%	5%	19%	19%	1%

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

Days In Receivable	2001	2002	2003	2004	2005	2006	2007
Entity Wide Summary	58	60	67	70	69	69	71
Governmental	97	109	111	126	123	136	119
Business-type	48	50	57	59	58	57	61

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

Personal Service %	2001	2002	2003	2004	2005	2006	2007
Entity Wide Summary	53%	56%	59%	60%	60%	60%	59%
Governmental	63%	60%	60%	61%	59%	62%	61%
Business-type	50%	54%	58%	60%	60%	60%	59%

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Table 2

Changes in Net Assets (in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006 Restated	2007	2006	2007	2006 Restated	2007
Program revenues:						
Charges for Services	\$ 1,458	\$ 1,960	\$ 92,466	\$ 99,303	\$ 93,924	\$ 101,263
Operating Grants and Contributions	2,147	2,084	1,007	130	3,154	2,214
Capital Grants and Contributions	314	566	-	59	314	625
General revenues:						
Income Taxes (net of refunds)	8,559	9,656	-	-	8,559	9,656
Property Taxes	2,454	2,540	-	-	2,454	2,540
Other Taxes	918	1,419	-	-	918	1,419
Grants and Contributions	1,660	1,680	-	-	1,660	1,680
Interest and Investment Earnings	1,068	1,370	3,428	3,210	4,496	4,580
Other revenues	327	459	216	173	543	632
Total Revenues:	18,905	21,734	97,117	102,875	116,022	124,609
Governmental program expenses including indirect expenses:						
Safety Services	10,431	10,909	-	-	10,431	10,909
Health and Social Services	143	149	-	-	143	149
Leisure Services	2,380	2,431	-	-	2,380	2,431
Environment and Development	1,348	1,313	-	-	1,348	1,313
Transportation Services	2,939	3,328	-	-	2,939	3,328
Administrative Services	437	452	-	-	437	452
Interest on Long Term Debt	189	214	-	-	189	214
Business-type services:						
Wooster Community Hospital	-	-	77,586	83,153	77,586	83,153
Water	-	-	4,663	4,170	4,663	4,170
Water Pollution Control	-	-	4,505	5,747	4,505	5,747
Storm Drainage	-	-	656	483	656	483
Refuse Collection	-	-	1,093	1,203	1,093	1,203
CDBG development loan	-	-	-	16	-	16
Total expenses	17,867	18,796	88,503	94,772	106,370	113,568
Excess (deficiency) before transfers/special item	1,038	2,938	8,614	8,103	9,652	11,041
Special Item – cash donation for streetscape	-	4,300	-	-	-	4,300
Transfers	11	-	(11)	-	-	-
Change in Net Assets	1,049	7,238	8,603	8,103	9,652	15,341
Net Assets Beginning	51,937	52,986	168,054	176,656	219,991	229,642
Net Assets Ending	\$ 52,986	\$ 60,224	\$ 176,657	\$ 184,760	\$ 229,643	\$ 244,984

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Explanations for larger fluctuations between years are as follows:

- Charges for services revenue was higher in 2007 primarily due to increased hospital service demand.
- Income tax revenues increased as a result of the first year of mandatory income tax filing as well as economic growth.
- The increase in other taxes was the result of estate tax revenues.
- The increase in transportation services expenses is the result of increased paving of city streets.
- The primary reason for the increase in expenses relating to the water pollution control plant was the result of loss on disposal of plant equipment due to the recent plant renovations.
- The special item of \$4.3 million was a donation from The College of Wooster to be used toward the Beall Avenue Streetscape Project.

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 (accrual)

Governmental Activities (in thousands)	Total Cost of Services		Net Cost of Services	
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
Safety Services	\$10,431	\$10,909	\$9,819	\$10,148
Transportation Services	2,939	3,328	956	984
Leisure Services	2,380	2,431	1,939	1,928
Environment and Development Services	1,348	1,313	666	715

- Total cost of services in safety services program experienced a 4.58% increase in 2007. This was due primarily to inflation.
- Total cost of transportation services program increased 13.24% in 2007 because of increased street resurfacing activity.

Statement of Revenues, Expenditures and Changes in Fund Balances (modified accrual)

Governmental Funds

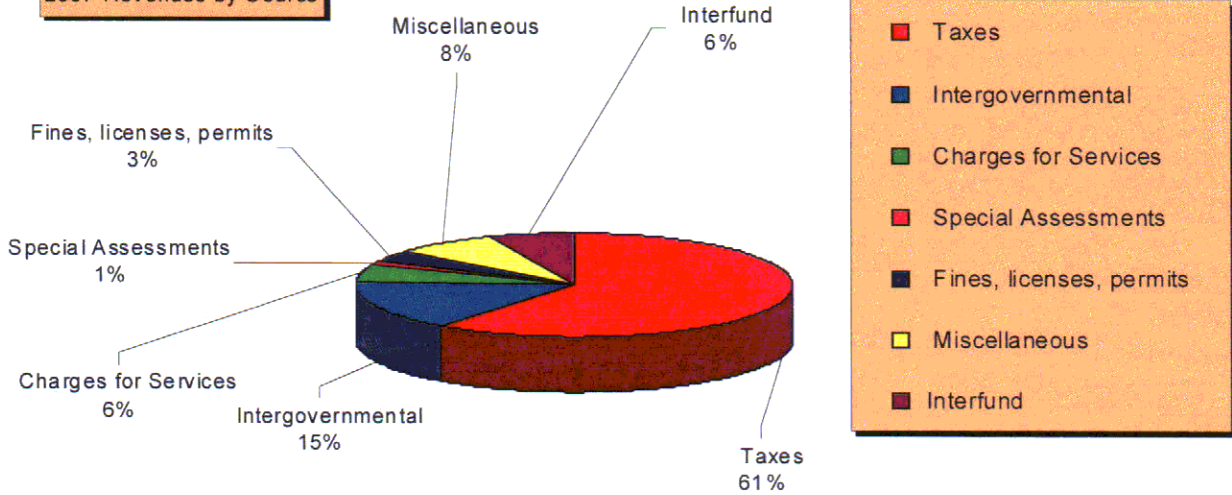
Information below compares revenues and expenditures for all governmental fund types for 2006 and 2007.

(in thousands)

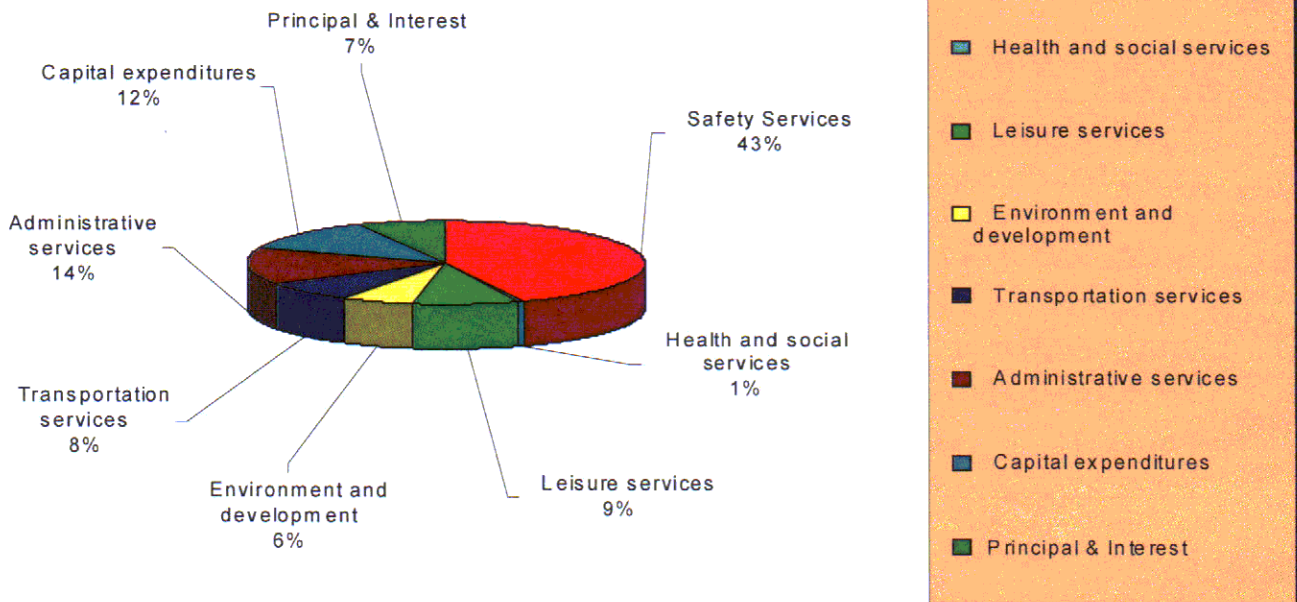
<u>Revenues by Source:</u>	<u>2006</u>	<u>2007</u>	<u>% Change</u>
Taxes	\$12,345	\$13,726	11.2
Intergovernmental	3,593	3,506	-2.5
Charges for Services	1,032	1,254	1.2
Special Assessments	198	255	28.8
Fines, licenses, permits	520	727	39.8
Miscellaneous	1,350	1,788	32.4
Interfund	1,505	1,443	-4.3
Total Revenues	<u>\$20,543</u>	<u>\$22,699</u>	10.5

**CITY OF WOOSTER, OHIO
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2007**

2007 Revenues by Source



2007 Expenditures by Function



**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

(in thousands)

<u>Expenditures by Function:</u>	<u>2006</u>	<u>2007</u>	<u>% Change</u>
Safety Services	\$9,406	\$9,530	1.3
Health and social services	143	149	4.2
Leisure services	1,839	1,886	2.6
Environment and development	1,289	1,234	-4.5
Transportation services	1,636	2,164	32.3
Administrative services	3,058	3,280	7.3
Capital expenditures	2,664	2,693	1.1
Debt service:			
Principal	1,353	1,372	1.4
Interest	190	214	12.6
Total Expenditures	<u>\$21,578</u>	<u>\$22,522</u>	4.4

Fund balance in the General Fund increased in 2007 due to unexpectedly high Estate Tax revenues. This activity is not expected to be repeated in 2008.

The Capital Improvements Fund experienced an increase in fund balance in 2007 due to a higher than necessary transfer from the General Fund. Further, expenditures in the fund were lower than anticipated.

A \$4.3 million donation to the City from The College of Wooster for the Beall Avenue Streetscape project increased the fund balance in the Beall Avenue Streetscape Fund.

Business-type Funds

The City's major Enterprise Funds consist of the Hospital Fund, the Water Fund, the Water Pollution Control Fund, the Storm Drainage 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 upgrades will be completed in 2008. The approximate cost of this project was \$20 million and funded primarily from loans through the Ohio Water Development Authority.

Water and sanitary sewer rates are scheduled to increase by approximately 6% on or about July 1, 2008.

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Table 4 - Proprietary Funds Statements

(in thousands)			Water			Non-major
	Hospital	Water	Pollution Control	Storm Drainage	Refuse	Enterprise Funds
Total Assets	\$144,645	\$25,921	\$38,724	\$9,106	\$372	\$659
Net Assets	134,368	20,384	21,763	7,311	275	659
Change in Net Assets	9,545	(97)	(1,778)	506	(89)	17
Return on Ending Total Assets	6.6%	-0.3%	-4.6%	5.6%	-23.9%	2.6%
Return on Ending Net Assets	7.1%	-0.4%	-8.2%	6.9%	-32.4%	2.6%

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues for the General Fund came in 9.68% higher than budget for 2007. Following are highlights for significant variances between the final budget and actual results:

- Taxes were 8.45% over budget primarily due to income tax and estate tax receipts.
- Interest income came in 47.38% over budget because of greater portfolio investment yields.

Actual expenditures for the General Fund were 6.78% lower than budgeted for 2007. This was primarily due to prudent financial management.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2007 the City had a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines at a cost of \$287.44 million. (See Table 5). This amount represents a net increase (including additions and deductions) of \$7.89 million, or 2.74%, over last year.

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Table 5

Capital Assets at Year-end

(Net of Depreciation, in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2006	2007	2006	2007	2006	2007
	Land	\$ 2,095	\$ 2,010	\$ 3,110	\$ 3,348	\$ 5,205
Buildings	7,086	7,074	85,986	87,977	93,072	95,051
Improvements	62,373	62,403	51,580	68,873	113,953	131,276
Equipment	9,752	10,546	40,504	41,123	50,256	51,669
Construction-in-progress	908	2,176	16,163	1,912	17,071	4,088
Subtotal	82,214	84,209	197,343	203,233	279,557	287,442
Accumulated Depreciation	(46,754)	(47,865)	(78,637)	(83,532)	(125,391)	(131,397)
Totals	<u>\$ 35,460</u>	<u>\$ 36,344</u>	<u>\$118,706</u>	<u>\$119,701</u>	<u>\$154,166</u>	<u>\$156,045</u>

The City's 2008 capital budget anticipates a spending level of \$18.94 million for capital projects, exclusive of the hospital. Of this amount, \$6.54 million is budgeted for the Beall Avenue streetscape project. The Hospital's 2008 Capital Budget anticipates a capital projects spending level of \$13.54 million. More detailed information about the City's capital assets is presented in Note 7 to the basic financial statements.

Debt

At year-end, the City had \$27.15 million in bonds, notes and loans outstanding versus \$22.42 million last year representing an increase of 21.1% as shown in Table 6 below. \$5.47 million of this increase in debt was to fund the upgrade at the water pollution control plant.

Table 6

Outstanding Debt, at Year-end

(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2006	2007	2006	2007	2006	2007
	General obligation bonds and notes, special assessment bonds and notes (backed by the City)	\$3,240	\$ 3,864	\$ 0	\$ 0	\$ 3,240
General obligation revenue bonds and notes (backed by specific revenues and the City of Wooster)	0	0	19,175	23,282	19,175	23,282
Totals	<u>\$3,240</u>	<u>\$3,864</u>	<u>\$19,175</u>	<u>\$23,282</u>	<u>\$22,415</u>	<u>\$27,146</u>

At December 31, 2007 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 Note 19 to the basic financial statements.

**CITY OF WOOSTER, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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. 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 five-year table that demonstrates the changes in employment of those employers that employed 500 or more individuals as of December 31, 2002. Figures are rounded to the nearest 50.

Employer	Nature of Activity	2003	2004	2005	2006	2007
Worthington Industries	Auto Parts Fabricator	650	600	550	500	550
The County of Wayne	Government	850	700	850	850	850
The City of Wooster	Government/Hospita l	800	850	850	875	900
Luk, Inc	Auto Parts Fabricator	750	850	1,000	1,000	1,000
The College of Wooster	Education	350	600	600	600	650
Rexroth Corporation	Hydraulics Manufacturer	450	350	n/a	n/a	n/a
Wal-Mart	Retail	450	550	350	500	500
Wooster Brush Company	Manufacturer of Paint Applicators	600	600	550	550	550
Wooster City Schools	Education	500	450	400	500	500
Total of Above		5,400	5,550	5,150	5,375	5,450

BUDGETS

The Mayor proposed and Council adopted an original budget for the year 2008, which, if necessary, adjusted rates for any revenues for inflation and other local and statewide economic factors. 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 2007 and the final budget are caused by amendments to the original appropriation ordinance. (See Note 3.)

REQUESTS FOR INFORMATION

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. 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, 2007**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Equity in city treasury cash	\$ 24,769,050	\$ 80,446,645	\$ 105,215,695
Net receivables	7,415,355	16,695,354	24,110,709
Inventory	150,464	1,499,015	1,649,479
Prepaid expenses	0	594,834	594,834
Total current assets	<u>32,334,869</u>	<u>99,235,848</u>	<u>131,570,717</u>
Noncurrent assets:			
Net receivables	2,172,027	490,386	2,662,413
Capital assets (net of accumulated depreciation):			
Land	2,009,563	3,347,916	5,357,479
Buildings	2,729,599	54,004,334	56,733,933
Improvements/Infrastructure	25,737,194	47,766,391	73,503,585
Equipment	3,691,913	12,670,633	16,362,546
Construction in progress	2,175,854	1,912,001	4,087,855
Net capital assets	<u>36,344,123</u>	<u>119,701,275</u>	<u>156,045,398</u>
Total noncurrent assets	<u>38,516,150</u>	<u>120,191,661</u>	<u>158,707,811</u>
Total assets	<u>\$ 70,851,019</u>	<u>\$ 219,427,509</u>	<u>\$ 290,278,528</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 416,066	\$ 2,671,165	\$ 3,087,231
Accrued wages and benefits	960,225	3,766,528	4,726,753
Other accrued liabilities	198,872	1,452,001	1,650,873
Compensated absences, current	890,669	1,434,845	2,325,514
Current portion of long term bonds and notes	248,881	1,185,800	1,434,681
Current portion special assessment debt with government commitment	148,456	0	148,456
Current portion long term loans	22,471	754,881	777,352
Unearned revenue	2,253,115	0	2,253,115
Total current liabilities	<u>5,138,755</u>	<u>11,265,220</u>	<u>16,403,975</u>
Noncurrent liabilities			
Bonds and notes	3,084,912	5,277,900	8,362,812
Special assessment debt with governmental commitment	1,139,083	0	1,139,083
Loans	220,606	16,063,506	16,284,112
Compensated absences	1,043,948	2,061,275	3,105,223
Total noncurrent liabilities	<u>5,488,549</u>	<u>23,402,681</u>	<u>28,891,230</u>
Total liabilities	<u>10,627,304</u>	<u>34,667,901</u>	<u>45,295,205</u>
NET ASSETS			
Invested in capital assets , net of related debt	31,479,714	96,419,187	127,898,901
Restricted for:			
Capital projects	5,878,620	0	5,878,620
Debt service	2,498,159	0	2,498,159
Hospital donor requirements	0	430,481	430,481
Street construction and maintenance	1,948,826	0	1,948,826
Other purposes	2,844,190	1,583,027	4,427,217
Unrestricted	15,574,206	86,326,913	101,901,119
Total net assets	<u>60,223,715</u>	<u>184,759,608</u>	<u>244,983,323</u>
Total liabilities and net assets	<u>\$ 70,851,019</u>	<u>\$ 219,427,509</u>	<u>\$ 290,278,528</u>

See accompanying notes to the basic financial statements

**CITY OF WOOSTER, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government					
Governmental activities:					
Safety services	\$ 9,673,584	\$ 1,235,720	\$ 675,969	\$ 85,702	\$ 0
Health and social services	148,883	0	0	0	0
Leisure services	2,104,404	327,034	461,364	17,237	25,000
Environment and development	1,255,221	57,577	302,442	295,746	0
Transportation services	3,012,432	315,986	132,711	1,670,887	541,152
Administrative services	3,485,836	(3,036,440)	387,959	14,200	0
Central services	372,806	(370,401)	0	0	0
Interest expense	214,332	0	0	0	0
Total governmental activities	<u>20,267,498</u>	<u>(1,470,524)</u>	<u>1,960,445</u>	<u>2,083,772</u>	<u>566,152</u>
Business-type activities:					
Wooster Community Hospital	83,058,943	93,852	90,173,785	99,370	0
Water	3,931,278	238,581	3,787,493	4,450	0
Water pollution control	4,764,750	982,187	3,379,302	1,200	0
Storm drainage	387,454	95,904	886,865	0	59,000
Refuse collection	1,142,945	60,000	1,070,033	25,213	0
CDBG development loans	15,777	0	5,005	0	0
Total business-type activities	<u>93,301,147</u>	<u>1,470,524</u>	<u>99,302,483</u>	<u>130,233</u>	<u>59,000</u>
Total primary government	<u>\$ 113,568,645</u>	<u>\$ 0</u>	<u>\$ 101,262,928</u>	<u>\$ 2,214,005</u>	<u>\$ 625,152</u>

General revenues:

Taxes:	
City income taxes	9,655,637
Property taxes	2,539,667
Estate taxes	1,263,406
Other taxes	156,057
Grants and contributions	1,680,018
Interest and investment earnings	1,370,251
Miscellaneous	459,353
Total general revenues	<u>17,124,389</u>
Change in net assets before special item	2,937,784
Special item - donation for streetscape from local college	4,300,000
Change in net assets	<u>7,237,784</u>
Net assets -- beginning (restated, Note 16)	52,985,931
Net assets -- ending	<u>\$ 60,223,715</u>

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (10,147,633)	\$ 0	\$ (10,147,633)
(148,883)	0	(148,883)
(1,927,837)	0	(1,927,837)
(714,610)	0	(714,610)
(983,668)	0	(983,668)
(47,237)	0	(47,237)
(2,405)	0	(2,405)
(214,332)	0	(214,332)
<u>(14,186,605)</u>	<u>0</u>	<u>(14,186,605)</u>
0	7,120,360	7,120,360
0	(377,916)	(377,916)
0	(2,366,435)	(2,366,435)
0	462,507	462,507
0	(107,699)	(107,699)
0	(10,772)	(10,772)
<u>0</u>	<u>4,720,045</u>	<u>4,720,045</u>
<u>(14,186,605)</u>	<u>4,720,045</u>	<u>(9,466,560)</u>
9,655,637	0	9,655,637
2,539,667	0	2,539,667
1,263,406	0	1,263,406
156,057	0	156,057
1,680,018	0	1,680,018
1,370,251	3,210,403	4,580,654
459,353	172,601	631,954
<u>17,124,389</u>	<u>3,383,004</u>	<u>20,507,393</u>
2,937,784	8,103,049	11,040,833
4,300,000	0	4,300,000
7,237,784	8,103,049	15,340,833
52,985,931	176,656,559	229,642,490
<u>\$ 60,223,715</u>	<u>\$ 184,759,608</u>	<u>\$ 244,983,323</u>

See accompanying notes to the basic financial statements

CITY OF WOOSTER, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	General Fund	Street Construction Maintenance and Repair Fund	Capital Improvements Fund	Debt Service Fund
Assets:				
Equity in city treasury cash	\$ 13,102,745	\$ 1,298,675	\$ 3,673,770	\$ 723,830
Taxes receivable	3,744,533	0	0	0
Accounts receivable	241,196	7,940	0	0
Due from other governments	1,202,469	651,230	0	0
Due from other funds	69,700	0	0	0
Accrued interest receivable	139,546	15,595	43,842	11,258
Inventory	59,840	53,128	0	0
Long term receivables	0	0	0	0
Special assessments receivable	0	0	0	1,926,114
Total assets	<u>\$ 18,560,029</u>	<u>\$ 2,026,568</u>	<u>\$ 3,717,612</u>	<u>\$ 2,661,202</u>
Liabilities:				
Accounts payable	\$ 174,853	\$ 72,604	\$ 34,295	\$ 0
Accrued salaries, wages and benefits	945,458	1,066	0	0
Due to other governments	0	0	0	159,466
Due to other funds	0	0	0	0
Deferred revenue	3,448,229	496,851	0	1,926,114
Total liabilities	<u>4,568,540</u>	<u>570,521</u>	<u>34,295</u>	<u>2,085,580</u>
Fund balances:				
Reserved for encumbrances	2,569,889	277,507	662,426	0
Reserved for long term receivables	0	0	0	0
Unreserved, reported in:				
General fund	11,421,600	0	0	0
Special revenue funds	0	1,178,540	0	0
Capital projects funds	0	0	3,020,891	0
Debt service funds	0	0	0	575,622
Total fund balances	<u>13,991,489</u>	<u>1,456,047</u>	<u>3,683,317</u>	<u>575,622</u>
Total liabilities and fund balances	<u>\$ 18,560,029</u>	<u>\$ 2,026,568</u>	<u>\$ 3,717,612</u>	<u>\$ 2,661,202</u>

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, 2007

	Other Governmental Funds	Total Governmental Funds
Total Governmental Fund Balances		\$ 26,082,078
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		36,344,123
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Special assessments receivable	\$ 1,926,114	
Delinquent property taxes receivable	229,639	
Due from other governments	1,223,550	
Hud Home loan receivable	627,388	
Income tax receivable	612,062	
		4,618,753
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable	\$ (39,406)	
Current portion - G.O. bonds	(248,881)	
Current portion - OPWC loans	(22,471)	
Bonds	(3,084,912)	
Loans	(220,606)	
Compensated absences, current	(890,669)	
Compensated absences, non-current	(1,043,948)	
Special assessment debt	(1,287,539)	
		(6,838,432)
Internal service fund net assets are not included in fund statements but are included in the Statement of Net Assets,		
Liabilities excluding compensated absences	\$ (27,253)	
Assets	51,928	
		24,675
Retainage on capital assets is included in the Statement of Net Assets, but not included on the fund statements.		(4,383)
Internal service fund costs spread to other governmental funds should not be included in fund assets		(3,099)
Net Assets of Governmental Activities		<u>\$ 60,223,715</u>

**CITY OF WOOSTER, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General Fund	Street Construction Maintenance and Repair Fund	Capital Improvements Fund	Debt Service Fund
Revenues :				
Taxes	\$ 13,131,715	\$ 0	\$ 0	\$ 0
Intergovernmental	1,736,840	1,239,814	0	0
Charges for services	1,254,071	0	0	0
Special assessments	0	0	0	68,896
Fines, licenses, permits	715,569	0	0	0
Interfund services provided	1,443,050	0	0	0
Interest income	736,882	74,344	197,428	55,457
Miscellaneous	290,913	70,657	37,200	0
Total Revenues	<u>19,309,040</u>	<u>1,384,815</u>	<u>234,628</u>	<u>124,353</u>
Expenditures :				
Current operations :				
Safety services	8,878,166	248,240	0	0
Health and social services	148,884	0	0	0
Leisure services	1,860,763	0	0	0
Environment and development	835,952	0	0	0
Transportation services	1,188,595	910,084	0	35,247
Administrative services	3,221,718	0	0	0
Capital expenditures	0	41,436	1,147,192	0
Debt service :				
Principal	168,621	12,529	0	128,285
Interest	60,192	6,234	0	59,727
Total Expenditures	<u>16,362,891</u>	<u>1,218,523</u>	<u>1,147,192</u>	<u>223,259</u>
Excess revenues over(under) expenditures	<u>2,946,149</u>	<u>166,292</u>	<u>(912,564)</u>	<u>(98,906)</u>
Other financing sources (uses) :				
Issuance of debt	0	0	0	0
Proceeds from sale of capital asset	0	0	85,000	0
Transfers in	0	0	1,431,473	0
Transfers (out)	(1,431,473)	0	0	0
Total other financing sources (uses)	<u>(1,431,473)</u>	<u>0</u>	<u>1,516,473</u>	<u>0</u>
Special item - cash contribution from local college	0	0	0	0
Net changes in fund balances	<u>1,514,676</u>	<u>166,292</u>	<u>603,909</u>	<u>(98,906)</u>
Fund balances at beginning of year (restated, Note 16)	12,476,813	1,289,755	3,079,408	674,528
Fund balances at end of year	<u>\$ 13,991,489</u>	<u>\$ 1,456,047</u>	<u>\$ 3,683,317</u>	<u>\$ 575,622</u>

