

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

PREPARED BY:

CITY AUDITOR'S OFFICE
JANET WOBSER, CITY AUDITOR

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2004

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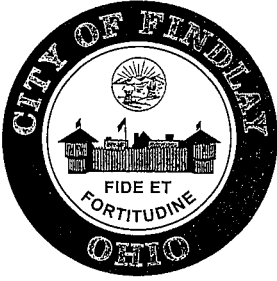
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AUDITOR'S OFFICE

318 Dorney Plaza, Room 313
Findlay, OH 45840-3346
Telephone: 419-424-7101 • Fax: 419-424-7866

JANET R. WOBSE
CITY AUDITOR

May 20, 2005

To the Residents of Findlay, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Findlay (the "City"), Ohio, for the fiscal year ended December 31, 2004, is submitted herewith. The report has been prepared for the citizens of Findlay, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the presented data and the thoroughness of the presentation rests with the City. We believe the data to be accurate in all material respects and to be presented in a manner designed to disclose the financial position of the City and the operating results of its various funds.

The Comprehensive Annual Financial Report is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Section contains this letter of transmittal, the City's organizational chart, a listing of our elected and appointed officials, and a copy of the Certificate of Achievement awarded to the City for its 2003 CAFR. The Financial Section includes the independent auditor's report on the financial statements, the management discussion and analysis, the basic financial statements and notes, and the combining and individual fund financial statements. The Statistical Section provides pertinent and select financial, economic, and demographic information that can be referenced on a multi-year basis. We have also included in this section the data that meets the disclosure requirements of the Securities and Exchange Commission Rule 15c2-12.

CITY ORGANIZATION

The City is located in the northwestern part of the State of Ohio, and is the county seat and largest city in Hancock County. Findlay is a statutory city that operates under the statutes as set forth by the Ohio Revised Code, which requires our elected officials to be a Mayor, Council Members, a City Auditor, a City Treasurer, and a Director of Law. The offices of the Treasurer is a part-time position. All officials are elected to four-year terms except the members of Council. Council terms are for a period of two years. There is a President of Council and nine council persons, three of whom are elected at-large and six by the respective wards. A Service-Safety Director is appointed by the Mayor and has administrative responsibility for the operating departments. In 2004, this position was separated into a Safety Director who has administrative responsibility for the safety/security forces and a Service Director who oversees the utilities and other service departments. The Mayor will still appoint the positions.

The City provides police and fire protection, health services, planning and zoning, street construction and maintenance, parks and recreation facilities (including an indoor ice arena), a Municipal Court, a cemetery, and general government services. The City also operates several enterprise activities including water treatment and distribution, water pollution control, parking enforcement, airport maintenance and fuel sales, and an outdoor swimming pool. Private enterprises provide the citizens with trash removal and ambulance services.

Findlay Municipal Court operates under two elected municipal judges. The jurisdiction of the Court includes the City of Findlay and all of Hancock County except Washington Township and three precincts of a ward within the City of Fostoria, all of which are serviced by the Fostoria Municipal Court. The City's general fund provides the funding for the court, with reimbursement from the County for a percentage of certain administrative costs. The court costs and fines collected through the court are distributed to the various political jurisdictions based on the charges filed in the court. As Findlay Municipal Court is financially interdependent on the City, the activity of the Court has been reflected in an agency fund in the accompanying financial statements.

FUND ACCOUNTING

The City's accounts are organized as funds. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund equity. Following are the titles of these funds with a brief description.

Governmental funds:

General Fund – The general fund is the general operating fund of the City. It is used to account for all financial resources traditionally associated with government which are not required to be accounted for in another fund.

Special Revenue Funds – The special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. City ordinances or Federal or State statutes specify the uses and limitations of each special revenue fund. During 2004, the City had sixteen special revenue funds.

Debt Service Funds – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. During 2004, the City had three debt service funds.

Capital Projects Funds – The capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. During 2004, the City had two capital projects funds.

Permanent Funds – Permanent funds are for the purpose of accounting for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support the reporting governments. During 2004, the City had one permanent fund.

Proprietary funds:

Enterprise Funds – The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. During 2004, the City had five separate enterprise funds for its Water, Water Pollution Control, Airport, Parking and Swimming Pool operations.

Internal Service Funds – The internal service funds are used to account for the financing of goods or services provided by one division or agency to other divisions or agencies of the government, generally on a cost reimbursement basis. During 2004, the City had two internal service funds.

Fiduciary funds:

Private-Purpose Trust Fund – The private-purpose trust fund is used to account for any trust agreement under which principal and income benefit individuals, private organizations, or other governments. During 2004, the City had one private-purpose trust fund.

Agency Funds – Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The City had three agency funds during 2004.

FINANCIAL REPORTING MODEL

This is the second year the City has prepared financial statements following GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB Statement No. 34 creates financial statements for reporting on the City's financial activities as follows:

Government-wide Financial Statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by business. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund Financial Statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the City. This discussion follows the Independent Accountants' Report, providing an assessment of the City finances for 2004.

ECONOMIC CONDITION AND OUTLOOK

The unemployment rate for Hancock County has been consistently one of the lowest in the state. Specific employment statistics are not available for only the city, but Hancock County's jobless rate in December 2004 was 4.0%. That rate was the same as December 2003 and below the state average of 5.6%.

The City's economy is not dependent on one industry or employment sector. Our major employers represent office/white collar, industrial/manufacturing, and health care industries. This diversification offers a more stable economic base and has been a major focus of our community development efforts for the last 20 years. We have been able to retain long-time corporate citizens and at the same time attract new businesses to our area. It is estimated that approximately 5,500 people from surrounding communities travel to jobs in the City of Findlay area on a daily basis.

When Mayor Iriti took office in January 2004, one of the priority items on his agenda was his belief that the city and the county should have a common "vision" as to the future of our community. Many factors combine to make a city economically successful. A Community Vision Steering Committee was formed including key stakeholders throughout Hancock County. The Steering Committee identified the topic areas to be investigated and selected chairpersons to facilitate discussions in each area. The seven focus topics include *education, government, infrastructure, arts/culture/parks and recreation, health and social services, community issues, and business development*. To date approximately 350 volunteers are involved in this committee process. The members of these committees are first determining the current status of each area and then will turn their attention to what they feel can be the desired future goals. How the community can make these goals a reality will be set forth in the action plan document.

There are so many factors that have combined to make our city economically successful during the past 20 years. The visioning process should identify what is important to our City, both past and present, and provide the plan that current and future leaders will use to guide all the sectors of our community in the same direction and assure continued growth for years to come.

MAJOR CAPITAL IMPROVEMENT INITIATIVES

Since the City acquired the Hancock Recreation Center in January 2003, Council members and the current and potential user groups have discussed what the best plan would be for the renovation/expansion of the facility. Those discussions have continued as part of the community visioning process through the recreation committee. The current timeline shows the project beginning immediately after the close of the 2005-2006 ice seasons. A review of the current structure and operations is ongoing to determine what improvements are necessary to use the building for more than ice-related activities and therefore increase the operational revenue and value to the City.

In 2004, the City began the implementation work necessary to upgrade all the software systems used by the departments. The financial accounting system was operational in January 2005. Other modules such as utility billing, payroll, fixed assets, permits and code enforcement, etc. are being scheduled during 2005.

The improvement of CR236 between SR224 and SR12 has become a priority because of the commercial and residential development that is occurring along this roadway. The current 2-lane road will be unable to adequately service the traffic generated by subdivision residents and customers of the new retail businesses and restaurants. The road improvement project will be designed during the summer of 2005, and built in early 2006. All the land parcels that are designated for commercial development have been designated as a tax increment financing (TIF) area. The payments in lieu of taxes that are received from these parcels will be used to pay the debt service on the money borrowed to finance the project.

A project for upgrades at the water treatment facility was in the design and approval phase in 2004 and should move into the installation phase in late summer 2005. This project involves the replacement and updating of chemical feed systems, computer instrumentation and controls, building windows and roof replacement, and improvements to the water towers.

Work continues on two projects that will have significant impact to our downtown and adjacent neighborhoods. The river widening/flood mitigation project has been ongoing with the Army Corps of Engineers for several years. The Brandman site cleanup project involves the removal of a tire dump and subsequently clean up of the property for future development.

FINANCIAL INFORMATION

Internal Controls

The City's financial records are maintained and reported according to GAAP. All City operations are categorized and reported by fund. Our internal accounting controls are designed to provide reasonable assurance for the safeguard of assets against loss from unauthorized use or disposition, and reliable records as the basis for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived from the operation of the system. City-wide internal controls and accounting procedures are evaluated during each official annual audit of the City's financial statements. The financial accounting system, including payroll processing, is fully computerized. The automated system used in conjunction with a series of manual controls and approvals provide an effective monitoring procedure.

Budgetary Control

Departmental budgets are prepared by the individual supervisors, approved by the responsible administrator, and then submitted to Council members for final review. Council adopts the permanent appropriation budget in January of each year. The focus of the budget control is by individual line items, then by department and finally, in total, by fund. Transfers within a department's accounts may be made with written administrative approval. All supplemental appropriations require the adoption of an ordinance by council. Similarly, all money allocated to a capital improvement project requires council approval. Funds are spent and encumbered by department heads through use of purchase orders for items from individual cost centers and projects. The personnel in the Auditor's Office monitor the available balances and appropriations prior to the certification of an encumbrance. At the end of the year, any outstanding encumbrances are carried forward to the new year if the ordered item/service has not been received or the project has not been completed. See Note 2.F to the basic financial statements for further discussion on the City's budgetary process.

Cash Management

The provisions of the Codified Ordinances of the City and the Ohio Revised Code govern the City's investment policy. The City's eligible investments are certificates of deposit, savings accounts, money market accounts, obligations of the United States Government and certain instruments thereof, obligations of the State of Ohio, internal bond anticipation notes, and repurchase agreements backed by securities of the United States Government or agencies thereof.

Per the above-mentioned statutes, institutions that desire to be public depositories must pledge security for all public funds on deposit. All investments of the City are secured in accordance with the appropriate statutory provisions and in conformity with our investment policy as required by the Ohio Revised Code. See Note 2.G and Note 4 to the basic financial statements for more detail on the City's cash management.

Risk Management

Each year, our risk management consultant reviews our insurance claims and policies to ensure that our risk exposure is adequately contained. The City carries policies for fleet liability insurance, building and contents insurance, public officials' liability, valuable papers insurance, police professional liability, and airport liability insurance. Our consultant assists in the preparation of bid specifications and also evaluates the proposals from each insurance company to make sure the City receives the best coverage possible for the premium paid. We are self-insured for general liability insurance. Through this plan we have been able to avoid paying excessively high insurance premiums and still maintain adequate liability coverage. Asset management is also an important concern. A complete fixed asset record of all City equipment and buildings is maintained and used for property control. See Note 13 to the basic financial statements for further discussion on the City's risk management programs.

OTHER INFORMATION

Independent Audit

The firm of Trimble, Julian & Grube, Inc. has audited the basic financial statements of the City, and their Auditors' Report is included herein. In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendment of 1996 and the provisions of OMB circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is not included in this Comprehensive Annual Financial Report.

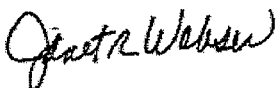
Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Findlay for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2003. 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 accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that 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.

Acknowledgments

I would like to express my appreciation to our Council members, to the Administration, to our Department Supervisors, and to all our City employees for their continued cooperation in our efforts to continuously improve the financial reporting of the City. A special word of thanks goes to Deputy Auditor Ginger Sampson, CPA. Her knowledge and dedication are instrumental in the issuance of this report. I would also like to acknowledge our consultant, Trimble, Julian & Grube, Inc. for their efforts in the development of this CAFR. An additional word of appreciation is extended to each member of my staff for their support and assistance throughout the year.

Respectfully submitted,



Janet R. Wobser
City Auditor

CITY OF FINDLAY, OHIO

DECEMBER 31, 2004

ELECTED OFFICIALS

Mayor	Anthony P. Iriti
Auditor	Janet R. Wobser
Municipal Court Judge	Kevin C. Smith
Municipal Court Judge	Vernon L. Preston
Treasurer	Jim Staschiak II
Law Director	David A. Hackenberg
Council President	Robert E. Schuck
At Large	Randy C. Ward
At Large	M. Andrew Peters
At Large	James P. Slough
First Ward	J. Michael Slough
Second Ward	H. Richard Rowe
Third Ward	K.C. Collette
Fourth Ward	R. Ronald Monday
Fifth Ward	James E. Paul
Sixth Ward	David W. Cliffe

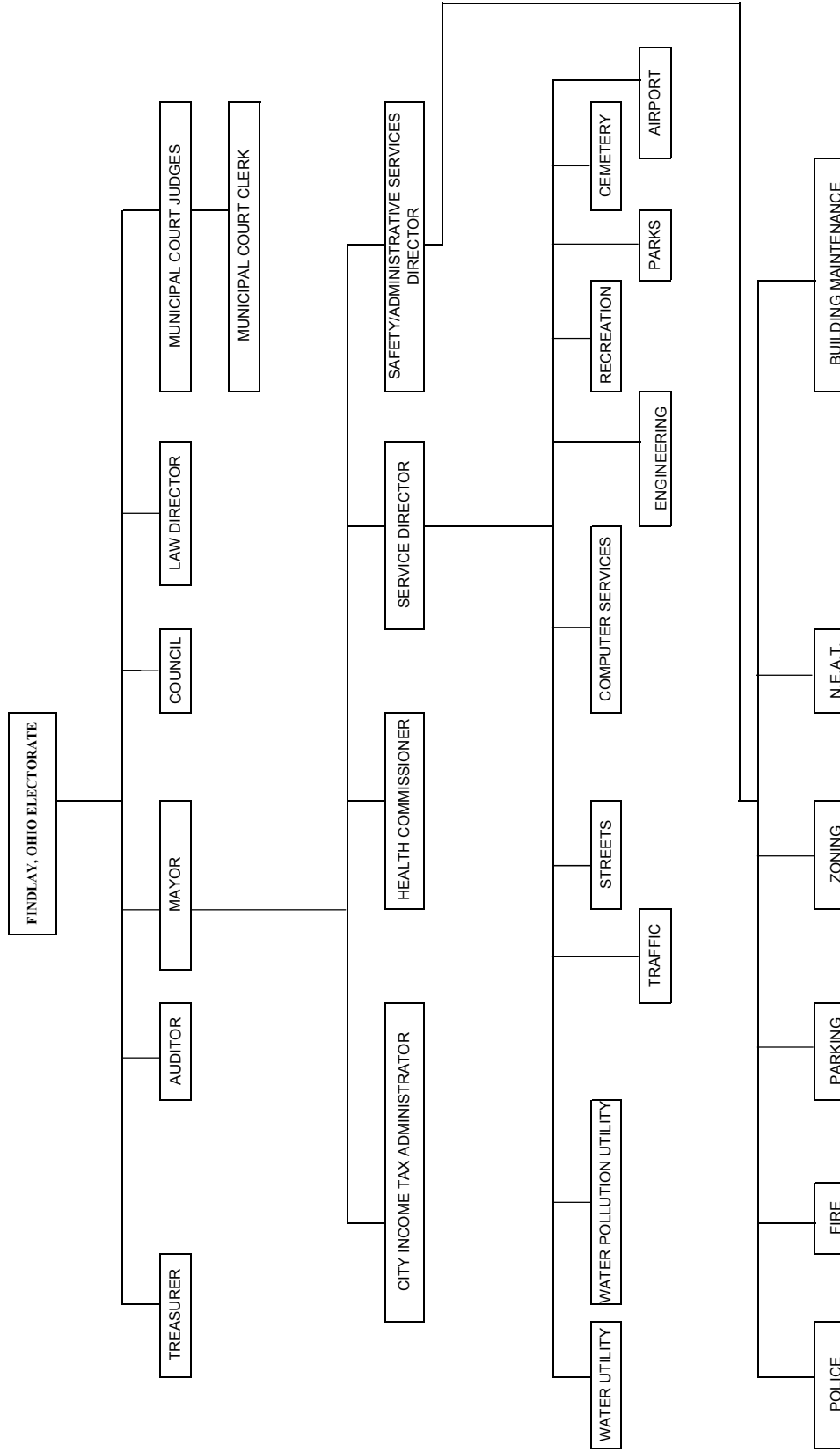
APPOINTED OFFICIALS

Service Director	John Arnold
Safety/Administrative Services Director	Eileen Bensen
Chief Engineer	Jacqueline Schroeder, PE
City Income Tax Administrator	Andrew L. Thomas
Municipal Court Clerk	Patricia L. Walters

CITY AUDITOR'S OFFICE

City Auditor	Janet R. Wobser
Deputy Auditor	Ginger Sampson, CPA
Audit Clerk	Carolyn Ehrnschwender
Audit Clerk	Susan Spangler
Audit Clerk	Amy Baird

CITY OF FINDLAY ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Findlay,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



Nancy L. Ziehl

President

Jeffrey R. Egan

Executive Director

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor’s Report

Members of Council and Mayor
City of Findlay
Room 313, Municipal Building
Findlay, Ohio 45840

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 Findlay, Hancock County, (the “City”), as of and for the year ended December 31, 2004, 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’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 the 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 Findlay, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, street maintenance and repair fund, and city income tax administration fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2005, on our consideration of the City’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of 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.

Independent Auditors Report
City of Findlay
Page 2

The management's discussion and analysis on pages 15 through 31 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 Findlay's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Trimble, Julian & Grube, Inc.
May 20, 2005

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2004 UNAUDITED

The management's discussion and analysis (MD&A) City of Findlay's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

- The total net assets of the City increased \$5,699,284. Net assets of governmental activities increased \$2,140,764 or 3.24% over 2003 and net assets of business-type activities increased \$3,558,520 or 4.75% over 2003.
- General revenues accounted for \$21,869,781 or 75.74% of total governmental activities revenue. Program specific revenues accounted for \$7,004,737 or 24.26% of total governmental activities revenue.
- The City had \$26,589,988 in expenses related to governmental activities; \$7,004,737 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$19,585,251 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$21,869,781.
- The general fund had revenues of \$8,504,789 in 2004. This represents a decrease of \$479,874 from 2003 revenues. Transfers in amounted to \$13,811,998 and are reported under other financing sources. The expenditures of the general fund, which totaled \$21,628,994 in 2004, increased \$1,101,164 from 2003. The net decrease in fund balance for the general fund was \$505,972 or 7.52%.
- The street maintenance and repair fund had revenues of \$3,241,208 in 2004. This represents an increase of \$878,358 from 2003 revenues. The expenditures of the street maintenance and repair fund, which totaled \$5,364,518 in 2004, decreased \$360,052 from 2003. The net increase in fund balance for the street maintenance and repair fund was \$86,870 or 5.09%.
- The city income tax administration fund had revenues of \$15,386,308 in 2004. This represents an increase of \$1,378,824 from 2003 revenues. The expenditures of the city income tax administration fund, which totaled \$658,971 in 2004, increased \$45,585 from 2003. The net increase in fund balance for the city income tax administration fund was \$50,981 or 1.67%.
- Net assets for the business-type activities, which are made up of the Water, Water Pollution Control, Airport, Parking Facilities, and Swimming Pool enterprise funds, increased in 2004 by \$3,558,520. This increase in net assets was due primarily to adequate charges for services revenue to cover operating expenses.

Using this Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
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The statement of net assets and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net *assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net assets and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire, street maintenance, parks and recreation, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's water, water pollution control, airport, parking facilities, and swimming pool operations are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 22.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, street maintenance and repair fund and city income tax administration fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 36-45 of this report.

Proprietary Funds

The City maintains five different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, water pollution control, airport, parking facilities, and swimming pool functions. The water, water pollution control and airport funds are considered major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The basic proprietary fund financial statements can be found on pages 46-53 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Private-purpose trust and agency funds are the City's fiduciary fund types. The basic fiduciary fund financial statements can be found on pages 54-55 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 57-90 of this report.

CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2004:

	Net Assets					
	Governmental Activities 2004	Business-type Activities 2004	Governmental Activities 2003	Business-type Activities 2003	2004 Total	2003 Total
	<u>Assets</u>					
Current and other assets	\$ 22,905,110	\$ 13,419,498	\$ 22,134,444	\$ 12,588,299	\$ 36,324,608	\$ 34,722,743
Capital assets, net	<u>59,235,642</u>	<u>127,072,103</u>	<u>57,690,574</u>	<u>127,800,641</u>	<u>186,307,745</u>	<u>185,491,215</u>
Total assets	<u>82,140,752</u>	<u>140,491,601</u>	<u>79,825,018</u>	<u>140,388,940</u>	<u>222,632,353</u>	<u>220,213,958</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	8,570,705	60,251,636	8,840,977	63,717,890	68,822,341	72,558,867
Other liabilities	<u>5,307,569</u>	<u>1,709,586</u>	<u>4,862,327</u>	<u>1,699,191</u>	<u>7,017,155</u>	<u>6,561,518</u>
Total liabilities	<u>13,878,274</u>	<u>61,961,222</u>	<u>13,703,304</u>	<u>65,417,081</u>	<u>75,839,496</u>	<u>79,120,385</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	55,017,907	67,742,754	53,250,549	64,301,640	122,760,661	117,552,189
Restricted	9,671,592	5,775,874	8,804,311	5,480,608	15,447,466	14,284,919
Unrestricted	<u>3,572,979</u>	<u>5,011,751</u>	<u>4,066,854</u>	<u>5,189,611</u>	<u>8,584,730</u>	<u>9,256,465</u>
Total net assets	<u>\$ 68,262,478</u>	<u>\$ 78,530,379</u>	<u>\$ 66,121,714</u>	<u>\$ 74,971,859</u>	<u>\$ 146,792,857</u>	<u>\$ 141,093,573</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2004, the City's assets exceeded liabilities by \$146,792,857. At year-end, net assets were \$68,262,478 and \$78,530,379 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 83.68% of total assets. Capital assets include land, buildings and improvements, improvements other than buildings, machinery and equipment, utility plant in service, utility lines in service, construction in progress and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2004, were \$55,017,907 and \$67,742,754 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2004, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net assets, \$15,447,466 represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$3,572,979 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The table below shows the changes in net assets for fiscal year 2004 and 2003:

	Change in Net Assets					
	Governmental Activities <u>2004</u>	Business-type Activities <u>2004</u>	Governmental Activities <u>2003</u>	Business-type Activities <u>2003</u>	2004 <u>Total</u>	2003 <u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 2,912,682	\$ 15,726,169	\$ 2,997,483	\$ 15,228,392	\$ 18,638,851	\$ 18,225,875
Operating grants and contributions	4,092,055	-	2,641,376	-	4,092,055	2,641,376
Capital grants and contributions	-	1,591,936	412,249	2,678,509	1,591,936	3,090,758
Total program revenues	<u>7,004,737</u>	<u>17,318,105</u>	<u>6,051,108</u>	<u>17,906,901</u>	<u>24,322,842</u>	<u>23,958,009</u>
General revenues:						
Property taxes	2,929,611	-	2,826,806	-	2,929,611	2,826,806
Income taxes	15,364,985	-	14,095,110	-	15,364,985	14,095,110
Unrestricted grants and entitlements	2,286,209	-	2,818,716	-	2,286,209	2,818,716
Investment earnings	179,647	142,889	278,548	213,697	322,536	492,245
Miscellaneous	1,109,329	326,049	1,000,037	711,210	1,435,378	1,711,247
Total general revenues	<u>21,869,781</u>	<u>468,938</u>	<u>21,019,217</u>	<u>924,907</u>	<u>22,338,719</u>	<u>21,944,124</u>
Total revenues	<u>28,874,518</u>	<u>17,787,043</u>	<u>27,070,325</u>	<u>18,831,808</u>	<u>46,661,561</u>	<u>45,902,133</u>
Expenses:						
General government	6,774,481	-	5,695,708	-	6,774,481	5,695,708
Security of persons and property	13,676,481	-	12,866,966	-	13,676,481	12,866,966
Public health and welfare	1,336,638	-	1,347,065	-	1,336,638	1,347,065
Transportation	3,188,310	-	1,106,317	-	3,188,310	1,106,317
Leisure time activity	1,372,531	-	1,337,577	-	1,372,531	1,337,577
Other	-	-	1,807	-	-	1,807
Interest and fiscal charges	241,547	-	201,871	-	241,547	201,871
Water	-	6,258,907	-	6,398,700	6,258,907	6,398,700
Water pollution control	-	5,996,565	-	6,843,341	5,996,565	6,843,341
Airport	-	1,898,137	-	1,306,254	1,898,137	1,306,254
Parking facilities	-	112,840	-	138,441	112,840	138,441
Swimming pool	-	105,840	-	129,661	105,840	129,661
Total expenses	<u>26,589,988</u>	<u>14,372,289</u>	<u>22,557,311</u>	<u>14,816,397</u>	<u>40,962,277</u>	<u>37,373,708</u>
Increase in net assets before transfers	<u>2,284,530</u>	<u>3,414,754</u>	<u>4,513,014</u>	<u>4,015,411</u>	<u>5,699,284</u>	<u>8,528,425</u>
Transfers	<u>(143,766)</u>	<u>143,766</u>	<u>96,932</u>	<u>(96,932)</u>	<u>-</u>	<u>-</u>
Increase in net assets	<u>\$ 2,140,764</u>	<u>\$ 3,558,520</u>	<u>\$ 4,609,946</u>	<u>\$ 3,918,479</u>	<u>\$ 5,699,284</u>	<u>\$ 8,528,425</u>

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Governmental Activities

Governmental activities net assets increased \$2,140,764 in 2004.

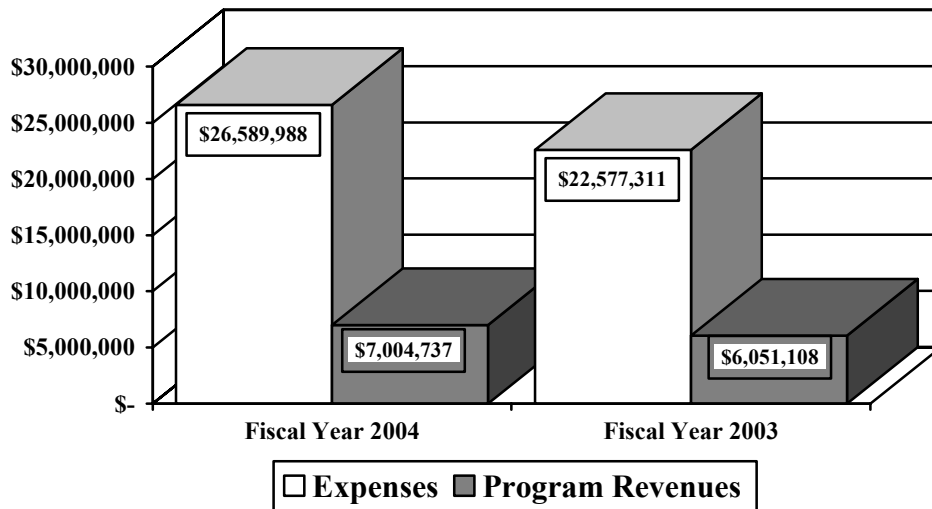
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$13,676,481 of the total expenses of the City. These expenses were partially funded by \$41,100 in direct charges to users of the services. General government expenses totaled \$6,774,481. General government expenses were partially funded by \$1,933,403 in direct charges to users of the services.

The state and federal government contributed to the City a total of \$4,092,075 in operating grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$3,694,507 subsidized transportation programs, \$352,870 subsidized general government operations and \$44,678 subsidized public health and welfare programs.

General revenues totaled \$21,869,781, and amounted to 75.74% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$2,929,611 and \$15,364,985, respectively. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$2,286,209.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities – Program Revenues vs. Total Expenses



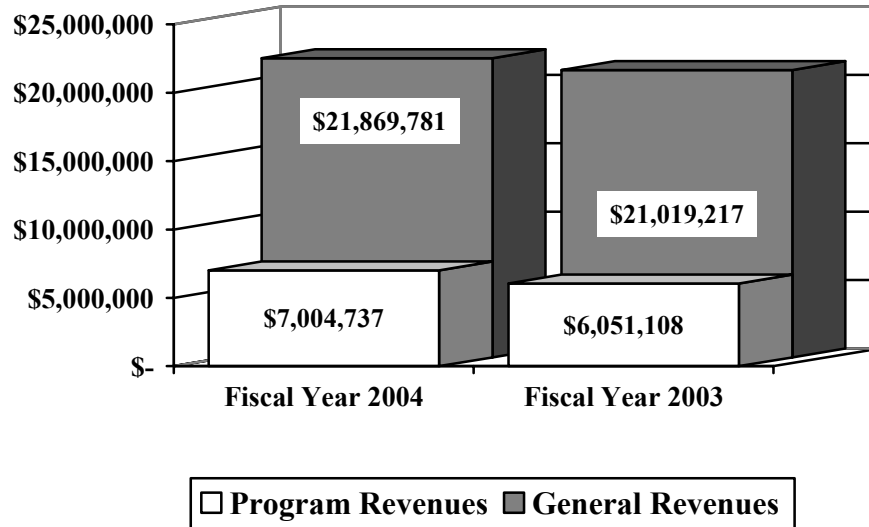
CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
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	Governmental Activities			
	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>	Total Cost of Services <u>2003</u>	Net Cost of Services <u>2003</u>
Program Expenses:				
General government	\$ 6,774,481	\$ 4,488,208	\$ 5,695,708	\$ 4,217,979
Security of persons and property	13,676,481	13,635,381	12,866,966	11,301,003
Public health and welfare	1,336,638	850,774	1,347,065	1,319,771
Transportation	3,188,310	(511,655)	1,106,317	(1,508,882)
Leisure time activity	1,372,531	1,040,114	1,337,577	1,159,020
Other	-	-	1,807	1,807
Interest and fiscal charges	<u>241,547</u>	<u>82,429</u>	<u>201,871</u>	<u>15,505</u>
Total	<u>\$ 26,589,988</u>	<u>\$ 19,585,251</u>	<u>\$ 22,557,311</u>	<u>\$16,506,203</u>

The dependence upon general revenues for governmental activities is apparent, with 73.66% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues

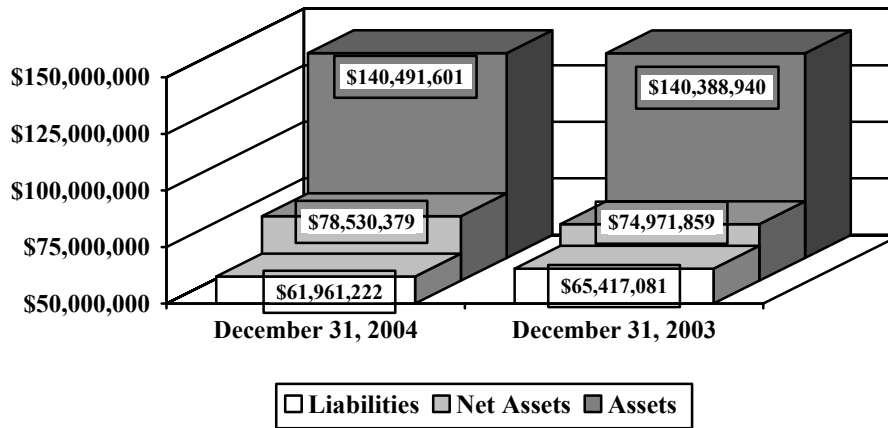


CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-type Activities

Business-type activities include the water, water pollution control, airport, parking facilities, and swimming pool enterprise funds. These programs had program revenues of \$17,318,105, general revenues of \$468,938 and expenses of \$14,372,289 for 2004. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business - Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on pages 36-37) reported a combined fund balance of \$14,604,551 which is \$330,432 above last year's total of \$14,274,119. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2004 for all major and nonmajor governmental funds.

	Fund Balances 12/31/04	Fund Balances 12/31/03	Increase (Decrease)
Major funds:			
General	\$ 6,224,721	\$ 6,730,693	\$ (505,972)
Street repair and maintenance	1,794,258	1,707,388	86,870
City income tax administration	3,105,798	3,054,817	50,981
Other nonmajor governmental funds	<u>3,479,774</u>	<u>2,781,221</u>	<u>698,553</u>
Total	<u>\$ 14,604,551</u>	<u>\$ 14,274,119</u>	<u>\$ 330,432</u>

CITY OF FINDLAY, OHIO

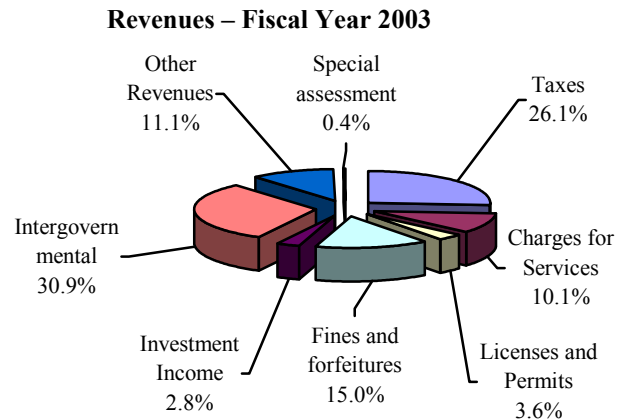
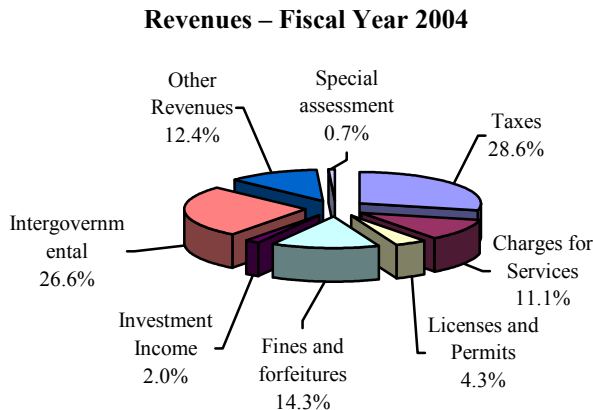
**MANAGEMENT'S DISCUSSION AND ANALYSIS
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General Fund

The City's general fund balance decreased \$505,972, primarily due to transfers out to other funds in the amount of \$1,190,910. \$950,000 of this transfer amount represented the subsidy to the SCM&R Fund. The table that follows assists in illustrating the revenues of the general fund for 2004 and 2003.

	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 2,432,883	\$ 2,348,596	3.59 %
Charges for services	946,993	911,749	3.87 %
Licenses and permits	361,509	319,748	13.06 %
Fines and forfeitures	1,217,009	1,348,687	(9.76) %
Investment income	166,291	251,559	(33.90) %
Special assessments	62,598	36,304	72.43 %
Intergovernmental	2,261,298	2,770,602	(18.38) %
Other	<u>1,056,208</u>	<u>997,418</u>	5.89 %
Total	<u>\$ 8,504,789</u>	<u>\$ 8,984,663</u>	(5.34) %

Tax revenue represents 28.61% of all general fund revenue. General Fund receives 2.6 mills in real estate collections on an annual basis, and there are no voted levies in addition to that millage. Tax revenue increased slightly by 3.59% from prior year. The decrease in investment income is primarily due to the decrease in the fair market value of federal agency securities. These securities fluctuate in value depending upon market conditions. The value at year-end is for reporting purposes only, as it is the City's intention to hold the investments until the maturity date. The increase in charges for services revenue is due to an increase in the collections of charges. All other revenue remained comparable to 2004.



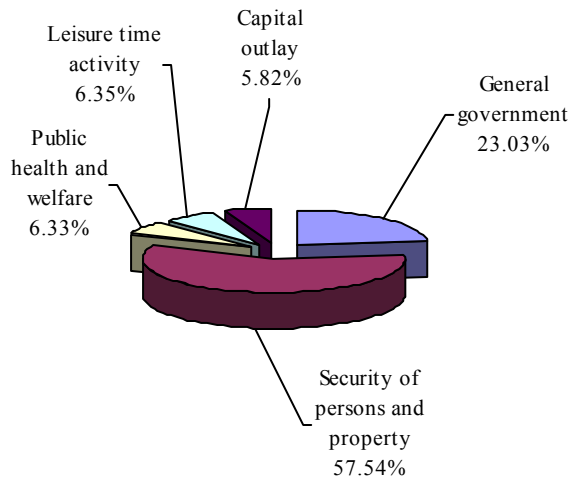
CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The table that follows assists in illustrating the expenditures of the general fund for 2004 and 2003.

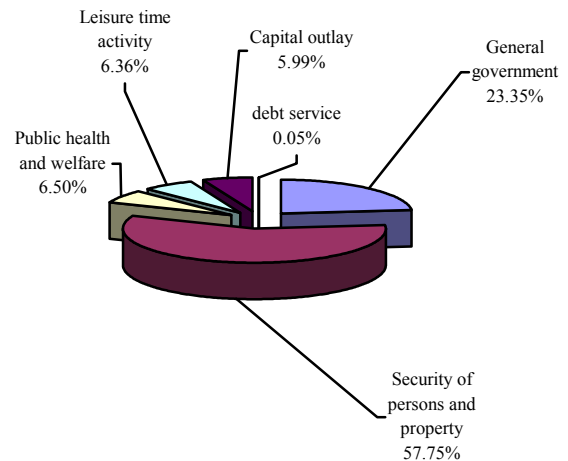
	<u>2004</u> <u>Amount</u>	<u>2003</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 4,981,373	\$ 4,792,452	3.94 %
Security of persons and property	12,647,208	11,855,139	6.68 %
Public health and welfare	1,368,300	1,334,612	2.52 %
Leisure time activity	1,373,950	1,305,622	5.23 %
Capital outlay	1,258,163	1,230,608	2.24 %
Debt service	-	9,397	(100.00) %
Total	<u>\$ 21,628,994</u>	<u>\$ 20,527,830</u>	5.36 %

Debt services expenditures decreased as bond issuance costs were paid by the general fund in 2003. There were no bond issuance costs paid by the general fund in 2004. All other expenditures remained comparable to 2003.

Expenditures - Fiscal Year 2004



Expenditures - Fiscal Year 2003



Street Maintenance and Repair Fund

The street maintenance and repair fund had revenues of \$3,241,208 in 2004. This represents an increase of \$878,358 from 2003 revenues. The expenditures of the street maintenance and repair fund, which totaled \$5,364,518 in 2004, decreased \$360,052 from 2003. The net increase in fund balance for the street maintenance and repair fund was \$86,870 or 5.09%.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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City Income Tax Administration Fund

The city income tax administration fund had revenues of \$15,386,308 in 2004. This represents an increase of \$1,378,824 from 2003 revenues. The expenditures of the city income tax administration fund, which totaled \$658,971 in 2004, increased \$45,585 from 2003. The net increase in fund balance for the city income tax administration fund was \$50,981 or 1.67%. The City Income tax rate is and has been 1.0% since it was imposed January 1, 1967. The income tax receipts are allocated between General Fund operations and capital improvement projects. The allocation is determined by ordinance of Council and can be changed, based on need. At year end 2004, the allocation was 78% to General Fund and 22% to general capital improvements that are not Enterprise Fund related. Please refer to the table titled General Government Revenues in the Statistical Section of this report for a 10-year history of the income tax collections. The average annual growth rate since 1984 has been an increase of 6% per year.

General Fund Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

In the basic financial statements, budgetary information is presented for the general fund, street maintenance and repair fund and city income tax administration fund. In accordance with GASB Statement No. 34, only discussion of budgetary variances for the general fund are presented in the MD&A. For the general fund, the most significant changes were between the original and final budgeted amount in the area of expenditures, which increased \$1,412,645 from \$22,931,013 to \$24,343,658. Actual revenues and other financing sources of \$22,316,787 exceeded final budgeted revenues and other financing sources of \$22,163,562 by \$153,225 primarily due to an increase in actual intergovernmental revenues. The other significant change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$2,714,664 lower than the final budgeted amounts primarily due to two factors. First, departmental expenditures were \$1,369,670, or 6.3%, less than budgeted amounts due to more controlled spending and no unplanned operational increases; and second, capital outlay expenditures were \$1,344,994 less than budgeted amounts due to capital projects being budgeted and started during 2004 but not completed by year-end.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are interfund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

Water Fund

Our waterworks system has been municipally owned since it was first developed in 1888. Improvements have been made as needed and are financed from revenues of the system. The current facilities include two upland raw water storage reservoirs with a capacity of 6.4 billion gallons, a raw water pump station located at the reservoir, raw water lines that feed into the lime-soda softening water treatment plant, high service pumps, and a 288-mile distribution system with two elevated storage tanks. There is treated water storage capacity at the plant of 4.5 million gallons plus 2.75 million gallons in the two elevated towers. The plant is able to treat 16 million gallons per day, and in the future can be expanded to 24 million gallons per day when the customer demand for treated water increases to that level.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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User charge rates are established to provide revenue for operation and maintenance of the treatment facility, the reservoir, and the distribution system. In addition, the charge rates must be set to support all capital improvements and debt service requirements. In accordance with Ohio law, the Service Director has the ability to revise the charge rates.