**CITY OF WOOSTER, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Other Governmental Funds	Total Governmental Funds
	\$ 594,499	\$ 13,726,214
	529,460	3,506,114
	0	1,254,071
	186,174	255,070
	11,433	727,002
	0	1,443,050
	306,139	1,370,250
	19,016	417,786
	<u>1,646,721</u>	<u>22,699,557</u>
	403,538	9,529,944
	0	148,884
	24,861	1,885,624
	398,445	1,234,397
	30,071	2,163,997
	57,900	3,279,618
	1,504,862	2,693,490
	62,883	372,318
	88,179	214,332
	<u>2,570,739</u>	<u>21,522,604</u>
	(924,018)	1,176,953
	1,997,023	1,997,023
	0	85,000
	0	1,431,473
	0	(1,431,473)
	<u>1,997,023</u>	<u>2,082,023</u>
	4,300,000	4,300,000
	5,373,005	7,558,976
	1,002,598	18,523,102
	<u>\$ 6,375,603</u>	<u>\$ 26,082,078</u>

Net Change in Fund Balances - Total Governmental Funds	\$ 7,558,976
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(46,146)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	504,279
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	372,318
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(28,795)
Some expenses reported in the Statement of Activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(56,106)
Issuance of debt is reported as an other financing source in the governmental funds, but the issuance increases long-term liabilities in the Statement of Net Assets.	(1,997,023)
Some expenditures reported in the governmental funds, such as labor and materials for street construction are not reported as expenses in the Statement of Activities, but instead are included in net capital assets.	1,015,281
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the net book value of the disposed capital assets.	(85,000)
Change in Net Assets of Governmental Activities	<u><u>\$ 7,237,784</u></u>

**CITY OF WOOSTER, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2007**

	Business-type Activities			
	Wooster Community Hospital	Water	Water Pollution Control	Storm Drainage
Assets				
Current Assets				
Equity in city treasury cash	\$ 69,497,436	\$ 1,443,663	\$ 8,201,612	\$ 567,823
Receivables - net of allowances:				
Accounts	14,495,697	452,017	431,518	99,151
Accrued interest	848,937	53,862	137,683	9,426
Due from other governments	0	19,183	0	0
Inventory	1,330,521	91,133	12,877	64,484
Prepaid expenses	594,834	0	0	0
Total Current Assets	<u>86,767,425</u>	<u>2,059,858</u>	<u>8,783,690</u>	<u>740,884</u>
Noncurrent assets				
Long term receivables	0	0	343,392	0
Net capital assets	57,877,385	23,861,394	29,597,254	8,365,242
Total Noncurrent assets	<u>57,877,385</u>	<u>23,861,394</u>	<u>29,940,646</u>	<u>8,365,242</u>
Total Assets	<u>\$ 144,644,810</u>	<u>\$ 25,921,252</u>	<u>\$ 38,724,336</u>	<u>\$ 9,106,126</u>
Liabilities				
Current Liabilities				
Accounts Payable	\$ 2,361,344	\$ 84,115	\$ 128,406	\$ 215
Contracts Payable	472,509	0	0	0
Accrued salaries, wages and benefits	3,527,366	123,502	104,839	10,821
Other accrued liabilities	952,667	0	0	0
Interest payable	0	21,914	0	4,911
Current portion of long term debt	0	1,062,482	739,846	138,353
Current portion of compensated absences	1,141,351	159,186	128,152	6,156
Total Current Liabilities	<u>8,455,237</u>	<u>1,451,199</u>	<u>1,101,243</u>	<u>160,456</u>
Noncurrent Liabilities				
Long term debt	0	3,958,580	15,759,557	1,623,269
Compensated absences	1,821,567	127,415	100,811	11,482
Total Noncurrent Liabilities	<u>1,821,567</u>	<u>4,085,995</u>	<u>15,860,368</u>	<u>1,634,751</u>
Total Liabilities	<u>10,276,804</u>	<u>5,537,194</u>	<u>16,961,611</u>	<u>1,795,207</u>
Net Assets				
Invested in capital assets, net of related debt	57,877,385	18,840,332	13,097,850	6,603,620
Restricted for				
Other purpose	924,258	0	0	0
Hospital donor requirements	430,481	0	0	0
Unrestricted	75,135,882	1,543,726	8,664,875	707,299
Total net assets	<u>134,368,006</u>	<u>20,384,058</u>	<u>21,762,725</u>	<u>7,310,919</u>
Total liabilities and net assets	<u>\$ 144,644,810</u>	<u>\$ 25,921,252</u>	<u>\$ 38,724,336</u>	<u>\$ 9,106,126</u>

See accompanying notes to the basic financial statements

	Business-type Activities			Governmental Activities
	Refuse	Nonmajor Enterprise Funds	Totals	Internal Service
	\$ 229,945	\$ 506,166	\$ 80,446,645	\$ 51,344
				584
	138,299	0	15,616,682	0
	3,972	5,609	1,059,489	0
	0	0	19,183	0
	0	0	1,499,015	0
	0	0	594,834	0
	<u>372,216</u>	<u>511,775</u>	<u>99,235,848</u>	<u>51,928</u>
	0	146,994	490,386	0
	0	0	119,701,275	20,629
	<u>0</u>	<u>146,994</u>	<u>120,191,661</u>	<u>20,629</u>
	<u>\$ 372,216</u>	<u>\$ 658,769</u>	<u>\$ 219,427,509</u>	<u>\$ 72,557</u>
	\$ 97,085	\$ 0	\$ 2,671,165	\$ 14,618
	0	0	472,509	0
	0	0	3,766,528	12,635
	0	0	952,667	0
	0	0	26,825	0
	0	0	1,940,681	0
	0	0	1,434,845	11,809
	<u>97,085</u>	<u>0</u>	<u>11,265,220</u>	<u>39,062</u>
	0	0	21,341,406	0
	0	0	2,061,275	33,495
	<u>0</u>	<u>0</u>	<u>23,402,681</u>	<u>33,495</u>
	<u>97,085</u>	<u>0</u>	<u>34,667,901</u>	<u>72,557</u>
	0	0	96,419,187	0
	0	658,769	1,583,027	0
	0	0	430,481	0
	275,131	0	86,326,913	0
	<u>275,131</u>	<u>658,769</u>	<u>184,759,608</u>	<u>0</u>
	<u>\$ 372,216</u>	<u>\$ 658,769</u>	<u>\$ 219,427,509</u>	<u>\$ 72,557</u>

CITY OF WOOSTER, OHIO
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities			
	Wooster Community Hospital	Water	Water Pollution Control	Storm Drainage
Operating Revenues :				
Charges for services	\$ 90,173,785	\$ 3,787,493	\$ 3,379,302	\$ 886,865
Interfund services provided	0	0	0	0
Miscellaneous	0	128,367	34,875	4,934
Total operating revenues	<u>90,173,785</u>	<u>3,915,860</u>	<u>3,414,177</u>	<u>891,799</u>
Operating expenses:				
Personal services	51,485,501	1,569,085	1,452,831	76,541
Operations and maintenance	24,860,461	1,093,276	1,781,997	0
Depreciation	6,712,981	990,725	1,272,771	249,117
Interfund services used	93,852	238,581	982,187	95,904
Total operating expenses	<u>83,152,795</u>	<u>3,891,667</u>	<u>5,489,786</u>	<u>421,562</u>
Operating income (loss)	<u>7,020,990</u>	<u>24,193</u>	<u>(2,075,609)</u>	<u>470,237</u>
Non-operating revenues (expenses):				
Interest & investment earnings	2,424,431	152,111	552,974	38,234
Intergovernmental	0	0	0	59,000
Operating subsidies	99,370	4,450	1,200	0
Miscellaneous	0	0	700	0
Interest expense	0	(278,192)	(257,151)	(61,797)
Net non-operating revenues (expenses)	<u>2,523,801</u>	<u>(121,631)</u>	<u>297,723</u>	<u>35,437</u>
Change in net assets	<u>9,544,791</u>	<u>(97,438)</u>	<u>(1,777,886)</u>	<u>505,674</u>
Total net assets at beginning of year	<u>124,823,215</u>	<u>20,481,496</u>	<u>23,540,611</u>	<u>6,805,245</u>
Total net assets at end of year	<u>\$ 134,368,006</u>	<u>\$ 20,384,058</u>	<u>\$ 21,762,725</u>	<u>\$ 7,310,919</u>

See accompanying notes to the basic financial statements

	Business-type Activities			Governmental Activities
	Refuse	Nonmajor Enterprise Funds	Totals	Internal Service
	\$ 1,070,033	\$ 5,006	\$ 99,302,484	\$ 0
	0	0	0	370,401
	3,725	0	171,901	2,405
	<u>1,073,758</u>	<u>5,006</u>	<u>99,474,385</u>	<u>372,806</u>
	0	0	54,583,958	210,346
	1,142,944	15,777	28,894,455	157,253
	0	0	9,225,594	5,207
	60,000	0	1,470,524	0
	<u>1,202,944</u>	<u>15,777</u>	<u>94,174,531</u>	<u>372,806</u>
	(129,186)	(10,771)	5,299,854	0
	15,178	27,475	3,210,403	0
	0	0	59,000	0
	25,212	0	130,232	0
	0	0	700	0
	0	0	(597,140)	0
	<u>40,390</u>	<u>27,475</u>	<u>2,803,195</u>	<u>0</u>
	(88,796)	16,704	8,103,049	0
	<u>363,927</u>	<u>642,065</u>	<u>176,656,559</u>	<u>0</u>
	<u>\$ 275,131</u>	<u>\$ 658,769</u>	<u>\$ 184,759,608</u>	<u>\$ 0</u>

CITY OF WOOSTER, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Business-type Activities		
	Wooster Community Hospital	Water	Water Pollution Control
Cash flows from operating activities:			
Cash received from customers	\$ 88,367,115	\$ 3,823,324	\$ 3,419,441
Cash paid to suppliers	(25,104,692)	(1,195,576)	(2,363,501)
Cash paid to employees	(50,813,095)	(1,534,883)	(1,462,120)
Cash received from interfund services provided	0	0	0
Cash paid for internal services used	(93,852)	(238,581)	(982,187)
Other revenue (expense)	0	128,367	34,875
Net cash provided (used) by operating activities	<u>12,355,476</u>	<u>982,651</u>	<u>(1,353,492)</u>
Cash flows from capital and related financing activities:			
Proceeds from capital debt	0	63,216	5,726,099
Capital grant	0	0	0
Proceeds from sale of assets	0	0	700
Acquisitions of capital assets	(4,041,386)	(708,141)	(5,568,229)
Principal paid on capital debt	0	(1,016,172)	(487,626)
Interest paid on capital debt	0	(280,114)	(257,150)
Net cash provided (used) for capital and related financing activities	<u>(4,041,386)</u>	<u>(1,941,211)</u>	<u>(586,206)</u>
Cash flows from investing activities:			
Interest from investments	2,071,424	151,311	528,204
Net cash provided (used) by investing activities	<u>2,071,424</u>	<u>151,311</u>	<u>528,204</u>
Cash flows from non-capital financing activities:			
Operating subsidies	99,370	4,450	1,200
Net cash provided (used) by non-capital financing activities	<u>99,370</u>	<u>4,450</u>	<u>1,200</u>
Net increase (decrease) in cash and cash equivalents	10,484,884	(802,799)	(1,410,294)
Cash and cash equivalents at beginning of year	59,012,552	2,246,462	9,611,906
Cash and cash equivalents at end of year	<u>\$ 69,497,436</u>	<u>\$ 1,443,663</u>	<u>\$ 8,201,612</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 7,020,990	\$ 24,193	\$ (2,075,609)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	6,712,981	990,724	1,272,771
Changes in assets and liabilities:			
Receivables - net of allowances	(1,806,670)	35,831	38,939
Inventory	(218,352)	(13,090)	762
Prepaid expenses	(53,428)	0	0
Accounts and other payables	(285,922)	(89,209)	(581,065)
Accrued expenses	672,406	34,202	(9,290)
Other accrued liabilities	313,471	0	0
Net cash provided (used) by operating activities	<u>\$ 12,355,476</u>	<u>\$ 982,651</u>	<u>\$ (1,353,492)</u>
Noncash investing, capital, and financing activities:			
Purchase of equipment on accounts	3,724	0	0
Addition of debt proceeds received in previous year	0	43,717	0

See accompanying notes to the basic financial statements

	Business-type Activities			Governmental Activities	
	Storm Drainage	Refuse	Nonmajor Enterprise Funds	Totals	Internal Service
Cash flows from operating activities:					
Cash received from customers	\$ 873,832	\$ 1,057,486	\$ 5,006	\$ 97,546,204	\$ 0
Cash paid to suppliers	(18,652)	(1,136,722)	(15,777)	(29,834,920)	(150,770)
Cash paid to employees	(136,186)	0	0	(53,946,284)	(205,084)
Cash received from interfund services provided	0	0	0	0	370,401
Cash paid for internal services used	(95,904)	(60,000)	0	(1,470,524)	0
Other revenue (expense)	4,934	3,725	41,622	213,523	2,405
Net cash provided (used) by operating activities	<u>628,024</u>	<u>(135,511)</u>	<u>30,851</u>	<u>12,507,999</u>	<u>16,952</u>
Cash flows from capital and related financing activities:					
Proceeds from capital debt	166,000	0	0	5,955,315	0
Capital grant	59,000	0	0	59,000	0
Proceeds from sale of assets	0	0	0	700	0
Acquisitions of capital assets	(636,181)	0	0	(10,953,937)	(6,443)
Principal paid on capital debt	(136,862)	0	0	(1,640,660)	0
Interest paid on capital debt	(62,058)	0	0	(599,322)	0
Net cash provided (used) for capital and related financing activities	<u>(610,101)</u>	<u>0</u>	<u>0</u>	<u>(7,178,904)</u>	<u>(6,443)</u>
Cash flows from investing activities:					
Interest from investments	35,999	16,010	25,111	2,828,059	0
Net cash provided (used) by investing activities	<u>35,999</u>	<u>16,010</u>	<u>25,111</u>	<u>2,828,059</u>	<u>0</u>
Cash flows from non-capital financing activities:					
Operating subsidies	0	25,212	0	130,232	0
Net cash provided (used) by non-capital financing activities	<u>0</u>	<u>25,212</u>	<u>0</u>	<u>130,232</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	53,922	(94,289)	55,962	8,157,154	10,509
Cash and cash equivalents at beginning of year	513,901	324,234	450,204	72,159,259	40,835
Cash and cash equivalents at end of year	<u>\$ 567,823</u>	<u>\$ 229,945</u>	<u>\$ 506,166</u>	<u>\$ 80,446,645</u>	<u>\$ 51,344</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 470,237	\$ (129,186)	\$ (10,771)	\$ 5,299,854	\$ 0
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	249,117	0	0	9,225,593	5,207
Changes in assets and liabilities:					
Receivables - net of allowances	(13,034)	(12,548)	41,622	(1,715,860)	(584)
Inventory	(19,498)	0	0	(250,178)	0
Prepaid expenses	0	0	0	(53,428)	0
Accounts and other payables	(23,323)	6,223	0	(973,296)	7,068
Accrued expenses	(35,475)	0	0	661,843	5,261
Other accrued liabilities	0	0	0	313,471	0
Net cash provided (used) by operating activities	<u>\$ 628,024</u>	<u>\$ (135,511)</u>	<u>\$ 30,851</u>	<u>\$ 12,507,999</u>	<u>\$ 16,952</u>
Noncash investing, capital, and financing activities:					
Purchase of equipment on accounts	0	0	0	0	0
Addition of debt proceeds received in previous year	0	0	0	0	0

**CITY OF WOOSTER, OHIO
STATEMENT OF ASSETS & LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2007**

	Total Agency Funds
Assets:	
Equity in city treasury cash	\$ 588,629
Accrued interest receivable	3,129
Total assets	<u>\$ 591,758</u>
Liabilities:	
Accounts payable	\$ 40
Due to agency recipient	591,718
Total liabilities	<u>\$ 591,758</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, 2007**

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**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 water treatment plant, a sewage 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 three 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of the internal service fund activity has been eliminated from the government-wide financial statements. Other activities from interfund services provided and used are not eliminated in the process of consolidation.

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

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

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.

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.

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 restricted 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.

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

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). These revenues include 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 enterprise funds and business-type activities, 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 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 the internal service fund 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.

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 three 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. The following three funds are used by the City to account for assets held by the City in a custodial capacity:

The Wooster Growth Corporation fund is used to account for revenues and expenditures of the City's community improvement corporation.

The Guaranteed Deposits fund is used to hold funds received from a contractor, developer, or individual to insure compliance with City ordinances through the completion of a construction or development project. Upon project completion, the deposit is returned to the party, less any applicable inspection fees.

The Clearing fund is used to hold monies received for bid bonds or proceeds on behalf of certain individuals, as well as any unclaimed checks of the municipality. Insurance premiums for retired employees or spouses participating in the City's group health insurance program are also reimbursed and paid from this fund.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled and invested. Individual fund integrity is maintained through City records. Interest in the pool is presented as "Equity in City Treasury Cash."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2007 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.

Governmental Accounting Standards Board Statement No. 40, "Deposit and Investment Risk Disclosures" was implemented during 2004. This statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The City of Wooster's policy is to invest public funds in a manner which protects the citizens and the investors from a loss of principal while attaining a competitively high rate of return on investment.

The portfolio is continuously analyzed to attain the following objectives:

- A. Preserve capital and protect investment principal in conformance with federal, state and local requirements.
- B. Maintain sufficient liquidity to meet operating requirements.
- C. Diversify the portfolio to avoid incurring unreasonable risks regarding specific security type or individual financial institutions.
- D. Attain a market rate of return throughout budgetary and economic cycles.
- E. Protect the principal of lenders.
- F. Encourage community growth.

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 \$5,554,532 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, 2007 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, and accrued interest, 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 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.

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

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 \$1,296,239 in charity care in 2007.

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.

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 50 years

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

Reservations of Fund Balance

Reserved fund balances indicate that a portion of the fund balance is not available for current appropriation or use. Fund balances are reserved for encumbrances outstanding and carried forward and added to the subsequent year's appropriation. A fund balance reserve is also reported for long term advances outstanding.

Unpaid Compensated Absences

The City accrues unused portions of vacation pay in the period the 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.

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Restricted net assets, including "restricted for other purposes" reported on the statement of net assets represent amounts which limitations are imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes primarily include amounts to provide public safety and environment and development services. The City did not report any significant net asset balances restricted by enabling legislation for year ending December 31, 2007.

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. See Note 18 for the City's Special Item reported.

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2007, the City has implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

GASB Statement No. 48 provides guidance on accounting for sales and pledges of receivables and future revenues. The Statement also requires governments to disclose in the notes to financial statements the amount of future revenues that have been pledged or sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the City.

NOTE 3 - 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 2007 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

**CITY OF WOOSTER, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007**

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 at the object level (personal services and other) 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 Supplemental Information. The budgetary basis is the modified accrual basis of accounting with encumbrances included as actual.

The Community Development Block Grant Fund had a deficit fund balance in the amount of \$14,347 due to the timing of the reimbursements for the grant expenditures.

NOTE 4 – INTER-FUND TRANSACTIONS

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Transfers:			
Provide Capital Funding	Capital Improvements	General	\$1,378,373
Due to/from:			
Advance in anticipation of grant receipts	CDBG	General	\$69,700

NOTE 5 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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 difference are as follows:

Capital outlay	\$ 2,693,490
Depreciation	<u>(2,739,636)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (46,146)</u>

NOTE 6 - 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.

CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

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.

Investment securities purchased by the City will be delivered by either book entry or physical delivery. The purchase and sale of all securities may be on a delivery versus payment basis. The primary agent shall issue a safekeeping receipt to the City listing the specific instrument, rate, maturity and other pertinent information. Deposit type securities (i.e., certificates of deposit) shall be collateralized as required by O.R.C. for any amount exceeding FDIC or FSLIC coverage. Other investments shall be collateralized by the actual security held in safekeeping by the primary agent.

The City will diversify the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Diversification by instrument and the percentage of portfolio cannot exceed the following:

- A. U.S. Treasury Obligations (bills, notes and bonds), 100%.
- B. U.S. Government Agency Securities and Instrumentality's of Government Sponsored Corporations, 100%.
- C. Certificates of Deposit (collateralized), 100%.
- D. Commercial paper notes, 25%.
 - 1. Notes must be rated at time of purchase in the highest classification established by at least two standard rating services.
 - 2. Aggregate value of the note does not exceed 10% of the aggregate value of the outstanding commercial paper of the issuing corporation.
 - 3. Notes mature no later than 180 days after purchase.
- E. Banker's acceptance of banks that are members of the FDIC, 25%.
 - 1. The obligations are eligible for purchase by the Federal Reserve System.
 - 2. The obligations mature no later than 180 days after purchase.
- F. Repurchase Agreements, 25%.
- G. State and Local Government Securities, 25%.
- H. State of Ohio Investment pool, 25%.

Maturity limitations shall depend upon whether the funds being invested are considered short term or long-term funds. All funds shall be considered short term except those reserved for capital projects (i.e., bond sale proceeds), funds to be used in the future for debt service, and special assessment prepayments being held for debt retirement. Except for previously mentioned situations, as directed by the investment officer, investments shall be limited to maturities not exceeding 24 months.

Cash Management

As of December 31, 2007, the City of Wooster had approximately \$105.9 million in cash and investments. Through a series of contractual agreements, all but a small amount of cash is invested at all times. The allocation of these investment resources is included in the following table.

Allocation of Investment Resources

Agency Notes	51.09%
Municipal Bonds	0.26%
Certificates of Deposit	13.11%
Commercial Paper	15.92%
Overnight	19.62%
	100.00%

CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
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Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by shortening the weighted average maturity of its investment portfolio during periods of rising interest rates. At December 31, 2006 the weighted average maturity of the City's investment portfolio was approximately 747 days with a weighted yield to maturity of 4.91%. By the end of 2007, the weighted average maturity of the City's investment portfolio was approximately 555 days with a weighted yield to maturity of 4.285%. The following table represents the fair values and weighted average maturity of various investment types as of December 31, 2007. Certificates of Deposit totaling \$14,000,000 with a weighted average maturity of 241 days were not included because they are considered a non-negotiable investment.

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. Agencies	\$ 54,543,029	863
Star Ohio	19,289,187	1
Commercial Paper	17,000,000	98
Municipal Bonds	275,032	2554
	<u>\$ 91,107,248</u>	
Portfolio Weighted Average Maturity		603

Credit Risk. State law limits investments in corporate debt to the top two ratings issued by nationally recognized statistical rating organizations. The City does not have a written policy limiting its corporate debt investments to the top rating. However, all investments in commercial paper are rated A-1 and P-1, which are the top ratings by Standard & Poor's and Moody's Investors services, respectively. In addition, all amounts in U.S. Agencies are rated Aaa and AAA by Moody's and Standard & Poor's respectively, which is the top rating available for those investment types. The City's Money Market investments are not rated.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2007, the carrying amount of the City's deposits was \$14,697,075 and the bank balances totaled \$16,190,859. Of the bank balances, \$634,022 was insured by federal deposit insurance and \$15,556,837 was covered by pooled and/or pledged collateral, as allowed by the Ohio Revised Code, but not necessarily held in the City's name; the City has petty cash of \$6,425. The City has no written policy limiting the dollar amount of holdings by any single counterparty. Of the bank balances, \$14,000,000 consists of Certificates of Deposit and \$1,487,553 is made up of Money Market accounts, which earn competitive interest rates.

Net increase in the fair value of applicable investments during 2007 per Governmental Accounting Standards Board Statement No. 31:

Fair value at December 31, 2007	\$ 54,543,030
Proceeds of investments sold in 2007	42,500,000
Cost of investments purchased in 2007	(36,282,381)
Fair Value at December 31, 2006	<u>(59,940,565)</u>
Change in fair value of investments during 2007	<u>\$ 820,084</u>

CITY OF WOOSTER, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2007 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
<i>Assets not being depreciated:</i>				
Land	\$ 2,094,563	\$ 0	\$ (85,000)	\$ 2,009,563
Construction in progress	908,235	1,472,877	(205,258)	2,175,854
Subtotal	3,002,798	1,472,877	(290,258)	4,185,417
<i>Assets being depreciated:</i>				
Buildings	7,085,673	24,999	(36,476)	7,074,196
Improvements/infrastructure	62,373,175	1,477,829	(1,448,208)	62,402,796
Equipment	9,751,879	938,343	(143,825)	10,546,397
Subtotal	79,210,727	2,441,171	(1,628,509)	80,023,389
<i>Accumulated depreciation:</i>				
Buildings	(4,133,097)	(247,975)	36,475	(4,344,597)
Improvements/infrastructure	(36,256,726)	(1,857,074)	1,448,198	(36,665,602)
Equipment	(6,363,714)	(634,587)	143,817	(6,854,484)
Subtotal	(46,753,537)	(2,739,636)	1,628,490	(47,864,683)
Net depreciated capital assets	32,457,190	(298,465)	(19)	32,158,706
Net capital assets	\$ 35,459,988	\$ 1,174,412	\$ (290,277)	\$ 36,344,123

Depreciation was charged to functions as follows:

Governmental activities:	
Safety services	\$ 595,017
Leisure services	256,633
Environment and development	14,825
Transportation services	1,654,970
Administrative services	218,191
Total governmental activities depreciation expense	<u>\$2,739,636</u>

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
<i>Assets not being depreciated:</i>				
Land	\$ 3,110,266	\$ 237,650	\$ 0	\$ 3,347,916
Construction in progress	16,162,818	7,557,099	(21,807,916)	1,912,001
Subtotal	19,273,084	7,794,749	(21,807,916)	5,259,917
<i>Assets being depreciated:</i>				
Buildings	85,986,762	2,510,234	(520,251)	87,976,745
Improvements/infrastructure	51,580,006	19,939,615	(2,646,519)	68,873,102
Equipment	40,503,777	2,520,979	(1,901,027)	41,123,729
Subtotal	178,070,545	24,970,828	(5,067,797)	197,973,576
<i>Accumulated depreciation:</i>				
Buildings	(30,685,664)	(3,534,944)	248,197	(33,972,411)
Improvements/infrastructure	(21,804,882)	(1,516,298)	2,214,469	(21,106,711)
Equipment	(26,146,833)	(4,174,352)	1,868,089	(28,453,096)
Subtotal	(78,637,379)	(9,225,594)	4,330,755	(83,532,218)
Net depreciated capital assets	40,503,777	15,745,234	(737,042)	114,441,358
Net capital assets	\$ 118,706,250	\$23,539,983	\$ (22,544,958)	\$ 119,701,275

Depreciation was charged to functions as follows:

Business-type activities:	
Wooster Community Hospital	\$6,712,981
Water	990,725
Water Pollution Control	1,272,771
Storm Drainage	249,117
Total business-type activities depreciation expense	<u>\$9,225,594</u>

NOTE 8 - 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 2007 levy is February 2008 for all or one-half of taxes due. The remaining balance of the 2007 levy is due in July 2008. 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 (\$1,461,563,000) 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 2007 was \$4.20 on each \$1,000 of tax valuation.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies and railroads. The tax on general business and railroad property will be eliminated by 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

phasing out of the tax. In 2007-2010, the City will be fully reimbursed for the lost revenue. In 2011-2017, the reimbursements will be phased out.

NOTE 9 - 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 (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) administers three separate pension plans. (1) The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan. (2) The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. (3) The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan. OPERS provide retirement, disability, survivor and death benefits and annual cost-of-living adjustments as well as post-retirement health care coverage to qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

Benefits of OPERS members are calculated on the basis of age, final average salary, and service credit. 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 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)-222-6701 or 1-800-222-7377.

OP&F

The City of Wooster contributes to the Ohio Police and Fire Pension Fund; 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. For 2007, employees covered under OPERS were required to contribute 9.5% of their gross wages to the plan. Members of the Wooster Employees Association bargaining unit had 5.5% of the 9.5% paid by the City;

CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

Management employees had 2% of their pensions paid by the City. Members of OP&F were required to contribute 10% of their gross wages to their plan.

Employer Contributions

The 2007 employer contribution rate for local government employer units was 13.85% of covered payroll, of which 8.85% was allocated to pensions January 1 through June 30, 2007 and 7.85% was allocated to pensions July 1 through December 31, 2007; and 5.0% January 1 through June 30, 2007 and 6.0% July 1 through December 31, 2007 was allocated to healthcare. The OPERS portion of the City's employer contributions used to fund post-employment benefits was \$1,415,878 in 2007. The City is obligated to pay 24.0% of each firefighter's covered payroll and 19.5% of each police officer's covered payroll. The board defined allocation in 2007 for healthcare was 6.75% of covered payroll for both police and fire. The OP&F portion of the City's employer contributions used to fund post-employment benefits in 2007 was \$327,584. The net pension obligation increased by \$4,787. The net pension obligation balance at the end of the year was \$323,942.

In 2007, the employees and the city made 92.11% of required contributions to OPERS and 75.66% of required contributions to OP&F. The remaining 7.89% of contributions to OPERS and 24.34% of contributions to OP&F were paid in January, 2008 and March, 2008 respectively, when both amounts were due and payable. The City's required contributions for the years ending December 31 were as follows:

<u>Year</u>	<u>OPERS</u>	<u>OP&F</u>
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
2004	4,341,125	980,208
2005	4,514,979	971,642
2006	4,856,153	1,047,194
2007	3,559,939	1,065,437

Post Employment Benefits Other Than Pensions

OPERS provide post-retirement health care coverage under the Traditional Pension and Combined Plans 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 Post-employment 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.)

On September 9, 2004 the Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is

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NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

deposited into a Retiree Medical Account that can be used to fund future health care expenses. In addition to the HCCP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCCP, member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008 which will allow additional funds to be allocated to the health care plan.

The assumptions and calculations below were based on the system's latest actuarial review performed as of December 31, 2006. OPERS use 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 to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. The investment assumption rate for 2006 was 6.50%. 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 at the projected wage inflation rate plus an additional factor ranging from .50% to 5% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

OPEB is advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 374,979 active contribution participants as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. The actuarial value of the retirement System's net assets available for OPEB at December 31, 2006, was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$30.7 billion and \$18.7 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 access to post-retirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post-employment 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 2006 and 6.75% of covered payroll in 2007. In addition, since July 1, 1992 most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. The number of participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation available, is 14,120 for police and 10,563 for firefighters. OP&F's total health care expense for the year ending December 31, 2006 was \$120,373,722, which was net of member contributions of \$58,532,848.

CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
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NOTE 10 - 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 \$2,903,793 at December 31, 2007.

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 \$2,526,944 for the City and Hospital at December 31, 2007, 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 11 - 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 2007 contract cost for the Justice Center was \$596,694.

Operating Leases

The Wooster Community Hospital leases medical and office equipment under noncancelable operating leases. Total costs for such leases were \$1,544,259 for the year ended December 31, 2007. All leases end in 2011. The future minimum payments for these leases are as follows:

Year Ending December 31	Amount
2008	\$ 247,400
2009	73,519
2010	73,519
2011	25,685
Total	<u>\$ 420,123</u>

City Construction Commitments

The Campbell Avenue and Minerva Street Waterline replacements project consists of approximately 1350 linear feet of six inch and eight inch ductile iron waterline, 14 gate vales, four fire hydrants and 30 water services. The contract for the project was awarded in the amount \$132,147, of which \$23,746 was outstanding at year end.

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The Oldman Road Waterline improvement project is being done in conjunction with the Intermediate Zone Water Tank. This project involves approximately 1,440 linear feet of 12" ductile iron water pipe, 315 linear feet of eight inch water pipe and associated appurtenances. The contract was awarded to D.C. Berger Excavating in the amount of \$112,200. Construction began in October 2007 and will continue through spring 2008.

The Mindy Lane and Mechanicsburg Road Water Main project consists of looping the waterline between the Mechanicsburg Booster Station and the Intermediate Pressure Zone, constructing approximately 3100 linear feet of 12 inch water main and appurtenances on Mindy Lane and Mechanicsburg Road. The project was bid in conjunction with the Buckeye and Mechanicsburg Water Pumping Stations. The contract was awarded to Wenger Excavating for a bid price of \$201,481, of which \$94,849 was outstanding at the end of the year. Construction began in November 2007.

Improvements to the existing Buckeye Street and Mechanicsburg Road Water Pumping Stations were planned and bid in 2007. The projects include piping modifications, pump replacements, structural and electrical modifications and yard piping modifications. The price for these projects is \$855,427, all of which was outstanding at year end.

Part of the City's master plan, the College Avenue Sewer Separation project was designed by the Engineering Division. The project consists of approximately 2,300 linear feet of twelve inch through thirty inch storm sewer, manholes, catch basins, 850 linear feet of sanitary sewer, 2,500 linear feet of sanitary and storm sewer laterals, 1,000 linear feet of sanitary sewer cured-in-place pipe rehabilitation and five sanitary sewer manhole rehabilitations. Construction of the project was contracted for \$696,633.00.

The Triway lift station project consists of replacing the existing lift station on State Route 226 to meet current sanitary sewer flows and Ohio EPA regulations. The work consists of furnishing all materials and labor for removal of the existing lift station and the construction of a new backup generator building, wet well and valve vault. The project was awarded with a bid amount of \$239,840 and construction to begin in spring, 2008.

The 2007 Sanitary Sewer rehabilitation project is being designed by the City's Engineering Division. This project consists of the repair and the cured-in-place pipe rehabilitation, 170 feet of eight inch PVC sanitary sewer pipe and three new sanitary sewer manholes in various locations throughout the city. The project was advertised in December, 2007 with a bid opening January 3, 2008; the project was awarded for \$146,706.

Beall Avenue Reconstruction and Streetscape is phase three of an ongoing streetscape program. New utilities and roadway will be constructed complete with curb and gutters, turn lanes, storm sewer, water line, sanitary sewer and a boulevard section through the College of Wooster. The City completed engineering plans, acquired right-of-ways and secured funding in the Fall of 2006. The engineer's estimate for construction of this project is \$8 million. Approximately \$2.7 million had been committed to the project, of which \$11,509,988 remained outstanding at the end of the year. This project is being funded through multiple sources, including existing cash balances, federal and state grants, as well as private donation. Construction began in November 2007 for the physical relocation of the telephone, electric, and cable lines along Beall Avenue by the installation of underground conduit.

NOTE 12 - 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, and Special Assessment Debt Service Funds. These bonds are general obligation

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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

The City carries a policy of general liability coverage as a member of the Public Entities Pool. There are four cases pending against the City. The maximum exposure to the City is the deductible of \$25,000 per case. Of those matters that are pending, the dismissal by the trial court of all claims against the city was recently upheld by the court of appeals. In addition to pending matters, there is an unresolved construction dispute that could result in litigation.

Wooster Community Hospital carries separate policies for malpractice and general liability coverage. There is one pending malpractice lawsuits and four open malpractice claims involving the hospital, which has a maximum malpractice exposure of \$25,000 deductible per case, with a total limit of \$75,000 per year. In addition, there are two pending lawsuits under the general liability policy, which has a maximum exposure of \$50,000 deductible per claim for each one of the lawsuits.

In the case of both the City and the Hospital, all cases are being vigorously defended. It is not anticipated that any of these cases or claims will have a material adverse impact on the finances of either.

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, 2007, the audits of these grants and programs were complete through 2005 and the City's compliance with applicable requirements has been established. The City's compliance with applicable requirements for 2007 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 14 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.

NOTE 13 - 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

**CITY OF WOOSTER, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2007 there were two series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$8,280,000, and one series of Adjustable Rate Demand Health Care Facilities Bonds with a principal amount payable of \$6,555,000. The aggregate amount of all conduit debt obligations at December 31, 2007 was \$14,835,000.

NOTE 14 – SHORT-TERM DEBT

In 2006, the City issued \$1,000,000 in bond anticipation notes (BAN) in the Milltown Road Construction Fund for the purpose of paying the property owner’s portion, in anticipation of a levy and collection of special assessments, and the City’s portion of the cost of improving Milltown Road and Melrose Drive. From the Beall Avenue Streetscape Fund, the City issued a \$1 million bond anticipation note for the purpose of paying a portion of the cost of improving Beall Avenue from Liberty Street on the south to Bloomington Avenue on the north.

The Milltown Rd. BAN was retired during the year. The BAN for the Beall Avenue Streetscape project was reissued during the year. Subsequent to year end, the City rolled this BAN into a \$4 million BAN for the same project (see Note 17). Based on this subsequent event, the issuance during 2007 has been classified as a long-term liability.

	Beginning Balance	Increases	Decreases	Ending Balance
Street Improvement Note 3.85%	\$1,000,000	\$ 0	\$ 1,000,000	\$ 0
Streetscape Improvement Note 3.89%	<u>\$1,000,000</u>	<u>\$ 0</u>	<u>\$ 1,000,000</u>	<u>\$ 0</u>
Total Short-term Debt	<u>\$2,000,000</u>	<u>\$ 0</u>	<u>\$ 2,000,000</u>	<u>\$ 0</u>

NOTE 15 - 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 contracts with American Risk Pooling Consultants, Inc. (ARPCO) to conduct the affairs of the Pool, which include: general administration of PEP and oversight of all operations including claims, financial investments, underwriting, marketing and loss control. PEP is a member of a reinsurance pool known as the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

As a member of PEP, the City automatically receives limits of liability up to \$2,000,000 for claims resulting from general, automobile, police professional or public officials liability. Of this amount, PEP is responsible for the first \$250,000 of claim payment and expense. Amounts exceeding that are paid by APEEP up to \$1,750,000 in any one claim. Individual arrangements can be made with General Reinsurance Corporation, for Members who require limits in excess of \$2,000,000.

CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

Property and automobile physical damage exposures, including risks with specialized-use vehicles such as fire trucks and emergency vehicles, are reinsured by St. Paul Travelers Insurance Company.

Coverage Table

<u>Type</u>	<u>Limit - Occurrence</u>	<u>Limit - Aggregate</u>	<u>Deductible</u>
General Liability	\$ 4,000,000	None	\$ 25,000
Automobile Liability	\$ 4,000,000	None	\$ 25,000
Wrongful Acts	\$ 4,000,000	None	\$ 25,000
Law Enforcement	\$ 4,000,000	None	\$ 25,000
Real and Personal Property	None	\$ 67,328,100	\$ 1,000
Electronic Data Processing	None	\$ 512,755	\$ 500

There were no significant reductions in insurance coverage from the prior year in any category of risk. Insurance coverage for each of the past three years was sufficient to cover any claims settlements.

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, 2005 and 2006:

<u>Casualty Coverage</u>	<u>2005</u>	<u>2006</u>
Assets	\$29,719,675	\$30,997,868
Liabilities	<u>(15,994,168)</u>	<u>(15,875,741)</u>
Net Assets - unrestricted	<u>\$13,725,507</u>	<u>\$15,122,127</u>
 <u>Property Coverage</u>	 <u>2005</u>	 <u>2006</u>
Assets	\$4,443,332	\$5,125,326
Liabilities	<u>(1,068,246)</u>	<u>(863,163)</u>
Net Assets - unrestricted	<u>\$3,375,086</u>	<u>\$4,262,163</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

**CITY OF WOOSTER, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007**

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, 2007. 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, 2007, the outstanding claims liability was \$1,809,811, of which \$1,538,528 is attributed to the Hospital and \$271,283 is attributed to the City.

Changes in the fund's claims liability amounts 2003 to 2007 are:

	2003	2004	2005	2006	2007
Balance at beginning of year	\$ 964,510	\$ 991,894	\$1,286,952	\$2,128,433	\$1,627,607
Current year claims	6,020,066	7,320,904	8,493,624	9,391,185	9,485,549
Claim payments	(5,992,682)	(7,025,846)	(7,652,143)	(9,892,011)	(9,303,345)
Balance at end of year	\$ 991,894	\$1,286,952	\$2,128,433	\$1,627,607	\$1,809,811

NOTE 16 – OTHER ADJUSTMENTS

A prior period adjustment of \$1,029,869 to increase beginning net asset balance was reported for the Governmental Activities on the Statement of Activities for 2007. The prior period adjustment was made to correctly record the long term receivable in the HUD Home Fund as a improper recording of deferred revenue. A prior period adjustment of \$478,500 to increase beginning fund balance was also reported for the Other Governmental Funds column of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund for 2007. The prior period adjust was made to correctly record the original principal amount of the long term receivable in the HUD Home Fund as a reservation of fund balance instead of deferred revenue.

NOTE 17 – SUBSEQUENT EVENTS

In April 2008, the City issued \$4,000,000 in bond anticipation notes for the Beall Avenue Streetscape project. \$1,000,000 was used to retire the note outstanding at year end.

NOTE 18 – SPECIAL ITEM

In April 2007, the City received a \$4.3 million cash donation from the College of Wooster for the funding of the Beall Avenue Streetscape project. Beall Avenue is a major thoroughfare on the College of Wooster campus.

NOTE 19 – LONG-TERM LIABILITIES

Governmental Activities

The internal service fund predominantly serves 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 are generally liquidated by the General Fund.

CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

The City issued \$815,000 of general obligation bonds for the purpose of paying the property owners' portion, in anticipation of the collection of special assessments levied, and the City's portion of the cost of improving approximately 5,250 lineal feet of two city streets. The City's portion of that amount is \$493,540 and the property owners' portion of that amount is \$321,460. In the event and to the extent that those special assessments are not collected and to pay the debt charges on the bonds representing the City portion, there shall be levied on all the taxable property in the City, in addition to all other taxes, a direct tax annually during the period the bonds are outstanding in an amount sufficient to pay the principal of and interest on the bonds when due. The amount of delinquent special assessments receivable at year-end is \$4,613.67. The remaining general portion of bonds and notes are liquidated by General, Special Revenue, and Capital Project funds.

Compensated Absences

For all employees, except for those that have separated employment as of 12/31/2007, the estimated sick leave payable upon termination is recorded as a long term liability. Compensated absences are reported as a governmental fund liability only if they have matured. Compensated absences are considered to be mature when an employee retires prior to the end of the fiscal period but has not yet been paid for accumulated leave balances as of year end. Vacation accrual in excess of one year is also considered a long-term liability. The General fund, Permissive Tax fund, and Street Construction Maintenance and Repair fund have been used to liquidate compensated absences of governmental activities in the past.

CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

Debt service requirements to maturity

The City's legal debt margin within the 10 1/2% limitation was approximately \$59.5 million at December 31, 2007. Principal and interest requirements to retire the City's long-term obligations are as follows:

Business-type Activities:

Year	G.O. Bonds		OWDA Loans		OPWC Loan	Totals
	Principal	Interest	Principal	Interest	Principal	
2008	\$ 1,185,800	\$ 292,295	\$ 740,092	\$ 467,696	\$ 14,789	2,700,672
2009	1,233,400	239,369	765,365	449,329	10,844	2,698,307
2010	1,278,400	183,613	787,823	426,871	10,994	2,687,701
2011	1,341,000	124,904	810,947	403,747	10,994	2,691,592
2012	168,600	63,071	834,755	379,939	10,994	1,457,359
2013-2017	944,000	204,189	4,556,369	1,517,101	54,971	7,276,630
2018-2022	312,500	24,186	5,024,820	806,517	54,971	6,222,994
2023-2027	0	0	3,079,425	211,193	40,046	3,330,664
2028-2032	0	0	6,740	166	3,449	10,355
Subtotal	<u>6,463,700</u>	<u>1,131,627</u>	<u>16,606,336</u>	<u>4,662,559</u>	<u>212,052</u>	<u>29,076,274</u>

Governmental Activities:

Year	G.O. Bonds		Special Assessments		OPWC Loans	Totals
	Principal	Interest	Principal	Interest	Principal	
2008	248,881	132,791	148,456	68,564	22,471	621,163
2009	165,503	84,979	148,342	60,640	22,471	481,935
2010	171,712	79,208	91,368	52,677	22,471	417,436
2011	172,921	72,851	90,883	47,759	22,471	406,885
2012	183,046	66,288	97,307	42,885	22,472	411,998
2013-2017	999,339	201,795	426,986	137,884	82,182	1,848,186
2018-2022	392,391	38,722	284,197	36,827	48,539	800,676
Subtotal	<u>2,333,793</u>	<u>676,634</u>	<u>1,287,539</u>	<u>447,236</u>	<u>243,077</u>	<u>4,988,279</u>
Total	<u>\$ 8,797,493</u>	<u>\$ 1,808,261</u>			<u>\$ 455,129</u>	<u>\$ 34,064,553</u>

**CITY OF WOOSTER, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007**

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

BUSINESS-TYPE ACTIVITIES:

	Original Amount	Balance January 1,2007	Increases	(Decreases)	Balance December 31,20
Wooster Community Hospital Fund:					
Compensated Absences	0	\$ 2,718,090	\$ 2,868,172	\$ (2,623,344)	\$ 2,962,91€
WCH Fund Total	0	2,718,090	2,868,172	(2,623,344)	2,962,91€
Water Fund:					
5.4-5.75% 1995 G.O. Bonds	704,045	512,000	0	(23,300)	488,700
4.9-5% 1996 G.O. Bonds	9,000,000	3,905,000	0	(690,000)	3,215,000
3.0-3.85% 2001 G.O. Bonds	3,000,000	1,500,000	0	(300,000)	1,200,000
2003 0% OPWC Loan-Quinby Waterlines(1/1/2004-7/1/2008)	12,924	4,308	0	(2,872)	1,43€
2007 0% OPWC Loan - Intermediate Zone Water Tank	8,994	0	8,994	0	8,994
2007 3.36% O.W.D.A. Loans	106,933	0	106,933	0	106,933
Compensated Absences	0	271,962	187,170	(172,531)	286,601
Water Fund Total	12,832,896	6,193,270	303,097	(1,188,703)	5,307,664
Water Pollution Control Fund:					
3.25% 2005 O.W.D.A. Loan-Sewer Plant Upgrade (7/1/2007-1/1/2022)	544,231	4,952,621	872,883	(261,516)	5,563,98€
2.67% 2006 O.W.D.A. Loan - Sewer Plant Equipment (7/1/2007-1/1/2027)	6,487,821	6,568,653	4,592,872	(226,110)	10,935,41€
Compensated Absences	0	247,948	147,288	(166,273)	228,963
WPC Fund Total	7,032,052	11,769,222	5,613,043	(653,899)	16,728,36€
Storm Water Fund:					
Variable Rate 2003 G.O. Bonds	1,685,000	1,685,000	0	(125,000)	1,560,000
2003 0% OPWC Loan-Quinby Storm Drainage(1/1/2004-7/1/2008)	7,977	7,977	0	(5,318)	2,65€
2003 0% OPWC Loan-Mulberry Ave Storm Drainage(1/1/2004-7/1/2023)	39,508	39,508	0	(2,394)	37,114
2007 0% OPWC Loan - Grant Area Storm Drainage (01/01/2008-7/31/2027)	136,514	0	166,000	(4,150)	161,850
Compensated Absences	0	64,549	14,285	(61,196)	17,63€
Storm Water Fund Total	1,868,999	1,797,034	180,285	(198,058)	1,779,261
Business-type Activities Total	\$ 21,733,947	\$ 22,477,616	\$ 8,964,597	\$ (4,664,004)	\$ 26,778,20€

GOVERNMENTAL ACTIVITIES:

	Original Amount	Balance January 1,2007	Increases	(Decreases)	Balance December 31,20
Old Mansfield/Portage/Downtown 5.2-5.25% 1992 G.O. Bonds					
General portion	\$ 1,300,000	\$ 179,827	\$ 0	\$ (90,240)	\$ 89,587
Special Assessment portion	596,807	20,173	0	(9,760)	10,413
Downtown/Oldman/Madisonburg 5.4-5.75% 1995 G.O. Bonds					
Special Assessment portion	1,245,955	648,000	0	(76,700)	571,300
Buena Vista 6% S.A. Bonds (12/1/1998-12/1/2020)	13,234	9,673	0	(573)	9,100
0% OPWC Loan (1/9/1998-1/1/2014)	34,304	18,868	0	(1,716)	17,152
0% OPWC Loan (9/15/1998-1/1/2018)	129,317	64,659	0	(8,621)	56,03€
Oak Hill 6% S.A. Bond (12/31/1999-12/31/2014)	106,048	67,805	0	(6,851)	60,954
E Liberty 6% S.A. Bond (12/31/1999-12/31/2014)	299,405	191,431	0	(19,341)	172,090
Burbank/Friendsville 6% S.A. Note (12/31/2000-12/31/2015)	26,167	18,326	0	(1,595)	16,731
Burbank/Riffel 6% S.A. Note (12/31/2000-12/31/2010)	44,486	20,943	0	(4,787)	16,15€
2.0-4.2% 2003 Municipal Building Renovation (12/01/2004-12/01/2018)	1,770,000	1,460,000	0	(100,000)	1,360,000
2.0-4.2% 2003 Milltown City Portion-SCM&R (12/01/2004-12/01/2018)	203,600	169,145	0	(12,529)	156,61€
2.0-4.2% 2003 Milltown City Portion-Perm Tax (12/01/2004-12/01/2018)	305,400	253,716	0	(18,793)	234,923
2.0-4.2% 2003 Milltown Special Assessment (12/01/2004-12/01/2018)	141,000	117,139	0	(8,677)	108,462
0% OPWC Loan E Milltown (7/1/2007-1/1/2020)	182,022	0	182,022	(12,135)	169,887
3.79% 2007 Bond Anticipation Note Beall Avenue (4/18/07-4/17/08)	1,000,000	0	1,000,000	0	1,000,000
4.87% Bonds Milltown Road Reconstruction (12/01/2008-12/01/2022)					
General portion	492,643	0	492,643	0	492,643
Special Assessment portion	322,357	0	322,357	0	322,357
Compensated Absences	0	1,878,511	1,751,623	(1,695,517)	1,934,617
Governmental Funds Total	8,212,745	5,118,216	3,748,645	(2,067,835)	6,799,02€
Total All Long-Term Liabilities	\$ 29,946,692	\$ 27,595,832	\$ 12,713,242	\$ (6,731,839)	\$ 33,577,23€

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, 2007

	General Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Plus Encumbrances</u>	<u>Variance with Final Budget Positive(Negative)</u>
Revenues :				
Taxes	\$ 12,008,822	\$ 12,008,822	\$ 13,131,715	\$ 1,122,893
Intergovernmental	1,885,486	1,885,486	1,736,840	(148,646)
Charges for services	1,083,976	1,084,019	1,254,071	170,052
Fines, licenses, permits	576,639	576,639	715,569	138,930
Interfund services provided	1,236,000	1,236,000	1,443,050	207,050
Interest income	500,000	500,000	736,882	236,882
Miscellaneous	140,914	140,914	290,913	149,999
Total Revenues	<u>17,431,837</u>	<u>17,431,880</u>	<u>19,309,040</u>	<u>1,877,160</u>
Expenditures :				
Safety services	9,358,912	11,076,389	10,347,753	728,636
Health and social services	150,000	150,000	148,883	1,117
Leisure services	2,000,840	2,299,580	2,154,701	144,879
Environment & development	852,449	1,003,549	935,941	67,608
Transportation services	1,534,176	1,717,753	1,632,094	85,659
Administrative services	3,516,609	4,063,216	3,713,407	349,809
Total Expenditures	<u>17,412,986</u>	<u>20,310,487</u>	<u>18,932,779</u>	<u>1,377,708</u>
Excess revenues over(under) expenditures	18,851	(2,878,607)	376,261	3,254,868
Transfers out	(1,450,000)	(1,463,100)	(1,431,473)	31,627
Encumbrances	0	0	2,569,889	2,569,889
Fund balances at beginning of year	<u>12,476,812</u>	<u>12,476,812</u>	<u>12,476,812</u>	<u>0</u>
Fund balances at end of year	<u>\$ 11,045,663</u>	<u>\$ 8,135,105</u>	<u>\$ 13,991,489</u>	<u>\$ 5,856,384</u>

	Street Construction Maintenance & Repair Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Plus Encumbrances</u>	<u>Variance with Final Budget Positive(Negative)</u>
Revenues :				
Intergovernmental	\$ 1,070,941	\$ 1,070,941	\$ 1,239,814	\$ 168,873
Interest income	35,000	35,000	74,344	39,344
Miscellaneous	19,633	19,633	70,657	51,024
Total Revenues	<u>1,125,574</u>	<u>1,125,574</u>	<u>1,384,815</u>	<u>259,241</u>
Expenditures :				
Safety services	329,875	352,957	292,553	60,404
Transportation services	1,376,235	1,487,068	1,203,477	283,591
Total Expenditures	<u>1,706,110</u>	<u>1,840,025</u>	<u>1,496,030</u>	<u>343,995</u>
Excess revenues over(under) expenditures	(580,536)	(714,451)	(111,215)	603,236
Encumbrances	0	0	277,507	277,507
Fund balances at beginning of year	<u>1,289,755</u>	<u>1,289,755</u>	<u>1,289,755</u>	<u>0</u>
Fund balances at end of year	<u>\$ 709,219</u>	<u>\$ 575,304</u>	<u>\$ 1,456,047</u>	<u>\$ 880,743</u>

Modified accrual plus encumbrances is the budgetary basis used in the preparation of these statements.