Information regarding water customers for 2004 is presented below:

Ten Largest Single Water Customers

<u>Customer Account</u>	<u>Volume HCF</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Whirlpool	139,202	\$ 410,648	6.67%
Ball Metal	82,043	243,458	3.95%
Cooper Tire	82,730	170,699	2.77%
University of Findlay	37,265	96,887	1.57%
Hancock County	36,216	82,758	1.34%
Marathon	27,934	61,169	0.99%
Findlay Public Schools	20,757	58,533	0.95%
City Laundry	25,408	51,091	0.83%
B V R H C	21,918	49,383	0.80%
Riverview Terrace	<u>13,807</u>	<u>42,146</u>	<u>0.68%</u>
Total Top Ten	487,280	1,266,772	20.55%
All Other Customers	<u>1,883,823</u>	<u>4,889,073</u>	<u>79.45%</u>
Total	<u>2,371,103</u>	<u>\$6,155,845</u>	<u>100.00%</u>

**Total Customer Use
By Class & Location**

<u>Customer Class</u>	<u>HCF Water Use</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Inside City/Residential	1,099,651	\$2,785,222	45.25%
Inside City/Commercial	552,496	1,314,896	21.36%
Inside City/Industrial	195,190	409,049	6.64%
Outside City/Residential	205,843	749,442	12.17%
Outside City/Commercial	48,414	206,253	3.36%
Outside City/Industrial	<u>269,509</u>	<u>690,983</u>	<u>11.22%</u>
Total	<u>2,371,103</u>	<u>\$6,155,845</u>	<u>100.00%</u>
Total Water Customers	16,954		

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Water Pollution Control Fund

The City's wastewater treatment facility has been updated and improved to maintain compliance with all EPA discharge permit standards. During 1987 and 1988, major renovations were made to the Broad Avenue treatment plant, and a new 6.0 million gallon per day (MGD) oxidation ditch type of treatment plant was constructed on River Road which is adjacent to the original plant. In 2000 construction began on two new oxidation ditches, two final clarifiers and UV disinfecting at the River Road Plant. This expansion of the facility was fully operational in July 2001, and in 2002 the original activated sludge plant on Broad Avenue was decommissioned and demolished. The design of the River Road Plant allows for the construction of additional modules as demand on the facilities increases. Currently the treatment plant provides for a 15 MGD average design flow and a 40 MGD peak design flow. In addition, the city is working toward a comprehensive stormwater management plan to comply with EPA guidelines. Information regarding wastewater customers for 2004 is presented below:

Ten Largest Single Wastewater Customers

<u>Customer</u>	<u>Billings</u>	Percent of <u>Total</u>
University of Findlay	\$ 114,287	1.62%
Whirlpool	111,381	1.57%
Cooper Tire	107,843	1.52%
Findlay City Schools	68,014	0.96%
Ball Metal	66,997	0.95%
Marathon	61,562	0.87%
Village of Arcadia	61,029	0.86%
B V R H C	52,315	0.74%
City Laundry	44,970	0.64%
Hancock County	<u>44,413</u>	<u>0.63%</u>
Total Top Ten	\$ 732,811	10.36%
All Other Customers	<u>6,343,306</u>	<u>89.64%</u>
Grand Total	<u>\$7,076,117</u>	<u>100.00%</u>

**Total Customer Use
By Class & Location**

<u>Customer Class</u>	<u>Revenue</u>	% of Total <u>Revenue</u>
Inside City/Residential	\$4,103,891	58.00%
Inside City/Commercial	1,400,127	19.79%
Inside City/Industrial	314,938	4.45%
Outside City/Residential	866,545	12.25%
Outside City/Commercial	139,080	1.97%
Outside City/Industrial	<u>251,536</u>	<u>3.55%</u>
Total	<u>\$7,076,117</u>	<u>100.00%</u>
Total Wastewater Customers Inside Corp		14,318
Total Wastewater Customers Outside Corp		1,891

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

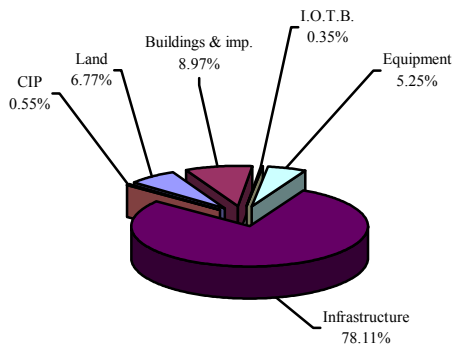
At the end of fiscal 2004, the City had \$186,307,745 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings (I.O.T.B.), machinery and equipment, utility plant in service, utility lines in service, infrastructure and construction in progress (CIP). Of this total, \$59,235,642 was reported in governmental activities and \$127,072,103 was reported in business-type activities. The following table shows fiscal 2004 balances compared to 2003:

**Capital Assets at December 31
(Net of Depreciation)**

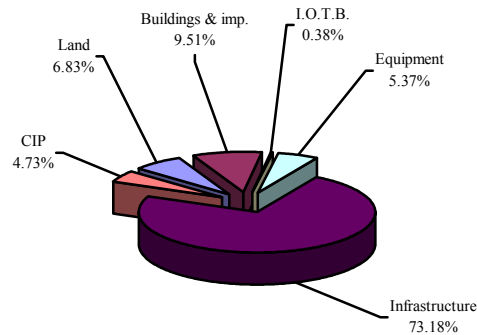
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 4,011,083	\$ 3,943,083	\$ 4,736,429	\$ 4,736,429	\$ 8,747,512	\$ 8,679,512
Buildings and improvements	5,313,306	5,488,505	721,817	803,518	6,035,123	6,292,023
I.O.T.B.	206,329	219,516	7,559,101	8,285,153	7,765,430	8,504,669
Utility plant in service	-	-	43,250,113	44,366,855	43,250,113	44,366,855
Utility lines in service	-	-	68,132,442	67,550,448	68,132,442	67,550,448
Machinery and equipment	3,111,695	3,099,372	1,693,787	1,710,136	4,805,482	4,809,508
Infrastructure	46,265,689	42,213,695	-	-	46,265,689	42,213,695
Construction in progress	327,540	2,726,403	978,414	348,102	1,305,954	3,074,505
Totals	\$ 59,235,642	\$ 57,690,574	\$ 127,072,103	\$ 127,800,641	\$ 186,307,745	\$ 185,491,215

The following graphs show the breakdown of governmental capital assets by category for 2004 and 2003.

Capital Assets - Governmental Activities 2004



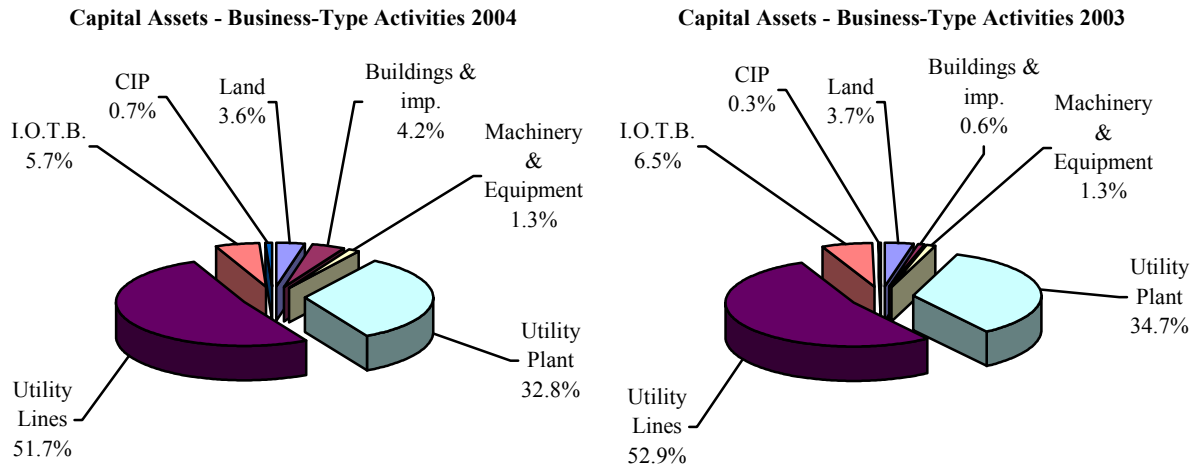
Capital Assets - Governmental Activities 2003



The City's largest governmental capital asset category is infrastructure which includes streets, storm sewers, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 78.11% of the City's total governmental capital assets.

CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
UNAUDITED

The following graphs show the breakdown of business-type capital assets by category for 2004 and 2003.



The City's largest business-type capital asset category, are utility lines that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's utility lines (cost less accumulated depreciation) represents approximately 51.7% of the City's total business-type capital assets. See Note 8 to the basic financial statements for further detail on capital assets.

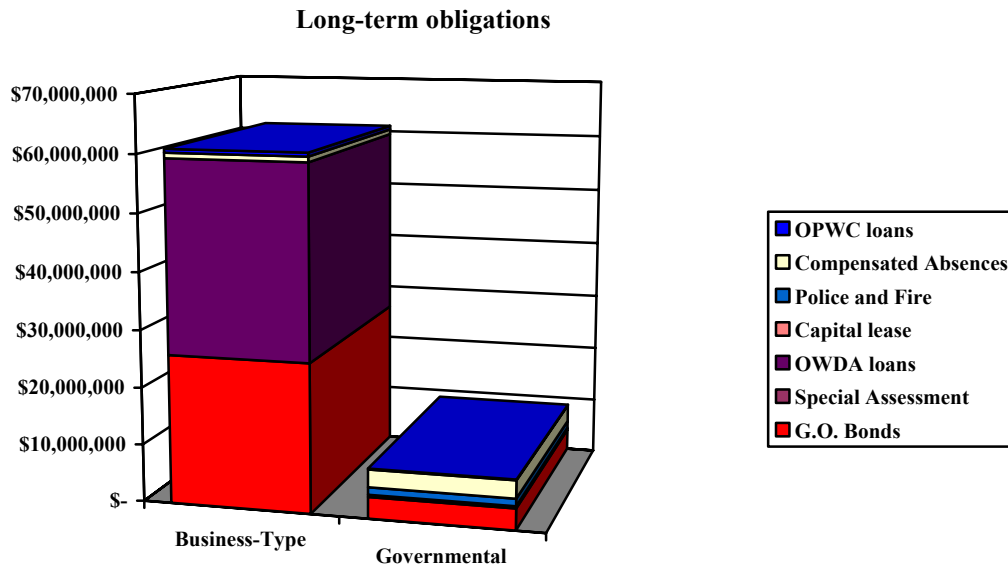
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2004 and 2003:

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Compensated absences	\$ 3,080,753	\$ 3,082,746
Police and Fire past service	1,272,217	1,292,373
Capital lease obligation	4,286	6,390
OPWC loans	140,400	-
Special Assessment bonds	384,765	443,635
General Obligation bonds	<u>3,780,000</u>	<u>3,990,000</u>
Total long-term obligations	<u>\$ 8,662,421</u>	<u>\$ 8,815,144</u>
	<u>Business-Type Activities</u>	
	<u>2004</u>	<u>2003</u>
General Obligation bonds	\$ 25,980,000	\$ 27,975,000
OPWC loans	656,705	483,121
OWDA loans	33,453,276	34,849,100
Compensated absences	<u>922,287</u>	<u>896,814</u>
Total long-term obligations	<u>\$ 61,012,268</u>	<u>\$ 64,204,035</u>

CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
UNAUDITED

A comparison of the long-term obligations by category is depicted in the chart below.



It has long been the policy of the City to borrow money only for those projects that cannot be supported from the current available cash balances. When financing is necessary, careful consideration is given to total construction costs, length of payback period, and available interest rates before debt is actually issued. The City currently maintains an Aa3 credit rating with Moody's Investors Service and a AA- rating from Standard and Pools.

During 2004, the City issued various purpose refunding bonds to advance refund the callable portion of Series 1996 Northern Corridor Sewer Bonds, the Series 1996 Aircraft Refueling System Bonds, the Series 1996 Water Pump Station Bonds, the 1996 Fire Improvement Bonds and the 1996 City-wide Radio System Bonds. The advance refundings were undertaken to reduce future debt service payments, thus resulting in an economic gain to the City.

During 2004, the City also issued special assessment bonds for sidewalk improvements and OPWC loans for Crystal/Melrose intersection improvements and to finance water improvement projects.

See Note 10 to the basic financial statements for further detail on the City long-term obligations outstanding at year-end.

Economic Conditions and Outlook

A number of the City's industrial leaders were surveyed at the beginning of 2005 and the consensus was that the local economy is expected to perform well during 2005 even though competition will be stiff and thereby making cost containment and efficiencies a high priority in most operations. All sectors of the local employment base should be very stable.

Whirlpool Corporation's facility here is the largest dishwasher manufacturing plant in the world in terms of volume. Cooper Tire and Marathon/Ashland Petroleum are the other two of our three largest employers. Blanchard Valley Regional Health Center began construction of a \$95 million inpatient pavilion complex during 2004. Retail expansion on both the east side and west side of the City will increase with the road improvements planned for CR236 and SR224.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
UNAUDITED**

Demographics show that we have a regional draw from a population of approximately 300,000 people, not just from the population of the City or Hancock County.

Employment and corporate profits impact our municipal income tax revenue. The local income tax cash collections for 2004 were \$15,265,000. This represents a 6.91% increase over the total collections for 2003. In 2003 the collections were only \$14,278,805, which was \$650,000 less than the amount collected in 2002. Due to the negative collection number in 2003, a more realistic comparison can be made by looking at 2002 versus 2004. That shows an increase of 2.24% at the end of 2004 and a return to collection growth.

Residential construction in the City has not seen a slowdown. A total of 175 building permits were issued in 2004 compared to 147 in 2003. The total value of permits was \$46 million. These totals were the highest since 1998 when 156 permits were issued by the city. Commercial permits totaled \$23 million in 2004, compared to \$14 million in 2003.

As our City boundaries are extended to include the areas that are seeing the residential and commercial growth, we are challenged to maintain safety services to all residents. The increased traffic from the individuals who are coming into our city to work and shop places more stress on our roadways.

The State's biennium budget proposes to reduce the revenue that cities receive from local government funds, personal property tax receipts, and estate tax. This proposal will place an additional burden on city budgets. We do not have the ability to replace the sources of revenue that are being reduced; therefore, an increased emphasis will be placed on departmental efficiencies and reduction of operational costs. In addition, the City must be aggressive in the pursuit of outside state and federal dollars, particularly for infrastructure projects, to continue to provide quality services to our citizens.

Contacting the City's Financial Management

This financial report is designed to provide our citizen's, taxpayers, 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. If you have questions about this report or need additional financial information contact Ms. Janet R. Wobser, Auditor, City of Findlay, 318 Dorney Plaza, 313 Municipal Building, Findlay, Ohio 45840.

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CITY OF FINDLAY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 12,293,271	\$ 4,137,779	\$ 16,431,050
Cash in segregated accounts	85,181	-	85,181
Cash with fiduciary agent	448,127	-	448,127
Cash with escrow agent	134,707	25,592	160,299
Investments	470,179	-	470,179
Receivables (net of allowances for uncollectibles)	6,236,075	1,851,648	8,087,723
Internal balances	(479)	479	-
Due from other governments	1,673,960	19,444	1,693,404
Prepayments	129,728	70,534	200,262
Materials and supplies inventory	184,449	445,306	629,755
Deferred bond costs	41,115	-	41,115
Restricted assets:			
Equity in pooled cash and cash equivalents	1,208,797	1,414,773	2,623,570
Cash and cash equivalents with fiscal agents	-	5,173,530	5,173,530
Deferred bond costs	-	280,413	280,413
Capital assets:			
Land and construction in progress	4,338,623	5,714,843	10,053,466
Depreciable capital assets, net	54,897,019	121,357,260	176,254,279
Total capital assets	<u>59,235,642</u>	<u>127,072,103</u>	<u>186,307,745</u>
Total assets	<u>82,140,752</u>	<u>140,491,601</u>	<u>222,632,353</u>
Liabilities:			
Accounts payable	837,053	303,030	1,140,083
Retainage payable	134,707	25,592	160,299
Accrued wages and benefits	517,051	148,630	665,681
Due to other governments	3,407	-	3,407
Deferred revenue	2,829,511	-	2,829,511
Deposits held and due to others	847,377	276,924	1,124,301
Accrued interest payable	138,463	955,410	1,093,873
Long-term liabilities:			
Due within one year	1,823,474	4,565,666	6,389,140
Due in more than one year	6,747,231	55,685,970	62,433,201
Total liabilities	<u>13,878,274</u>	<u>61,961,222</u>	<u>75,839,496</u>
Net assets:			
Invested in capital assets, net of related debt	55,017,907	67,742,754	122,760,661
Restricted for:			
Capital projects	711,679	3,228,686	3,940,365
Debt service	392,125	2,547,188	2,939,313
Transportation improvement projects	2,176,368	-	2,176,368
Perpetual care:			
Expendable	1,840	-	1,840
Nonexpendable	967,544	-	967,544
Other purposes	5,422,036	-	5,422,036
Unrestricted	<u>3,572,979</u>	<u>5,011,751</u>	<u>8,584,730</u>
Total net assets	<u>\$ 68,262,478</u>	<u>\$ 78,530,379</u>	<u>\$ 146,792,857</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 6,774,481	\$ 1,933,403	\$ 352,870	\$ -
Security of persons and property	13,676,481	41,100	-	-
Public health and welfare	1,336,638	441,186	44,678	-
Transportation	3,188,310	5,458	3,694,507	-
Leisure time activity	1,372,531	332,417	-	-
Interest and fiscal charges	241,547	159,118	-	-
Total governmental activities	<u>26,589,988</u>	<u>2,912,682</u>	<u>4,092,055</u>	<u>-</u>
Business-Type Activities:				
Water	6,258,906	6,632,486	-	521,362
Water pollution control	5,996,566	8,179,779	-	529,525
Airport	1,898,137	776,427	-	541,049
Nonmajor:				
Parking facilities	112,840	92,131	-	-
Swimming pool	105,840	45,346	-	-
Total business-type activities	<u>14,372,289</u>	<u>15,726,169</u>	<u>-</u>	<u>1,591,936</u>
Total primary government	<u>\$ 40,962,277</u>	<u>\$ 18,638,851</u>	<u>\$ 4,092,055</u>	<u>\$ 1,591,936</u>

General Revenues:

Property taxes levied for:

- General purposes
 - Police and fire pensions
- Income taxes levied for:
- General purposes
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Miscellaneous

Total general revenues

Transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (4,488,208)	\$ -	\$ (4,488,208)
(13,635,381)	-	(13,635,381)
(850,774)	-	(850,774)
511,655	-	511,655
(1,040,114)	-	(1,040,114)
(82,429)	-	(82,429)
<u>(19,585,251)</u>	<u>-</u>	<u>(19,585,251)</u>
-	894,942	894,942
-	2,712,738	2,712,738
-	(580,661)	(580,661)
-	(20,709)	(20,709)
-	<u>(60,494)</u>	<u>(60,494)</u>
-	<u>2,945,816</u>	<u>2,945,816</u>
<u>(19,585,251)</u>	<u>2,945,816</u>	<u>(16,639,435)</u>
2,432,883	-	2,432,883
496,728	-	496,728
15,364,985	-	15,364,985
2,286,209	-	2,286,209
179,647	142,889	322,536
<u>1,109,329</u>	<u>326,049</u>	<u>1,435,378</u>
21,869,781	468,938	22,338,719
<u>(143,766)</u>	<u>143,766</u>	<u>-</u>
2,140,764	3,558,520	5,699,284
<u>66,121,714</u>	<u>74,971,859</u>	<u>141,093,573</u>
<u>\$ 68,262,478</u>	<u>\$ 78,530,379</u>	<u>\$ 146,792,857</u>

CITY OF FINDLAY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR 2003)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 7,622,600	\$ 1,683,081	\$ 414,863
Cash in segregated accounts	-	-	-
Cash with fiduciary agent	-	-	-
Cash with escrow agent	-	134,707	-
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	2,428,415	517	2,375,662
Due from other governments	1,058,862	545,034	-
Prepayments	95,612	17,490	1,101
Materials and supplies inventory	-	179,883	-
Restricted assets:			
Equity in pooled cash and cash equivalents	-	-	1,208,797
Total assets	<u>\$ 11,205,489</u>	<u>\$ 2,560,712</u>	<u>\$ 4,000,423</u>
Liabilities:			
Accounts payable	\$ 764,608	\$ 68,194	\$ 4,011
Retainage payable	-	134,707	-
Accrued wages and benefits	458,073	52,922	6,056
Compensated absences payable	22,625	-	-
Due to other governments	3,407	-	-
Deposits held and due to others	736,878	96,922	13,577
Deferred revenue	2,995,177	413,709	870,981
Total liabilities	<u>4,980,768</u>	<u>766,454</u>	<u>894,625</u>
Fund Balances:			
Reserved for encumbrances	274,935	97,057	24,746
Reserved for prepayments	95,612	17,490	1,101
Reserved for materials and supplies inventory	-	179,883	-
Reserved for loans receivable	-	-	-
Reserved for debt service	-	-	-
Reserved for perpetual care	-	-	-
Reserved for capital improvements	-	-	1,208,797
Unreserved, undesignated, reported in:			
General fund	5,854,174	-	-
Special revenue funds	-	1,499,828	1,871,154
Permanent fund	-	-	-
Capital projects funds	-	-	-
Total fund balances	<u>6,224,721</u>	<u>1,794,258</u>	<u>3,105,798</u>
Total liabilities and fund balances	<u>\$ 11,205,489</u>	<u>\$ 2,560,712</u>	<u>\$ 4,000,423</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds 2004	Total Governmental Funds 2003
\$ 1,916,864	\$ 11,637,408	\$ 11,557,793
85,181	85,181	55,656
448,127	448,127	227,563
-	134,707	116,662
470,179	470,179	450,000
1,430,546	6,235,140	5,617,686
70,064	1,673,960	1,553,980
-	114,203	116,509
-	179,883	183,236
-	1,208,797	1,564,640
<u>\$ 4,420,961</u>	<u>\$ 22,187,585</u>	<u>\$ 21,443,725</u>
\$ 240	\$ 837,053	\$ 935,753
-	134,707	116,662
-	517,051	401,431
-	22,625	90,238
-	3,407	3,942
-	847,377	679,844
<u>940,947</u>	<u>5,220,814</u>	<u>4,941,736</u>
941,187	7,583,034	7,169,606
181,019	577,757	629,874
-	114,203	116,509
-	179,883	183,236
434,512	434,512	105,350
181,545	181,545	257,291
967,544	967,544	936,540
-	1,208,797	1,564,640
-	5,854,174	6,395,355
1,182,654	4,553,636	3,669,248
1,840	1,840	1,157
530,660	530,660	414,919
<u>3,479,774</u>	<u>14,604,551</u>	<u>14,274,119</u>
<u>\$ 4,420,961</u>	<u>\$ 22,187,585</u>	<u>\$ 21,443,725</u>

CITY OF FINDLAY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004

Total governmental fund balances		\$ 14,604,551
<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.		59,235,642
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income taxes	870,981	
Special assessments	349,043	
Intergovernmental revenues	1,171,279	
Total		2,391,303
Unamortized premiums on bond issuances are not recorded in the funds.		(111,713)
Unamortized deferred charges on refundings not recorded in the funds.		203,429
Unamortized bond issuance costs are not recognized in the funds.		41,115
Internal service funds are used by management to charge the costs of self-insurance and central stores operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net assets of the internal service funds, including internal balances of \$479, are:		676,410
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Accrued interest payable	138,463	
Special assessment bonds	384,765	
General obligation bonds	3,780,000	
OPWC loans	140,400	
Police and fire past service liability	1,272,217	
Capital lease obligation	4,286	
Compensated absences	3,058,128	
Total		(8,778,259)
Net assets of governmental activities		\$ 68,262,478