GENERAL FUND

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

SPECIAL REVENUE FUNDS

Special revenue funds are used 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 – This fund is required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees, which are to be used for maintenance of streets within the City.

STATE HIGHWAY – This fund is required by the Ohio Revised Code to account for that portion of the state gasoline tax and motor vehicle registration fees which are to be used for maintenance of state highways within the City.

PERMISSIVE TAX – This fund is 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 – This fund accounts for monies from the Municipal Court used to enforce drunk driving laws and related educational programs.

MANDATORY DRUG FINES - This fund is used to account for monies from the Municipal Court allocated to subsidize each agency's law enforcement efforts that pertain to drug offenses.

LOCAL LAW ENFORCEMENT BLOCK GRANT – This fund is used 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– This fund is used 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) – This fund is used to account for the portion of the transient occupancy tax to be used for promoting economic development within the City.

HUD HOME – This fund is used 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 – This fund is used to account for receipts and expenditures 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 – This fund is used 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 – This fund is used 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.

SHADE TREE – This fund is used to account for financial donations to the City for the purpose of providing trees throughout the City in the public right-of-way.

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

FEDERAL EQUITABLE SHARING – This fund is used to account for the City's portion of federally forfeited property resulting from the Wooster Police Department's participation with a federal agency, which resulted in forfeiture of property.

LILLIAN LONG ESTATE – This fund is used 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 – This fund is 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.

RECREATION SUPPLEMENT – This fund is used to account for financial donations from individuals and organizations that wish to specify that their gifts and donations support recreational opportunities for underprivileged youth in the community.

CAPITAL PROJECTS FUNDS

Capital projects 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 – This fund is used to account for various capital projects financed by general fund revenues.

BEALL AVENUE STREETScape FUND– This fund is used to account for the receipt and expenditure of monies associated with the reconstruction of a portion of Beall Avenue. Private donation, and State and Federal grant revenues will finance this project.

MILLTOWN ROAD CONSTRUCTION - This fund is used to account for the receipt and expenditure of monies associated with the reconstruction of a portion of Milltown Road. Special assessments, governmental resources, State grant and loan revenues will finance this project.

ECONOMIC DEVELOPMENT CAPITAL IMPROVEMENT – This fund is used 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.

DEBT SERVICE FUND

Debt service fund are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEBT SERVICE FUND – This fund is used 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.

ENTERPRISE FUNDS

Enterprise funds are used 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 – This fund is used to account for the health care services provided by the City owned and operated hospital.

WATER - This fund is used 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 – This fund is used to account for sanitary sewer services provided to the residential and commercial users of the City and some residents of the county.

STORM DRAINAGE – This fund is used to account for the storm drainage runoff service provided to the residential and commercial users of the City.

REFUSE COLLECTION – This fund is used to account for trash collection services provided to the residential and some commercial users of the City.

ECONOMIC/DOWNTOWN DEVELOPMENT LOANS – This fund is used 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).

INTERNAL SERVICE FUND

Internal service funds are used 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 – This fund is used 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.

AGENCY FUNDS

Agency funds are used 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 – This fund is used to account for revenues and expenditures of the City's community improvement corporation, Wooster Growth Corporation. The City serves as fiscal agent for the Corporation. The corporation's purpose is advancing, encouraging and promoting the industrial, economic, commercial and civic development of Wooster, Ohio.

GUARANTEED DEPOSITS – This fund is used to hold funds 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 – This fund is used to hold 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.

Modified accrual plus encumbrances is the budgetary basis used in the preparation of these statements.

**CITY OF WOOSTER, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2007**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in city treasury cash	\$ 1,591,812	\$ 4,329,972	\$ 5,921,784
Taxes receivable	336,862	0	336,862
Accounts receivable	5,156	0	5,156
Due from other governments	96,166	0	96,166
Accrued interest receivable	646,111	40,279	686,390
Inventory	37,496	0	37,496
Long term receivables	478,500	0	478,500
Total assets	<u>\$ 3,192,103</u>	<u>\$ 4,370,251</u>	<u>\$ 7,562,354</u>
Liabilities:			
Accounts payable	\$ 11,214	\$ 104,099	\$ 115,313
Accrued salaries, wages and benefits	1,066	0	1,066
Due to other funds	69,700	0	69,700
Deferred revenue	1,000,672	0	1,000,672
Total liabilities	<u>1,082,652</u>	<u>104,099</u>	<u>1,186,751</u>
Fund balances:			
Reserved for encumbrances	289,228	1,405,889	1,695,117
Reserved for long term receivable	478,500	0	478,500
Unreserved (deficit)	1,341,723	2,860,263	4,201,986
Total fund balances	<u>2,109,451</u>	<u>4,266,152</u>	<u>6,375,603</u>
Total liabilities and fund balances	<u>\$ 3,192,103</u>	<u>\$ 4,370,251</u>	<u>\$ 7,562,354</u>

**CITY OF WOOSTER, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues :			
Taxes	\$ 594,499	\$ 0	\$ 594,499
Intergovernmental	529,460	0	529,460
Special assessments	0	186,174	186,174
Fines, licenses, permits	11,433	0	11,433
Interest income	145,046	161,093	306,139
Miscellaneous	19,016	0	19,016
Total Revenues	1,299,454	347,267	1,646,721
Expenditures :			
Current operations :			
Safety services	403,538	0	403,538
Leisure services	24,861	0	24,861
Environment and development	398,445	0	398,445
Transportation services	29,595	476	30,071
Administrative services	57,900	0	57,900
Capital expenditures	17,551	1,487,311	1,504,862
Debt service :			
Principal	62,883	0	62,883
Interest	16,868	71,311	88,179
Total Expenditures	1,011,641	1,559,098	2,570,739
Excess revenues over(under) expenditures	287,813	(1,211,831)	(924,018)
Other financing sources (uses) :			
Issuance of debt	0	1,997,023	1,997,023
Special item - cash contribution from local college	0	4,300,000	4,300,000
Net change in fund balances	287,813	5,085,192	5,373,005
Fund balances at beginning of year (restated, Note 16)	1,821,638	(819,040)	1,002,598
Fund balances at end of year	\$ 2,109,451	\$ 4,266,152	\$ 6,375,603

CITY OF WOOSTER, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2007

	State Highway Fund	Permissive Tax Fund	Enforcement Education Fund	Mandatory Drug Fines Fund
Assets:				
Equity in city treasury cash	\$ 248,536	\$ 1,038,343	\$ 35,294	\$ 39,273
Taxes receivable	0	0	0	0
Accounts receivable	5,090	66	0	0
Due from other governments	47,352	30,464	0	0
Accrued interest receivable	2,878	11,682	402	467
Inventory	37,496	0	0	0
Long term receivables	0	0	0	0
Total assets	\$ 341,352	\$ 1,080,555	\$ 35,696	\$ 39,740
Liabilities:				
Accounts payable	\$ 0	\$ 11,214	\$ 0	\$ 0
Accrued salaries, wages and benefits	0	1,066	0	0
Due to other funds	0	0	0	0
Deferred revenue	40,284	0	0	0
Total liabilities	40,284	12,280	0	0
Fund balances:				
Reserved for encumbrances	4,996	247,822	0	0
Reserved for long term receivable	0	0	0	0
Unreserved	296,072	820,453	35,696	39,740
Total fund balances	301,068	1,068,275	35,696	39,740
Total liabilities and fund balances	\$ 341,352	\$ 1,080,555	\$ 35,696	\$ 39,740

Local Law Enforcement Block Grant Fund	Community Development Block Grant Fund	Economic Development Fund	HUD Home Fund	Law Enforcement Trust Fund
\$ 1,248	\$ 37,003	\$ 7,336	\$ 0	\$ 39,897
0	0	3,862	0	0
0	0	0	0	0
0	18,350	0	0	0
16	0	138	627,388	439
0	0	0	0	0
0	0	0	478,500	0
\$ 1,264	\$ 55,353	\$ 11,336	\$ 1,105,888	\$ 40,336
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0
0	69,700	0	0	0
0	0	0	627,388	0
0	69,700	0	627,388	0
1,171	0	0	0	0
0	0	0	478,500	0
93	(14,347)	11,336	0	40,336
1,264	(14,347)	11,336	478,500	40,336
\$ 1,264	\$ 55,353	\$ 11,336	\$ 1,105,888	\$ 40,336

(continued)

CITY OF WOOSTER, OHIO
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2007

	Police Pension Fund	Fire Pension Fund	Shade Tree Fund	Christmas Run Park Restoration Fund
Assets:				
Equity in city treasury cash	\$ 41,951	\$ 34,797	\$ 7,260	\$ 31,830
Taxes receivable	166,500	166,500	0	0
Accounts receivable	0	0	0	0
Due from other governments	0	0	0	0
Accrued interest receivable	1,030	777	215	435
Inventory	0	0	0	0
Long term receivables	0	0	0	0
Total assets	<u>\$ 209,481</u>	<u>\$ 202,074</u>	<u>\$ 7,475</u>	<u>\$ 32,265</u>
Liabilities:				
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	166,500	166,500	0	0
Total liabilities	<u>166,500</u>	<u>166,500</u>	<u>0</u>	<u>0</u>
Fund balances:				
Reserved for encumbrances	0	0	3,778	23,521
Reserved for long term receivable	0	0	0	0
Unreserved	42,981	35,574	3,697	8,744
Total fund balances	<u>42,981</u>	<u>35,574</u>	<u>7,475</u>	<u>32,265</u>
Total liabilities and fund balances	<u>\$ 209,481</u>	<u>\$ 202,074</u>	<u>\$ 7,475</u>	<u>\$ 32,265</u>

Federal Equitable Sharing Fund	Lillian Long Estate Fund	Investment Fund	Recreation Supplement Fund	Total Nonmajor Special Revenue Funds
\$ 12,568	\$ 10,958	\$ 0	\$ 5,518	\$ 1,591,812
0	0	0	0	336,862
0	0	0	0	5,156
0	0	0	0	96,166
114	130	0	0	646,111
0	0	0	0	37,496
0	0	0	0	478,500
<u>\$ 12,682</u>	<u>\$ 11,088</u>	<u>\$ 0</u>	<u>\$ 5,518</u>	<u>\$ 3,192,103</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,214
0	0	0	0	1,066
0	0	0	0	69,700
0	0	0	0	1,000,672
0	0	0	0	1,082,652
0	7,940	0	0	289,228
0	0	0	0	478,500
12,682	3,148	0	5,518	1,341,723
<u>12,682</u>	<u>11,088</u>	<u>0</u>	<u>5,518</u>	<u>2,109,451</u>
<u>\$ 12,682</u>	<u>\$ 11,088</u>	<u>\$ 0</u>	<u>\$ 5,518</u>	<u>\$ 3,192,103</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, 2007

	State Highway Fund	Permissive Tax Fund	Enforcement Education Fund	Mandatory Drug Fines Fund
Revenues :				
Taxes	\$ 0	\$ 176,757	\$ 0	\$ 0
Intergovernmental	95,074	111,919	0	0
Fines, licenses, permits	0	0	1,584	9,849
Interest income	13,409	55,279	1,930	2,309
Miscellaneous	0	264	623	0
Total Revenues	108,483	344,219	4,137	12,158
Expenditures :				
Current operations :				
Safety services	29,025	0	6	9,507
Leisure services	0	0	0	0
Environment and development	0	0	0	0
Transportation services	13,047	16,548	0	0
Administrative services	0	0	0	0
Capital expenditures	0	17,551	0	0
Debt service :				
Principal	1,715	61,168	0	0
Interest	0	16,868	0	0
Total Expenditures	43,787	112,135	6	9,507
Excess revenues over(under) expenditures	64,696	232,084	4,131	2,651
Net change in fund balance	64,696	232,084	4,131	2,651
Fund balances at beginning of year (restated, Note 15)	236,372	836,191	31,565	37,089
Fund balances at end of year	\$ 301,068	\$ 1,068,275	\$ 35,696	\$ 39,740

Local Law Enforcement Block Grant Fund	Community Development Block Grant Fund	Economic Development Fund	HUD Home Fund	Law Enforcement Trust Fund
\$ 0	\$ 0	\$ 71,095	\$ 0	\$ 0
0	295,421	0	0	0
0	0	0	0	0
70	0	364	0	1,744
0	0	0	0	17,089
70	295,421	71,459	0	18,833
0	0	0	0	5
0	0	0	0	0
0	320,615	65,311	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	320,615	65,311	0	5
70	(25,194)	6,148	0	18,828
70	(25,194)	6,148	0	18,828
1,194	10,847	5,188	478,500	21,508
\$ 1,264	\$ (14,347)	\$ 11,336	\$ 478,500	\$ 40,336

(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, 2007

	Police Pension Fund	Fire Pension Fund	Shade Tree Fund	Christmas Run Park Restoration Fund
Revenues :				
Taxes	\$ 173,324	\$ 173,323	\$ 0	\$ 0
Intergovernmental	13,523	13,523	0	0
Fines, licenses, permits	0	0	0	0
Interest income	3,891	3,479	1,053	2,288
Miscellaneous	0	0	325	200
Total Revenues	190,738	190,325	1,378	2,488
Expenditures :				
Current operations :				
Safety services	182,497	182,496	0	0
Leisure services	0	0	0	23,776
Environment and development	0	0	12,517	0
Transportation services	0	0	0	0
Administrative services	0	0	0	0
Capital expenditures	0	0	0	0
Debt service :				
Principal	0	0	0	0
Interest	0	0	0	0
Total Expenditures	182,497	182,496	12,517	23,776
Excess revenues over(under) expenditures	8,241	7,829	(11,139)	(21,288)
Net change in fund balance	8,241	7,829	(11,139)	(21,288)
Fund balances at beginning of year (restated, Note 15)	34,740	27,745	18,614	53,553
Fund balances at end of year	\$ 42,981	\$ 35,574	\$ 7,475	\$ 32,265

Federal Equitable Sharing Fund	Lillian Long Estate Fund	Investment Fund	Recreation Supplement Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 594,499
0	0	0	0	529,460
0	0	0	0	11,433
710	620	57,900	0	145,046
0	0	0	515	19,016
710	620	57,900	515	1,299,454
2	0	0	0	403,538
0	0	0	1,085	24,861
0	2	0	0	398,445
0	0	0	0	29,595
0	0	57,900	0	57,900
0	0	0	0	17,551
0	0	0	0	62,883
0	0	0	0	16,868
2	2	57,900	1,085	1,011,641
708	618	0	(570)	287,813
708	618	0	(570)	287,813
11,974	10,470	0	6,088	1,821,638
\$ 12,682	\$ 11,088	\$ 0	\$ 5,518	\$ 2,109,451

CITY OF WOOSTER, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2007

	Beall Avenue Streetscape Fund	Milltown Road Construction Fund	Economic Development Capital Improvement Fund	Total Nonmajor Capital Projects Funds
Assets:				
Equity in city treasury cash	\$ 4,134,281	\$ 0	\$ 195,691	\$ 4,329,972
Accrued interest receivable	40,279	0	0	40,279
Total assets	<u>\$ 4,174,560</u>	<u>\$ 0</u>	<u>\$ 195,691</u>	<u>\$ 4,370,251</u>
Liabilities:				
Accounts payable	\$ 104,099	\$ 0	\$ 0	\$ 104,099
Total liabilities	<u>104,099</u>	<u>0</u>	<u>0</u>	<u>104,099</u>
Fund balances:				
Reserved for encumbrances	1,405,889	0	0	1,405,889
Unreserved (deficit)	2,664,572	0	195,691	2,860,263
Total fund balances	<u>4,070,461</u>	<u>0</u>	<u>195,691</u>	<u>4,266,152</u>
Total liabilities and fund balances	<u>\$ 4,174,560</u>	<u>\$ 0</u>	<u>\$ 195,691</u>	<u>\$ 4,370,251</u>

CITY OF WOOSTER, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Beall Avenue Streetscape Fund	Milltown Road Construction Fund	Economic Development Capital Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues :				
Special assessments	\$ 0	\$ 186,174	\$ 0	\$ 186,174
Interest income	157,218	3,875	0	161,093
Total Revenues	<u>157,218</u>	<u>190,049</u>	<u>0</u>	<u>347,267</u>
Expenditures :				
Current operations :				
Transportation Services	476	0	0	476
Debt service:				
Interest	38,900	32,411	0	71,311
Capital expenditures	1,281,929	205,382	0	1,487,311
Total Expenditures	<u>1,321,305</u>	<u>237,793</u>	<u>0</u>	<u>1,559,098</u>
Excess revenues over(under) expenditures	<u>(1,164,087)</u>	<u>(47,744)</u>	<u>0</u>	<u>(1,211,831)</u>
Other financing sources (uses) :				
Issuance of debt	1,000,000	997,023	0	1,997,023
Total other financing sources (uses);	<u>1,000,000</u>	<u>997,023</u>	<u>0</u>	<u>1,997,023</u>
Special item - cash contribution from local college	<u>4,300,000</u>	<u>0</u>	<u>0</u>	<u>4,300,000</u>
Net change in fund balance	4,135,913	949,279	0	5,085,192
Fund balances at beginning of year	(65,452)	(949,279)	195,691	(819,040)
Fund balances at end of year	<u>\$ 4,070,461</u>	<u>\$ 0</u>	<u>\$ 195,691</u>	<u>\$ 4,266,152</u>

CITY OF WOOSTER, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	State Highway Fund			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	89,629	89,629	95,075	5,446
Fines, licenses, permits	0	0	0	0
Interest income	6,000	6,000	13,409	7,409
Miscellaneous	0	0	0	0
Total Revenues	95,629	95,629	108,484	12,855
Expenditures :				
Safety services	27,228	29,767	29,275	492
Transportation services	208,374	217,846	19,509	198,337
Total Expenditures	235,602	247,613	48,784	198,829
Excess revenues over (under) expenditures	(139,973)	(151,984)	59,700	211,684
Encumbrances	0	0	4,996	4,996
Fund balances at beginning of year	236,372	236,372	236,372	0
Fund balances at end of year	<u>\$ 96,399</u>	<u>\$ 84,388</u>	<u>\$ 301,068</u>	<u>\$ 216,680</u>

Permissive Tax Fund				Enforcement Education Fund			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
\$ 173,000	\$ 173,000	\$ 176,758	\$ 3,758	\$ 0	\$ 0	\$ 0	\$ 0
125,000	125,000	111,919	(13,081)	0	0	0	0
0	0	0	0	4,000	4,000	1,584	(2,416)
35,000	35,000	55,279	20,279	1,000	1,000	1,930	930
131	131	264	133	0	0	623	623
333,131	333,131	344,220	11,089	5,000	5,000	4,137	(863)
0	0	0	0	25,000	25,000	6	24,994
808,480	825,593	359,958	465,635	0	0	0	0
808,480	825,593	359,958	465,635	25,000	25,000	6	24,994
(475,349)	(492,462)	(15,738)	476,724	(20,000)	(20,000)	4,131	24,131
0	0	247,822	247,822	0	0	0	0
836,191	836,191	836,191	0	31,565	31,565	31,565	0
<u>\$ 360,842</u>	<u>\$ 343,729</u>	<u>\$ 1,068,275</u>	<u>\$ 724,546</u>	<u>\$ 11,565</u>	<u>\$ 11,565</u>	<u>\$ 35,696</u>	<u>\$ 24,131</u>

Mandatory Drug Fines Fund			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :			
Intergovernmental	\$ 0	\$ 0	\$ 0
Fines, licences, permits	8,000	8,000	9,849
Interest income	1,420	1,420	2,309
Miscellaneous	0	0	0
Total Revenues	9,420	9,420	12,158
Expenditures :			
Safety services	27,000	27,000	9,507
Environment & development	0	0	0
Total Expenditures	27,000	27,000	9,507
Excess revenues over (under) expenditures	(17,580)	(17,580)	2,651
Encumbrances	0	0	0
Fund balances at beginning of year	37,089	37,089	37,089
Fund balances at end of year	<u>\$ 19,509</u>	<u>\$ 19,509</u>	<u>\$ 39,740</u>

Local Law Enforcement Block Grant Fund				Community Development Block Grant Fund			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 553,000	\$ 553,000	\$ 295,421	\$ (257,579)
0	0	0	0	0	0	0	0
20	20	70	50	0	0	0	0
0	0	0	0	0	0	0	0
20	20	70	50	553,000	553,000	295,421	(257,579)
1,171	1,171	1,171	0	0	0	0	0
0	0	0	0	495,000	790,838	320,615	470,223
1,171	1,171	1,171	0	495,000	790,838	320,615	470,223
(1,151)	(1,151)	(1,101)	50	58,000	(237,838)	(25,194)	212,644
0	0	1,171	(1,171)	0	0	0	0
1,194	1,194	1,194	0	10,847	10,847	10,847	0
<u>\$ 43</u>	<u>\$ 43</u>	<u>\$ 1,264</u>	<u>\$ 1,221</u>	<u>\$ 68,847</u>	<u>\$ (226,991)</u>	<u>\$ (14,347)</u>	<u>\$ 212,644</u>

(Continued)

CITY OF WOOSTER, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Economic Development Fund			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :				
Taxes	\$ 52,044	\$ 52,044	\$ 71,095	\$ 19,051
Interest income	148	148	364	216
Miscellaneous	0	0	0	0
Total Revenues	52,192	52,192	71,459	19,267
Expenditures :				
Safety services	0	0	0	0
Environment & development	152,178	166,137	65,311	100,826
Total Expenditures	152,178	166,137	65,311	100,826
Other financing sources :				
Transfers in	100,000	100,000	0	(100,000)
Total Other financing sources	100,000	100,000	0	(100,000)
Excess revenues over (under) expenditures	14	(13,945)	6,148	20,093
Encumbrances	0	0	0	0
Fund balances at beginning of year	5,188	5,188	5,188	0
Fund balances at end of year	<u>\$ 5,202</u>	<u>\$ (8,757)</u>	<u>\$ 11,336</u>	<u>\$ 20,093</u>

HUD Home Fund				Law Enforcement Trust Fund			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	447	447	1,744	1,297
0	0	0	0	1,000	1,000	17,089	16,089
0	0	0	0	1,447	1,447	18,833	17,386
0	0	0	0	18,000	18,000	5	17,995
0	0	0	0	0	0	0	0
0	0	0	0	18,000	18,000	5	17,995
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	(16,553)	(16,553)	18,828	35,381
0	0	0	0	0	0	0	0
478,500	478,500	478,500	0	21,508	21,508	21,508	0
<u>\$ 478,500</u>	<u>\$ 478,500</u>	<u>\$ 478,500</u>	<u>\$ 0</u>	<u>\$ 4,955</u>	<u>\$ 4,955</u>	<u>\$ 40,336</u>	<u>\$ 35,381</u>

Police Pension Fund			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :			
Taxes	\$ 161,513	\$ 161,513	\$ 173,324
Intergovernmental	18,687	18,687	13,523
Interest income	2,500	2,500	3,891
Miscellaneous	0	0	0
Total Revenues	182,700	182,700	190,738
Expenditures :			
Safety services	182,500	182,500	182,497
Environment and development	0	0	0
Total Expenditures	182,500	182,500	182,497
Excess revenues over (under) expenditures	200	200	8,241
Encumbrances	0	0	0
Fund balances at beginning of year	34,740	34,740	34,740
Fund balances at end of year	<u>\$ 34,940</u>	<u>\$ 34,940</u>	<u>\$ 42,981</u>