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR 2003)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
Revenues:			
Municipal income taxes	\$ -	\$ -	\$ 15,385,918
Property and other taxes	2,432,883	-	-
Charges for services	946,993	5,458	-
Licenses and permits	361,509	-	-
Fines and forfeitures	1,217,009	-	-
Intergovernmental	2,261,298	3,183,019	-
Special assessments	62,598	-	-
Investment income	166,291	-	-
Contributions and donations	-	-	-
Reimbursements	725,093	-	-
Other	331,115	52,731	390
Total revenues	<u>8,504,789</u>	<u>3,241,208</u>	<u>15,386,308</u>
Expenditures:			
Current:			
General government	4,981,373	-	656,463
Security of persons and property	12,647,208	771,655	-
Public health and welfare	1,368,300	-	-
Transportation	-	1,610,618	-
Leisure time activity	1,373,950	-	-
Other	-	-	-
Capital outlay	1,258,163	2,982,245	-
Debt service:			
Principal retirement	-	-	2,104
Interest and fiscal charges	-	-	404
Bond issuance costs	-	-	-
Total expenditures	<u>21,628,994</u>	<u>5,364,518</u>	<u>658,971</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,124,205)</u>	<u>(2,123,310)</u>	<u>14,727,337</u>
Other financing sources (uses):			
Payment to refunding bond escrow agent	-	-	-
Issuance of OPWC loans	-	144,000	-
Issuance of bonds	-	-	-
Premium on bonds sold	-	-	-
Transfers in	13,811,998	2,358,933	354,205
Transfers out	<u>(1,190,910)</u>	<u>(289,919)</u>	<u>(15,030,561)</u>
Total other financing sources (uses)	<u>12,621,088</u>	<u>2,213,014</u>	<u>(14,676,356)</u>
Net change in fund balances	(503,117)	89,704	50,981
Fund balances at beginning of year	6,730,693	1,707,388	3,054,817
Increase (decrease) in reserve for inventory.	-	(3,353)	-
Increase (decrease) in prepaids.	<u>(2,855)</u>	519	-
Fund balances at end of year.	<u>\$ 6,224,721</u>	<u>\$ 1,794,258</u>	<u>\$ 3,105,798</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds 2004	Total Governmental Funds 2003
\$ -	\$ 15,385,918	\$ 14,002,165
496,728	2,929,611	2,826,806
31,200	983,651	916,668
-	361,509	319,748
159,997	1,377,006	1,538,397
762,179	6,206,496	5,396,980
217,106	279,704	592,222
19,295	185,586	269,067
-	-	139,511
-	725,093	677,682
-	384,236	322,566
<u>1,686,505</u>	<u>28,818,810</u>	<u>27,001,812</u>
139,166	5,777,002	5,542,145
14,218	13,433,081	12,659,590
-	1,368,300	1,334,612
25,731	1,636,349	1,618,551
-	1,373,950	1,305,622
-	-	1,807
663	4,241,071	4,913,419
465,470	467,574	385,169
227,172	227,576	209,146
33,490	33,490	9,397
<u>905,910</u>	<u>28,558,393</u>	<u>27,979,458</u>
780,595	260,417	(977,646)
(2,477,100)	(2,477,100)	-
-	144,000	-
2,463,000	2,463,000	1,001,550
89,570	89,570	26,956
597,539	17,122,675	16,467,546
<u>(755,051)</u>	<u>(17,266,441)</u>	<u>(16,370,614)</u>
<u>(82,042)</u>	<u>75,704</u>	<u>1,125,438</u>
698,553	336,121	147,792
2,781,221	14,274,119	14,126,413
-	(3,353)	(9,484)
-	(2,336)	9,398
<u>\$ 3,479,774</u>	<u>\$ 14,604,551</u>	<u>\$ 14,274,119</u>

CITY OF FINDLAY, 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, 2004

Net change in fund balances - total governmental funds	\$	336,121
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$4,676,770) exceeded depreciation expense (\$3,124,899) in the current period.		1,551,871
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(6,803)
Governmental funds report expenditures for inventory and prepaids when purchased. However, in the statement of activities, they are reported as an expense when consumed.		(5,689)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		48,169
Deferred charges on refundings are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		203,429
Premiums on bonds issued are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		(85,880)
Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		32,110
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(12,610)
Proceeds from issuance of bonds are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		(2,607,000)
Repayment of bonds, capital lease obligations and the police and fire past service liability are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets.		2,757,730
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.		(65,620)
Internal service funds are used by management to charge the costs of self-insurance and central stores operations to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue (expense) of the internal service funds, including internal balance activity, is allocated among the governmental activities.		(5,064)
Change in net assets of governmental activities	\$	<u>2,140,764</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,417,233	\$ 2,417,233	\$ 2,432,883	\$ 15,650
Charges for services	998,000	998,000	946,993	(51,007)
Licenses and permits	375,000	375,000	361,509	(13,491)
Fines and forfeitures	1,422,800	1,422,800	1,217,009	(205,791)
Intergovernmental	1,776,349	2,079,461	2,261,298	181,837
Special assessments	46,000	63,500	62,598	(902)
Investment income	321,350	321,350	166,291	(155,059)
Reimbursements	288,500	288,500	725,093	436,593
Other	461,334	461,334	331,115	(130,219)
Total revenues	8,106,566	8,427,178	8,504,789	77,611
Expenditures:				
Current:				
General government	6,605,188	5,613,615	4,981,373	632,242
Security of persons and property	13,017,410	13,015,254	12,647,208	368,046
Public health and welfare	1,567,807	1,517,807	1,368,300	149,507
Leisure time activity	1,593,826	1,593,825	1,373,950	219,875
Capital outlay	146,782	2,603,157	1,258,163	1,344,994
Total expenditures	22,931,013	24,343,658	21,628,994	2,714,664
Excess (deficiency) of revenues over (under) expenditures	(14,824,447)	(15,916,480)	(13,124,205)	2,792,275
Other financing sources (uses):				
Transfers in	11,114,865	13,736,384	13,811,998	75,614
Transfers out	-	(1,190,910)	(1,190,910)	-
Total other financing sources (uses)	11,114,865	12,545,474	12,621,088	75,614
Net change in fund balance	(3,709,582)	(3,371,006)	(503,117)	2,867,889
Fund balance at beginning of year	6,347,039	6,347,039	6,347,039	-
Prior year encumbrances appropriated.	383,654	383,654	383,654	-
Decrease in reserve for prepaids	(2,855)	(2,855)	(2,855)	-
Fund balance at end of year	\$ 3,018,256	\$ 3,356,832	\$ 6,224,721	\$ 2,867,889

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 STREET MAINTENANCE AND REPAIR
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 5,458	\$ 5,458
Intergovernmental	1,466,100	2,421,100	3,183,019	761,919
Other	5,000	5,000	52,731	47,731
Total revenues.	<u>1,471,100</u>	<u>2,426,100</u>	<u>3,241,208</u>	<u>815,108</u>
Expenditures:				
Current:				
Security of persons and property	870,751	937,033	771,655	165,378
Transportation	1,978,059	1,835,606	1,610,618	224,988
Capital outlay	-	3,409,716	2,982,245	427,471
Total expenditures	<u>2,848,810</u>	<u>6,182,355</u>	<u>5,364,518</u>	<u>817,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,377,710)</u>	<u>(3,756,255)</u>	<u>(2,123,310)</u>	<u>1,632,945</u>
Other financing sources (uses):				
Issuance of OPWC loans.	-	-	144,000	144,000
Transfers in	950,000	2,378,900	2,358,933	(19,967)
Transfers out	(289,919)	(289,919)	(289,919)	-
Total other financing sources (uses)	<u>660,081</u>	<u>2,088,981</u>	<u>2,213,014</u>	<u>124,033</u>
Net change in fund balance	(717,629)	(1,667,274)	89,704	1,756,978
Fund balance at beginning of year	1,525,694	1,525,694	1,525,694	-
Prior year encumbrances appropriated.	181,694	181,694	181,694	-
Decrease in reserve for inventory	(3,353)	(3,353)	(3,353)	-
Increase in reserve for prepaids.	519	519	519	-
Fund balance at end of year.	<u>\$ 986,925</u>	<u>\$ 37,280</u>	<u>\$ 1,794,258</u>	<u>\$ 1,756,978</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 CITY INCOME TAX ADMINISTRATION
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 13,695,439	\$ 14,637,415	\$ 15,385,918	\$ 748,503
Other	356	380	390	10
Total revenues.	<u>13,695,795</u>	<u>14,637,795</u>	<u>15,386,308</u>	<u>748,513</u>
Expenditures:				
Current:				
General government	711,902	800,278	656,463	143,815
Debt service:				
Principal retirement.	2,282	2,565	2,104	461
Interest and fiscal charges	439	493	404	89
Total expenditures	<u>714,623</u>	<u>803,336</u>	<u>658,971</u>	<u>144,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,981,172</u>	<u>13,834,459</u>	<u>14,727,337</u>	<u>892,878</u>
Other financing sources (uses):				
Transfers in	354,205	354,205	354,205	-
Transfers out	(13,370,713)	(15,030,561)	(15,030,561)	-
Total other financing sources (uses)	<u>(13,016,508)</u>	<u>(14,676,356)</u>	<u>(14,676,356)</u>	<u>-</u>
Net change in fund balance	(35,336)	(841,897)	50,981	892,878
Fund balance at beginning of year	3,029,630	3,029,630	3,029,630	-
Prior year encumbrances appropriated.	<u>25,187</u>	<u>25,187</u>	<u>25,187</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,019,481</u>	<u>\$ 2,212,920</u>	<u>\$ 3,105,798</u>	<u>\$ 892,878</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2004
 (WITH COMPARATIVE TOTALS FOR 2003)

	Business-type Activities -Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 3,054,462	\$ 840,928	\$ 73,961	\$ 168,428
Cash with escrow agent.	25,592	-	-	-
Receivables (net of allowance for uncollectibles)	1,376,300	384,158	91,190	-
Due from other funds	-	353,737	-	-
Due from other governments	-	-	19,444	-
Prepayments.	31,840	22,352	14,201	2,141
Materials and supplies inventory	398,342	10,669	36,295	-
Total current assets	4,886,536	1,611,844	235,091	170,569
Noncurrent assets:				
Restricted Assets:				
Equity in pooled cash and cash equivalents.	579,955	812,429	22,389	-
Cash and cash equivalents with fiscal agent.	478,598	4,694,932	-	-
Deferred bond costs.	144,010	132,792	3,611	-
Capital assets:				
Land and construction in progress	1,804,742	311,375	3,502,764	95,962
Depreciable capital assets, net	42,844,582	71,013,785	6,947,071	551,822
Total noncurrent assets	45,851,887	76,965,313	10,475,835	647,784
Total assets	50,738,423	78,577,157	10,710,926	818,353
Liabilities:				
Current liabilities:				
Accounts payable.	209,262	47,950	43,445	2,373
Retainage payable.	25,592	-	-	-
Accrued wages and benefits	81,801	56,775	7,977	2,077
Compensated absences payable.	165,102	167,085	15,178	6,069
Due to other funds	353,737	-	-	-
Deposits held and due to others	150,317	106,966	15,291	4,350
Current portion of loans payable	31,416	1,440,816	-	-
Current portion of bonds	1,625,000	1,075,000	40,000	-
Accrued interest payable.	116,516	835,254	3,640	-
Total current liabilities	2,758,743	3,729,846	125,531	14,869
Long-term liabilities:				
General obligation bonds	11,873,999	10,326,474	278,895	-
Compensated absences payable	390,013	152,922	15,861	10,057
Loans payable	625,289	32,012,460	-	-
Total long-term liabilities	12,889,301	42,491,856	294,756	10,057
Total liabilities	15,648,044	46,221,702	420,287	24,926
Net assets:				
Invested in capital assets, net of related debt.	30,493,620	26,470,410	10,130,940	647,784
Restricted for:				
Capital projects	579,955	2,626,342	22,389	-
Debt service	478,598	2,068,590	-	-
Unrestricted	3,538,206	1,190,113	137,310	145,643
Total net assets	\$ 35,090,379	\$ 32,355,455	\$ 10,290,639	\$ 793,427

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2004 Enterprise Funds Total	2003 Enterprise Funds Total	2004 Governmental Activities - Internal Service Funds	2003 Governmental Activities - Internal Service Funds
\$ 4,137,779	\$ 3,783,762	\$ 655,863	\$ 658,791
25,592	27,348	-	-
1,851,648	1,730,480	935	581
353,737	357,331	-	-
19,444	3,174	-	-
70,534	71,288	15,525	17,344
445,306	358,841	4,566	5,270
<u>6,904,040</u>	<u>6,332,224</u>	<u>676,889</u>	<u>681,986</u>
1,414,773	1,366,397	-	-
5,173,530	4,916,360	-	-
280,413	330,377	-	-
5,714,843	5,084,531	-	-
121,357,260	122,716,110	-	-
<u>133,940,819</u>	<u>134,413,775</u>	<u>-</u>	<u>-</u>
140,844,859	140,745,999	676,889	681,986
303,030	108,792	-	240
25,592	27,348	-	-
148,630	111,980	-	-
353,434	439,202	-	-
353,737	357,331	-	-
276,924	222,462	-	-
1,472,232	1,340,634	-	-
2,740,000	2,490,000	-	-
955,410	1,228,609	-	-
<u>6,628,989</u>	<u>6,326,358</u>	<u>-</u>	<u>240</u>
22,479,368	24,998,855	-	-
568,853	457,612	-	-
<u>32,637,749</u>	<u>33,991,587</u>	<u>-</u>	<u>-</u>
55,685,970	59,448,054	-	-
<u>62,314,959</u>	<u>65,774,412</u>	<u>-</u>	<u>240</u>
67,742,754	64,979,565	-	-
3,228,686	2,582,786	-	-
2,547,188	2,897,822	-	-
5,011,272	4,511,414	676,889	681,746
<u>78,529,900</u>	<u>74,971,587</u>	<u>\$ 676,889</u>	<u>\$ 681,746</u>
479	272		
<u>\$ 78,530,379</u>	<u>\$ 74,971,859</u>		

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR 2003)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Operating revenues:				
Charges for services	\$ 6,554,396	\$ 8,079,955	\$ 19,515	\$ 135,106
Other	78,090	99,824	756,912	2,371
Total operating revenues	6,632,486	8,179,779	776,427	137,477
Operating expenses:				
Personal services	2,722,897	1,868,707	279,709	152,287
Contract services	134,786	99,685	34,889	4,476
Materials and supplies	852,761	238,795	451,569	15,933
Utilities	257,515	313,737	18,882	4,017
Depreciation	1,031,978	1,493,210	1,001,648	33,168
Other	150,768	147,079	96,987	7,775
Total operating expenses	5,150,705	4,161,213	1,883,684	217,656
Operating income (loss)	1,481,781	4,018,566	(1,107,257)	(80,179)
Nonoperating revenues (expenses):				
Other nonoperating revenues	305,276	2,949	17,824	-
Intergovernmental	131,635	-	520,829	-
Interest income	66,136	76,753	-	-
Loss on disposal of capital assets	(214,858)	(2,534)	-	-
Other nonoperating expenses	(68,750)	(943)	-	(1,024)
Interest expense and fiscal charges	(824,746)	(1,831,901)	(14,482)	-
Total nonoperating revenues (expenses)	(605,307)	(1,755,676)	524,171	(1,024)
Income (loss) before contributions and transfers	876,474	2,262,890	(583,086)	(81,203)
Capital contributions	389,727	529,525	20,220	-
Transfers in	706,289	11,000	137,105	35,000
Transfers out	(235,919)	(473,695)	(36,014)	-
Changes in net assets	1,736,571	2,329,720	(461,775)	(46,203)
Net assets at beginning of year	33,353,808	30,025,735	10,752,414	839,630
Net assets at end of year	\$ 35,090,379	\$ 32,355,455	\$ 10,290,639	\$ 793,427

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Changes in net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2004		2003		2004		2003	
Enterprise		Enterprise		Governmental		Governmental	
Funds Total		Funds Total		Activities -		Activities -	
				Internal		Internal	
				Service Funds		Service Funds	
\$	14,788,972	\$	14,422,346	\$	22,330	\$	19,756
	937,197		806,046		-		-
	<u>15,726,169</u>		<u>15,228,392</u>		<u>22,330</u>		<u>19,756</u>
	5,023,600		4,815,620		-		267,996
	273,836		321,828		11,316		-
	1,559,058		1,354,135		15,112		14,513
	594,151		555,465		-		-
	3,560,004		3,377,974		-		875
	402,609		351,748		8,298		47,492
	<u>11,413,258</u>		<u>10,776,770</u>		<u>34,726</u>		<u>330,876</u>
	4,312,911		4,451,622		(12,396)		(311,120)
	326,049		711,210		-		-
	652,464		-		-		-
	142,889		213,697		7,539		9,481
	(217,392)		(376,923)		-		-
	(70,717)		(276,361)		-		-
	<u>(2,671,129)</u>		<u>(3,386,615)</u>		<u>-</u>		<u>-</u>
	(1,837,836)		(3,114,992)		7,539		9,481
	2,475,075		1,336,630		(4,857)		(301,639)
	939,472		2,678,509		-		-
	889,394		508,760		-		-
	<u>(745,628)</u>		<u>(605,692)</u>		<u>-</u>		<u>-</u>
	3,558,313		3,918,207		(4,857)		(301,639)
			<u>71,053,380</u>		<u>681,746</u>		<u>983,385</u>
			<u>\$ 74,971,587</u>		<u>\$ 676,889</u>		<u>\$ 681,746</u>
	<u>207</u>						
	<u>\$ 3,558,520</u>						

CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (WITH COMPARATIVE TOTALS FOR 2003)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Cash flows from operating activities:				
Cash received from customers	\$ 6,497,541	\$ 8,075,239	\$ 19,515	\$ 135,106
Cash received from other operations	78,090	99,824	694,706	2,371
Cash payments for personal services	(2,671,868)	(1,875,566)	(261,784)	(152,259)
Cash payments for contract services	(133,992)	(99,615)	(35,033)	(4,442)
Cash payments for materials and supplies	(754,157)	(245,647)	(434,365)	(17,116)
Cash payments for utilities	(261,109)	(313,737)	(18,882)	(4,017)
Cash payments for claims and judgements	-	-	-	-
Cash payments for other expenses	(120,890)	(125,708)	(94,700)	(6,849)
Net cash provided by (used in) operating activities	<u>2,633,615</u>	<u>5,514,790</u>	<u>(130,543)</u>	<u>(47,206)</u>
Cash flows from noncapital financing activities:				
Other non-capital revenues	332,276	9,315	-	-
Other non-capital expenses	(70,506)	(943)	-	(1,024)
Grants and contributions	131,635	-	539,738	-
Transfers in	706,289	11,000	137,105	35,000
Transfers out	(235,919)	(473,695)	(36,014)	-
Net cash provided by (used in) noncapital financing activities	<u>863,775</u>	<u>(454,323)</u>	<u>640,829</u>	<u>33,976</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,444,561)	(843,321)	(535,007)	-
Capital contributions	389,727	529,525	20,220	-
Proceeds from sale of bonds	1,390,000	6,480,000	270,000	-
Premium on bonds sold	63,900	259,846	5,614	-
Bond issuance costs	(18,999)	(88,560)	(3,611)	-
Payment to refunding bond escrow agent	(1,430,828)	(6,647,762)	(272,570)	-
Principal paid on bonds	(1,525,000)	(935,000)	(30,000)	-
Interest paid on bonds	(903,637)	(737,243)	(20,520)	-
Proceeds of loans	200,000	-	-	-
Principal paid on loans	(26,416)	(1,395,824)	-	-
Interest paid on loans	-	(1,279,901)	-	-
Net cash used in capital and related financing activities	<u>(3,305,814)</u>	<u>(4,658,240)</u>	<u>(565,874)</u>	<u>-</u>
Cash flows from investing activities:				
Sales of investment securities	-	-	-	-
Interest received	61,638	71,184	-	-
Net cash provided by investing activities	<u>61,638</u>	<u>71,184</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	253,214	473,411	(55,588)	(13,230)
Cash and cash equivalents at beginning of year (restated).	<u>3,885,393</u>	<u>5,874,878</u>	<u>151,938</u>	<u>181,658</u>
Cash and cash equivalents at end of year.	<u>\$ 4,138,607</u>	<u>\$ 6,348,289</u>	<u>\$ 96,350</u>	<u>\$ 168,428</u>

2004		2003		2004		2003	
Enterprise		Enterprise		Governmental		Governmental	
Funds Total		Funds Total		Activities -		Activities -	
				Internal		Internal	
				Service Funds		Service Funds	
\$	14,727,401	\$	14,341,857	\$	22,330	\$	19,756
	874,991		889,465		-		-
	(4,961,477)		(4,767,876)		-		(288,558)
	(273,082)		(329,701)		(11,556)		(15,128)
	(1,451,285)		(1,628,237)		(14,408)		-
	(597,745)		(529,893)		-		-
	-		(1,300,000)		-		-
	(348,147)		(345,279)		(6,479)		(49,051)
	<u>7,970,656</u>		<u>6,330,336</u>		<u>(10,113)</u>		<u>(332,981)</u>
	341,591		698,355		-		3,118
	(72,473)		(276,361)		-		-
	671,373		-		-		-
	889,394		508,760		-		-
	(745,628)		(605,692)		-		-
	<u>1,084,257</u>		<u>325,062</u>		<u>-</u>		<u>3,118</u>
	(2,822,889)		(4,789,701)		-		-
	939,472		1,953,636		-		-
	8,140,000		15,900,000		-		-
	329,360		426,935		-		-
	(111,170)		(152,024)		-		-
	(8,351,160)		(12,255,000)		-		-
	(2,490,000)		(7,485,000)		-		-
	(1,661,400)		(1,748,347)		-		-
	200,000		609,342		-		-
	(1,422,240)		(1,281,999)		-		-
	(1,279,901)		(1,481,784)		-		-
	<u>(8,529,928)</u>		<u>(10,303,942)</u>		<u>-</u>		<u>-</u>
	-		1,981,383		-		-
	132,822		254,484		7,185		12,755
	<u>132,822</u>		<u>2,235,867</u>		<u>7,185</u>		<u>12,755</u>
	657,807		(1,412,677)		(2,928)		(317,108)
	10,093,867		11,479,196		658,791		975,899
<u>\$</u>	<u>10,751,674</u>	<u>\$</u>	<u>10,066,519</u>	<u>\$</u>	<u>655,863</u>	<u>\$</u>	<u>658,791</u>

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CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2004
 (WITH COMPARATIVE TOTALS FOR 2003)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,481,781	\$ 4,018,566	\$ (1,107,257)	\$ (80,179)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:				
Depreciation	1,031,978	1,493,210	1,001,648	33,168
Changes in assets and liabilities:				
(Increase) in accounts receivable	(56,855)	(8,310)	(45,936)	-
(Increase) decrease in due from other funds	-	3,594	-	-
(Increase) decrease in due from other governments.	-	-	(16,270)	-
(Increase) decrease in materials and supplies inventory	(82,350)	191	(4,306)	-
(Increase) decrease in prepayments.	794	70	(144)	34
Increase (decrease) in accounts payable.	180,954	(7,043)	21,510	(1,183)
Increase (decrease) in accrued wages and benefits	20,805	15,113	1,180	(448)
Increase (decrease) in compensated absences payable	30,224	(21,972)	16,745	476
(Decrease) in claims and judgements payable	-	-	-	-
Increase in deposits held and due to others	29,878	21,371	2,287	926
Increase (decrease) in due to other funds	(3,594)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 2,633,615</u>	<u>\$ 5,514,790</u>	<u>\$ (130,543)</u>	<u>\$ (47,206)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2004 Enterprise Funds Total	2003 Enterprise Funds Total	2004 Governmental Activities - Internal Service Funds	2003 Governmental Activities - Internal Service Funds
\$ 4,312,911	\$ 4,451,622	\$ (12,396)	\$ (311,120)
3,560,004	3,377,974	-	875
(111,101)	(54,917)	-	-
3,594	(25,572)	-	-
(16,270)	83,419	-	-
(86,465)	(37,437)	704	(361)
754	(7,873)	1,819	(1,559)
194,238	(236,665)	(240)	(20,816)
36,650	17,492	-	-
25,473	30,252	-	-
-	(1,300,000)	-	-
54,462	6,469	-	-
(3,594)	25,572	-	-
<u>\$ 7,970,656</u>	<u>\$ 6,330,336</u>	<u>\$ (10,113)</u>	<u>\$ (332,981)</u>

CITY OF FINDLAY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2004

	<u>Private-Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 154,564	\$ 465,476
Cash in segregated accounts	-	202,187
Receivables:		
Accrued interest.	178	-
	<hr/>	<hr/>
Total assets.	<u>154,742</u>	<u>667,663</u>
 Liabilities:		
Accounts payable	-	1,958
Deposits held and due to others	-	665,705
	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>\$ 667,663</u>
 Net Assets:		
Held in trust for private cemetery care	<u>154,742</u>	
Total net assets	<u>\$ 154,742</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

		<u>Private-Purpose Trust</u>
Additions:		
Interest	\$	1,380
Gifts and contributions.		<u>563</u>
Total Additions.		<u>1,943</u>
 Deductions:		
Cemetery care		<u>2,810</u>
Changes in net assets		(867)
Net assets at the beginning of the year.		<u>155,609</u>
Net assets at the end of the year	\$	<u><u>154,742</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - DESCRIPTION OF THE CITY

The City of Findlay (the "City") was incorporated in 1838 under the laws of the State of Ohio. The City of Findlay is a statutory City operating under the Mayor/Council form of municipal government. Services provided include police, fire, recreation programs (including parks and an outdoor swimming pool), street repair and maintenance, water and wastewater treatment, engineering, and general administrative services. Except for water and sewage, the major utilities are provided by private entities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The City has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The City has elected not to apply these FASB Statements and Interpretations. The City's significant accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the City's BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete.