Fire Pension Fund				Shade Tree Fund			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
\$ 161,513	\$ 161,513	\$ 173,323	\$ 11,810	\$ 0	\$ 0	\$ 0	\$ 0
18,687	18,687	13,523	(5,164)	0	0	0	0
2,500	2,500	3,480	980	700	700	1,054	354
0	0	0	0	0	0	325	325
182,700	182,700	190,326	7,626	700	700	1,379	679
182,500	182,500	182,497	3	0	0	0	0
0	0	0	0	16,000	16,295	16,295	0
182,500	182,500	182,497	3	16,000	16,295	16,295	0
200	200	7,829	7,629	(15,300)	(15,595)	(14,916)	679
0	0	0	0	0	0	3,778	(3,778)
27,745	27,745	27,745	0	18,614	18,614	18,614	0
<u>\$ 27,945</u>	<u>\$ 27,945</u>	<u>\$ 35,574</u>	<u>\$ 7,629</u>	<u>\$ 3,314</u>	<u>\$ 3,019</u>	<u>\$ 7,476</u>	<u>\$ 4,457</u>

(Continued)

CITY OF WOOSTER, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

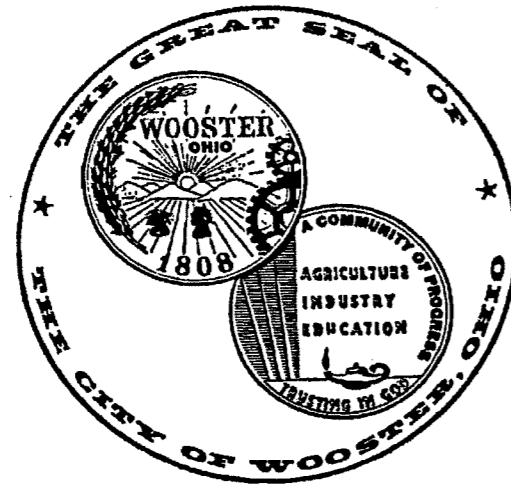
	Christmas Run Park Restoration Fund			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Interest income	900	900	2,288	1,388
Miscellaneous	1,000	1,000	200	(800)
Total Revenues	1,900	1,900	2,488	588
Expenditures :				
Leisure services	54,000	100,797	47,297	53,500
Safety services	0	0	0	0
Total Expenditures	54,000	100,797	47,297	53,500
Excess revenues over (under) expenditures	(52,100)	(98,897)	(44,809)	54,088
Encumbrances	0	0	23,521	(23,521)
Fund balances at beginning of year	53,553	53,553	53,553	0
Fund balances at end of year	<u>\$ 1,453</u>	<u>\$ (45,344)</u>	<u>\$ 32,265</u>	<u>\$ 77,609</u>

	Investment Fund			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :				
Interest income	\$ 100,000	\$ 100,000	\$ 57,900	\$ (42,100)
Miscellaneous	0	0	0	0
Total Revenues	100,000	100,000	57,900	(42,100)
Expenditures :				
Leisure services	0	0	0	0
Administrative services	100,000	100,000	57,900	42,100
Total Expenditures	100,000	100,000	57,900	42,100
Excess revenues over (under) expenditures	0	0	0	0
Fund balances at beginning of year	0	0	0	0
Fund balances at end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Federal Equitable Sharing Fund				Lillian Long Estate Fund			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
\$ 1000	\$ 1,000	\$ 0	\$ (1,000)	\$ 0	0	0	0
430	430	710	280	390	390	619	229
0	0	0	0	0	0	0	0
1,430	1,430	710	(720)	390	390	619	
0	0	0	0	10,730	18,670	7,941	(10,729)
11,000	11,000	2	(10,998)	0	0	0	0
11,000	11,000	2	(10,998)	10,730	18,670	7,941	
(9,570)	(9,570)	708	10,278	(10,340)	(18,280)	(7,322)	10,958
0	0	0	0	0	0	7,940	(7,940)
11,974	11,974	11,974	0	10,470	10,470	10,470	0
<u>\$ 2,404</u>	<u>\$ 2,404</u>	<u>\$ 12,682</u>	<u>\$ 10,278</u>	<u>\$ 130</u>	<u>\$ (7,810)</u>	<u>\$ 11,088</u>	<u>\$ 18,898</u>

Recreation Supplement Fund			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
\$ 0	\$ 0	\$ 0	\$ 0
700	700	515	(185)
700	700	515	(185)
5,500	5,500	1,085	4,415
0	0	0	0
5,500	5,500	1,085	4,415
(4,800)	(4,800)	(570)	4,230
6,088	6,088	6,088	0
<u>\$ 1,288</u>	<u>\$ 1,288</u>	<u>\$ 5,518</u>	<u>\$ 4,230</u>

CITY OF WOOSTER, OHIO
 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, 2007



	Capital Improvements Fund			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :				
Interest income	\$ 100,000	\$ 100,000	\$ 197,428	\$ 97,428
Miscellaneous	0	0	37,200	37,200
Total Revenue	100,000	100,000	234,628	134,628
Expenditures :				
Administrative services	1,343,250	1,905,209	1,809,619	(95,590)
Total Expenditures	1,343,250	1,905,209	1,809,619	(95,590)
Excess revenues over(under) expenditures	(1,243,250)	(1,805,209)	(1,574,991)	230,218
Operating transfers in	1,350,000	1,350,000	1,516,473	166,473
Encumbrances	0	0	662,426	662,426
Fund balances at beginning of year	3,079,408	3,079,408	3,079,408	0
Fund balances at end of year	\$ 3,186,158	\$ 2,624,199	\$ 3,683,316	\$ 1,059,117

	Debt Service Fund			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :				
Special assessments	\$ 198,000	\$ 198,000	\$ 68,896	\$ (129,104)
Interest income	27,000	27,000	55,457	28,457
Total Revenue	225,000	225,000	124,353	(100,647)
Expenditures :				
Transportation services	189,512	189,512	223,259	(33,747)
Total Expenditures	189,512	189,512	223,259	(33,747)
Excess revenues over(under) expenditures	35,488	35,488	(98,906)	(134,394)
Fund balances at beginning of year	674,528	674,528	674,528	0
Fund balances at end of year	\$ 710,016	\$ 710,016	\$ 575,622	\$ (134,394)

CITY OF WOOSTER, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

Beall Avenue Streetscape Fund				
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues:				
Intergovernmental revenue	\$ 1,981,000	\$ 1,981,000	\$ 0	\$ (1,981,000)
Interest income	0	0	157,218	157,218
Total Revenues	1,981,000	1,981,000	157,218	(1,823,782)
Expenditures:				
Environment and development	0	0	0	0
Transportation services	10,282,000	10,501,023	3,727,195	6,773,828
Total Expenditures	10,282,000	10,501,023	3,727,195	6,773,828
Excess revenues over (under) expenditures	(8,301,000)	(8,520,023)	(3,569,977)	4,950,046
Other financing sources :				
Transfers in	3,233,000	3,233,000	0	(3,233,000)
Issuance of debt	4,336,000	4,336,000	1,000,000	(3,336,000)
Total Other financing sources	7,569,000	7,569,000	1,000,000	(6,569,000)
Special item - cash contribution from local college	0	0	4,300,000	4,300,000
Encumbrances	0	0	1,405,890	0
Fund balances at beginning of year	(65,452)	(65,452)	(65,452)	0
Fund balances at end of year	\$ (797,452)	\$ (1,016,475)	\$ 3,070,461	\$ (1,618,954)

Milltown Road Reconstruction Fund				
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues:				
Intergovernmental revenues	\$ 0	\$ 0	\$ 0	0
Special assessments	0	0	186,174	186,174
Interest income	3,500	3,500	3,875	375
Total Revenues	3,500	3,500	190,049	186,549
Expenditures:				
Transportation services	1,055,000	1,691,019	237,793	1,453,226
Total Expenditures	1,055,000	1,691,018	237,793	1,453,226
Excess revenues over (under) expenditures	(1,051,500)	(1,687,518)	(47,744)	1,639,774
Other financing sources (uses):				
Issuance of debt	1,000,000	1,000,000	997,023	(2,977)
Excess revenues and other sources over (under) expenditures and other uses	(51,500)	(687,518)	949,279	1,636,797
Encumbrances	0	0	0	0
Fund balances at beginning of year	(949,279)	(949,279)	(949,279)	0
Fund balances at end of year	\$ (1,000,779)	\$ (1,636,797)	\$ 0	\$ 1,636,797

Economic Development Capital Improvement Fund				
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
	\$ 0	\$ 0	\$ 0	\$ 0
	6,969	6,969	0	(6,969)
	6,969	6,969	0	(6,969)
	186,000	186,000	0	(186,000)
	0	0	0	0
	186,000	186,000	0	(186,000)
	(179,031)	(179,031)	0	179,031
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	195,691	195,691	195,691	0
	\$ 16,660	\$ 16,660	\$ 195,691	\$ 179,031

CITY OF WOOSTER, OHIO
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 DECEMBER 31, 2007

	Guaranteed Deposits	Clearing Fund	Wooster Growth Corp	Total Agency Funds
Assets:				
Equity in city treasury cash	\$ 199,382	\$ 16,823	\$ 372,424	\$ 588,629
Accrued interest receivable	0	0	3,129	3,129
Total assets	<u>\$ 199,382</u>	<u>\$ 16,823</u>	<u>\$ 375,553</u>	<u>\$ 591,758</u>
Liabilities:				
Accounts payable	\$ 0	\$ 0	\$ 40	\$ 40
Due to agency recipient	199,382	16,823	375,513	591,718
Total liabilities	<u>\$ 199,382</u>	<u>\$ 16,823</u>	<u>\$ 375,553</u>	<u>\$ 591,758</u>

CITY OF WOOSTER, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
Guaranteed Deposits				
Assets				
Equity in city treasury cash	\$ 208,669	\$ 8,713	\$ 18,000	\$ 199,382
Liabilities				
Accounts payable	\$ 0	\$ 18,000	\$ 18,000	\$ 0
Due to agency recipient	208,669	8,713	18,000	199,382
Total Liabilities	<u>\$ 208,669</u>	<u>\$ 26,713</u>	<u>\$ 36,000</u>	<u>\$ 199,382</u>
Clearing Fund				
Assets				
Equity in city treasury cash	\$ 7,626	\$ 333,880	\$ 324,683	\$ 16,823
Liabilities				
Accounts payable	\$ 0	\$ 340,635	\$ 340,635	\$ 0
Due to agency recipient	7,626	333,836	324,639	16,823
Total Liabilities	<u>\$ 7,626</u>	<u>\$ 674,471</u>	<u>\$ 665,274</u>	<u>\$ 16,823</u>
Wooster Growth Corporation				
Assets				
Equity in city treasury cash	\$ 231,810	\$ 518,106	\$ 377,492	\$ 372,424
Accrued interest receivable	729	14,296	11,896	3,129
Total Assets	<u>\$ 232,539</u>	<u>\$ 532,402</u>	<u>\$ 389,388</u>	<u>\$ 375,553</u>
Liabilities				
Accounts payable	\$ 50	\$ 59,841	\$ 59,851	\$ 40
Due to agency recipient	232,489	518,524	375,500	375,513
Total Liabilities	<u>\$ 232,539</u>	<u>\$ 578,365</u>	<u>\$ 435,351</u>	<u>\$ 375,553</u>
TOTAL - ALL AGENCY FUNDS				
Assets				
Equity in city treasury cash	\$ 448,105	\$ 860,699	\$ 720,175	\$ 588,629
Accrued interest receivable	729	14,296	11,896	3,129
Total Assets	<u>\$ 448,834</u>	<u>\$ 874,995</u>	<u>\$ 732,071</u>	<u>\$ 591,758</u>
Liabilities				
Accounts payable	\$ 50	\$ 418,476	\$ 418,486	\$ 40
Due to agency recipient	448,784	861,073	718,139	591,718
Total Liabilities	<u>\$ 448,834</u>	<u>\$ 1,279,549</u>	<u>\$ 1,136,625</u>	<u>\$ 591,758</u>

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, 2007

	Wooster Community Hospital			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :				
Charges for services	\$ 87,783,351	\$ 88,379,454	\$ 83,934,488	\$ (4,444,966)
Intergovernmental	0	0	0	0
Fines, licenses and permits	0	0	0	0
Interest income	3,013,989	3,013,989	3,820,235	806,246
Operating subsidies	0	0	0	0
Miscellaneous	975,000	975,000	105,041	(869,959)
Total Revenues	91,772,340	92,368,443	87,859,764	(4,508,679)
Expenses :				
Health and social services	89,766,704	98,526,780	83,119,135	15,407,645
Utility services	0	0	0	0
Total Expenses	89,766,704	98,526,780	83,119,135	15,407,645
Excess revenues over (under) expenses	2,005,636	(6,158,337)	4,740,629	10,898,966
Other financing sources (uses):				
Transfers	0	0	0	0
Proceeds from debt issues	0	0	0	0
over (under) expenditures and other uses	2,005,636	(6,158,337)	4,740,629	10,898,966
Encumbrances	0	0	6,543,684	6,543,684
Fund balances at beginning of year	59,646,257	59,646,257	59,646,257	0
Fund balances at end of year	\$ 61,651,893	\$ 53,487,920	\$ 70,930,570	\$ 17,442,650

	Refuse Collection			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues :				
Charges for services	\$ 1,083,000	\$ 1,083,000	\$ 1,070,033	\$ (12,967)
Intergovernmental	40,000	40,000	25,213	0
Fines, licenses and permits	10,000	10,000	3,725	(6,275)
Operating subsidies	0	0	0	0
Interest income	10,000	10,000	15,178	5,178
Miscellaneous	0	0	0	0
Total Revenue	1,143,000	1,143,000	1,114,149	(28,851)
Expenses :				
Utility services	1,251,389	1,344,826	1,344,798	28
Environment and Development	0	0	0	0
Total Expenses	1,251,389	1,344,826	1,344,798	28
expenditures	(108,389)	(201,826)	(230,649)	(28,823)
Proceeds from debt issues	0	0	0	0
Encumbrances	0	0	141,852	141,852
Fund balances at beginning of year	363,927	363,927	363,927	0
Fund balances at end of year	\$ 255,538	\$ 162,101	\$ 275,130	\$ 113,029

Water				Water Pollution Control			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
\$ 3,915,422	\$ 3,961,160	\$ 3,786,339	\$ (174,821)	\$ 3,655,703	\$ 3,655,703	\$ 3,384,781	\$ (270,922)
0	0	0	0	150,000	150,000	0	0
50,450	50,450	45,100	(5,350)	12,000	12,000	13,520	1,520
220,000	220,000	152,111	(67,889)	375,000	375,000	552,974	177,974
0	0	0	0	0	0	0	0
68,751	68,751	88,870	20,119	11,626	11,626	24,010	12,384
4,254,623	4,300,361	4,072,421	(227,940)	4,204,329	4,204,329	3,975,284	(229,045)
0	0	0	0	0	0	0	0
9,548,946	10,995,050	8,635,488	2,359,562	8,680,730	17,759,447	13,577,186	4,182,261
9,548,946	10,995,050	8,635,488	2,359,562	8,680,730	17,759,447	13,577,186	4,182,261
(5,294,323)	(6,694,689)	(4,563,067)	2,131,621	(4,476,401)	(13,555,118)	(9,601,902)	3,953,216
0	0	0	0	0	0	0	0
4,800,000	4,800,000	96,553	0	8,025,000	8,025,000	5,749,878	(2,275,122)
(494,323)	(1,894,689)	(4,466,514)	2,131,621	3,548,599	(5,530,118)	(3,852,024)	1,678,094
0	0	3,748,894	3,748,894	0	0	3,108,942	3,108,942
2,568,917	2,568,917	2,568,778	-139	9,293,641	9,293,641	9,293,641	0
\$ 2,074,594	\$ 674,228	\$ 1,851,158	\$ 1,176,930	\$ 12,842,240	\$ 3,763,523	\$ 8,550,559	\$ 4,787,036

Economic and Downtown Development Loans				Storm Drainage			
Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
\$ 5,321	\$ 5,321	\$ 5,006	\$ (315)	\$ 875,667	\$ 875,667	\$ 885,052	\$ 9,385
0	0	0	0	0	0	59,000	0
0	0	0	0	2,050	2,050	2,129	79
0	0	0	0	0	0	0	0
16,900	16,900	27,475	10,575	35,000	35,000	38,234	3,234
0	0	0	0	2,605	2,605	3,205	600
22,221	22,221	32,481	10,260	915,322	915,322	987,620	72,298
0	0	0	0	1,407,520	1,768,087	1,662,615	105,472
280,000	280,000	15,778	264,222	0	0	0	0
280,000	280,000	15,778	264,222	1,407,520	1,768,087	1,662,615	105,472
(257,779)	(257,779)	16,703	274,482	(492,198)	(852,765)	(674,995)	177,770
46,630	46,630	41,622	(5,008)	300,000	300,000	166,000	(134,000)
0	0	0	0	0	0	612,139	612,139
453,449	453,449	453,449	0	607,464	607,464	607,464	0
\$ 242,300	\$ 242,300	\$ 511,774	\$ 269,474	\$ 415,266	\$ 54,699	\$ 710,608	\$ 655,909

**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, 2007**

	Municipal Garage			
	Original Budget	Final Budget	Actual Plus Encumbrances	Variance with Final Budget Positive(Negative)
Revenues:				
Interfund services provided	\$ 526,000	\$ 526,000	\$ 370,401	\$ (155,599)
Miscellaneous	1,368	1,368	2,405	1,037
Total Revenues	<u>527,368</u>	<u>527,368</u>	<u>372,806</u>	<u>(154,562)</u>
Expenditures:				
Transportation services	509,792	556,464	427,004	129,460
Total Expenditures	<u>509,792</u>	<u>556,464</u>	<u>427,004</u>	<u>129,460</u>
Excess revenues over(under) expenditures	17,576	(29,096)	(54,198)	(25,102)
Encumbrances	0	0	57,355	57,355
Fund balance at beginning of year	<u>21,517</u>	<u>21,517</u>	<u>21,517</u>	<u>0</u>
Fund balance at end of year	<u>\$ 39,093</u>	<u>\$ (7,579)</u>	<u>\$ 24,674</u>	<u>\$ 32,253</u>

Statistical Section

STATISTICAL SECTION

This section of the City of Wooster's comprehensive annual financial report presents detailed information over a number of years as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall, as well as its various service segment's, financial health.

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**CITY OF WOOSTER, OHIO
NET ASSETS
LAST NINE YEARS**

	1999	2000	2001	2002	2003	2004	2005
Governmental Activities							
Invested in capital assets , net of related debt	\$ 29,137,098	\$ 28,004,086	\$ 27,108,161	\$ 28,520,352	\$ 29,068,496	\$ 29,713,841	\$ 29,806,
Restricted	10,339,551	12,122,831	12,020,307	10,257,437	8,803,295	7,647,630	8,705,
Unrestricted	8,833,385	7,637,126	9,573,938	9,968,299	11,199,157	11,460,025	12,466,
Total net assets	48,310,034	47,764,043	48,702,406	48,746,088	49,070,948	48,821,496	50,978,
Business-type Activities							
Invested in capital assets , net of related debt	50,342,098	51,921,248	53,575,973	60,199,984	67,989,332	73,427,798	90,273,
Restricted	2,428,904	2,440,342	2,430,688	2,266,516	2,155,623	1,852,093	1,534,
Unrestricted	56,167,442	64,645,049	72,848,438	77,957,136	80,825,950	82,534,107	76,246,
Total net assets	108,938,444	119,006,639	128,855,099	140,423,636	150,970,905	157,813,998	168,054,
Total Primary Government							
Invested in capital assets , net of related debt	79,479,196	79,925,334	80,684,134	88,720,336	97,057,828	103,141,639	120,079,
Restricted	12,768,455	14,563,173	14,450,995	12,523,953	10,958,918	9,499,723	10,240,
Unrestricted	65,000,827	72,282,175	82,422,376	87,925,435	92,025,107	93,994,132	88,713,
Total net assets	\$ 157,248,478	\$ 166,770,682	\$ 177,557,505	\$ 189,169,724	\$ 200,041,853	\$ 206,635,494	\$ 219,032,

Source: Respective comprehensive annual financial reports (Statements of Net Assets).

**CITY OF WOOSTER, OHIO
CHANGES IN NET ASSETS
LAST NINE YEARS**

**Schedule 1.2
Primary Government
(accrual basis of accounting)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Expenses:									
									Restated
Governmental activities:									
Safety Services	\$7,751,978	\$8,440,509	\$8,469,643	\$9,015,584	\$9,531,074	\$9,691,229	\$9,911,867	\$10,431,285	\$10,909,304
Health Services	133,327	136,155	141,727	142,208	140,855	132,275	137,883	142,851	148,884
Leisure Services	1,885,709	2,185,642	2,228,225	2,349,698	2,401,832	2,227,294	2,320,320	2,380,359	2,433,843
Environment & Development Services	613,008	768,441	787,996	1,185,929	1,185,814	1,160,157	1,061,733	1,348,219	1,312,799
Transportation Services	3,130,052	3,828,900	3,430,243	3,569,832	3,338,351	3,176,605	3,356,904	3,128,141	3,542,750
Administrative Services	409,573	733,429	459,559	353,098	504,941	725,641	128,170	437,698	449,396
Total governmental activities expenses	13,923,647	16,093,076	15,517,393	16,616,349	17,102,867	17,113,201	16,916,877	17,868,553	18,796,975
Business-type activities:									
Wooster Community Hospital	39,621,353	43,682,256	49,644,499	56,940,332	62,194,868	68,619,110	72,244,498	77,586,035	83,152,795
Water (Production & Distribution)	3,469,316	3,674,606	3,862,483	3,837,588	4,028,021	3,976,361	4,328,413	4,663,212	4,169,859
Water Pollution Control	3,084,665	3,321,412	3,621,884	3,666,917	3,778,422	4,404,278	4,404,336	4,504,781	5,746,937
Storm Drainage Utility	344,764	376,714	403,499	378,138	665,417	777,449	751,184	656,672	483,359
Refuse Collection	841,260	967,376	1,123,991	779,384	907,757	829,210	903,700	1,092,767	1,202,945
CDBG Economic Developmnt Loans	0	0	0	0	356	3,061	6,939	0	15,777
Total business-type activities expenses	47,361,358	52,022,364	58,656,356	65,602,359	71,574,841	78,609,469	82,639,070	88,503,467	94,771,673
Total primary government expenses	\$61,285,005	\$68,115,440	\$74,173,749	\$82,218,708	\$88,677,708	\$95,722,670	\$99,555,947	\$106,372,020	\$113,568,648
Program Revenues									
Governmental activities:									
Charges for services:									
Safety Services	\$278,880	\$253,456	\$293,345	\$338,050	\$377,120	\$327,130	\$584,566	\$501,466	\$675,968
Leisure Services	444,774	427,778	429,655	442,596	385,431	376,070	439,542	428,796	461,364
Environment & Development Services	204,136	222,827	274,302	343,462	316,626	282,123	286,704	228,043	302,442
Transportation Services	73,890	86,556	62,280	92,629	97,739	104,146	88,124	108,048	132,711
Administrative Services	100,031	123,912	132,182	146,155	207,712	181,851	169,724	191,408	387,959
Operating grants & contributions	1,452,243	1,475,451	1,499,846	1,957,009	1,758,918	2,016,684	2,165,180	2,147,337	2,083,772
Capital grants & contributions	2,014,322	131,589	317,511	79,566	371,839	906	1,361,436	314,427	4,866,152
Total governmental activities program revenues	4,568,276	2,721,569	3,009,121	3,399,467	3,515,385	3,288,910	5,095,276	3,919,525	8,910,368
Business-type activities:									
Wooster Community Hospital	43,825,283	49,196,286	55,137,266	64,826,538	68,493,186	74,855,608	78,810,733	83,692,444	90,173,785
Water (Production & Distribution)	3,842,668	3,749,300	3,910,079	4,139,112	3,864,670	3,864,067	3,941,569	3,742,199	3,787,493
Water Pollution Control	3,349,179	3,272,429	3,656,400	3,714,017	3,261,084	3,169,073	3,443,436	3,224,387	3,787,493
Storm Drainage Utility	434,446	432,416	525,137	746,750	759,431	798,263	809,835	863,905	886,865
Refuse Collection	849,042	985,872	1,053,226	970,084	849,331	879,116	913,915	938,003	1,070,033
CDBG Economic Developmnt Loans	15,181	12,729	9,703	9,775	8,299	6,194	6,577	5,135	5,006
Operating grants & contributions	516,325	84,449	141,721	319,519	332,857	336,905	495,329	1,007,384	2,214,005
Capital grants & contributions	27,490	0	0	0	581,598	158,498	0	0	59,000
Total business-type program revenues	52,859,614	57,733,481	64,433,532	74,725,795	78,150,456	84,067,724	88,421,394	93,473,457	101,983,680
Total primary government program revenues	\$57,427,890	\$60,455,050	\$67,442,653	\$78,125,262	\$81,665,841	\$87,356,634	\$93,516,670	\$97,392,982	\$110,894,048
Net (Expense)/Revenue									
Governmental activities	(\$9,355,371)	(\$13,371,507)	(\$12,508,272)	(\$13,216,882)	(\$13,587,482)	(\$13,824,291)	(\$11,821,601)	(\$13,949,028)	(\$9,886,607)
Business-type activities	5,498,256	5,711,117	5,777,176	9,123,436	6,575,615	5,458,255	5,782,324	4,969,990	7,212,007
Total primary government net expense	(\$3,857,115)	(\$7,660,390)	(\$6,731,096)	(\$4,093,446)	(\$7,011,867)	(\$8,366,036)	(\$6,039,277)	(\$8,979,038)	(\$2,674,600)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
City income tax	\$8,705,356	\$7,768,366	\$7,731,245	\$7,868,386	\$7,819,106	\$8,395,905	\$8,922,262	\$8,558,902	\$9,655,637
Property taxes	1,962,352	2,066,251	2,066,681	2,050,620	2,170,403	2,086,589	2,278,101	2,453,710	2,539,667
Estate taxes	973,344	823,816	564,448	1,158,307	873,090	592,046	556,440	814,161	1,263,406
Other taxes	112,598	106,280	106,986	115,202	112,158	111,250	100,392	104,711	156,057
Unrestricted grants and contributions	1,780,716	1,725,510	1,759,816	1,906,638	1,731,790	1,832,650	1,602,449	1,659,626	1,680,018
Investment earnings	858,612	1,296,950	1,112,213	744,456	445,165	319,307	531,694	1,067,669	1,370,251
Miscellaneous	300,511	279,087	191,324	313,302	256,092	226,942	328,328	327,119	459,353
Transfers	0	0	401,034	2,070	3,496	10,150	(341,268)	11,692	0
Loss on sale of land	0	(1,240,743)	0	0	0	0	0	0	0
Total governmental activities	14,693,489	12,825,517	13,933,747	14,158,981	13,411,300	13,574,839	13,978,398	14,997,590	17,124,389
Business-type activities:									
Investment earnings	2,713,991	4,341,922	4,053,449	2,742,342	1,588,243	1,187,190	2,179,390	3,427,836	3,210,402
Miscellaneous	0	15,155	15,489	100,151	172,623	197,648	133,727	216,142	172,601
Transfers	0	0	2,345	52,202	(3,496)	0	341,268	(11,692)	0
Special item - change in est plant closure cost	0	0	0	0	0	0	1,803,575	0	0
Total business-type activities	2,713,991	4,357,077	4,071,283	2,894,695	1,757,370	1,384,838	4,457,960	3,632,286	3,383,003
Total primary government	\$17,407,480	\$17,182,594	\$18,005,030	\$17,053,676	\$15,168,670	\$14,959,677	\$18,436,358	18,629,876	20,507,392
Changes in Net Assets									
Governmental activities	\$5,338,117	(\$545,991)	\$1,425,474	\$942,099	(\$176,183)	(249,452)	\$2,156,797	\$1,048,562	\$7,237,782
Business-type activities	8,212,248	10,068,195	9,848,460	12,018,131	8,332,986	6,843,093	10,240,284	8,602,276	10,595,010
Total primary government changes in Net Assets	\$13,550,365	\$9,522,204	\$11,273,934	\$12,960,230	\$8,156,803	\$6,593,641	\$12,397,081	\$9,650,838	\$17,832,792

Source: Respective comprehensive annual financial reports (Statements of Activities).

CITY OF WOOSTER, OHIO
FUND BALANCES
LAST NINE YEARS

Schedule 1.3
Governmental Activities
(modified accrual basis of accounting)

GENERAL FUND	1999	2000	2001	2002	2003	2004	2005	2006	2007
Fund balances:								Restated	
Reserved for encumbrances	\$ 2,291,746	\$ 2,144,874	\$ 720,160	\$ 2,324,261	\$ 3,010,790	\$ 2,569,468	\$ 2,057,008	\$ 2,302,703	\$ 2,569,889
Unreserved	<u>7,626,716</u>	<u>7,536,364</u>	<u>10,072,966</u>	<u>9,176,236</u>	<u>8,874,600</u>	<u>9,556,665</u>	<u>10,086,616</u>	<u>10,174,109</u>	<u>11,421,599</u>
Total General Fund	<u>9,918,462</u>	<u>9,681,238</u>	<u>10,793,126</u>	<u>11,500,497</u>	<u>11,885,390</u>	<u>12,126,133</u>	<u>12,143,624</u>	<u>12,476,812</u>	<u>13,991,488</u>
OTHER GOVERNMENTAL FUNDS									
Fund balances:									
Reserved for encumbrances	328,001	1,228,807	2,092,946	1,164,251	1,633,323	1,046,174	2,502,300	1,449,792	3,553,551
Unreserved, reported in:									
Special revenue funds	3,469,135	2,451,536	2,810,185	2,024,455	1,901,392	1,993,488	2,141,344	2,693,080	2,520,262
Capital projects funds	4,005,806	4,995,497	4,467,254	4,209,665	2,750,575	1,733,902	1,667,698	1,301,761	4,441,154
Debt service funds	<u>106,660</u>	<u>196,566</u>	<u>479,503</u>	<u>516,972</u>	<u>505,652</u>	<u>549,770</u>	<u>627,779</u>	<u>674,528</u>	<u>575,622</u>
Total Other Governmental Funds	<u>7,909,602</u>	<u>8,872,406</u>	<u>9,849,888</u>	<u>7,915,343</u>	<u>6,790,942</u>	<u>5,323,334</u>	<u>6,939,121</u>	<u>6,119,161</u>	<u>11,090,589</u>
ALL GOVERNMENTAL FUNDS									
Fund balances:									
Reserved for encumbrances	2,619,747	3,373,681	2,813,106	3,488,512	4,644,113	3,615,642	4,559,308	3,752,495	6,123,440
Unreserved, reported in:									
General fund	7,626,716	7,536,364	10,072,966	9,176,236	8,874,600	9,556,665	10,086,616	10,174,109	11,421,599
Special revenue funds	3,469,135	2,451,536	2,810,185	2,024,455	1,901,392	1,993,488	2,141,344	2,693,080	2,520,262
Capital projects funds	4,005,806	4,995,497	4,467,254	4,209,665	2,750,575	1,733,902	1,667,698	1,301,761	4,441,154
Debt service funds	<u>106,660</u>	<u>196,566</u>	<u>479,503</u>	<u>516,972</u>	<u>505,652</u>	<u>549,770</u>	<u>627,779</u>	<u>674,528</u>	<u>575,622</u>
Total All Governmental Funds	<u>\$ 17,828,064</u>	<u>\$ 18,553,644</u>	<u>\$ 20,643,014</u>	<u>\$ 19,415,840</u>	<u>\$ 18,676,332</u>	<u>\$ 17,449,467</u>	<u>\$ 19,082,745</u>	<u>\$ 18,595,973</u>	<u>\$ 25,082,077</u>

Source: Respective comprehensive annual financial reports .

**CITY OF WOOSTER, OHIO
CHANGES IN FUND BALANCES
LAST NINE YEARS**

**Schedule 1.4
Governmental Activities
(modified accrual basis of accounting)**

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues :									
Taxes	\$ 11,926,830	\$ 10,940,531	\$ 10,646,623	\$ 11,373,906	\$ 11,127,812	\$ 11,009,219	\$ 11,297,923	\$ 12,344,546	\$ 13,726,214
Intergovernmental	3,061,599	2,837,319	2,976,607	3,430,565	3,337,563	3,401,497	4,922,439	3,593,297	3,506,114
Charges for services	797,113	770,286	773,320	866,883	857,203	789,399	1,072,499	1,032,895	1,254,071
Special assessments	241,217	232,806	201,988	194,157	250,145	220,491	241,604	197,603	255,070
Fines, licenses, permits	451,555	477,195	532,200	618,004	629,018	586,873	588,341	520,367	727,002
Interfund services provided	828,504	920,623	1,006,130	1,013,651	1,248,397	1,257,604	1,657,452	1,504,907	1,443,050
Interest income	858,612	1,296,952	1,112,213	744,455	445,165	319,307	531,693	996,877	1,370,250
Contributions and donations	-	-	-	200,000	-	-	-	-	-
Miscellaneous	236,328	333,978	190,859	239,464	264,050	216,557	302,091	352,674	417,786
Total Revenues	18,401,758	17,809,690	17,439,940	18,681,085	18,159,353	17,800,947	20,614,042	20,543,166	22,699,557
Expenditures :									
Current operations :									
Safety services	6,786,010	7,094,767	7,286,204	7,887,889	8,202,817	8,723,587	8,625,843	9,406,095	9,529,944
Health and social services	133,327	136,155	141,727	142,208	140,855	132,275	137,883	142,851	148,884
Leisure services	1,416,319	1,630,780	1,650,906	1,732,620	1,783,469	1,661,124	1,702,485	1,839,067	1,885,624
Environment and development	559,360	688,943	691,724	1,097,016	1,091,022	1,137,281	1,047,612	1,288,681	1,234,397
Utility services	65,194	-	-	-	-	-	-	-	-
Transportation services	1,335,479	1,941,391	1,510,544	1,829,615	1,805,628	1,852,717	1,741,005	1,635,981	2,163,997
Administrative services	2,313,934	3,000,750	2,936,951	3,109,193	3,096,290	2,830,533	3,074,504	3,058,369	3,279,618
Capital expenditures	2,668,549	3,395,582	1,890,745	2,559,250	3,356,967	1,895,424	3,145,019	2,663,806	2,693,490
Debt service :									
Principal	547,235	229,597	517,804	2,186,199	1,690,840	624,667	344,337	1,353,408	1,372,318
Interest	184,821	164,798	156,499	177,400	160,972	180,355	167,152	190,049	214,332
Total Expenditures	16,010,228	18,282,763	16,783,104	20,721,390	21,328,860	19,037,963	19,985,840	21,578,307	22,522,604
Excess revenues over (under) expenditures	2,391,530	(473,073)	656,836	(2,040,305)	(3,169,507)	(1,237,016)	628,202	(1,035,141)	176,953
Other financing sources (uses) :									
Debt Issuance	405,453	1,198,653	1,161,993	1,169,951	2,420,000	-	1,000,000	-	1,997,023
Sale of capital assets	-	-	-	-	-	-	-	-	85,000
Transfers in	3,112,090	-	1,049,740	807,143	901,772	490,150	1,884,959	1,447,341	1,431,473
Transfers (out)	(3,112,090)	-	(648,707)	(752,870)	(891,772)	(480,000)	(1,884,959)	(1,447,341)	(1,431,473)
Special item - donation from local college	-	-	-	-	-	-	-	-	4,300,000
Total other financing sources (uses)	405,453	1,198,653	1,563,026	1,224,224	2,430,000	10,150	1,000,000	-	6,558,976
Net changes in fund balances	\$ 2,796,983	\$ 725,580	\$ 2,219,862	\$ (816,081)	\$ (739,507)	\$ (1,226,866)	\$ 1,628,202	\$ (1,035,141)	\$ 6,735,929
Debt service as a percentage of noncapital expenditures	5.5%	2.6%	4.5%	13.0%	10.3%	4.7%	3.0%	8.2%	8.0%

Source: Respective comprehensive annual financial reports

**CITY OF WOOSTER, OHIO
WATER PRODUCTION AND DISTRIBUTION
SIGNIFICANT FINANCIAL INFORMATION
LAST TEN YEARS**

	1998	1999	2000	2001	2002	2003	2004	2005
Current Assets								
Cash & Investments	\$9,965,607	\$9,856,963	\$9,383,730	\$9,943,449	\$10,087,609	\$8,398,130	\$7,608,033	\$6,722,865
Other Current Assets	697,701	744,339	796,621	688,401	701,732	669,336	722,865	
Total Current Assets	\$10,663,308	\$10,601,302	\$10,180,351	\$10,631,850	\$10,789,341	\$9,067,466	\$8,330,898	\$7,445,720
Noncurrent Assets								
Net Capital Assets	\$21,848,655	\$22,298,878	\$22,498,094	\$22,546,230	\$22,086,271	\$22,538,119	\$22,894,460	\$22,894,460
Total Assets	\$32,511,963	\$32,900,180	\$32,678,445	\$33,178,080	\$32,875,612	\$31,605,585	\$31,225,358	\$30,340,180
Current Liabilities - Note 1,2	\$7,567,498	\$7,779,403	\$7,530,559	\$5,474,216	\$5,532,705	\$4,868,185	\$5,109,343	\$2,894,460
Noncurrent Liabilities	9,241,032	8,532,434	7,756,905	9,651,737	8,775,983	7,911,090	6,992,885	6,992,885
Total Liabilities	\$16,808,530	\$16,311,837	\$15,287,464	\$15,125,953	\$14,308,688	\$12,779,275	\$12,102,228	\$9,887,345
Total Net Assets	\$15,703,433	\$16,588,343	\$17,390,981	\$18,052,127	\$18,566,924	\$18,826,310	\$19,123,130	\$20,452,835
Working Capital	\$ 3,095,810	\$ 2,821,899	\$ 2,649,792	\$ 5,157,634	\$ 5,256,636	\$ 4,199,281	\$ 3,221,555	\$ 4,199,281
Current Ratio	1.41	1.36	1.35	1.94	1.95	1.86	1.63	1.63
Capital Expenditures	\$2,728,646	\$1,366,312	\$1,179,190	\$1,090,786	\$734,527	\$1,496,317	\$1,428,742	\$1,428,742
Depreciation Expense	\$438,233	\$881,994	\$988,407	\$1,042,347	\$1,006,936	\$1,071,357	\$1,061,535	\$1,061,535
Long Term Debt	\$9,147,244	\$8,441,745	\$7,693,845	\$9,600,945	\$8,731,200	\$7,840,752	\$6,902,380	\$5,902,380
Principal Payments - Note 2	\$3,630,500	\$3,665,500	\$3,705,500	\$3,747,900	\$1,719,118	\$1,497,399	\$903,372	\$903,372
Interest Expense	\$637,212	\$581,332	\$579,629	\$558,414	\$598,074	\$435,077	\$393,713	\$393,713
Liabilities to Assets	51.70%	49.58%	46.78%	45.59%	43.52%	40.43%	38.76%	38.76%
Operating Results								
Total operating revenues	\$4,301,834	\$4,133,467	\$3,749,387	\$3,924,239	\$4,184,422	\$4,025,264	\$4,146,936	\$4,146,936
Total operating expenses	2,625,885	3,178,782	3,094,977	3,304,070	3,239,513	3,592,943	3,582,648	4,025,264
Operating income	1,675,949	954,685	654,410	620,169	944,909	432,321	564,288	1,121,672
Net non-operating revenues (expenses)-Note 1	(3,497,022)	(69,500)	135,757	38,632	(240,242)	(169,438)	(267,467)	(267,467)
Transfer and special item - Note 4	0	0	0	0	0	0	0	1,121,672
Change in Net Assets	(\$1,821,073)	\$885,185	\$790,167	\$658,801	\$704,667	\$262,883	\$296,820	\$1,121,672
Return on Assets from Operations	10.7%	5.8%	3.8%	3.4%	5.1%	2.3%	3.0%	3.0%
CPI changes - Note 3	1.6%	2.7%	3.4%	1.6%	2.4%	1.9%	3.3%	3.3%
Personal services expenses	\$1,063,977	\$1,122,665	\$1,091,771	\$1,109,519	\$1,139,917	\$1,326,728	\$1,336,854	\$1,336,854
Personal services expenses as a % of total operating expenses	40.5%	35.3%	35.3%	33.6%	35.2%	36.9%	37.3%	37.3%

Source: Respective comprehensive annual financial reports

Note 1 - Includes \$3,430,475 estimated old water plant closure costs, 1998

Note 2 - Cash basis: Include bond anticipation notes of \$3,000,000 (1996-2000); \$626,218 (2001); \$628,005 (2002)

Note 3 - Bureau of Labor Statistics

Note 4 - Special Item is change in estimated plant closure costs of \$1,840,488

CITY OF WOOSTER, OHIO
WATER POLLUTION CONTROL - COLLECTION AND TREATMENT
SIGNIFICANT FINANCIAL INFORMATION
LAST TEN YEARS

	1998	1999	2000	2001	2002	2003	2004	2005
Current Assets								
Cash & Investments	\$ 11,150,554	\$ 11,700,608	\$ 11,318,777	\$ 11,776,630	\$ 12,569,170	\$ 11,894,904	\$ 11,754,145	\$ 10,698,774
Other Current Assets	500,096	539,929	642,599	783,029	614,325	526,837	608,007	637,836
Total Current Assets	11,650,650	12,240,537	11,961,376	12,559,659	13,183,495	12,421,741	12,362,152	11,336,610
Noncurrent Assets								
Long Term Receivables	570,821	592,131	571,424	545,883	498,926	458,358	431,694	396,545
Net Capital Assets	12,526,730	12,840,538	13,508,448	13,250,037	12,807,772	13,362,129	12,438,501	14,654,805
Total Noncurrent Assets	13,097,551	13,432,669	14,079,872	13,795,920	13,306,698	13,820,487	12,870,195	15,051,350
Total Assets	\$ 24,748,201	\$ 25,673,206	\$ 26,041,248	\$ 26,355,579	\$ 26,490,193	\$ 26,242,228	\$ 25,232,347	\$ 26,387,960
Liabilities								
Current Liabilities	\$ 487,573	\$ 810,224	\$ 659,011	\$ 509,420	\$ 384,730	\$ 310,253	\$ 305,366	\$ 1,464,240
Noncurrent Liabilities	915,748	679,933	382,881	112,135	93,692	76,020	75,774	641,599
Total Liabilities	1,403,321	1,490,157	1,041,892	621,555	478,422	386,273	381,140	2,105,839
Total Net Assets	\$ 23,344,880	\$ 24,183,049	\$ 24,999,356	\$ 25,734,024	\$ 26,011,771	\$ 25,855,955	\$ 24,851,207	\$ 24,282,121
Working Capital								
Working Capital	\$11,163,077	\$11,430,313	\$11,302,365	\$12,050,239	\$12,798,765	\$12,111,488	\$12,056,786	\$9,872,370
Current Ratio	23.90	15.11	18.15	24.65	34.27	40.04	40.48	7.74
Capital Expenditures								
Capital Expenditures	\$212,548	\$1,146,403	\$1,666,474	\$886,620	\$749,425	\$1,511,253	\$527,515	\$3,225,518
Depreciation Expense	\$841,524	\$856,153	\$999,500	\$1,029,082	\$987,361	\$997,446	\$1,437,773	\$1,123,039
Long Term Debt								
Long Term Debt	\$824,964	\$562,056	\$297,851	\$32,272	\$0	\$0	\$0	\$544,231
Principal Payments	\$0	\$261,102	\$262,908	\$263,915	\$275,255	\$42,095	\$0	\$0
Interest Expense	\$78,160	\$61,631	\$47,342	\$31,512	\$16,582	\$1,221	\$0	\$0
Liabilities to Assets	5.67%	5.80%	4.00%	2.36%	1.81%	1.47%	1.51%	7.98%
Operating Results								
Total operating revenues	\$3,115,681	\$3,349,179	\$3,272,430	\$3,657,451	\$3,738,552	\$3,381,481	\$3,221,098	\$3,465,790
Total operating expenses	2,948,276	3,023,034	3,274,070	3,590,372	3,650,335	3,777,200	4,404,277	4,404,335
Operating income	167,405	326,145	(1,640)	67,079	88,217	(395,719)	(1,183,179)	(938,545)
Net non-operating revenues (expenses)	555,161	517,569	817,947	667,589	411,614	239,903	178,431	369,515
Change in Net Assets	\$722,566	\$843,714	\$816,307	\$734,668	\$499,831	(\$155,816)	(\$1,004,748)	(\$569,030)
Return on Assets from Operations								
Return on Assets from Operations	0.72%	1.35%	-0.01%	0.26%	0.34%	-1.53%	-4.76%	-3.87%
CPI changes	1.6%	2.7%	3.4%	1.6%	2.4%	1.9%	3.3%	3.3%
Personal services expenses as a								
% of total operating expenses	31.1%	35.0%	29.7%	30.0%	29.6%	28.8%	27.4%	30.4%

Source: Respective Comprehensive Annual Financial Reports

**CITY OF WOOSTER, OHIO
STORM DRAINAGE UTILITY
SIGNIFICANT FINANCIAL INFORMATION
LAST TEN YEARS**

	1998	1999	2000	2001	2002	2003	2004	2005
Current Assets								
Cash & Investments	\$ 1,637,682	\$ 1,582,112	\$ 1,598,462	\$ 4,115,413	\$ 4,321,205	\$ 2,716,143	\$ 1,873,930	\$ 1,637,682
Other Current Assets	75,107	79,307	99,933	120,349	139,953	125,568	144,265	1,712,789
Total Current Assets	1,712,789	1,661,419	1,698,395	4,235,762	4,461,158	2,841,711	2,018,195	1,712,789
Noncurrent Assets								
Net Capital Assets	2,836,108	3,057,388	3,210,737	3,564,866	3,903,684	5,595,014	6,250,833	7,112,789
Total Assets	\$ 4,548,897	\$ 4,718,807	\$ 4,909,132	\$ 7,800,628	\$ 8,364,842	\$ 8,436,725	\$ 8,269,027	\$ 8,912,789
Liabilities								
Current Liabilities	\$ 19,819	\$ 28,834	\$ 43,190	\$ 758,335	\$ 773,630	\$ 309,589	\$ 257,424	\$ 637,682
Noncurrent Liabilities	135,800	125,061	125,061	2,078,455	2,069,380	2,068,591	1,879,331	1,712,789
Total Liabilities	155,619	153,895	168,251	2,836,790	2,843,010	2,378,180	2,136,755	2,350,471
Total Net Assets	\$ 4,393,278	\$ 4,564,912	\$ 4,740,881	\$ 4,963,838	\$ 5,521,832	\$ 6,058,545	\$ 6,132,272	\$ 6,562,318
Working Capital								
Working Capital	\$ 1,692,970	\$ 1,632,585	\$ 1,655,205	\$ 3,477,427	\$ 3,687,528	\$ 2,532,122	\$ 1,760,770	\$ 1,137,682
Current Ratio	86.42	57.62	39.32	5.59	5.77	9.18	7.84	6.46
Capital Expenditures								
Capital Expenditures	\$ 211,012	\$ 326,735	\$ 282,297	\$ 451,374	\$ 408,175	\$ 1,795,884	\$ 862,723	\$ 862,723
Depreciation Expense	\$ 96,214	\$ 112,133	\$ 128,948	\$ 134,428	\$ 134,586	\$ 166,923	\$ 239,970	\$ 239,970
Long Term Debt								
Long Term Debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,982,910	\$ 1,860,197	\$ 1,712,789
Principal Payments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,701,967	\$ 2,790,163	\$ 122,712	\$ 122,712
Interest Expense	\$ 0	\$ 0	\$ 0	\$ 6,649	\$ 64,424	\$ 56,583	\$ 16,983	\$ 16,983
Liabilities to Net Assets	3.54%	3.37%	3.55%	57.15%	51.49%	39.25%	34.84%	34.84%
Operating Results								
Total operating revenues	\$433,099	\$434,446	\$432,416	\$525,220	\$748,661	\$813,934	\$816,866	\$816,866
Total operating expenses	325,392	344,764	376,714	396,850	313,714	608,834	707,792	608,834
Operating income	107,707	89,682	55,702	128,370	434,947	205,100	109,074	108,032
Net non-operating revenues (expenses)	90,284	81,952	120,267	94,587	100,975	331,613	(35,347)	(35,347)
Change in Net Assets	\$197,991	\$171,634	\$175,969	\$222,957	\$535,922	\$536,713	\$73,727	\$4
Return on Assets from Operations								
Return on Assets from Operations	2.45%	1.96%	1.17%	2.59%	7.88%	3.39%	1.78%	1.78%
CPI changes	1.6%	2.7%	3.4%	1.6%	2.4%	1.9%	3.3%	3.3%
Personal services expenses as a % of total operating expenses								
Personal services expenses as a % of total operating expenses	25.11%	25.28%	26.85%	33.02%	10.25%	36.96%	38.44%	38.44%

Source: Respective Comprehensive Annual Financial Reports

City of Wooster, Ohio
 Wooster Community Hospital
 Significant Statistical & Financial Information
 Last Ten Years

Schedule 1.5.4
 Business-type Services
 (accrual basis of accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Change in Net Assets										
Statement Summary										
Total Gross Revenue	\$55,284,338	\$54,951,348	\$62,875,341	\$69,808,361	\$84,391,398	\$91,762,398	\$102,188,549	\$111,372,640	\$121,402,518	\$132,626,372
Less: Deductions	(11,571,107)	(11,142,764)	(13,689,887)	(14,740,112)	(19,640,490)	(23,297,774)	(27,444,467)	(32,582,138)	(37,768,749)	(42,470,238)
Net Revenue	43,713,231	43,808,584	49,185,454	55,068,249	64,750,908	68,464,624	74,744,082	78,790,502	83,633,769	90,156,134
Total Operating Costs	37,859,217	38,825,966	42,843,550	48,108,513	55,706,370	61,094,025	67,125,463	71,621,862	77,314,826	82,880,752
Operating Income	5,854,014	4,982,618	6,341,904	6,959,736	9,044,538	7,370,599	7,618,619	7,168,640	6,318,943	7,275,382
Non-operating Income (Expense)	1,456,922	845,535	1,610,843	1,195,610	649,629	87,308	(515,414)	1,398,810	2,159,987	1,908,511
Change in Net Assets	\$7,310,936	\$5,828,153	\$7,952,747	\$8,155,346	\$9,694,167	\$7,457,907	\$7,103,205	\$8,567,450	\$8,478,930	\$9,183,893

Balance Sheet Information

Cash Balances:

Days Operating Cash on Hand	74.04	70.23	78.13	92.83	72.42	68.19	44.17	52.40	46.00	44.80
Operating Fund	\$7,161,220	\$6,910,440	\$8,475,979	\$11,412,086	\$10,341,454	\$10,649,707	\$7,521,837	\$9,476,957	\$8,945,304	\$8,990,603
Plant Fund	\$24,292,116	\$26,919,336	\$34,209,501	\$37,553,694	\$42,021,271	\$44,567,931	\$49,157,316	\$45,717,851	\$48,233,897	\$58,971,924
Restricted Cash Funds	\$1,382,319	\$1,700,546	\$1,672,343	\$1,706,021	\$1,560,495	\$1,486,054	\$1,177,342	\$1,203,605	\$1,302,686	\$1,380,800
Total Cash & Investments	\$32,835,655	\$35,530,322	\$44,357,823	\$50,671,801	\$53,923,220	\$56,703,692	\$57,856,495	\$56,398,413	\$58,481,887	\$69,343,327
Accounts Receivable	\$10,673,232	\$10,631,427	\$12,891,580	\$13,307,255	\$15,331,275	\$16,038,823	\$16,520,196	\$16,144,548	\$17,184,188	\$19,627,687
Days Outstanding	73.37	73.92	76.03	68.50	66.27	63.73	62.35	54.90	56.30	54.80

Source: Wooster Community Hospital Monthly Board Reports

City of Wooster, Ohio
Income Tax Gross Receipts (Note 1)
Last Ten Years

Schedule 2.1
General Fund

Income Tax Base	1998	1999	2000	2001
Estimated Personal Income	\$476,438,849	\$493,970,559	\$533,560,555	\$551,646,602

Income Tax Receipts	1998	1999	2000	2001
Income Tax Receipts:				
Withholding	\$6,223,398	\$7,326,656	\$6,440,639	\$6,633,878
Corporate	1,003,701	1,018,641	940,283	866,185
Individuals	665,842	700,884	679,240	610,980
Total Income Tax Receipts	\$7,892,941	\$9,046,182	\$8,060,162	\$8,111,043

Income Tax Principal Payers	1998	1999	2000	2001
Industrial	41.4%	45.9%	39.1%	36.9%
Education/Government	11.7%	11.1%	13.3%	14.6%
Services	10.4%	9.2%	10.1%	10.6%
Retail	10.0%	8.8%	9.0%	9.3%
Medical	7.5%	7.0%	8.4%	9.0%
Construction	4.2%	3.9%	4.4%	4.8%
Financial	5.2%	4.3%	4.3%	4.3%
Oil	1.6%	1.6%	1.9%	2.0%
Restaurants	1.9%	1.8%	2.1%	2.2%
Miscellaneous	6.1%	6.4%	7.4%	6.3%
	100.0%	100.0%	100.0%	100.0%

Source: City Finance Department records.
Note 1 - Tax rate is 1.0% of taxable income as defined by city ordinance.