The accompanying financial statements present the City, which has no component units. The City's Municipal Court is not legally separate from the City, nor does it possess separate corporate powers. As such, the financial data of the City's Municipal Court have been included with the financial data of the primary government. The financial data of the Court is included in the City's reporting entity because of the significance of its operational and financial relationships with the City.

B. Basis of Presentation

The City's BFS consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by type.

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. This includes, but is not limited to, police and fire protection, public health activities, cemetery, all recreation activities (other than the swimming pool), and the general administration of City functions.

City Income Tax Administration - This fund accounts for the receipts from the assessment of a 1% income tax and the cost of operating our own collection department. The use of this money is determined by Council. At present, 78% is transferred to general fund and the remaining 22% is used for capital improvements as recommended by the administration and appropriated by Council.

Street Maintenance and Repair - This fund is used to account for 92.5% of the City's share of gasoline taxes and motor vehicle license fees as required by state statute. Expenditures of this fund are for street maintenance and construction.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Other governmental funds of the City are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds - Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Pollution Control - This fund accounts for the operation of the City's sewer utility. Revenues are from user charges, based on rates set by City Council. Major Sewer construction and renovation projects are accounted for and financed in this fund.

Water - This fund accounts for the operations of the City's water utility. Revenues are from user customers, based on the rates set by the Service Director. Major Water construction and renovation projects are accounted for and financed in this fund.

Airport - This fund accounts for the operation of the City's Airport facility including hangar rentals, aircraft fuel sales, runway maintenance, and other operations of the airport.

The other enterprise funds of the City are used to account for swimming pool and parking operations.

Internal Service Funds - The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on the operations of central stores and a self-insurance liability insurance program.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are a private-purpose trust fund and agency funds.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the City's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise activities and operating expenses for the internal service fund include personnel costs, claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and agency funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (see Note 6.B.). Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6.A.). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, fees and special assessments.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinances. The tax budget and certificate of estimated resources are required to be prepared on the cash basis by the County Budget Commission and are prepared solely to satisfy these statutory requirements. The appropriation ordinances, under which the City controls its expenditures, and an internal revenue budget, under which the City measures available resources, are prepared on the accrual/modified accrual basis, as appropriate. The certificate of estimated resources and the appropriation ordinances are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified. The primary level of budgetary control is at the departmental level within each fund. All changes in departmental appropriations require action by the City Council.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Tax Budget - A budget of estimated cash receipts is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources - The County Budget Commission certifies its actions to the City by September 1. As part of this process, the City receives the official certificate of estimated resources that states the projected cash receipts of each Fund. On or about January 1, this certificate is amended to include any unencumbered cash balances from the preceding year.

Appropriations - At the beginning of the fiscal year, an annual appropriation ordinance is passed for the period January 1 to December 31. Supplemental appropriations were made during the year as new information became available to provide for additional expenditures deemed necessary by the legislative authority.

At the end of the fiscal year, all unexpended and unencumbered balances of operating appropriations lapse and revert to the funds from which the appropriation was initially made, where they become subject to future appropriation while encumbered balances are carried forward as part of the next year's appropriation. The unexpended balances of capital and special assessment appropriations continue until the project is completed at which time any remaining appropriation reverts to the fund from which the appropriation was initially made. Annual appropriation ordinances are adopted for all governmental, proprietary, and fiduciary funds. However, budget disclosure in the BFS is only required for the general fund and major special revenue funds.

G. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During 2004, investments were limited to STAR Ohio, federal agency securities, and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as certificates of deposit are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2004. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2004.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2004 amounted to \$166,291, which includes \$65,453 assigned from other City funds.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For purposes of the statement of cash flows and for presentation on the financial statements, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the City's investment account at year-end is provided in Note 4.

H. Inventories of Materials and Supplies

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

I. Prepaids

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2005 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased. Proprietary funds recognize insurance expense as it is incurred.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of storm sewers, streets, and traffic signals. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Improvements other than buildings	20 - 50 years	20 - 50 years
Machinery and equipment	3 - 20 years	3 - 20 years
Utility plant in service	-	50 - 99 years
Infrastructure:		
Streets	10 years	-
Storm sewers	75 years	-
Traffic signals	25 years	-

K. Compensated Absences

Compensated absences of the City consist of vacation leave, sick leave, holivac (for individuals who are required to work holidays and non-standard hours), and compensatory time to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the City and the employee.

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave, holivac, and compensatory time is accrued if: a) the employee's rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination payments, as well as those employees expected to become eligible in the future in accordance with GASB Statement No. 16. Sick leave benefits are accrued using the "vesting" method in accordance with GASB Statement No. 16.

The total liability for vacation leave, sick leave, holivac, and compensatory time has been calculated using the pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or City Ordinance, plus applicable additional salary related payments.

Sick leave accumulates at the rate of 4.6 hours of sick leave for 80 hours of work completed. Sick leave may be converted into cash only upon retirement or death with 10 or more years of service with the State or any of its political subdivisions at the rate of one fourth (1/4) the value of the first 960 hours of accrued, unused sick leave credit. If applicable, accrued, unused sick leave will be paid in cash for one-half (1/2) the value of all accrued sick leave credit in excess of 960 hours. Individuals with accumulated sick leave greater than one thousand nine hundred twenty (1,920) hours receive cash at the rate of one-half (1/2) the total hours accumulated. Individuals leaving the employment of the City prior to retirement or at retirement with less than 10 years of service lose their accumulated sick leave.

The entire compensated absence liability is reported on the government-wide financial statements.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements; and, all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

M. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

N. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The City reports a reservation of fund balance for amounts representing encumbrances outstanding, materials and supplies inventory, prepayments, loans receivable, debt service, perpetual care and capital improvements in the governmental fund financial statements.

O. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

Q. 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. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes consist primarily of income tax distributions, revolving loan and permissive motor vehicle license tax.

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

R. Comparative Data

Comparative total data for the prior year have been presented in selected sections of the financial statements in order to provide an understanding of the changes in the government's financial position and operations.

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

Monies held by the City are classified by State statute into three categories:

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

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

Interim deposits are deposits in interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within two years from the date of purchase and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon receipt of confirmation of transfer from the custodian.

Cash with Fiduciary Agent: At year-end, the City had \$448,127 on deposit with the Hancock County Treasurer. The data regarding insurance and collateralization can be obtained from the Hancock County Comprehensive Annual Financial Report for the year ended December 31, 2004. This amount is not included in the City's depository balance below.

Cash with Escrow Agent: At year-end, the City had \$160,299 on deposit with financial institutions for retainage escrow accounts. This amount is included in the City's depository balance below.

Cash in Segregated Accounts: At year-end, the City had \$287,368 deposited with a financial institution for monies related to the Revolving Loan special revenue fund (a nonmajor governmental fund) and the Municipal Court agency fund. These amounts are included in the City's depository balance below.

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Deposits: At year-end, the carrying amount of the City's deposits was \$17,478,126 and the bank balance was \$18,242,389. Both amounts include \$10,000,000 in nonnegotiable certificates of deposit. Of the bank balance:

1. \$918,311 was covered by federal depository insurance; and
2. \$13,376,411 was covered by pledged collateral held by depository institutions in the name of the City; and
3. \$3,947,667 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by third party trustees pursuant to Section 135.81, Ohio Revised Code, in single institution collateral pools securing all public funds on deposit with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

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

	Category 3	Reported Amount	Fair Value
Federal agency securities	\$7,419,993	\$ 7,419,993	\$ 7,419,993
Investment in STAR Ohio	-	867,917	867,917
Total investments	<u>\$7,419,993</u>	<u>\$ 8,287,910</u>	<u>\$ 8,287,910</u>

The total amount of cash, cash equivalents, and investments is reflected in the accompanying financial statements as follows:

Unrestricted

Equity in pooled cash and cash equivalents	\$17,631,045
Cash in segregated accounts	287,368
Cash with escrow agent	160,299
Investments	470,179

Restricted

Equity in pooled cash and cash equivalents	2,043,615
Cash and cash equivalents with fiscal agent	5,173,530
Total cash, cash equivalents and investments	<u>\$25,766,036</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2004, consisted of the following, as reported in the fund financial statements:

Transfers to	Transfers from							Total
	General	City Income Tax	Street Maintenance and Repair	Nonmajor Governmental	Water	Sewer	Airport	
General	\$ -	\$ 12,854,909	\$ 1,777	\$ 516,447	\$ 235,919	\$ 177,946	\$ 25,000	\$ 13,811,998
City Income Tax	79,910	-	168,877	94,404	-	-	11,014	354,205
Street Maintenance and Repair	950,000	1,348,933	-	60,000	-	-	-	2,358,933
Nonmajor Governmental	1,000	457,114	55,225	84,200	-	-	-	597,539
Water	-	357,500	53,040	-	-	295,749	-	706,289
Sewer	-	-	11,000	-	-	-	-	11,000
Airport	125,000	12,105	-	-	-	-	-	137,105
Nonmajor Enterprise	35,000	-	-	-	-	-	-	35,000
Total	\$ 1,190,910	\$ 15,030,561	\$ 289,919	\$ 755,051	\$ 235,919	\$ 473,695	\$ 36,014	\$ 18,012,069

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 5 - TAXES

A. Property Tax

Property taxes include amounts levied against all real and public utility property, and tangible personal property (used in business) located in the City. Property taxes are levied each October 1 based on the assessed value as of the prior January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of all property is required to be completed not less than every six years. The most recent revaluation, which was completed in 2004, will be utilized for 2005 collections. The last revaluation, prior to the one performed in 2004, was performed in 1998 and was utilized for the 2004 collections. The assessed value upon which the 2004 collections were based was \$810,343,324. The tax rate applicable to the 2004 collections was 3.20 mills.

The Hancock County Treasurer collects property taxes on behalf of all taxing districts within Hancock County including the City of Findlay. Taxes are payable to the County in two equal installments in January and July and, if not paid, become delinquent after December 31 of the year they are due. The Hancock County Auditor periodically remits to the City its portion of the taxes collected.

Collection of delinquent property taxes is the responsibility of the County, and the County Auditor's records as to delinquencies are maintained on a total County basis. The City's portion of delinquent property taxes related to an individual subdivision within the County are not susceptible to accrual in that the taxes collected are not available to the City at year end. Accordingly, delinquent property taxes are not reflected as revenue in the accompanying financial statements until they are collected.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 5 - TAXES - (Continued)

B. City Income Tax

The City levies an income tax of 1% on the gross salaries, wages, and other service compensation earned by residents of the City and to the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. Residents of the City are granted a credit of 1/2% for taxes paid to other Ohio municipalities. All residents are required to file a City income tax return. The City also requires certain employers to remit withholding taxes on a monthly basis as opposed to a quarterly basis.

The receipts of the City income tax and the administrative costs associated with their collection are accounted for in the City Income Tax Administration fund. Income tax receipts, net of the related administrative costs, are disbursed, appropriated, and allocated in accordance with City Ordinance by which 78% of such receipts are transferred to the general fund and 22% retained in the nonmajor governmental funds and restricted for capital improvements.

NOTE 6 - RECEIVABLES

The City's receivables from outside parties at December 31, 2004, by fund, are shown as follows:

	Major Funds			Major Funds			
	City	Street	Nonmajor				
	Income Tax Administration	Maintenance and Repair	Governmental Funds	Water	Sewer	Airport	
	General	Administration	and Repair	Funds	Water	Sewer	Airport
Income Taxes	\$ -	\$ 2,375,662	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	2,297,023	-	-	532,488	-	-	-
Hotel/Motel taxes	61,539	-	-	-	-	-	-
Economic development loans	-	-	-	434,512	-	-	-
Special assessments	-	-	-	461,706	-	-	-
Billed and unbilled							
Charges for services	-	-	-	-	1,359,045	361,313	91,190
Miscellaneous	14,567	-	517	-	-	-	-
Accrued interest - unrestricted	55,286	-	-	1,840	17,255	22,845	-
Total receivables, net of allowances	\$ 2,428,415	\$ 2,375,662	\$ 517	\$ 1,430,546	\$ 1,376,300	\$ 384,158	\$ 91,190
Due from other governments:							
Property tax rollbacks	\$ 111,690	\$ -	\$ -	\$ 25,872	\$ -	\$ -	\$ -
Estate taxes	372,890	-	-	-	-	-	-
Local government funds	440,764	-	-	-	-	-	-
State tax	133,518	-	-	-	-	-	-
Fuel tax	-	-	515,247	41,777	-	-	-
Motor vehicle license fees	-	-	29,787	2,415	-	-	-
Federal Airport Grant	-	-	-	-	-	-	19,444
CDBG Grant	-	-	-	-	-	-	-
Permissive license	-	-	-	-	-	-	-
Total due from other governments	1,058,862	-	545,034	70,064	-	-	19,444
Total due from outside parties	\$ 3,487,277	\$ 2,375,662	\$ 545,551	\$ 1,500,610	\$ 1,376,300	\$ 384,158	\$ 110,634

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 6 - RECEIVABLES - (Continued)

The stated receivable amounts are net of the applicable allowance for uncollectibles. Such allowance balances are not significant in relation to the respective receivable balances.

City income taxes accrued at December 31, 2004 represent income taxes due the City at year-end. Delinquent income taxes represent interest, penalties, and additional taxes due as a result of audits of returns filed.

Property taxes accrued at December 31, 2004 represent the City's portion of 2004 taxes to be collected by the Hancock County Treasurer during 2005 based on the assessed value of property described in Note 5.A.

Hotel/Motel taxes accrued at December 31, 2004 represent 2004 transient lodging taxes due to the City at year-end from hotels and motels located within the City's corporation limits.

Economic development loans receivable at December 31, 2004 represents loans to qualified businesses for the purpose of economic development. These loans are being repaid over a number of years.

Special assessments represent amounts due from taxpayers for certain pavement, sidewalk, and storm sewer work performed by the City. Special assessments are collected over a number of years.

Residents are billed on a bi-monthly basis for water and wastewater service with approximately one-half of the City's customers being billed each month. All service receivables are carried in the Water Fund with an interfund payable being recognized for the portion of the billing related to the Water Pollution Control Fund. This interfund payable is eliminated for reporting on the government-wide financial statements. Unbilled service receivables are accrued based upon the consumption for the applicable area of the City during the related period.

Due from other governments in the general fund represents 2004 state taxes, local government monies and property tax rollbacks (intergovernmental) anticipated to be received by the City from January 1, 2005 through June 30, 2005. Due from other governments in the special revenue funds represents 2004 motor vehicle license fees and gasoline excise taxes anticipated to be received by the City from January 1, 2005 to June 30, 2005.

Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2004.

The only receivables not expected to be collected within the subsequent year are the special assessments and economic development loans which are collected over the life of the assessment or the life of the loan, respectively.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004, was as follows:

<u>Governmental Activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/03</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/04</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,943,083	\$ 68,000	\$ -	\$ 4,011,083
Construction in progress	<u>2,726,403</u>	<u>165,477</u>	<u>(2,564,340)</u>	<u>327,540</u>
Total capital assets, not being depreciated	<u>6,669,486</u>	<u>233,477</u>	<u>(2,564,340)</u>	<u>4,338,623</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	8,559,020	-	-	8,559,020
Improvements other than buildings	356,142	-	-	356,142
Equipment	8,355,817	746,401	(252,328)	8,849,890
Infrastructure	<u>68,699,952</u>	<u>6,261,232</u>	<u>-</u>	<u>74,961,184</u>
Total capital assets, being depreciated	<u>85,970,931</u>	<u>7,007,633</u>	<u>(252,328)</u>	<u>92,726,236</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(3,070,515)	(175,199)	-	(3,245,714)
Improvements other than buildings	(136,626)	(13,187)	-	(149,813)
Equipment	(5,256,445)	(727,275)	245,525	(5,738,195)
Infrastructure	<u>(26,486,257)</u>	<u>(2,209,238)</u>	<u>-</u>	<u>(28,695,495)</u>
Total accumulated depreciation	<u>(34,949,843)</u>	<u>(3,124,899)</u>	<u>245,525</u>	<u>(37,829,217)</u>
Total capital assets, being depreciated, net	<u>51,021,088</u>	<u>3,882,734</u>	<u>(6,803)</u>	<u>54,897,019</u>
Governmental activities capital assets, net	<u>\$ 57,690,574</u>	<u>\$ 4,116,211</u>	<u>\$(2,571,143)</u>	<u>\$ 59,235,642</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 7 - CAPITAL ASSETS - (Continued)

<u>Business-Type Activities:</u>	<u>Balance</u> <u>12/31/03</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/04</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,736,429	\$ -	\$ -	\$ 4,736,429
Construction in progress	<u>348,102</u>	<u>946,017</u>	<u>(315,705)</u>	<u>978,414</u>
Total capital assets, not being depreciated	<u>5,084,531</u>	<u>946,017</u>	<u>(315,705)</u>	<u>5,714,843</u>
<i>Capital assets, being depreciated:</i>				
Buildings	1,621,489	-	-	1,621,489
Utility plant in service	59,146,021	70,050	-	59,216,071
Utility lines in service	78,893,084	1,541,138	(7,048)	80,427,174
Improvements other than buildings	11,106,517	286,555	-	11,393,072
Machinery and equipment	<u>7,139,806</u>	<u>533,915</u>	<u>(339,929)</u>	<u>7,333,792</u>
Total capital assets, being depreciated	<u>157,906,917</u>	<u>2,431,658</u>	<u>(346,977)</u>	<u>159,991,598</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(817,971)	(81,701)	-	(899,672)
Utility plant in service	(14,779,166)	(1,186,792)	-	(15,965,958)
Utility lines in service	(11,342,636)	(955,954)	3,858	(12,294,732)
Improvements other than buildings	(2,821,364)	(1,012,607)	-	(3,833,971)
Machinery and equipment	<u>(5,429,670)</u>	<u>(336,062)</u>	<u>125,727</u>	<u>(5,640,005)</u>
Total accumulated depreciation	<u>(35,190,807)</u>	<u>(3,573,116)</u>	<u>129,585</u>	<u>(38,634,338)</u>
Total capital assets, being depreciated, net	<u>122,716,110</u>	<u>(1,141,458)</u>	<u>(217,392)</u>	<u>121,357,260</u>
Business-type activities capital assets, net	<u>\$ 127,800,641</u>	<u>\$ (195,441)</u>	<u>\$ (533,097)</u>	<u>\$ 127,072,103</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 915,661
Security of persons and property	189,141
Transportation	<u>2,020,097</u>
Total depreciation expense - governmental activities	<u>\$ 3,124,899</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 8 - RESTRICTED ASSETS

Restricted assets, as reported on the proprietary fund statement of net assets, are specifically restricted for capital improvements or debt service by either the City's designation or by applicable bond indentures. Restricted cash, cash equivalents, and investments designated by the City or provided by operations are equally offset by a fund balance/retained earnings reserve.