2002	2003	2004	2005	2006	2007	'98-'07
\$563,443,816	\$580,662,193	\$598,205,752	\$630,938,440	\$655,927,860	\$686,756,470	144.1%

2002	2003	2004	2005	2006	2007	% Change '98-'07
\$6,735,400	\$6,723,310	\$6,835,582	\$6,772,165	\$7,010,331	\$7,564,476	121.5%
703,086	639,578	630,991	895,922	1,177,943	1,063,645	106.0%
665,755	645,084	606,120	842,616	859,858	1,193,414	179.2%
\$8,104,240	\$8,007,972	\$8,072,693	\$8,510,703	\$9,048,132	\$9,821,535	124.4%

2002	2003	2004	2005	2006	2007	% Change '98-'07
34.2%	33.0%	31.6%	28.2%	28.4%	28.0%	(32.4%)
17.4%	17.8%	18.5%	18.0%	18.0%	18.7%	59.8%
11.1%	12.0%	11.7%	12.3%	11.9%	12.5%	20.2%
8.6%	9.0%	8.6%	9.1%	8.1%	7.4%	(26.0%)
7.1%	7.1%	7.1%	8.2%	6.9%	7.0%	(6.7%)
4.9%	4.7%	4.1%	4.1%	5.1%	4.0%	(4.8%)
3.9%	4.3%	4.6%	5.0%	4.9%	4.6%	(11.5%)
2.2%	2.3%	2.4%	2.8%	2.7%	2.8%	75.0%
2.3%	2.3%	2.0%	2.2%	1.9%	2.3%	21.1%
8.3%	7.5%	9.4%	10.1%	12.2%	12.7%	108.2%
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

**CITY OF WOOSTER, OHIO
SCHEDULE OF ASSESSED VALUATION
ESTIMATED TRUE VALUE
LAST TEN YEARS**

Property Tax Base

Tax Year/Collection Year	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2
<u>Assessed Value</u>								
Real Property	\$352,489	\$376,452	\$383,712	\$392,592	\$419,524	\$437,860	\$452,095	\$
Public Utility Property	16,077	14,373	15,113	10,291	10,602	10,432	12,800	
Tangible Personal Property	114,342	123,488	128,468	123,315	117,373	111,693	110,886	
Total	\$482,908	\$514,313	\$527,293	\$526,198	\$547,499	\$559,985	\$575,781	\$
<u>Estimated Actual Value</u>								
Real Property	\$1,007,111	\$1,075,577	\$1,096,320	\$1,121,690	\$1,198,640	\$1,251,029	\$1,291,700	\$1

Sources: Wayne County Auditor

Building Permit Activity

	1998	1999	2000	2001	2002	2003	2004	2
Commercial permits	114	77	107	103	94	113	105	
Value of commercial permits	\$19,752	\$14,580	\$25,936	\$52,796	\$32,871	\$30,789	\$36,196	
Residential permits	199	185	151	169	197	228	219	
Value of residential permits	\$9,945	\$8,471	\$8,048	\$8,643	\$15,917	\$18,586	\$19,840	
Total permits	313	262	258	272	291	341	324	
Total value of permits issued	\$29,697	\$23,051	\$33,984	\$61,439	\$48,788	\$49,375	\$56,036	

Source: City Building Standards Division.

**CITY OF WOOSTER, OHIO
PROPERTY TAX RATES DIRECT
AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS**

**Schedule 2.2.2
(Mills per \$1.00 valuation)**

Property Tax Rates

Tax Year/Collection Year	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
County levy	8.35	8.75	8.75	8.75	8.75	8.75	9.65	9.65	9.65	9.65
School levy	59.15	65.20	65.20	65.20	65.20	65.20	71.70	72.10	72.10	72.30
Vocational school	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.85
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	1.25	1.25	1.25
Total levy	77.80	84.25	84.25	84.25	84.25	84.25	91.65	92.30	92.30	93.25
Debt service:										
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	3.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Wayne County Auditor

**CITY OF WOOSTER, OHIO
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO**

Schedule 2.2.3

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Principal Payers	2007			1998		
	RANK	ASSESSED VALUATION (\$000 omitted)	PERCENTAGE OF TOTAL ASSESSED VALUATION	RANK	ASSESSED VALUATION (\$000 omitted)	PERCENTAGE OF TOTAL ASSESSED VALUATION
Luk USA LLC	1	\$10,893	1.88%	2	\$14,648.00	2.39%
Wooster Brush	2	8,788	1.52%	4	10,175	1.66%
Gertenslager Co	3	8,013	1.39%	5	8,861	1.45%
The College of Wooster	4	7,492	1.30%	-	-	-
Insite Wooster LLC	5	5,558	0.96%	-	-	-
Lowe's	6	5,018	0.87%	-	-	-
Frito Lay/Pepsico	7	4,748	0.82%	10	4,164	0.68%
Bosch Rexroth	8	4,241	0.73%	3	10,580	1.73%
Buehler Food Markets Inc	9	3,622	0.63%	-	-	-
Wooster Community Hospital	10	2,834	0.49%	-	-	-
Newell/Rubbermaid				1	30,578	5.00%
Ohio Power				6	\$8,730	1.43%
United Telephone				8	4,926	0.81%
Wayne Steel				7	5,173	0.85%
Wooster Associates				9	4,447	0.73%
Total of Above		<u>\$61,207</u>	10.59%		<u>\$102,282</u>	16.72%
Total Assessed Valuation of City		\$578,080			\$611,807	

Source: Wayne County Auditor

CITY OF WOOSTER, OHIO
SCHEDULE OF PROPERTY TAX, TANGIBLE TAX, SPECIAL ASSESSMENTS
LEVIED/BILLED AND COLLECTED
LAST TEN YEARS

Schedule 2.2.4

(\$ 000 omitted)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
PROPERTY TAX										
Real and public property:										
Net tax levy	1,548	1,659	1,641	1,741	1,769	1,925	1,995	2,107	2,392	2,635
Current collections	1,448	1,501	1,594	1,625	1,620	1,733	1,774	1,857	1,972	2,460
Percentage of current collection to net levy	94%	90%	97%	93%	92%	90%	89%	88%	82%	93%
Delinquent collections	23	30	24	26	35	38	53	37	32	49
Total Collections	1,471	1,531	1,618	1,651	1,655	1,771	1,827	1,894	2,004	2,509
Percentage of total collections to net levy	95%	92%	99%	95%	94%	92%	92%	90%	84%	95%
TANGIBLE TAX										
Billed	480	520	541	516	504	481	477	508	372	277
Collected	471	506	533	507	481	470	429	498	365	243
Percentage collected	98%	97%	99%	98%	95%	98%	90%	98%	98%	88%
Delinquent	9	14	8	9	23	12	49	13	8	13
SPECIAL ASSESSMENTS										
Billed	165	274	380	361	423	515	315	466	400	431
Collected	156	253	329	304	342	448	248	443	359	403
Percentage collected	95%	92%	87%	84%	81%	87%	79%	95%	90%	94%
Delinquent	9	21	51	57	81	70	63	23	41	47

Source: Wayne County Auditor

CITY OF WOOSTER, OHIO
WATER PRODUCTION & DISTRIBUTION
REVENUE RELATED INFORMATION, LAST NINE YEARS

	1999	2000	2001	2002	2003	2004	2005
WATER RATES PER THOUSAND GALLONS*							
Minimum Charge**	\$9.38	\$9.38	\$9.38	\$9.38	\$9.38	\$9.38	\$9.38
Next 17 Thousand Gallons	\$3.63	\$3.63	\$3.63	\$3.63	\$3.63	\$3.63	\$3.63
Next 1,980 Thousand Gallons	\$3.21	\$3.21	\$3.21	\$3.21	\$3.21	\$3.21	\$3.21
Each Additional Thousand Gallons	\$0.95	\$0.95	\$0.95	\$0.95	\$0.95	\$0.95	\$0.95
CUSTOMER COUNTS:							
Residential	7,764	7,880	8,023	8,166	8,309	8,453	
Industrial	54	55	55	56	57	58	
Commercial	627	635	644	653	662	671	
Institutional	160	166	168	171	174	177	
Totals	8,605	8,736	8,890	9,046	9,202	9,359	
BILLINGS BY CUSTOMER TYPE:							
Residential	2,272,984	2,051,212	2,226,696	2,259,992	2,218,644	2,237,141	2,26
Industrial	413,463	361,883	461,004	553,223	419,171	361,229	32
Commercial	550,571	481,995	650,837	677,403	654,798	692,631	73
Institutional	558,178	534,582	551,523	577,744	503,129	521,498	55
Totals	3,795,196	3,429,672	3,890,060	4,068,362	3,795,742	3,812,499	3,87
USAGE (in thousands of gallons) BY CUSTOMER TYPE:							
Residential	516,766	482,504	523,059	529,777	514,314	516,625	52
Industrial	107,873	97,536	166,698	250,841	125,973	99,351	8
Commercial	125,622	111,818	155,688	160,319	143,819	152,719	16
Institutional	132,271	126,234	123,216	123,025	109,601	114,879	12
Totals	882,532	818,092	968,661	1,063,962	893,707	883,574	89

Source: City Finance Department - Utility Billing

* Rates are those in effect at year end.

** Residential minimum charge includes 2,000 gallons of usage

**CITY OF WOOSTER, OHIO
WATER POLLUTION CONTROL (SANITARY SEWER)
REVENUE RELATED INFORMATION, LAST NINE YEARS**

	1999	2000	2001	2002	2003	2004	2005
SANITARY SEWER RATES:							
Minimum Charge	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01
Per Thousand Gallons**	\$1.97	\$1.97	\$1.97	\$1.97	\$1.97	\$1.97	\$1.97
COD (chemical oxygen demand)	\$0.09530	\$0.09530	\$0.09530	\$0.09530	\$0.09530	\$0.09530	\$0.09530
SS (suspended solids)	\$0.25015	\$0.25015	\$0.25015	\$0.25015	\$0.25015	\$0.25015	\$0.25015
CUSTOMER COUNTS:							
Residential	8,805	8,912	9,006	9,048	9,094	9,468	9,562
Industrial	57	57	57	57	57	57	57
Commercial	659	667	677	687	697	706	716
Institutional	193	207	206	203	200	199	200
Totals	9,714	9,843	9,946	9,995	10,048	10,430	10,535
BILLINGS BY CUSTOMER TYPE:							
Residential	1,745,449	1,636,390	1,769,966	1,790,646	1,777,704	1,792,446	1,810,320
Industrial	579,542	574,859	478,555	461,451	341,077	337,438	503,120
Commercial	325,698	296,589	386,548	407,847	370,254	390,076	409,120
Institutional	279,058	261,558	282,350	294,472	287,547	296,524	326,120
Totals	2,929,747	2,769,396	2,917,419	2,954,416	2,776,582	2,816,484	3,050,760
USAGE (in thousands of gallons) BY CUSTOMER TYPE:							
Residential	503,920	474,633	515,815	522,547	510,072	513,173	517,120
Industrial	279,443	278,980	213,487	219,393	157,827	156,136	241,120
Commercial	125,221	112,495	150,780	161,186	139,061	147,248	158,120
Institutional	110,220	103,747	112,020	115,613	110,656	114,435	128,120
Totals	1,018,804	969,855	992,102	1,018,739	917,616	930,992	1,045,560

Source: City Finance Department - Utility Billing

* Rates are those in effect at year end

** Based on metered water usage

**CITY OF WOOSTER, OHIO
 STORM DRAINAGE UTILITY
 REVENUE RELATED INFORMATION
 LAST NINE YEARS**

	1999	2000	2001	2002	2003	2004	2005
STORM DRAINAGE RATES*							
Per ESU**	\$2.90	\$2.90	\$4.80	\$4.80	\$4.80	\$4.80	\$
CUSTOMER COUNTS*:							
Residential	7,242	7,371	7,512	7,653	7,794	7,935	8
Industrial	38	40	42	45	47	49	
Commercial	461	468	475	482	490	498	
Institutional	87	90	90	89	88	88	
Totals	7,828	7,969	8,119	8,269	8,419	8,570	8
BILLINGS BY CUSTOMER TYPE:							
Residential	222,358	206,128	265,321	383,816	390,685	400,439	404
Industrial	64,728	59,369	76,307	108,342	108,331	122,197	128
Commercial	94,022	85,899	110,274	161,215	165,903	175,813	182
Institutional	37,216	36,530	52,346	71,834	68,005	36,494	67
Totals	418,324	387,925	504,248	725,207	732,924	734,943	783
ESU's BY CUSTOMER TYPE							
Residential	6,390	5,923	7,624	11,029	11,227	11,507	7
Industrial	1,860	1,706	2,193	3,113	3,113	3,511	2
Commercial	2,702	2,468	3,169	4,633	4,767	5,052	3
Institutional	1,069	1,050	1,504	2,064	1,954	1,049	1
Totals	12,021	11,147	14,490	20,839	21,061	21,119	13

Source: City Finance Department - Utility Billing

* Rates are those in effect at year end.

** ESU's (Equivalent Service Units)

**CITY OF WOOSTER, OHIO
 REFUSE COLLECTION
 REVENUE RELATED INFORMATION
 LAST NINE YEARS**

	1999	2000	2001	2002	2003	2004	2005
REFUSE COLLECTION RATES*							
Regular	9.99	12.40	12.40	9.50	9.50	10.05	10.05
Senior	8.14	10.26	10.26	8.25	8.25	8.70	8.70
CUSTOMER COUNTS:							
Residential:							
Regular	5,951	5,828	5,874	6,036	6,092	6,137	6,137
Senior	1,443	1,595	1,655	1,586	1,601	1,613	1,613
Totals	7,394	7,423	7,529	7,622	7,693	7,750	7,750
REVENUE BY CUSTOMER TYPE:							
Residential:							
Regular	745,787	732,760	861,200	786,054	695,890	724,639	750,000
Senior	109,353	160,348	195,893	178,419	152,607	154,414	154,414
Totals	855,139	893,108	1,057,093	964,473	848,497	879,053	904,414

Source: City Finance Department - Utility Billing
 * Rates are those in effect at year end.

**CITY OF WOOSTER, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS**

Schedule 3.1

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Governmental Activities:										
General Obligation Bonds	\$ 1,184,011	\$ 1,026,587	\$ 882,797	\$ 739,407	\$ 596,467	\$ 2,733,017	\$ 2,508,669	\$ 2,284,851	\$ 2,062,688	\$ 2,333,793
General Obligation Notes	872,699	655,881	645,545	1,560,852	1,053,157	0	0	0	2,000,000	1,815,000
Special Assessment Bonds	1,199,678	1,561,455	1,485,984	1,408,406	1,385,629	1,376,239	1,273,614	1,169,109	1,054,222	1,254,652
Special Assessment Notes	0	0	70,653	302,502	237,023	56,329	50,970	45,290	39,269	32,887
Land Debt	0	0	1,128,000	846,000	564,000	282,000	0	0	0	0
OPWC Loans	0	0	0	0	0	114,535	104,199	93,863	83,526	243,077
Business-Type Activities:										
General Obligation Bonds	13,709,197	12,468,117	11,162,181	12,828,991	11,060,945	11,756,200	10,255,700	8,700,200	7,602,000	6,463,700
General Obligation Notes	3,000,000	3,000,000	3,000,000	3,338,008	3,347,535	0	0	0	0	0
OPWC Loans	0	0	0	0	0	83,546	78,254	62,378	51,793	212,052
OWDA Loans	145,194	119,092	91,620	62,705	32,272	0	0	544,231	11,521,274	16,606,336
Total Primary Government:	\$ 20,110,779	\$ 18,831,132	\$ 18,466,780	\$ 21,086,871	\$ 18,277,028	\$ 16,401,866	\$ 14,271,406	\$ 12,899,922	\$ 24,414,772	\$ 28,961,497
Percentage of Personal Income	4.51%	4.06%	3.46%	3.82%	3.24%	2.82%	2.39%	2.04%	3.72%	4.22%
Per Capita	\$ 831	\$ 769	\$ 744	\$ 843	\$ 726	\$ 645	\$ 553	\$ 493	\$ 924	\$ 1,092

Source: City Finance Department

**CITY OF WOOSTER, OHIO
DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2007
(\$000 omitted)**

Schedule 3.2

	Assessed Valuation (1)	Net General Tax Supported Debt (2)	Percent Overlapping (A)	Total Applicable to City of Wooster
City of Wooster	\$ 578,280	\$ 2,063	100.00%	\$ 2,063
Wooster City Schools	\$ 701,501	\$ -	82.43%	\$ -
Wayne County	\$ 2,144,456	\$ 10,654	26.97%	\$ 2,873
Total	\$ 3,424,237	\$ 12,717		\$ 4,936

Explanation:

(A) Calculations are based on the relative percentages of assessed valuations.

Sources:

(1) Wayne County, Ohio; County Auditor

(2) Fiscal Offices of Subdivision

**CITY OF WOOSTER, OHIO
LEGAL DEBT MARGINS
LAST TEN YEARS**

Schedule 3.3

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General bonded debt outstanding:										
General Obligation Bonds	\$ 14,879,974	\$ 13,494,704	\$ 12,044,978	\$ 13,568,398	\$ 11,657,412	\$ 14,489,217	\$ 12,764,369	\$ 10,985,051	\$ 11,664,688	\$ 10,612,493
Percent of estimated actual property value	3.081%	2.794%	2.284%	2.579%	2.129%	2.587%	2.217%	1.756%	1.847%	1.835%
Per capita	\$ 615.00	\$ 550.78	\$ 485.47	\$ 542.69	\$ 462.89	\$ 569.99	\$ 494.72	\$ 419.82	\$ 441.66	\$ 398.68
Special Assessment Bonds	\$ 1,212,912	\$ 1,561,455	\$ 1,485,984	\$ 1,408,406	\$ 1,324,245	\$ 1,376,239	\$ 1,273,614	\$ 1,169,109	\$ 1,054,222	\$ 1,254,652
Promissory Notes	\$ 4,147,210	\$ 3,774,973	\$ 4,935,818	\$ 6,110,067	\$ 5,295,371	\$ 536,410	\$ 228,131	\$ 201,531	\$ 174,588	\$ 488,017
Total Gross Indebtedness	\$ 20,240,096	\$ 18,831,132	\$ 18,466,780	\$ 21,086,871	\$ 18,277,028	\$ 16,401,866	\$ 14,266,114	\$ 12,355,691	\$ 12,893,498	\$ 12,355,162
Percentage of personal income	4.914%	4.397%	3.602%	3.978%	3.376%	2.939%	2.721%	2.234%	2.243%	2.148%
Per capita	\$ 836.54	\$ 768.59	\$ 744.30	\$ 843.41	\$ 725.74	\$ 645.23	\$ 552.93	\$ 472.20	\$ 488.19	\$ 464.15
Less debt outside limitations:										
General Obligation Bonds	\$ 13,709,197	\$ 12,468,117	\$ 11,162,181	\$ 12,828,991	\$ 11,060,945	\$ 11,756,200	\$ 10,255,700	\$ 8,700,200	\$ 9,602,003	\$ 8,771,367
Special Assessment Debt	\$ 1,212,912	\$ 1,561,455	\$ 1,556,637	\$ 1,710,908	\$ 1,622,652	\$ 1,432,568	\$ 1,324,584	\$ 1,214,399	\$ 1,093,492	\$ 1,287,539
Promissory Notes	\$ 3,307,100	\$ 3,274,973	\$ 4,338,998	\$ 4,381,921	\$ 4,068,678	\$ 480,081	\$ 177,161	\$ 156,241	\$ 135,318	\$ 487,442
Less debt service fund balance	\$ 90,368	\$ 106,660	\$ 196,566	\$ 479,503	\$ 516,972	\$ 505,652	\$ 549,770	\$ 627,779	\$ 674,528	\$ 575,622
Net debt within limitations for both Voted and Unvoted debt	\$ 1,920,519	\$ 1,419,927	\$ 1,212,398	\$ 1,685,548	\$ 1,007,781	\$ 2,227,365	\$ 1,958,899	\$ 1,657,072	\$ 1,388,157	\$ 1,233,192
Debt Limitation for Voted and Unvoted debt 10.5% of assessed valuation	\$ 50,705,000	\$ 54,003,000	\$ 55,366,000	\$ 55,251,000	\$ 57,487,000	\$ 58,798,000	\$ 60,457,005	\$ 65,679,705	\$ 66,296,685	\$ 60,719,443
Legal debt margin for Voted and Unvoted debt	\$ 48,784,481	\$ 52,583,073	\$ 54,153,602	\$ 53,565,452	\$ 56,479,219	\$ 56,570,635	\$ 58,498,106	\$ 64,022,633	\$ 64,908,528	\$ 59,486,251
Net debt within limitations for both voted and Unvoted debt as a percentage of debt limit	3.788%	2.629%	2.190%	3.051%	1.753%	3.788%	3.240%	2.523%	2.094%	2.031%
Net debt within limitations for both Voted and Unvoted limitation	\$ 1,920,519	\$ 1,419,927	\$ 1,212,398	\$ 1,685,548	\$ 1,007,781	\$ 2,227,365	\$ 1,958,899	\$ 1,657,072	\$ 1,388,157	\$ 1,233,192
Less voted debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net debt within limitations for Unvoted debt	\$ 1,920,519	\$ 1,419,927	\$ 1,212,398	\$ 1,685,548	\$ 1,007,781	\$ 2,227,365	\$ 1,958,899	\$ 1,657,072	\$ 1,388,157	\$ 1,233,192
Debt limitation for Unvoted debt 5.5% of assessed valuation	\$ 26,560,000	\$ 28,287,000	\$ 29,001,000	\$ 28,941,000	\$ 30,112,000	\$ 30,799,000	\$ 31,667,955	\$ 34,403,655	\$ 34,726,835	\$ 31,805,423

CITY OF WOOSTER, OHIO
DEMOGRAPHICS
LAST TEN YEARS

Schedule 4.1

	Population(1)	Total	Median	Per	Unemployment Rate(3)		City Square Miles (4)
		Personal Income(2)	Family Income(1)	Capita Income(2)	Wayne County	State of Ohio	
1998	24,195	445,480,298	40,342	18,412	3.3	4.3	14.473
1999	24,501	463,296,893	41,431	18,909	3.5	4.3	15.428
2000	24,811	533,560,555	47,118	21,505	3.3	4.1	15.767
2001	25,002	551,646,602	48,343	22,064	3.9	4.3	15.772
2002	25,184	563,443,816	49,020	22,373	4.7	5.7	15.872
2003	25,420	580,662,193	50,049	22,843	4.8	6.1	15.910
2004	25,801	598,205,752	50,800	23,185	4.5	5.9	16.264
2005	26,166	630,938,440	52,832	24,113	5.0	6.0	16.282
2006	26,411	655,927,860	54,415	24,835	4.6	5.5	17.121
2007	26,527	686,756,470	54,439	24,846	4.8	5.8	17.244

Sources:

- (1) Wooster Planning Division estimates 1997-1999, 2001-2006, 2007 Median Family Income money.cnn.com;
U.S. Census Bureau 2000
- (2) Wooster Finance Department estimates 1997-1999, 2001-2006; U.S. Census Bureau 2000.
- (3) For years 1997-2002 City of Wooster Official Statements issued 2001 & 2003;
for years 2003-2006 Ohio Dept. of Job and Family Services
- (4) City Engineer's annual report

**CITY OF WOOSTER, OHIO
ECONOMIC INDICATORS
FULL-TIME EQUIVALENTS - TOP TEN EMPLOYERS
1998 COMPARED TO 2007**

Schedule 4.2

Employer	Nature of Activity	Number of Full-time Equivalent Employees		
		1998	2007	% of Total Employment
Luk, Inc	Auto Parts Fabricator	600	1,006	7.5%
The City of Wooster	Government/Hospital	600	875	6.5%
The County of Wayne	Government	850	837	6.2%
College of Wooster	Education	800	633	4.7%
Worthington Industries	Auto Parts Fabricator	1,100	556	4.1%
Wooster Brush Company	Manuf. Paint Applicators	500	529	3.9%
Wooster City Schools	Education	600	516	3.8%
Frito Lay Inc		0	350	2.6%
Cleveland Clinic Foundation	Medical Care	0	321	2.4%
Akron Brass	Manuf. Fire Fighting Equip	0	285	2.1%
Totals		5,050	5,908	43.9%

Source: Individual employers' responses to City Finance Department surveys.

**CITY OF WOOSTER, OHIO
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES (NOTE1)
 LAST TEN YEARS**

**Schedule 5.1
 Primary Government**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Governmental Services:										
Safety services:										
Police Division	39.0	44.0	44.0	44.0	49.0	48.0	46.0	44.0	43.0	43.0
Fire Division	43.0	44.0	43.0	45.0	44.0	43.0	44.0	43.0	43.0	43.0
Traffic Control	4.0	4.0	4.0	4.0	4.0	4.0	3.0	4.0	4.0	4.0
Total Safety Services	86.0	92.0	91.0	93.0	97.0	95.0	93.0	91.0	90.0	90.0
Leisure services	15.0	16.9	15.9	14.9	14.9	13.9	13.8	14.5	15.0	16.0
Environment and development	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Transportation services	21.2	19.2	18.4	19.4	19.4	19.6	18.8	18.8	15.8	15.7
Administrative services	19.0	16.5	16.0	19.9	19.9	19.9	21.9	20.6	22.3	20.5
Total Governmental Services	148.2	151.6	148.3	154.2	158.2	155.4	154.5	151.9	150.1	149.2
Business-type services (Note 2):										
Wooster Community Hospital	526.9	485.6	536.4	556.4	593.1	643.8	656.2	670.9	681.3	681.3
Water - Treatment & Distribution	16.8	18.8	22.1	21.1	18.1	18.9	19.2	19.2	20.0	20.0
Water Pollution Control - Collection & Treatment	16.5	19.0	21.8	20.8	17.8	18.5	19.5	19.8	19.8	19.8
Storm Drainage - Collection	4.5	4.5	4.8	4.8	4.8	5.0	5.3	5.3	5.3	5.3
Total Business-type Services	564.7	527.9	585.1	603.1	633.8	686.2	700.2	715.2	726.3	726.4
TOTAL PRIMARY GOVERNMENT	712.9	679.5	733.4	757.3	792.0	841.6	854.7	867.1	876.3	875.6

Source: City Human Resources Division and Finance Department payroll office.

Note 1 - Maintenance and Engineering employees are allocated to transportation services, water, water pollution control and storm drainage based on estimated time worked in that activity.

Note 2 - The City contracts with a private waste hauler for refuse collection and disposal and therefore there are no city employees for that service.

**CITY OF WOOSTER, OHIO
PERSONAL SERVICES EXPENSES
LAST TEN YEARS**

**Schedule 5.2
Primary Government
(accrual basis of accounting)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Governmental Services:										
Safety services:										
Police Division	2,173,528	2,495,935	2,738,072	2,837,054	2,971,895	3,152,264	3,216,919	3,242,892	3,581,881	3,583,398
Fire Division	2,677,754	2,974,367	3,047,563	3,038,478	3,276,714	3,420,511	3,670,901	3,531,366	4,046,295	3,964,722
Traffic Control	203,885	185,780	198,501	85,224	205,931	199,500	116,095	107,035	124,536	293,242
Total Safety Services	5,055,167	5,656,082	5,984,136	5,960,757	6,454,540	6,772,275	7,003,915	6,881,293	7,752,712	7,841,362
Leisure services	863,000	943,614	1,035,399	1,018,960	1,091,899	1,075,973	953,089	1,033,837	1,149,171	1,139,285
Environment and development	334,000	359,938	396,359	475,857	576,877	530,283	548,348	477,700	517,431	562,977
Transportation services	526,000	608,204	829,262	719,571	818,999	824,402	771,288	1,073,655	1,031,270	1,196,464
Administrative services	1,490,000	1,542,037	1,688,135	2,062,946	2,109,833	1,868,767	1,765,478	1,650,716	1,759,297	1,980,805
Total Governmental Services	8,268,167	9,109,875	9,933,291	10,238,090	11,052,148	11,071,700	11,042,118	11,117,201	12,209,881	4,879,531
Business-type services:										
Wooster Community Hospital	22,179,002	22,408,052	24,332,315	26,717,747	31,335,571	34,758,499	43,842,989	45,148,128	40,782,144	42,879,278
Water - Treatment & Distribution	1,063,977	1,122,665	1,091,771	1,109,519	1,139,917	1,326,728	1,336,854	1,294,463	1,468,145	1,418,388
Water Pollution Control - Collection & Treatment	940,127	1,063,284	985,117	1,112,262	1,052,366	1,087,147	1,205,239	1,391,668	1,522,896	1,620,552
Storm Drainage - Collection	81,722	87,154	101,146	133,255	38,759	245,951	278,634	365,573	322,366	166,453
Total Business-type Services	24,264,828	24,681,155	26,510,349	29,072,783	33,566,613	37,418,325	46,663,716	48,199,832	44,095,551	46,084,671
TOTAL PRIMARY GOVERNMENT	32,532,995	33,791,030	36,443,640	39,310,873	44,618,761	48,490,025	57,705,834	59,317,033	56,305,432	58,805,564
Health Care Costs	2,913,784	2,620,065	3,298,181	3,829,226	4,339,302	5,506,476	6,283,395	5,708,933	7,313,301	6,897,434
Health Care Costs as percentage of personal services costs	9.0%	7.8%	9.1%	9.7%	9.7%	11.4%	10.9%	9.6%	13.0%	11.7%
City without Wooster Community Hospital	10,353,993	11,382,978	12,111,325	12,593,126	13,283,190	13,731,526	13,862,845	14,168,905	15,523,289	15,926,286
Annual Change		9.9%	6.4%	4.0%	5.5%	3.4%	1.0%	2.2%	9.6%	2.6%

Source: City Finance Department



**CITY OF WOOSTER, OHIO
SERVICE INDICATORS
LAST TEN YEARS**

**Schedule 5.3
Governmental Activities**

Service Indicators	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<i>Safety Services:</i>										
Police (000's)	\$3,098	\$3,318	\$4,035	\$4,159	\$4,369	\$4,573	\$4,830	\$4,719	\$5,002	\$5,188
Calls for Service	16,582	15,528	18,479	18,256	18,512	18,382	18,144	17,579	22,568	22,032
Traffic	2,416	3,005	3,022	2,790	3,935	3,233	2,823	2,342	3,249	2,808
Total Units of Service	18,998	18,533	21,501	21,046	22,447	21,615	20,967	19,921	25,817	24,840
Cost per Unit	\$163.07	\$179.03	\$187.67	\$197.61	\$194.64	\$211.56	\$230.36	\$236.89	\$193.76	\$208.86
Incidents per Citizen	0.7852	0.7564	0.8666	0.8418	0.8913	0.8503	0.8126	0.7613	0.9775	0.9364
Cost per Citizen	\$128.04	\$135.42	\$162.63	\$166.35	\$173.48	\$179.89	\$187.20	\$180.35	\$189.40	\$195.57
Fire (000's)	\$3,248	\$3,396	\$3,657	\$3,716	\$4,035	\$4,114	\$4,362	\$4,541	\$4,881	\$4,935
Fire Responses	989	846	858	897	999	984	900	897	820	745
Squad Responses	2,440	2,533	2,440	2,623	2,910	2,936	2,846	3,070	3,111	3,029
Total Responses	3,429	3,379	3,298	3,520	3,909	3,920	3,746	3,967	3,931	3,774
Cost per Response	\$947	\$1,005	\$1,109	\$1,056	\$1,032	\$1,050	\$1,164	\$1,145	\$1,242	\$1,308
Response per Citizen	0.1417	0.1379	0.1329	0.1408	0.1552	0.1542	0.1452	0.1516	0.1488	0.1423
Cost per Citizen	\$134.24	\$138.61	\$147.39	\$148.63	\$160.20	\$161.85	\$169.06	\$173.56	\$184.81	\$186.04
Street Lights (000's)	\$203	\$205	\$196	\$213	\$225	\$231	\$214	\$217	\$221	\$271
Cost per Acre	\$21.92	\$20.76	\$19.42	\$20.98	\$22.15	\$22.69	\$20.52	\$20.81	\$20.18	\$24.56
Traffic Control (000's)	\$423	\$420	\$552	\$384	\$387	\$615	\$286	\$434	\$327	\$515
Cost Per Citizen	\$17.48	\$17.14	\$22.25	\$15.36	\$15.37	\$24.19	\$11.08	\$16.60	\$12.38	\$19.41

Health Services:

Health Dept (000's)	\$129	\$133	\$136	\$141	\$142	\$141	\$132	\$138	\$143	\$149
Health Dept Cost per Citizen	\$5.33	\$5.43	\$5.48	\$5.64	\$5.64	\$5.55	\$5.13	\$5.27	\$5.41	\$5.62

Leisure Services:

Public Properties & Parks (000's)	\$492	\$614	\$715	\$600	\$727	\$825	\$746	\$870	\$865	\$882
Acres of Parks	450	450	450	450	450	450	450	530	530	605
Square Feet per Citizen	810	800	790	784	778	771	760	882	874	993
Cost per Square Foot	\$0.03	\$0.03	\$0.04	\$0.03	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.03
Cost per Citizen	\$20.33	\$25.06	\$28.82	\$24.00	\$28.87	\$32.45	\$28.92	\$33.23	\$32.75	\$33.25

Field House/Ice Rink (000's)	\$78	\$71	\$81	\$70	\$82	\$58	\$68	\$74	\$93	\$97
Natorium (000's)	\$8	\$11	\$5	\$8	\$10	\$7	\$5	\$5	\$5	\$6
Community Center (000's)	\$317	\$364	\$387	\$368	\$382	\$404	\$356	\$343	\$363	\$418
Pools (000's)	\$315	\$387	\$421	\$514	\$532	\$503	\$389	\$411	\$424	\$421
Recreation Programs (000's)	\$471	\$521	\$577	\$763	\$754	\$665	\$575	\$595	\$626	\$583
Total Recreation (000's)	\$1,189	\$1,354	\$1,471	\$1,723	\$1,760	\$1,637	\$1,392	\$1,429	\$1,511	\$1,525
Total Recreation Revenue (000's)	\$398	\$472	\$456	\$454	\$523	\$535	\$474	\$436	\$428	\$471
Participations (000's)	227	240	185	201	197	176	162	243	257	241
Participations per Citizen	9.37	9.81	7.46	8.04	7.82	6.91	6.30	9.29	9.72	9.09
Cost per Participation	\$5.25	\$5.63	\$7.94	\$8.72	\$8.93	\$9.32	\$8.57	\$5.88	\$5.89	\$6.33
Revenue per Participation	\$1.76	\$1.96	\$2.46	\$2.26	\$2.65	\$3.05	\$2.92	\$1.79	\$1.67	\$1.95
Cost per Citizen	\$49.14	\$55.26	\$59.30	\$68.92	\$69.87	\$64.39	\$53.96	\$54.61	\$57.21	\$57.49

CITY OF WOOSTER, OHIO
SERVICE INDICATORS
LAST TEN YEARS

Schedule 5.3
continued

Service Indicators	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<i>Environment and Development</i>										
Zoning (000's)	\$115	\$156	\$415	\$307	\$165	\$180	\$195	\$154	\$163	\$191
Housing & Bldg Insp. (000's)	\$273	\$298	\$591	\$380	\$465	\$438	\$437	\$436	\$457	\$496
Total Zoning & Inspection										
Costs (000's)	\$388	\$454	\$1,006	\$687	\$630	\$618	\$632	\$590	\$620	\$687
Cost \ Dwelling Unit	\$36.65	\$42.88	\$94.25	\$63.85	\$57.54	\$56.03	\$56.60	\$52.27	\$54.41	\$60.04
Shade Trees (000's)	\$97	\$77	\$115	\$137	\$115	\$241	\$124	\$139	\$255	\$228
Shade Tree Cost per Acre	\$10.47	\$7.80	\$11.40	\$13.50	\$11.32	\$23.67	\$11.95	\$13.37	\$23.26	\$20.66
<i>Transportation Services:</i>										
Parking (000's)	\$32	\$32	\$33	\$36	\$38	\$32	\$23	\$28	\$24	\$22
Public Transit-Taxi Program(000's)	\$195	\$57	\$63	\$66	\$76	\$106	\$113	\$104	\$134	\$225
Street Maintenance (000's)	\$2,290	\$2,695	\$3,436	\$3,298	\$3,136	\$2,839	\$2,692	\$3,177	\$2,661	\$2,879
Street Cleaning (000's)	\$129	\$159	\$156	\$173	\$185	\$161	\$161	\$175	\$153	\$196
Snow & Ice Removal (000's)	\$53	\$122	\$141	\$117	\$137	\$200	\$187	\$215	\$156	\$176
Total Transportation (000's)	\$2,699	\$3,065	\$3,829	\$3,690	\$3,572	\$3,338	\$3,176	\$3,699	\$3,128	\$3,498
Cost per mile of street	\$21,512	\$25,197	\$31,276	\$30,097	\$28,712	\$26,544	\$25,160	\$28,262	\$23,072	\$25,223
Feet of street per citizen	25.33	25.69	25.62	25.43	25.53	25.29	24.92	24.57	24.34	24.24

Administrative Services:

Engineering (000's)	\$328	\$439	\$369	\$469	\$390	\$224	\$219	\$145	\$162	\$151
Cost per dollar general capital assets (w/o hospital)	\$0.0049	\$0.0062	\$0.0052	\$0.0066	\$0.0052	\$0.0030	\$0.0029	\$0.0019	\$0.0018	\$0.0017
Law (000's)	\$212	\$210	\$226	\$229	\$265	\$306	\$298	\$292	\$286	\$284
Cost per budget dollar	\$0.0035	\$0.0033	\$0.0034	\$0.0032	\$0.0032	\$0.0034	\$0.0032	\$0.0027	\$0.0027	\$0.0027
Finance (000's)	\$613	\$698	\$775	\$998	\$804	\$1,030	\$968	\$914	\$1,685	\$1,638
Cost per dollar of assets	\$0.0033	\$0.0036	\$0.0038	\$0.0046	\$0.0037	\$0.0044	\$0.0040	\$0.0036	\$0.0062	\$0.0060
Information Technology (000's)	\$242	\$342	\$437	\$425	\$510	\$440	\$434	\$555	\$789	\$701
Cost per Employee	\$1,085.20	\$1,583.33	\$2,032.56	\$2,043.27	\$2,566.68	\$2,224.47	\$2,185.91	\$2,828.68	\$4,046.07	\$3,594.87
Personnel (000's)	\$214	\$262	\$287	\$294	\$315	\$289	\$261	\$330	\$291	\$330
Cost per Employee	\$959.64	\$1,212.96	\$1,334.88	\$1,423.08	\$1,585.30	\$1,461.07	\$1,312.93	\$1,680.67	\$1,489.82	\$1,692.31
Director of Administration (000's)	\$277	\$227	\$283	\$287	\$296	\$340	\$254	\$317	\$325	\$360
Cost per Employee	\$1,242.15	\$1,050.93	\$1,316.28	\$1,379.81	\$1,489.68	\$1,718.91	\$1,281.68	\$1,619.05	\$1,664.83	\$1,846.15
Facilities Maintenance (000's)	\$334	\$309	\$247	\$401	\$346	\$371	\$346	\$764	\$351	\$449
Cost per Citizen	\$13.80	\$12.61	\$9.96	\$16.04	\$13.74	\$14.59	\$13.41	\$29.20	\$13.29	\$16.93
Mayor (000's)	\$127	\$132	\$136	\$141	\$108	\$141	\$157	\$152	\$178	\$121
Council (000's)	\$50	\$49	\$73	\$67	\$61	\$61	\$63	\$88	\$100	\$113

Sources: Respective year's departmental annual reports, full-accrual cost center reports,
various demographic sources (see Schedule 4.1, this report)

**CITY OF WOOSTER, OHIO
GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program:	1998	1999	2000	2001	2002	2003	2004
Police							
Stations	1	1	1	1	1	1	1
Patrol Units	39	39	39	39	39	39	39
Fire							
Stations	2	2	2	2	2	2	2
Squad Units	3	3	3	3	3	3	3
Parks and recreation							
Acreage	450	450	450	450	450	450	450
Playgrounds	9	9	9	9	9	9	9
Pools	3	3	3	3	3	3	3
Baseball/softball diamonds	4	4	4	4	4	4	4
Soccer/football fields	10	10	10	10	10	10	10
Community centers	2	2	2	2	2	2	2
Water							
Water mains (miles)	127.6	128.5	128.8	129.8	129.9	130.4	130.7
Fire hydrants	1,284	1,291	1,302	1,318	1,330	1,342	1,354
Storage capacity (thousands of gallons)	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Wastewater							
Sanitary sewers (miles)	113.0	113.5	113.9	114.5	115.0	115.0	115.4
Storm sewers (miles)	112.4	112.7	112.9	114.1	114.7	114.7	114.9
Treatment capacity (thousands of gallons)	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other public works							
Streets (miles)	118.1	119.4	120.4	120.8	121.6	122.9	125.4
Highways (miles)	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Streetlights	60	60	60	60	60	60	60
Traffic signals	388	394	404	412	419	428	435

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Source: Various City Departments

Note: No capital asset indicators are available for the general government

**CITY OF WOOSTER, OHIO
WATER PRODUCTION AND DISTRIBUTION
CAPITAL ASSET INFORMATION
LAST TEN YEARS**

	1998	1999	2000	2001	2002	2003	2004	2005	
CAPITAL ASSETS:									
<i>Assets not being depreciated:</i>									
Land	\$151,023	\$151,023	\$151,023	\$162,992	\$201,830	\$201,830	\$201,830	\$201,830	
Construction in progress	13,468,873	290,108	31,036	262,297	472,966	830,004	688,432	990,118	
Total assets not being depreciated	13,619,896	441,131	182,059	425,289	674,796	1,031,834	890,262	1,191,948	
<i>Assets being depreciated:</i>									
Buildings	1,852,592	12,019,180	12,088,908	12,097,409	12,072,238	12,059,089	12,133,214	12,140,123	1
Accumulated depreciation	(1,167,077)	(1,420,906)	(1,676,096)	(1,926,791)	(2,157,414)	(2,396,286)	(2,643,273)	(2,893,361)	(
Infrastructure	11,787,034	14,485,137	15,188,984	15,837,722	16,126,652	17,164,881	18,069,981	18,669,722	1
Accumulated depreciation	(4,751,034)	(5,176,567)	(5,578,492)	(6,038,915)	(6,408,732)	(6,939,549)	(6,945,622)	(7,412,908)	(
Equipment	1,184,811	2,828,161	3,501,280	3,678,176	3,231,950	3,360,850	3,370,850	3,448,329	
Accumulated depreciation	(677,566)	(877,258)	(1,208,550)	(1,526,660)	(1,453,218)	(1,742,701)	(1,980,952)	(2,203,910)	(
Net depreciated capital assets	8,228,760	21,857,747	22,316,034	22,120,941	21,411,476	21,506,284	22,004,198	21,747,995	2
TOTAL CAPITAL ASSETS	28,444,333	29,773,608	30,961,231	32,038,596	32,105,636	33,616,654	34,464,307	35,450,122	3
TOTAL ACCUMULATED DEPRECIATION	(6,595,677)	(7,474,730)	(8,463,138)	(9,492,366)	(10,019,365)	(11,078,536)	(11,569,847)	(12,510,179)	(1)
NET CAPITAL ASSETS	21,848,656	22,298,878	22,498,094	22,546,230	22,086,271	22,538,118	22,894,460	22,939,943	2
CAPITAL EXPENDITURES	\$2,728,646	\$ 1,164,708	\$ 1,187,623	\$ 1,090,804	\$ 736,847	\$ 1,526,701	\$ 1,428,742	\$ 1,089,068	\$
DEPRECIATION	\$438,233	\$ 881,994	\$ 988,407	\$ 1,042,347	\$ 1,006,936	\$ 1,071,357	\$ 1,061,534	\$ 1,049,475	

Source: Respective comprehensive annual financial reports

**CITY OF WOOSTER, OHIO
WATER POLLUTION CONTROL
CAPITAL ASSET INFORMATION
LAST TEN YEARS**

	1998	1999	2000	2001	2002	2003	2004	
CAPITAL ASSETS:								
<i>Assets not being depreciated:</i>								
Land	\$151,160	\$151,160	\$151,160	\$151,160	\$151,160	\$151,160	\$151,160	
Construction in progress	2,329	105,008	692,738	484,322	992,941	1,119,846	1,049,753	:
Total assets not being depreciated	153,489	256,168	843,898	635,482	1,144,101	1,271,006	1,200,913	:
<i>Assets being depreciated:</i>								
Buildings	4,971,419	4,987,608	5,029,164	5,124,945	5,076,693	5,076,693	5,142,088	5
Accumulated depreciation	(2,204,239)	(2,361,412)	(2,519,291)	(2,682,525)	(2,813,555)	(2,981,287)	(3,146,467)	(3)
Infrastructure	14,646,313	14,903,927	15,175,245	15,692,652	15,735,451	16,796,373	16,879,526	17
Accumulated depreciation	(6,793,916)	(7,227,097)	(7,671,298)	(7,968,720)	(8,390,264)	(8,849,610)	(9,343,556)	(9)
Equipment	4,216,716	5,009,094	5,775,900	5,789,895	5,244,363	5,581,617	5,640,110	5
Accumulated depreciation	(2,463,052)	(2,727,750)	(3,125,170)	(3,341,692)	(3,189,017)	(3,532,663)	(3,934,112)	(4)
Net depreciated capital assets	12,373,241	12,584,370	12,664,550	12,614,555	11,663,671	12,091,123	11,237,589	10
TOTAL CAPITAL ASSETS	23,987,937	25,156,796	26,824,207	27,242,974	27,200,608	28,725,689	28,862,637	32
TOTAL ACCUMULATED DEPRECIATION	(11,461,207)	(12,316,258)	(13,315,759)	(13,992,937)	(14,392,836)	(15,363,560)	(16,424,135)	(17)
NET CAPITAL ASSETS	12,526,730	12,840,538	13,508,448	13,250,037	12,807,772	13,362,129	12,438,502	14
CAPITAL EXPENDITURES	\$212,548	\$ 829,168	\$ 1,667,411	\$ 925,264	\$ 767,394	\$ 1,546,639	\$ 527,517	\$:
DEPRECIATION	\$841,524	\$ 856,153	\$ 999,500	\$ 1,029,082	\$ 987,361	\$ 997,446	\$ 1,437,773	\$:

Source: Respective comprehensive annual financial reports

**CITY OF WOOSTER, OHIO
STORM DRAINAGE UTILITY
CAPITAL ASSET INFORMATION
LAST TEN YEARS**

	1998	1999	2000	2001	2002	2003	2004	
CAPITAL ASSETS:								
<i>Assets not being depreciated:</i>								
Construction in progress	11,683	31,571	241,664	285,838	117,451	307,890	150,955	
Total assets not being depreciated	11,683	31,571	241,664	285,838	117,451	307,890	150,955	
<i>Assets being depreciated:</i>								
Infrastructure	4,723,443	4,929,278	4,978,235	5,392,627	6,009,677	7,676,592	8,623,646	9
Accumulated depreciation	(2,002,423)	(2,092,955)	(2,187,012)	(2,282,018)	(2,375,098)	(2,505,704)	(2,616,154)	(2)
Equipment	171,718	279,407	302,655	332,646	341,789	342,688	345,188	
Accumulated depreciation	(68,313)	(89,914)	(124,805)	(164,228)	(190,135)	(226,453)	(252,802)	(1)
Net depreciated capital assets	2,824,425	3,025,816	2,969,073	3,279,027	3,786,233	5,287,123	6,099,878	6
TOTAL CAPITAL ASSETS	4,906,844	5,240,257	5,522,554	6,011,111	6,468,918	8,327,170	9,119,789	10
TOTAL ACCUMULATED DEPRECIATION	(2,070,736)	(2,182,869)	(2,311,817)	(2,446,245)	(2,565,233)	(2,732,156)	(2,868,956)	(3)
NET CAPITAL ASSETS	2,836,108	3,057,388	3,210,737	3,564,866	3,903,684	5,595,014	6,250,833	7
CAPITAL EXPENDITURES (cash basis)	\$211,012	\$ 326,735	\$ 282,297	\$ 451,374	\$ 408,175	\$ 1,795,884	\$ 862,723	\$ 1
DEPRECIATION	\$96,214	\$ 112,133	\$ 128,948	\$ 134,428	\$ 134,586	\$ 166,923	\$ 239,970	\$

Source: Respective comprehensive annual financial reports

**CITY OF WOOSTER, OHIO
 WOOSTER COMMUNITY HOSPITAL
 SIGNIFICANT FINANCIAL AND STATISTICAL INFORMATION**

	1998	1999	2000	2001	2002	2003	2004
ADMISSIONS	4,867	4,431	4,798	4,837	5,506	5,389	5,574
PATIENT DAYS:							
Adult & Peds	18,635	15,679	16,801	16,777	18,689	18,181	19,320
Newborn Days	1,923	1,900	2,202	2,060	2,290	2,179	2,169
Adjusted Patient Days	36,140	35,014	39,104	42,035	44,671	46,224	47,490
AVERAGE LENGTH OF STAY:							
Total	3.81	3.52	3.50	3.4	3.4	3.4	3.5
Avg LOS-Medicare	4.70	4.37	4.30	4.2	4.3	4.1	4.2
Avg LOS-Other	3.05	2.86	2.90	2.8	2.8	2.8	2.8
BIRTHS	870	882	988	940	1,028	977	1,004
EMERGENCY DEPARTMENT							
ED Visits	21,268	21,998	22,128	22,702	23,323	24,341	23,906
ED Admits	3,073	3,079	3,076	3,137	3,443	3,321	3,492
RADIOLOGY OUTPATIENT VISITS	30,887	30,150	33,762	36,236	39,325	39,672	40,364
LAB OUTPATIENT PROCEDURES	-	136,315	192,546	230,729	245,738	256,574	283,395
SURGERY:							
Inpatient	993	941	1,011	1,024	1,075	1,092	1,259
Outpatient	2,949	3,391	3,569	4,073	3,901	3,852	4,308
OUTPATIENT REGISTRATION	49,394	54,783	69,807	79,434	86,366	84,385	86,373
HOME HEALTH ADMISSIONS	-	-	-	639	734	729	783
COST PER ADJUSTED DISCHARGE	\$3,830	\$3,830	\$3,780	\$3,907	\$4,180	\$4,414	\$4,816
TOTAL FTE'S (Hospital including Home Health and Contract)	526.9	485.6	536.4	556.4	593.1	643.8	656.4

Source: Wooster Community Hospital Monthly Board Reports



Mary Taylor, CPA
Auditor of State

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
SEPTEMBER 4, 2008