Restricted assets at December 31, 2004 are comprised of the following:

	<u>Cash and Cash Equivalents</u>	<u>Deferred Bond Costs</u>	<u>Total</u>
<u>Major governmental funds:</u>			
City Income Tax Administration Fund:			
Restricted for Capital Improvements	\$ 1,208,797	\$ -	\$ 1,208,797
<u>Major enterprise funds:</u>			
Water Fund:			
Designated for Capital Improvements to Utility Lines	\$ 579,955	\$ -	\$ 579,955
Designated for Debt Service	478,598	-	478,598
Deferred Bond Costs	-	144,010	144,010
	<u>1,058,553</u>	<u>144,010</u>	<u>1,202,563</u>
Water Pollution Control Fund:			
Improvement and Replacement Fund Account	812,429	-	812,429
Designated for Capital Improvements to Utility Lines	2,626,341	-	2,626,341
Designated for Debt Service	2,068,591	-	2,068,591
Deferred Bond Costs	-	132,792	132,792
	<u>5,507,361</u>	<u>132,792</u>	<u>5,640,153</u>
Airport Fund:			
Designated for Debt Service	22,389	-	22,389
Deferred Bond Costs	-	3,611	3,611
	<u>22,389</u>	<u>3,611</u>	<u>26,000</u>
Totals	<u>\$ 6,588,303</u>	<u>\$ 280,413</u>	<u>\$ 6,868,716</u>

Deferred Bond Costs represent the costs associated with the issuance of the 1998 Waterworks Improvement Limited Tax Bonds, the 2004 Various Purpose General Obligation Refunding Bonds, and the 2003 Water and Sewer Refunding Bonds (Note 10.B.). These costs are being amortized on a straight-line basis over life of the bond issues.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

In a prior fiscal year, the City entered into capitalized lease for a postage machine. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standard No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The equipment acquired by the capital lease has been capitalized in the City's governmental capital assets at the present value of the future minimum lease payments at lease inception. A corresponding liability has been reported in the governmental activities statement of net assets.

The future minimum capital lease payments as of December 31, 2004 are as follows:

<u>Fiscal Year</u>	<u>City Income Tax Administration</u>
2005	\$ 2,508
2006	<u>2,090</u>
Total minimum lease payments	4,598
Less: amount representing interest	<u>(312)</u>
Present value of future minimum capital lease payments	<u>\$ 4,286</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During fiscal 2004, the following changes occurred in the City's long-term obligations:

<i>Governmental Activities:</i>	<u>Interest</u>	<u>Maturity</u>	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>Rate</u>	<u>Date</u>	<u>12/31/03</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/04</u>	<u>Due in</u>
							<u>One Year</u>
<u>General Obligation Bonds</u>							
Series 1994 Western Avenue Relocation	3.85 - 5.25%	2004	\$ 80,000	\$ -	\$ (80,000)	\$ -	\$ -
Series 1996 Fire Improvement Project	3.85 - 5.875%	2017	1,840,000	-	(1,625,000)	215,000	105,000
Series 2004 Fire Improvement Refunding	2.50 - 5.25%	2016	-	1,615,000	-	1,615,000	25,000
Series 1996 City-wide Radio System	3.85 - 5.875%	2017	1,105,000	-	(860,000)	245,000	120,000
Series 2004 City-wide Radio Refunding	2.50 - 3.75%	2011	-	805,000	-	805,000	20,000
Series 2003 HRC Land Acquisition	2.00 - 3.60%	2015	965,000	-	(65,000)	900,000	70,000
Total general obligation bonds			<u>3,990,000</u>	<u>2,420,000</u>	<u>(2,630,000)</u>	<u>3,780,000</u>	<u>340,000</u>
<u>Special Assessment Bonds</u>							
Series 1994 Eagle Street Improvements	6.30%	2009	35,000	-	(5,500)	29,500	5,500
Series 1995 Canterbury Court	5.50%	2010	73,500	-	(10,500)	63,000	10,500
Series 1998 West Yates Improvements	3.65 - 4.50%	2008	105,000	-	(25,000)	80,000	20,000
Series 2001 Rockwell Avenue Improvements	4.70%	2011	116,400	-	(14,550)	101,850	14,550
Series 2002 Sidewalk Program	3.80%	2004	38,350	-	(38,350)	-	-
Series 2002 Hunters Creek Swale	5.25%	2012	38,835	-	(4,315)	34,520	4,315
Series 2003 East Melrose Business Park	8.43%	2013	36,550	-	(3,655)	32,895	3,655
Series 2004 Sidewalk Program	3.38%	2006	-	43,000	-	43,000	21,500
Total special assessment bonds			<u>443,635</u>	<u>43,000</u>	<u>(101,870)</u>	<u>384,765</u>	<u>80,020</u>
<u>OPWC Loans</u>							
Crystal/Melrose Intersection	0%	2024	-	144,000	(3,600)	140,400	7,200
Total OPWC loans payable			<u>-</u>	<u>144,000</u>	<u>(3,600)</u>	<u>140,400</u>	<u>7,200</u>
<u>Other Long-Term Obligations</u>							
Capital Lease Obligation	7.43%	2006	6,390	-	(2,104)	4,286	2,266
Police and Fire Past Service Liability	4.30%	2035	1,292,373	-	(20,156)	1,272,217	21,022
Compensated Absences			3,082,746	1,457,569	(1,459,562)	3,080,753	1,372,966
Total other long-term obligations			<u>4,381,509</u>	<u>1,457,569</u>	<u>(1,481,822)</u>	<u>4,357,256</u>	<u>1,396,254</u>
Total governmental activities long-term obligations			<u>\$ 8,815,144</u>	<u>\$ 4,064,569</u>	<u>\$ (4,217,292)</u>	8,662,421	<u>\$ 1,823,474</u>
Add: Unamortized premium on bond issue						111,713	
Less: Unamortized deferred charges on refundings						(203,429)	
Total reported on the Statement of Net Assets						<u>\$ 8,570,705</u>	

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 1994 Western Avenue Relocation Bonds - PILOT Funded Bonds

These bonds were issued for the purpose of providing the funds necessary to pay the costs of relocating Western Avenue between West Hobart Street and Lake Cascades Parkway. The bonds are backed by the full faith and credit of the City of Findlay. Funds for debt service will be provided through payments in lieu of taxes (PILOT). Interest on the bonds is payable semiannually at rates set forth by the original purchaser and approved by the City. The bonds were issued on August 1, 1994 and matured August 1, 2004.

Series 1996 Various Purpose Bonds (Fire Improvement Project Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 10.B.). A portion of the proceeds, \$2,425,000, were used to finance fire improvements. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds are payable semiannually and the interest rate varies according to maturity date. During 2004, \$100,000 in principal payments were made on these bonds and the callable portion (\$1,525,000) of these bonds were advance refunded. The non-callable portion of \$215,000 remained a liability at year-end. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Series 1996 Various Purpose Bonds (City-Wide Radio Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 10.B.). A portion of the proceeds, \$1,775,000, were used to finance a city-wide radio project. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds are payable semiannually and the interest rate varies according to maturity date. During 2004, \$115,000 in principal payments were made on these bonds and the callable portion (\$745,000) of these bonds were advance refunded. The non-callable portion of \$245,000 remained a liability at year-end. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Series 2003 Various Purpose Bonds (HRC Land Portion)

On May 5, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (Also See Note 10.B.). A portion of the proceeds, \$956,500, were used to reimburse the general fund for the purchase of land adjacent to the Hancock Recreation Center. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interests on these bonds are payable semiannually and the interest rate varies according to maturity date. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Series 2004 Various Purpose Bonds (Fire Improvement Refunding Portion)

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 10.B.). A portion of the proceeds, \$1,615,000, were used to advance refund the callable portion of the Series 1996 Fire Improvement Bonds (principal \$1,525,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds is July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial bonds, par value \$1,615,000.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2016. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$140,639. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which is less than the life of the refunded debt. This refunding was undertaken to reduce total debt service payments over the next eleven years by \$97,719 and resulted in an economic gain of \$88,233.

Series 2004 Various Purpose Bonds (City-wide Radio System Refunding Portion)

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 10.B). A portion of the proceeds, \$805,000, were used to advance refund the callable portion of the Series 1996 City-wide Radio System Bonds (principal \$745,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds is July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial bonds, par value \$805,000.

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2016. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$66,461. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which is less than the life of the refunded debt. This refunding was undertaken to reduce total debt service payments over the next six years by \$29,758 and resulted in an economic gain of \$24,780.

Special Assessment Bonds

The City has seven special assessment bonds outstanding at year-end. Special assessments bonds were issued to provide various improvements throughout the City. The bonds will be repaid by tax assessments against the property owner whose benefits from the improvements exceed that of the general public. The bonds are secured by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. Interest on these bonds are payable semiannually at stated interest rates. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Capital Lease Obligation

See Note 9 for a description of the City's capital lease obligation. Principal and interest payments on the obligation are made from the City Income Tax Administration fund. The unmatured balance of the obligation is reported as a component of the City's governmental activities long-term obligations at year-end.

Ohio Public Works Commission (OPWC) Loans

The City has entered into a loan agreement with the OPWC to finance Crystal/Melrose intersection improvements. This loan is interest free and has a twenty year term. The OPWC loan is being retired out of the debt service fund.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Police and Fire Past Service Liability

The City's accrued past service liability to the Ohio Police and Fire Pension Fund (OPFPF) was determined and became a legal obligation to the State at the date the City became a participant in OPFPF. The City pays this liability in semiannual installments of \$37,435 each, including principal and interest, through the year 2035. This liability has been recorded as a governmental activities long-term obligation using an implicit interest rate of approximately 4.3%. The principal and interest payments are recorded in the security of persons and property expenditures in the general fund.

Compensated Absences

Compensated absences consist of vacation, holivac and compensatory time due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

Future Debt Service Requirements

The following is a schedule of future principal and interest payments to retire the governmental activities general obligation bonds, special assessment bonds and OPWC loans outstanding at December 31, 2004:

Year	General Obligation Bonds			Special Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 340,000	\$ 247,285	\$ 587,285	\$ 80,020	\$ 19,940	\$ 99,960
2006	330,000	260,590	590,590	80,520	15,972	96,492
2007	345,000	116,535	461,535	59,020	12,179	71,199
2008	355,000	105,978	460,978	59,020	9,111	68,131
2009	365,000	95,609	460,609	39,020	6,034	45,054
2010 - 2014	1,570,000	283,594	1,853,594	67,165	7,070	74,235
2015 - 2017	475,000	33,608	508,608	-	-	-
Totals	<u>\$ 3,780,000</u>	<u>\$ 1,143,199</u>	<u>\$ 4,923,199</u>	<u>\$ 384,765</u>	<u>\$ 70,306</u>	<u>\$ 455,071</u>

Year	OPWC Loan		
	Principal	Interest	Total
2005	\$ 7,200	\$ -	\$ 7,200
2006	7,200	-	7,200
2007	7,200	-	7,200
2008	7,200	-	7,200
2009	7,200	-	7,200
2010 - 2014	36,000	-	36,000
2015 - 2019	36,000	-	36,000
2020 - 2024	32,400	-	32,400
Totals	<u>\$ 140,400</u>	<u>\$ -</u>	<u>\$ 140,400</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type activities long-term obligations

The following changes occurred in the City's business-type long-term obligations during fiscal 2004:

<i>Business-Type Activities:</i>	<u>Rate</u>	<u>Date</u>	<u>12/31/03</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/04</u>	<u>One Year</u>
<u>General Obligation Bonds:</u>							
Series 2003 Water Refunding	2.25 - 3.375%	2009	\$ 7,045,000	\$ -	\$ (1,110,000)	\$ 5,935,000	\$ 1,145,000
Series 2003 Sewer Refunding	2.00 - 5.00%	2011	5,070,000	-	(580,000)	4,490,000	605,000
Series 2003 Water Refunding	2.00 - 4.00%	2018	3,785,000	-	(190,000)	3,595,000	215,000
Series 1996 Northern Corridor Sewer	3.85 - 5.875%	2017	7,210,000	-	(6,440,000)	770,000	375,000
Series 2004 Northern Corridor Sewer Refunding	2.50 - 5.25%	2017	-	6,480,000	-	6,480,000	95,000
Series 1996 Aircraft Fueling System	3.85 - 5.875%	2017	350,000	-	(280,000)	70,000	35,000
Series 2004 Aircraft Fueling System Refunding	2.50 - 3.75%	2017	-	270,000	-	270,000	5,000
Series 1996 Water Pump Station	3.85 - 5.875%	2017	1,580,000	-	(1,395,000)	185,000	90,000
Series 2004 Water Pump Station Refunding	2.50 - 5.25%	2016	-	1,390,000	-	1,390,000	25,000
Series 1998 Water Improvement	3.65 - 4.90%	2018	<u>2,935,000</u>	<u>-</u>	<u>(140,000)</u>	<u>2,795,000</u>	<u>150,000</u>
Total general obligation bonds			<u>27,975,000</u>	<u>8,140,000</u>	<u>(10,135,000)</u>	<u>25,980,000</u>	<u>2,740,000</u>
<u>OWDA Loans:</u>							
Bright Road Interceptor and Sewer Separation	1.73%	2023	3,526,305	-	(152,485)	3,373,820	142,207
Sewer System Improvements	4.36%	2021	30,333,772	-	(1,139,238)	29,194,534	1,189,451
Sewer Treatment Plant Improvements	4.80%	2011	<u>989,023</u>	<u>-</u>	<u>(104,101)</u>	<u>884,922</u>	<u>109,158</u>
Total OWDA loans			<u>34,849,100</u>	<u>-</u>	<u>(1,395,824)</u>	<u>33,453,276</u>	<u>1,440,816</u>
<u>Other long-term obligations:</u>							
OPWC loans	0%	2025	483,121	200,000	(26,416)	656,705	31,416
Compensated absences			<u>896,814</u>	<u>430,268</u>	<u>(404,795)</u>	<u>922,287</u>	<u>353,434</u>
Total other long-term obligations			<u>1,379,935</u>	<u>630,268</u>	<u>(431,211)</u>	<u>1,578,992</u>	<u>384,850</u>
Total business-type activities long-term obligations			<u>\$ 64,204,035</u>	<u>\$ 8,770,268</u>	<u>\$ (11,962,035)</u>	<u>61,012,268</u>	<u>\$ 4,565,666</u>
Add: Unamortized premium on bonds						674,881	
Less: Unamortized deferred charges on refundings						<u>(1,435,513)</u>	
Amount reported on Statement of Net Assets						<u>\$ 60,251,636</u>	

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 Various Purpose Bonds (Northern Corridor Sewer Refunding Portion)

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 10.A). A portion of the proceeds, \$6,480,000, were used to advance refund the callable portion of the Series 1996 Northern Corridor Sewer Bonds (principal \$6,085,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds is July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial bonds, par value \$6,480,000.

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2017. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$662,335. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt. This refunding was undertaken to reduce total debt service payments over the next six years by \$404,705 and resulted in an economic gain of \$371,152.

Series 2004 Various Purpose Bonds (Aircraft Refueling System Refunding Portion)

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 10.A). A portion of the proceeds, \$270,000, were used to advance refund the callable portion of the Series 1996 Aircraft Refueling System Bonds (principal \$250,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds is July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial bonds, par value \$270,000.

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2012. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$27,188. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which is less than the life of the refunded debt. This refunding was undertaken to reduce total debt service payments over the next seven years by \$12,495 and resulted in an economic gain of \$10,215.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 Various Purpose Bonds (Water Pump Station Refunding Portion)

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 10.A). A portion of the proceeds, \$1,390,000, were used to advance refund the callable portion of the Series 1996 Water Pump Station Bonds (principal \$1,310,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds is July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements.

The refunding issue is comprised of current interest serial bonds, par value \$1,390,000.

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2016. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$143,462. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the refunding debt. This refunding was undertaken to reduce total debt service payments over the next eleven years by \$81,542 and resulted in an economic gain of \$76,008.

Series 2003 Water Refunding Bonds

On August 28, 2003, the City issued general obligation bonds to currently refund the callable portion of the Series 1995 Waterworks System Refunding Revenue Bonds (principal \$8,565,000; average interest rate 5.09%). The issuance proceeds were used to repay the callable portion of the 1995 bonds on the call date which was November 1, 2003. This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$7,045,000.

The refunding bonds pay interest semiannually on May 1 and November 1 of each year and mature on November 1, 2009. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$644,194. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next seven years by \$747,605 and resulted in an economic gain of \$537,530.

Series 2003 Various Purpose Bonds (Sewer Refunding Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (Also See Note 10.A). A portion of the proceeds, \$5,070,000, were used to currently refund the callable portion of the Series 1993 Sewer Refunding Bonds (principal \$5,425,000, average interest rate 5.447%). This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$5,070,000.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The refunding bonds pays interest semiannually on January 1 and July 1 of each year and mature on July 1, 2011. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$171,643. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next nine years by \$276,501 and resulted in an economic gain of \$245,111.

Series 2003 Various Purpose Bonds (Water Refunding Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (Also See Note 10.A). A portion of the proceeds, \$3,785,000, were used to currently refund the callable portion of the Series 1993 Water Improvement Bonds (principal \$3,690,000, average interest rate 5.526%). The issuance proceeds were used to repay the callable portion of the 1993 bonds on the call date which was July 1, 2003. This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$3,785,000.

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2018. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

The reacquisition price exceeded the net carrying amount of the old debt by \$123,252. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next sixteen years by \$523,784 and resulted in an economic gain of \$403,406.

Series 1996 Various Purpose Bonds (Northern Corridor Sewer Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 10.A). A portion of the proceeds, \$9,020,000, were used to finance the Northern Corridor Sewer Project. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. During 2004, \$355,000 in principal payments were made on these bonds and the callable portion (\$6,085,000) of these bonds were advance refunded. The non-callable portion of \$770,000 remained a liability at year-end. The principal and interest payments are made from the Sewer fund.

Series 1996 Various Purpose Bonds (Aircraft Fueling Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 10.A). A portion of the proceeds, \$510,000, were used to finance an aircraft fueling system. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. During 2004, \$30,000 in principal payments were made on these bonds and the callable portion (\$250,000) of these bonds were advance refunded. The non-callable portion of \$70,000 remained a liability at year-end. The principal and interest payments are made from the Airport fund.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 1996 Various Purpose Bonds (Water Pump Station)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 10.A). A portion of the proceeds, \$2,090,000, were used to finance a water pump station. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. During 2004, \$85,000 in principal payments were made on these bonds and the callable portion (\$1,310,000) of these bonds were advance refunded. The non-callable portion of \$185,000 remained a liability at year-end. The principal and interest payments are made from the Water fund.

Series 1998 Water Improvement Bonds

On September 1, 1998, these bonds were issued for the purpose of providing funds to pay the costs of improving the City's municipal water system. The bonds are backed by the full faith and credit of the City of Findlay. Interest on the bonds is payable semiannually. Interest rates range from 3.65% to 4.90%.

Ohio Water Development Authority (OWDA) Loans

The City is eligible to borrow funds under the Water Pollution Control Loan Fund Agreement (WPCLFA) with the Ohio Water Development Authority to pay the approved eligible project costs of designing improvements to and extensions of the City's municipal sewerage system, including main sewer lines and additions to the City's water pollution control plant.

On October 28, 1999, the City entered into a financing agreement under the WPCLFA to borrow up to \$32,470,000. The loan bears interest at 4.36 percent, with principal payments due semi-annually on January 1, and July 1 of each year. The term of the loan is 20 years. This loan is closed (final disbursements have been made by OWDA) and the City is making debt service payments on the final amount borrowed. A final amortization schedule for this loan is presented below.

On August 30, 2001, the City entered into an additional financing agreement under the WPCLFA to borrow up to \$3,672,600. The loan bears interest at 1.73%, with principal payments due semi-annually on January 1, and July 1 of each year. The term of the loan is 20 years. The City has drawn \$3,601,400 as of December 31, 2004. Although this loan is currently open as of year-end, the City has been making principal and interest payments on this loan. Since this loan is currently open as of year-end, a final amortization schedule is not presented as the final disbursements have not been made as of December 31, 2004.

On July 1, 1993, the City entered into a financing agreement with OWDA under the WPCLFA for sewer system improvements. This loan bears interest at 4.80%, with principal payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 18.5 years. This loan is closed (final disbursements have been made by OWDA) and the City is making debt service payments on the final amount borrowed. A final amortization schedule for this loan is presented below.

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance various water improvement projects. These loans are interest free and have twenty year terms. The OPWC loans are being retired out of the water fund.

Compensated Absences

Compensated absences consist of vacation, holivac and compensatory time due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K).

Compensated absences will be paid from the fund from which the employees' salaries are paid.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

The following is a schedule of the future principal and interest payments to retire the business-type activities long-term bonds and loans at December 31, 2004:

Year	General Obligation Bonds			OWDA Loans		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 2,740,000	\$ 1,287,122	\$ 4,027,122	\$ 1,298,609	\$ 1,260,057	\$ 2,558,666
2006	2,695,000	1,307,724	4,002,724	1,356,337	1,207,631	2,563,968
2007	2,770,000	786,183	3,556,183	1,416,632	1,152,895	2,569,527
2008	2,840,000	707,796	3,547,796	1,479,610	1,095,747	2,575,357
2009	2,905,000	623,527	3,528,527	1,545,392	1,036,080	2,581,472
2010 - 2014	7,415,000	1,912,357	9,327,357	8,341,824	4,206,388	12,548,212
2015 - 2019	4,615,000	581,231	5,196,231	9,997,824	2,249,710	12,247,534
2020 - 2021	-	-	-	4,643,227	255,784	4,899,011
Totals	<u>\$ 25,980,000</u>	<u>\$ 7,205,940</u>	<u>\$ 33,185,940</u>	<u>\$ 30,079,455</u>	<u>\$ 12,464,292</u>	<u>\$ 42,543,747</u>

	OPWC Loans		
	Principal	Interest	Total
2005	\$ 31,416	\$ -	\$ 31,416
2006	36,416	-	36,416
2007	36,416	-	36,416
2008	36,416	-	36,416
2009	36,416	-	36,416
2010 - 2014	182,079	-	182,079
2015 - 2019	182,079	-	182,079
2020 - 2024	110,467	-	110,467
2025	5,000	-	5,000
	<u>\$ 656,705</u>	<u>\$ -</u>	<u>\$ 656,705</u>

NOTE 11 - INTERFUND ASSETS/LIABILITIES

Individual fund interfund asset and liability balances, as reported on the fund financial statements at December 31, 2004, were as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Pollution Control	Water	\$ 353,737

Due to/from other funds is recorded for the amounts billed from the sewer fund to the water fund for goods and services provided. This amount is eliminated for reporting on the government-wide financial statements.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 12 - RISK MANAGEMENT

During July, 1987 the City established a Self-Insurance Fund (the Fund), which has been recorded as part of the Internal Service Funds. This Self-Insurance Fund serves the purpose of handling, processing, and paying general municipality liability insurance claims in lieu of purchasing general municipality liability insurance.

The City's plan covers a limit of \$1,000,000 per occurrence for bodily injury liability and \$1,000,000 aggregate for property damage liability.

No settlements have exceeded insurance coverage for 2004, 2003, or 2002. The City is fully insured through premium-based insurance policies for all other types of insurance including worker's compensation, public officials' liability, etc.

The City's policy for reporting a claims liability is based on the requirements of Financial Accounting Standards Board Statement No. 5, which requires that a liability for claims to be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. It is the opinion of the City's legal counsel that, as of December 31, 2004, there were no material outstanding claims pending for the Self-Insurance fund. Claims activity for 2004 and 2003 are as follows:

	2004	2003
Claims payable, beginning of the year	\$ -	\$ 1,300,000
Current year claims and changes in estimates	5,587	4,873
Claim payments	(5,587)	(1,304,873)
Claims payable, end of year	\$ -	\$ -

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

All City full-time employees, other than uniformed employees, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system created by the State of Ohio. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-PERS (7377).

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2004 was 8.5% for employees other than law enforcement and public safety. The law enforcement classification consisted of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The employer contribution rate for employees other than law enforcement and public safety division was 13.55% of covered payroll and 9.55% was the portion used to fund pension obligations for 2004. The employer contribution rate for law enforcement and public safety divisions was 16.70% of covered payroll and 12.70% was the portion used to fund pension obligations for 2004. Required employer contributions are equal to 100% of the dollar amount billed to each employer and must be extracted from the employer's records. The City's contributions to OPERS for the years ended December 31, 2004, 2003, and 2002 were \$1,316,553, \$1,300,515, and \$1,284,406, respectively, equal to the required employer contribution which is also 100% of the dollar amount billed by OPERS.

B. Ohio Police and Fire Pension Fund

Full-time uniformed employees of the City participate in the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. The OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by 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 statements 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.

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.0% for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 11.75% for police officers and 16.25% for firefighters. The City's contributions to OP&F for the years ended December 31, 2004, 2003, and 2002 were \$1,541,943, \$1,474,955, and \$1,442,779, respectively, equal to the required contributions for each year.

NOTE 14 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

OPERS provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2004 employer contribution rate for local government employers was 13.55% of covered payroll and 4.00% was the portion that was used to fund health care. For both the public safety and law enforcement divisions the 2004 employer rate was 16.70% of covered payroll and 4.00% was the portion used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS. The City's contribution actually made to fund postemployment benefits was \$388,650.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. OPEB's are advance funded on an actuarially determined basis.

As of December 31, 2003 (the latest information available), the actuarial value of the Retirement System's net assets available for future OPEB payments were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively, at December 31, 2003 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 2003 (the latest information available) was 369,885.

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

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

On September 9, 2004 the OPERS Retirement 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 deposited into a Retiree Medical Account that can be used to fund future health care expenses.

Additional information on the OPERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the OPERS December 31, 2004, Comprehensive Annual Financial Report.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)

B. Ohio Police and Fire Pension Fund

The OP&F provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Government Employers". 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. The total police officer employer contribution rate is 19.5% of covered payroll and the total firefighter's employer contribution rate is 24.0% of covered payroll. The Ohio Revised Code provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals. 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 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2003 (the latest information available), is 13,662 for police officers and 10,474 for firefighters. The amount of employer contributions used to pay postemployment benefits for police officers and firefighters were \$274,462 and \$274,919, respectively. OP&F's total health care expense for the year ending December 31, 2003 (the latest information available), was \$150.853 million, which was net of member contributions of \$17.208 million.

NOTE 15 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2004.

B. Contracts

As of December 31, 2004, the City had approximately \$3,755,386 open on outstanding purchase orders and contracts. Of this amount, \$3,068,611 related to ongoing capital projects, and the remaining amount was for various departmental purchase orders outstanding at year-end.

The City had no material operating lease commitments at December 31, 2004.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE 15 - CONTINGENCIES - (Continued)

C. Litigation

The City is party to other legal proceedings as a defendant. Although the outcome of the legal proceedings is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material, adverse effect on the financial condition of the City.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 7,622,600	\$ 7,978,138
Cash with escrow agent	-	2,280
Receivables (net of allowances of uncollectibles)	2,428,415	2,206,674
Due from other governments	1,058,862	992,826
Prepayments	95,612	98,467
Total assets	<u>\$ 11,205,489</u>	<u>\$ 11,278,385</u>
Liabilities:		
Accounts payable	\$ 764,608	\$ 759,405
Retainage payable	-	2,280
Accrued wages and benefits	458,073	359,312
Compensated absences payable	22,625	46,075
Due to other governments	3,407	3,942
Deposits held and due to others	736,878	590,358
Deferred revenue	2,995,177	2,786,320
Total liabilities	<u>4,980,768</u>	<u>4,547,692</u>
Fund balance:		
Reserved for encumbrances	274,935	236,871
Reserved for prepayments	95,612	98,467
Unreserved, undesignated	5,854,174	6,395,355
Total fund balance	<u>6,224,721</u>	<u>6,730,693</u>
Total liabilities and fund balance	<u>\$ 11,205,489</u>	<u>\$ 11,278,385</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
STREET MAINTENANCE AND REPAIR FUND

DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 1,683,081	\$ 1,654,093
Cash with escrow agent	134,707	114,382
Receivables (net of allowances of uncollectibles)	517	-
Due from other governments	545,034	503,564
Prepayments	17,490	16,971
Materials and supplies inventory	179,883	183,236
Total assets	<u>\$ 2,560,712</u>	<u>\$ 2,472,246</u>
Liabilities:		
Accounts payable	\$ 68,194	\$ 170,842
Retainage payable	134,707	114,382
Accrued wages and benefits	52,922	37,552
Compensated absences payable	-	44,163
Deposits held and due to others	96,922	78,726
Deferred revenue	413,709	319,193
Total liabilities	<u>766,454</u>	<u>764,858</u>
Fund balance:		
Reserved for encumbrances	97,057	181,694
Reserved for prepayments	17,490	16,971
Reserved for materials and supplies inventory	179,883	183,236
Unreserved, undesignated	1,499,828	1,325,487
Total fund balance	<u>1,794,258</u>	<u>1,707,388</u>
Total liabilities and fund balance	<u>\$ 2,560,712</u>	<u>\$ 2,472,246</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
CITY INCOME TAX ADMINISTRATION FUND

DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 414,863	\$ 124,075
Receivables (net of allowances of uncollectibles)	2,375,662	2,276,495
Prepayments	1,101	1,071
Restricted assets:		
Equity in pooled cash and cash equivalents	1,208,797	1,564,640
Total assets	<u>\$ 4,000,423</u>	<u>\$ 3,966,281</u>
Liabilities:		
Accounts payable	\$ 4,011	\$ 4,223
Accrued wages and benefits	6,056	4,567
Deposits held and due to others	13,577	10,760
Deferred revenue	870,981	891,914
Total liabilities	<u>894,625</u>	<u>911,464</u>
Fund balance:		
Reserved for encumbrances	24,746	25,187
Reserved for prepayments	1,101	1,071
Reserved for capital improvements	1,208,797	1,564,640
Unreserved, undesignated	1,871,154	1,463,919
Total fund balance	<u>3,105,798</u>	<u>3,054,817</u>
Total liabilities and fund balance	<u>\$ 4,000,423</u>	<u>\$ 3,966,281</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 2,417,233	\$ 2,417,233	\$ 2,432,883	\$ 15,650	\$ 2,348,596
Charges for services	998,000	998,000	946,993	(51,007)	911,749
Licenses and permits.	375,000	375,000	361,509	(13,491)	319,748
Fines and forfeitures.	1,422,800	1,422,800	1,217,009	(205,791)	1,348,687
Intergovernmental	1,776,349	2,079,461	2,261,298	181,837	2,770,602
Special assessments	46,000	63,500	62,598	(902)	36,304
Investment income	321,350	321,350	166,291	(155,059)	251,559
Reimbursements.	288,500	288,500	725,093	436,593	677,682
Other	461,334	461,334	331,115	(130,219)	319,736
Total revenues	8,106,566	8,427,178	8,504,789	77,611	8,984,663
Expenditures:					
Security of persons and property					
Police department.	6,484,946	6,484,116	6,368,311	115,805	5,828,461
Disaster services	29,019	29,019	26,110	2,909	23,900
Fire department.	5,796,575	5,789,155	5,585,288	203,867	5,405,299
Dispatch	706,870	712,964	667,499	45,465	597,479
Total security of persons and property	13,017,410	13,015,254	12,647,208	368,046	11,855,139
Public health and welfare					
Planning and zoning	104,957	104,957	103,679	1,278	70,417
Public health department	880,765	880,765	825,607	55,158	793,977
Building department	258,578	218,578	188,093	30,485	220,385
Cemetery department	323,507	313,507	250,921	62,586	249,833
Total public health and welfare.	1,567,807	1,517,807	1,368,300	149,507	1,334,612
Leisure time activities					
Park maintenance.	653,336	653,336	594,394	58,942	564,457
Reservoir boating.	422,880	433,891	361,683	72,208	7,985
Recreation department	319,992	308,981	293,284	15,697	619,929
Shade tree program.	197,618	197,617	124,589	73,028	113,251
Total leisure time activities	1,593,826	1,593,825	1,373,950	219,875	1,305,622

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CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
GENERAL FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
General government					
Council	206,404	206,404	200,530	5,874	174,892
Mayors office	188,811	238,811	225,030	13,781	178,835
Auditor/treasurer	1,792,134	751,590	719,031	32,559	690,390
Law director	397,867	442,867	431,749	11,118	386,863
Municipal court.	1,430,506	1,430,506	1,110,619	319,887	1,112,698
Civil service.	46,769	51,469	32,601	18,868	25,227
Computer services	386,033	386,033	368,916	17,117	343,001
Service/safety director	584,468	690,885	582,365	108,520	473,024
Engineering department	988,241	933,712	891,095	42,617	906,162
Human resources	96,417	-	-	-	92,009
Public building department.	487,538	481,338	419,437	61,901	409,351
Total general government	<u>6,605,188</u>	<u>5,613,615</u>	<u>4,981,373</u>	<u>632,242</u>	<u>4,792,452</u>
Capital outlay					
Security of persons and property.	-	216,418	140,030	76,388	185,715
Public health and welfare	-	1,902,211	924,611	977,600	8,565
Leisure time activities	-	210,790	114,978	95,812	31,970
General government	146,782	273,738	78,544	195,194	1,004,358
Total capital outlay	<u>146,782</u>	<u>2,603,157</u>	<u>1,258,163</u>	<u>1,344,994</u>	<u>1,230,608</u>
Debt service					
Bond issuance costs	-	-	-	-	9,397
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,397</u>
Total expenditures	<u>22,931,013</u>	<u>24,343,658</u>	<u>21,628,994</u>	<u>2,714,664</u>	<u>20,527,830</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,824,447)</u>	<u>(15,916,480)</u>	<u>(13,124,205)</u>	<u>2,792,275</u>	<u>(11,543,167)</u>
Other financing sources (uses):					
Issuance of bonds	-	-	-	-	965,000
Premium on bonds sold.	-	-	-	-	26,956
Transfers in	11,114,865	13,736,384	13,811,998	75,614	11,929,014
Transfers out	-	(1,190,910)	(1,190,910)	-	(1,557,275)
Total other financing sources (uses).	<u>11,114,865</u>	<u>12,545,474</u>	<u>12,621,088</u>	<u>75,614</u>	<u>11,363,695</u>
Net change in fund balance	<u>(3,709,582)</u>	<u>(3,371,006)</u>	<u>(503,117)</u>	<u>2,867,889</u>	<u>(179,472)</u>
Fund balance at beginning of year	6,347,039	6,347,039	6,347,039	-	6,900,642
Prior year encumbrances appropriated.	383,654	383,654	383,654	-	-
Increase in reserve for prepaids.	(2,855)	(2,855)	(2,855)	-	9,523
Fund balance at end of year.	<u>\$ 3,018,256</u>	<u>\$ 3,356,832</u>	<u>\$ 6,224,721</u>	<u>\$ 2,867,889</u>	<u>\$ 6,730,693</u>

CITY OF FINDLAY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
STREET MAINTENANCE AND REPAIR FUND**

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ -	\$ -	\$ 5,458	\$ 5,458	\$ 2,219
Intergovernmental	1,466,100	1,466,100	3,183,019	1,716,919	2,360,420
Other	5,000	5,000	52,731	47,731	211
	<u>1,471,100</u>	<u>1,471,100</u>	<u>3,241,208</u>	<u>1,770,108</u>	<u>2,362,850</u>
Expenditures:					
Security of persons and property					
Traffic signs	376,709	376,709	293,426	83,283	372,244
Traffic signals	494,042	560,324	478,229	82,095	418,816
Total security of persons and property	<u>870,751</u>	<u>937,033</u>	<u>771,655</u>	<u>165,378</u>	<u>791,060</u>
Transportation					
Street department	1,978,059	1,835,606	1,610,618	224,988	1,585,395
Capital outlay					
Street department equipment	-	296,859	294,939	1,920	163,934
Street improvements	-	3,925,485	2,487,637	1,437,848	285,355
Traffic signals	-	212,892	199,669	13,223	34,031
Storm sewers	-	-	-	-	138,392
Construction in progress	-	-	-	-	2,726,403
Total capital outlay	<u>-</u>	<u>4,435,236</u>	<u>2,982,245</u>	<u>1,452,991</u>	<u>3,348,115</u>
Total expenditures	<u>2,848,810</u>	<u>7,207,875</u>	<u>5,364,518</u>	<u>1,843,357</u>	<u>5,724,570</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,377,710)</u>	<u>(5,736,775)</u>	<u>(2,123,310)</u>	<u>3,613,465</u>	<u>(3,361,720)</u>
Other financing sources (uses):					
Issuance of OPWC loans	-	-	144,000	144,000	-
Transfers in	950,000	2,378,900	2,358,933	(19,967)	3,990,728
Transfers out	(289,919)	(289,919)	(289,919)	-	(114,936)
Total other financing sources (uses)	<u>660,081</u>	<u>2,088,981</u>	<u>2,213,014</u>	<u>124,033</u>	<u>3,875,792</u>
Net change in fund balance	(717,629)	(3,647,794)	89,704	3,737,498	514,072
Fund balance at beginning of year (restated) . . .	1,525,694	1,525,694	1,525,694	-	1,202,499
Prior year encumbrances appropriated.	181,694	181,694	181,694	-	-
Increase (decrease) in reserve for inventory. . . .	(3,353)	(3,353)	(3,353)	-	(9,484)
Increase (decrease) in reserve for prepaids	519	519	519	-	301
Fund balance at end of year	<u>\$ 986,925</u>	<u>\$ (1,943,240)</u>	<u>\$ 1,794,258</u>	<u>\$ 3,737,498</u>	<u>\$ 1,707,388</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
CITY INCOME TAX ADMINISTRATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Municipal income taxes	\$ 13,695,439	\$ 14,637,415	\$ 15,385,918	\$ 748,503	\$ 14,002,165
Charges for services	-	-	-	-	2,700
Other	356	380	390	10	2,619
Total revenues	<u>13,695,795</u>	<u>14,637,795</u>	<u>15,386,308</u>	<u>748,513</u>	<u>14,007,484</u>
Expenditures:					
General government	711,902	800,278	656,463	143,815	610,878
Debt service					
Principal retirement	2,282	2,565	2,104	461	1,954
Interest and fiscal charges	439	493	404	89	554
Total expenditures	<u>714,623</u>	<u>803,336</u>	<u>658,971</u>	<u>144,365</u>	<u>613,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,981,172</u>	<u>13,834,459</u>	<u>14,727,337</u>	<u>892,878</u>	<u>13,394,098</u>
Other financing sources (uses):					
Transfers in	354,205	354,205	354,205	-	129,331
Transfers out	<u>(13,370,713)</u>	<u>(15,030,561)</u>	<u>(15,030,561)</u>	<u>-</u>	<u>(13,657,924)</u>
Total other financing sources (uses)	<u>(13,016,508)</u>	<u>(14,676,356)</u>	<u>(14,676,356)</u>	<u>-</u>	<u>(13,528,593)</u>
Net change in fund balance	(35,336)	(841,897)	50,981	892,878	(134,495)
Fund balance at beginning of year (restated) . . .	3,029,630	3,029,630	3,029,630	-	3,189,738
Prior year encumbrances appropriated	25,187	25,187	25,187	-	-
Increase (decrease) in reserve for prepaids	-	-	-	-	(426)
Fund balance at end of year	<u>\$ 3,019,481</u>	<u>\$ 2,212,920</u>	<u>\$ 3,105,798</u>	<u>\$ 892,878</u>	<u>\$ 3,054,817</u>

CITY OF FINDLAY, OHIO

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The following are the nonmajor special revenue funds which the City of Findlay operates:

State Highway:

To account for state-levied and controlled gasoline tax and vehicle license fees for routine maintenance of state highways within the City.

County Permissive MVL Tax:

To account for the receipt and expenditures of all monies the City receives as its portion of a \$5.00 fee imposed by the County on the purchase of each motor vehicle license.

Drug Law Enforcement:

To account for the deposit and expenditure of mandatory fines for drug trafficking offenses.

Law Enforcement Trust:

To account for monies collected from the sale of contraband.

Indigent Drivers Alcohol Treatment:

To account for monies received through the enforcement and implementation of Ohio traffic laws governing operation of a motor vehicle while under the influence of alcohol.

METRICH Drug Law Enforcement Trust:

To account for federal funds received as a result of seizures in drug cases conducted with the METRICH drug task force.

Enforcement and Education:

To account for a portion of fines imposed under the law. Expenditures are authorized only for the enforcement and education relating to laws governing operation of a motor vehicle while under the influence of alcohol.

Police Pension:

To account for a 0.3 mill real estate tax levy.

Fire Pension:

To account for a 0.3 mill real estate tax levy.

Revolving Loan:

To account for monies received as development grants that become loans to a qualified business or industry for the purpose of economic development. As the initial loans are repaid, the money is perpetually "re-loaned" to stimulate growth in the community.

Court Computerization:

To account for an increase in court fees for the purpose of funding the acquisition and maintenance of computerized legal research services for courts.

Legal Research:

To account for monies received for specific court costs that are designated only for the purchase of computer equipment and services in the area of legal research for Municipal Court.

Mediation Services:

To account for monies received for specific court costs that are designated to pay for the costs of promoting, establishing, maintaining, and improving court mediation programs.

CITY OF FINDLAY, OHIO

Nonmajor Special Revenue Funds (Continued)

HRC Capital Trust:

To account for contributions and donations to renovate the Hancock Recreation Center into a multi-purpose facility.

Nonmajor Debt Service Funds

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

Western Avenue Pilot Debt Service:

To account for monies received by the City as "payment in lieu of taxes" (PILOT) from certain property owners. These PILOT's are designated to be used for the payment of principal and interest for the general obligation Western Avenue Relocation Bonds.

Sixth Street Pilot Debt Service:

To account for monies received by the City as "payment in lieu of taxes" (PILOT) from certain property owners. These PILOT's are designated to be used for the payment of principal and interest for the general obligation Sixth Street Extension Bonds.

Debt Service:

To account for the general obligation bond principal and interest that is paid from governmental revenues of the City. It also accounts for the special assessment bond principal and interest payments that are provided through the special assessment levies against certain properties in the City.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary or nonexpendable trust funds. The following is a description of all the City's nonmajor capital projects funds:

Municipal Court Improvements:

To account for the additional court cost levied on traffic and criminal cases through the City's Municipal Court. Revenues are used exclusively for Court capital improvements and related equipment purchases.

Capital Improvement Projects:

To account for the major construction projects. Financing sources can include debt proceeds, grants, private contributions, and City capital improvement dollars.

Nonmajor Permanent Fund

Permanent funds are used to account for the financial resources to be used for a specific purpose, and only the income generated by that money may be spent. The following is a description of all the City's nonmajor permanent fund:

Cemetery Trust:

To account for the portion of the sales price for cemetery lots. These monies are invested, and the interest earned is deposited into the general fund to help defray the cost of the Cemetery Department.

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents.	\$ 638,938	\$ 68,882	\$ 711,679	\$ 497,365	\$ 1,916,864
Cash in segregated accounts.	85,181	-	-	-	85,181
Cash with fiduciary agent	448,127	-	-	-	448,127
Investments	-	-	-	470,179	470,179
Receivables (net of allowances of uncollectibles).	967,000	461,706	-	1,840	1,430,546
Due from other governments	70,064	-	-	-	70,064
Total assets	<u>\$ 2,209,310</u>	<u>\$ 530,588</u>	<u>\$ 711,679</u>	<u>\$ 969,384</u>	<u>\$ 4,420,961</u>
Liabilities:					
Accounts payable	\$ 240	\$ -	\$ -	\$ -	\$ 240
Deferred revenue	591,904	349,043	-	-	940,947
Total liabilities	<u>592,144</u>	<u>349,043</u>	<u>-</u>	<u>-</u>	<u>941,187</u>
Fund balance:					
Reserved for encumbrances.	-	-	181,019	-	181,019
Reserved for loans receivable.	434,512	-	-	-	434,512
Reserved for debt service.	-	181,545	-	-	181,545
Reserved for perpetual care.	-	-	-	967,544	967,544
Unreserved, undesignated, reported in:					
Special revenue funds	1,182,654	-	-	-	1,182,654
Permanent funds.	-	-	-	1,840	1,840
Capital projects funds	-	-	530,660	-	530,660
Total fund balance.	<u>1,617,166</u>	<u>181,545</u>	<u>711,679</u>	<u>969,384</u>	<u>3,479,774</u>
Total liabilities and fund balance	<u>\$ 2,209,310</u>	<u>\$ 530,588</u>	<u>\$ 711,679</u>	<u>\$ 969,384</u>	<u>\$ 4,420,961</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and other local taxes	\$ 496,728	\$ -	\$ -	\$ -	\$ 496,728
Charges for services	-	-	-	31,200	31,200
Fines and forfeitures	86,593	-	73,404	-	159,997
Intergovernmental	762,179	-	-	-	762,179
Special assessments	-	217,106	-	-	217,106
Investment income	5,817	-	-	13,478	19,295
Total revenues	<u>1,351,317</u>	<u>217,106</u>	<u>73,404</u>	<u>44,678</u>	<u>1,686,505</u>
Expenditures:					
Current:					
General government	139,166	-	-	-	139,166
Security of persons and property	14,218	-	-	-	14,218
Transportation	25,731	-	-	-	25,731
Capital outlay	-	-	663	-	663
Debt service:					
Principal retirement	-	465,470	-	-	465,470
Interest and fiscal charges	-	227,172	-	-	227,172
Bond issuance costs	-	33,490	-	-	33,490
Total expenditures	<u>179,115</u>	<u>726,132</u>	<u>663</u>	<u>-</u>	<u>905,910</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,172,202</u>	<u>(509,026)</u>	<u>72,741</u>	<u>44,678</u>	<u>780,595</u>
Other financing sources (uses):					
Issuance of bonds	-	2,420,000	43,000	-	2,463,000
Premium on bonds sold	-	89,570	-	-	89,570
Transfers in	2,225	595,314	-	-	597,539
Transfers out	(547,556)	(194,504)	-	(12,991)	(755,051)
Payment to refunded bond escrow agent	-	(2,477,100)	-	-	(2,477,100)
Total other financing sources (uses)	<u>(545,331)</u>	<u>433,280</u>	<u>43,000</u>	<u>(12,991)</u>	<u>(82,042)</u>
Net change in fund balances	626,871	(75,746)	115,741	31,687	698,553
Fund balances at beginning of year	<u>990,295</u>	<u>257,291</u>	<u>595,938</u>	<u>937,697</u>	<u>2,781,221</u>
Fund balances at end of year	<u>\$ 1,617,166</u>	<u>\$ 181,545</u>	<u>\$ 711,679</u>	<u>\$ 969,384</u>	<u>\$ 3,479,774</u>

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	<u>State Highway</u>	<u>County Permissive MVL Tax</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 176,655	\$ -	\$ 9,452	\$ 4,258
Cash in segregated accounts	-	-	-	-
Cash with fiduciary agent.	-	448,127	-	-
Receivables (net of allowances of uncollectibles)	-	-	-	-
Due from other governments.	44,192	-	-	-
Total assets	<u>\$ 220,847</u>	<u>\$ 448,127</u>	<u>\$ 9,452</u>	<u>\$ 4,258</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Deferred revenue	33,544	-	-	-
Total liabilities.	<u>33,544</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Reserved for encumbrances	-	-	-	-
Reserved for loans receivable	-	-	-	-
Unreserved, undesignated	187,303	448,127	9,452	4,258
Total fund balance	<u>187,303</u>	<u>448,127</u>	<u>9,452</u>	<u>4,258</u>
Total liabilities and fund balance	<u>\$ 220,847</u>	<u>\$ 448,127</u>	<u>\$ 9,452</u>	<u>\$ 4,258</u>

Indigent Drivers Alcohol Treatment	METRICH Drug Law Enforcement Trust	Enforcement and Education	Police Pension	Fire Pension	Revolving Loan	Court Computerization
\$ 68,514	\$ 2,863	\$ 43,092	\$ -	\$ -	\$ -	\$ 87,631
-	-	-	-	-	85,181	-
-	-	-	-	-	-	-
-	-	-	266,244	266,244	434,512	-
-	-	-	12,936	12,936	-	-
<u>\$ 68,514</u>	<u>\$ 2,863</u>	<u>\$ 43,092</u>	<u>\$ 279,180</u>	<u>\$ 279,180</u>	<u>\$ 519,693</u>	<u>\$ 87,631</u>
\$ 240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	279,180	279,180	-	-
<u>240</u>	<u>-</u>	<u>-</u>	<u>279,180</u>	<u>279,180</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	434,512	-
68,274	2,863	43,092	-	-	85,181	87,631
<u>68,274</u>	<u>2,863</u>	<u>43,092</u>	<u>-</u>	<u>-</u>	<u>519,693</u>	<u>87,631</u>
<u>\$ 68,514</u>	<u>\$ 2,863</u>	<u>\$ 43,092</u>	<u>\$ 279,180</u>	<u>\$ 279,180</u>	<u>\$ 519,693</u>	<u>\$ 87,631</u>

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CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	Legal Research	Mediation Services	HRC Capital Trust	Totals	
				2004	2003
Assets:					
Equity in pooled cash and cash equivalents	\$ 72,708	\$ 61,548	\$ 112,217	\$ 638,938	\$ 594,428
Cash in segregated accounts	-	-	-	85,181	55,656
Cash with fiduciary agent.	-	-	-	448,127	227,563
Receivables (net of allowances of uncollectibles)	-	-	-	967,000	593,620
Due from other governments.	-	-	-	70,064	57,590
Total assets	<u>\$ 72,708</u>	<u>\$ 61,548</u>	<u>\$ 112,217</u>	<u>\$ 2,209,310</u>	<u>\$ 1,528,857</u>
Liabilities:					
Accounts payable.	\$ -	\$ -	\$ -	\$ 240	\$ 1,283
Deferred revenue	-	-	-	591,904	537,279
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>592,144</u>	<u>538,562</u>
Fund balance:					
Reserved for encumbrances	-	-	-	-	5,103
Reserved for loans receivable	-	-	-	434,512	105,350
Unreserved, undesignated	72,708	61,548	112,217	1,182,654	879,842
Total fund balance	<u>72,708</u>	<u>61,548</u>	<u>112,217</u>	<u>1,617,166</u>	<u>990,295</u>
Total liabilities and fund balance	<u>\$ 72,708</u>	<u>\$ 61,548</u>	<u>\$ 112,217</u>	<u>\$ 2,209,310</u>	<u>\$ 1,528,857</u>

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CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003)

	<u>State Highway</u>	<u>County Permissive MVL Tax</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	7,500	-
Intergovernmental	128,745	280,564	-	-
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Total revenues	<u>128,745</u>	<u>280,564</u>	<u>7,500</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	2,500	2,546
Transportation	<u>25,731</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures.	<u>25,731</u>	<u>-</u>	<u>2,500</u>	<u>2,546</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>103,014</u>	<u>280,564</u>	<u>5,000</u>	<u>(2,546)</u>
Other financing sources (uses):				
Transfers in	2,225	-	-	-
Transfers out	<u>-</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>2,225</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	105,239	220,564	5,000	(2,546)
Fund balances, January 1	<u>82,064</u>	<u>227,563</u>	<u>4,452</u>	<u>6,804</u>
Fund balances, December 31.	<u>\$ 187,303</u>	<u>\$ 448,127</u>	<u>\$ 9,452</u>	<u>\$ 4,258</u>

Indigent Drivers Alcohol Treatment	METRICH Drug Law Enforcement Trust	Enforcement and Education	Police Pension	Fire Pension	Revolving Loan	Court Computerization
\$ -	\$ -	\$ -	\$ 248,364	\$ 248,364	\$ -	\$ -
26,409	-	4,244	-	-	-	33,636
-	-	-	-	-	352,870	-
-	-	-	-	-	5,817	-
-	-	-	-	-	-	-
<u>26,409</u>	<u>-</u>	<u>4,244</u>	<u>248,364</u>	<u>248,364</u>	<u>358,687</u>	<u>33,636</u>
16,779	-	-	-	-	-	122,387
-	-	-	4,586	4,586	-	-
-	-	-	-	-	-	-
<u>16,779</u>	<u>-</u>	<u>-</u>	<u>4,586</u>	<u>4,586</u>	<u>-</u>	<u>122,387</u>
9,630	-	4,244	243,778	243,778	358,687	(88,751)
-	-	-	-	-	-	-
-	-	-	(243,778)	(243,778)	-	-
-	-	-	(243,778)	(243,778)	-	-
9,630	-	4,244	-	-	358,687	(88,751)
<u>58,644</u>	<u>2,863</u>	<u>38,848</u>	<u>-</u>	<u>-</u>	<u>161,006</u>	<u>176,382</u>
<u>\$ 68,274</u>	<u>\$ 2,863</u>	<u>\$ 43,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,693</u>	<u>\$ 87,631</u>

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CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003)

	Legal Research	Mediation Services	HRC Capital Trust	Totals	
				2004	2003
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ 496,728	\$ 478,210
Fines and forfeitures	7,437	7,367	-	86,593	96,837
Intergovernmental	-	-	-	762,179	265,958
Investment income	-	-	-	5,817	983
Contributions and donations	-	-	-	-	112,217
Total revenues	7,437	7,367	-	1,351,317	954,205
Expenditures:					
Current:					
General government	-	-	-	139,166	137,741
Security of persons and property	-	-	-	14,218	13,391
Transportation	-	-	-	25,731	33,156
Total expenditures	-	-	-	179,115	184,288
Excess (deficiency) of revenues over (under) expenditures	7,437	7,367	-	1,172,202	769,917
Other financing sources (uses):					
Transfers in	-	-	-	2,225	1,872
Transfers out	-	-	-	(547,556)	(919,616)
Total other financing sources (uses)	-	-	-	(545,331)	(917,744)
Net change in fund balances	7,437	7,367	-	626,871	(147,827)
Fund balances, January 1	65,271	54,181	112,217	990,295	1,138,122
Fund balances, December 31.	\$ 72,708	\$ 61,548	\$ 112,217	\$ 1,617,166	\$ 990,295

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
STATE HIGHWAY FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2003 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Intergovernmental	\$ 120,000	\$ 120,000	\$ 128,745	\$ 8,745	\$ 110,175
Other	-	-	-	-	-
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>128,745</u>	<u>8,745</u>	<u>110,175</u>
Expenditures:					
Transportation					
Street department	<u>30,870</u>	<u>34,265</u>	<u>25,731</u>	<u>8,534</u>	<u>33,156</u>
Total expenditures	<u>30,870</u>	<u>34,265</u>	<u>25,731</u>	<u>8,534</u>	<u>33,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>89,130</u>	<u>85,735</u>	<u>103,014</u>	<u>17,279</u>	<u>77,019</u>
Other financing uses:					
Transfers in	-	-	2,225	2,225	-
Transfers out	-	-	-	-	(93,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>2,225</u>	<u>2,225</u>	<u>(93,000)</u>
Net change in fund balance	89,130	85,735	105,239	19,504	(15,981)
Fund balance at beginning of year	<u>82,064</u>	<u>82,064</u>	<u>82,064</u>	<u>-</u>	<u>98,045</u>
Fund balance at end of year	<u>\$ 171,194</u>	<u>\$ 167,799</u>	<u>\$ 187,303</u>	<u>\$ 19,504</u>	<u>\$ 82,064</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
COUNTY PERMISSIVE MVL TAX FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 280,564	\$ 280,564	\$ 154,681
Total revenues	-	-	280,564	280,564	154,681
Other financing sources (uses):					
Transfers in	-	-	-	-	1,872
Transfers out	-	(60,000)	(60,000)	-	(357,000)
Total other financing sources (uses).	-	(60,000)	(60,000)	-	(355,128)
Net change in fund balance.	-	(60,000)	220,564	280,564	(200,447)
Fund balance at beginning of year.	<u>227,563</u>	<u>227,563</u>	<u>227,563</u>	<u>-</u>	<u>428,010</u>
Fund balance at end of year	<u>\$ 227,563</u>	<u>\$ 167,563</u>	<u>\$ 448,127</u>	<u>\$ 280,564</u>	<u>\$ 227,563</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
DRUG LAW ENFORCEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ -	\$ 7,500	\$ 7,500	\$ 1,500
Intergovernmental	-	-	-	-	1,102
Total revenues	-	-	7,500	7,500	2,602
Expenditures:					
Security of persons and property	2,600	2,600	2,500	100	4,000
Total expenditures	2,600	2,600	2,500	100	4,000
Net change in fund balance	(2,600)	(2,600)	5,000	7,600	(1,398)
Fund balance at beginning of year	<u>4,452</u>	<u>4,452</u>	<u>4,452</u>	<u>-</u>	<u>5,850</u>
Fund balance at end of year	<u>\$ 1,852</u>	<u>\$ 1,852</u>	<u>\$ 9,452</u>	<u>\$ 7,600</u>	<u>\$ 4,452</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
LAW ENFORCEMENT TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Security of persons and property	\$ 2,483	\$ 2,718	\$ 2,546	\$ 172	\$ 797
Total expenditures	2,483	2,718	2,546	172	797
Net change in fund balance	(2,483)	(2,718)	(2,546)	172	(797)
Fund balance at beginning of year	<u>6,804</u>	<u>6,804</u>	<u>6,804</u>	<u>-</u>	<u>7,601</u>
Fund balance at end of year	<u>\$ 4,321</u>	<u>\$ 4,086</u>	<u>\$ 4,258</u>	<u>\$ 172</u>	<u>\$ 6,804</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
INDIGENT ALCOHOL TREATMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 26,409	\$ (3,591)	\$ 29,253
Total revenues	30,000	30,000	26,409	(3,591)	29,253
Expenditures:					
General government	45,000	46,708	16,779	29,929	29,248
Total expenditures	45,000	46,708	16,779	29,929	29,248
Net change in fund balance	(15,000)	(16,708)	9,630	26,338	5
Fund balance at beginning of year	<u>58,644</u>	<u>58,644</u>	<u>58,644</u>	<u>-</u>	<u>58,639</u>
Fund balance at end of year	<u>\$ 43,644</u>	<u>\$ 41,936</u>	<u>\$ 68,274</u>	<u>\$ 26,338</u>	<u>\$ 58,644</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
METRICH DRUG LAW ENFORCEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Security of persons and property	\$ 2,863	\$ 2,863	\$ -	\$ 2,863	\$ -
Total expenditures	2,863	2,863	-	2,863	-
Net change in fund balance	(2,863)	(2,863)	-	2,863	-
Fund balance at beginning of year	\$ 2,863	\$ 2,863	\$ 2,863	\$ -	\$ 2,863
Fund balance at end of year	\$ -	\$ -	\$ 2,863	\$ 2,863	\$ 2,863

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
ENFORCEMENT AND EDUCATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 4,244	\$ 244	\$ 4,113
Total revenues	4,000	4,000	4,244	244	4,113
Expenditures:					
General government	42,041	42,041	-	42,041	-
Total expenditures	42,041	42,041	-	42,041	-
Net change in fund balance	(38,041)	(38,041)	4,244	42,285	4,113
Fund balance at beginning of year	38,848	38,848	38,848	-	34,735
Fund balance at end of year	\$ 807	\$ 807	\$ 43,092	\$ 42,285	\$ 38,848

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
POLICE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2003 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Property and other local taxes	\$ 244,135	\$ 248,340	\$ 248,364	\$ 24	\$ 239,105
Total revenues	244,135	248,340	248,364	24	239,105
Expenditures:					
Security of persons and property	-	4,400	4,586	(186)	4,297
Total expenditures	-	4,400	4,586	(186)	4,297
Excess (deficiency) of revenues over (under) expenditures	244,135	243,940	243,778	(162)	234,808
Other financing uses:					
Transfers out	(237,400)	(243,940)	(243,778)	162	(234,808)
Total other financing uses	(237,400)	(243,940)	(243,778)	162	(234,808)
Net change in fund balance	6,735	-	-	-	-
Fund balance at beginning of year.	-	-	-	-	-
Fund balance at end of year	\$ 6,735	\$ -	\$ -	\$ -	\$ -

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
FIRE PENSION FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2003 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Property and other local taxes	\$ 244,135	\$ 248,340	\$ 248,364	\$ 24	\$ 239,105
Total revenues	244,135	248,340	248,364	24	239,105
Expenditures:					
Security of persons and property	-	4,400	4,586	(186)	4,297
Total expenditures	-	4,400	4,586	(186)	4,297
Excess (deficiency) of revenues over (under) expenditures	244,135	243,940	243,778	(162)	234,808
Other financing uses:					
Transfers out	(237,400)	(243,940)	(243,778)	162	(234,808)
Total other financing uses	(237,400)	(243,940)	(243,778)	162	(234,808)
Net change in fund balance	6,735	-	-	-	-
Fund balance at beginning of year.	-	-	-	-	-
Fund balance at end of year	\$ 6,735	\$ -	\$ -	\$ -	\$ -

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
REVOLVING LOAN FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Actual</u>
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ 352,870	\$ 352,870	\$ 352,870	\$ -	\$ -
Investment income	5,349	5,349	5,817	468	983
Total revenues	<u>358,219</u>	<u>358,219</u>	<u>358,687</u>	<u>468</u>	<u>983</u>
Expenditures:					
General government	<u>358,219</u>	<u>358,219</u>	<u>-</u>	<u>358,219</u>	<u>96,901</u>
Total expenditures	<u>358,219</u>	<u>358,219</u>	<u>-</u>	<u>358,219</u>	<u>96,901</u>
Net change in fund balance	-	-	358,687	358,687	(95,918)
Fund balance at beginning of year	<u>161,006</u>	<u>161,006</u>	<u>161,006</u>	<u>-</u>	<u>256,924</u>
Fund balance at end of year	<u>\$ 161,006</u>	<u>\$ 161,006</u>	<u>\$ 519,693</u>	<u>\$ 358,687</u>	<u>\$ 161,006</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
COURT COMPUTERIZATION FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 45,000	\$ 45,000	\$ 33,636	\$ (11,364)	\$ 42,697
Total revenues	45,000	45,000	33,636	(11,364)	42,697
Expenditures:					
General government	209,500	209,500	122,387	87,113	11,592
Capital outlay	2,500	2,500	-	2,500	-
Total expenditures	212,000	212,000	122,387	89,613	11,592
Net change in fund balance	(167,000)	(167,000)	(88,751)	78,249	31,105
Fund balance at beginning of year	176,382	176,382	176,382	-	145,277
Fund balance at end of year	\$ 9,382	\$ 9,382	\$ 87,631	\$ 78,249	\$ 176,382

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
LEGAL RESEARCH FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 7,437	\$ (2,563)	\$ 9,710
Total revenues	10,000	10,000	7,437	(2,563)	9,710
Expenditures:					
General government	20,000	20,000	-	20,000	-
Total expenditures	20,000	20,000	-	20,000	-
Net change in fund balance	(10,000)	(10,000)	7,437	17,437	9,710
Fund balance at beginning of year	<u>65,271</u>	<u>65,271</u>	<u>65,271</u>	<u>-</u>	<u>55,561</u>
Fund balance at end of year	<u>\$ 55,271</u>	<u>\$ 55,271</u>	<u>\$ 72,708</u>	<u>\$ 17,437</u>	<u>\$ 65,271</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
MEDIATION SERVICES FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 7,367	\$ (2,633)	\$ 9,564
Total revenues	10,000	10,000	7,367	(2,633)	9,564
Expenditures:					
General government	10,000	10,000	-	10,000	-
Total expenditures	10,000	10,000	-	10,000	-
Net change in fund balance	-	-	7,367	7,367	9,564
Fund balance at beginning of year	54,181	54,181	54,181	-	44,617
Fund balance at end of year	\$ 54,181	\$ 54,181	\$ 61,548	\$ 7,367	\$ 54,181

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
HRC CAPITAL TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2003 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ 112,217
Total revenues	-	-	-	-	112,217
Net change in fund balance	-	-	-	-	112,217
Fund balance at beginning of year	<u>112,217</u>	<u>112,217</u>	<u>112,217</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 112,217</u>	<u>\$ 112,217</u>	<u>\$ 112,217</u>	<u>\$ -</u>	<u>\$ 112,217</u>

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	Western Avenue Pilot	Sixth Street Pilot	Debt Service	Totals	
				2004	2003
Assets:					
Equity in pooled cash and cash equivalents.	\$ -	\$ -	\$ 68,882	\$ 68,882	\$ 124,581
Receivables (net of allowances of uncollectibles). . .	-	-	461,706	461,706	539,740
Total assets.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530,588</u>	<u>\$ 530,588</u>	<u>\$ 664,321</u>
Liabilities:					
Deferred revenue.	\$ -	\$ -	\$ 349,043	\$ 349,043	\$ 407,030
Total liabilities.	<u>-</u>	<u>-</u>	<u>349,043</u>	<u>349,043</u>	<u>407,030</u>
Fund balance:					
Reserved for debt service.	-	-	181,545	181,545	257,291
Total fund balance	<u>-</u>	<u>-</u>	<u>181,545</u>	<u>181,545</u>	<u>257,291</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530,588</u>	<u>\$ 530,588</u>	<u>\$ 664,321</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003)

	Western	Sixth	Debt	Totals	
	Avenue	Street		2004	2003
	Pilot	Pilot	Service		
Revenues:					
Special assessments	\$ -	\$ 112,166	\$ 104,940	\$ 217,106	\$ 255,886
Total revenues	-	112,166	104,940	217,106	255,886
Expenditures:					
Current:					
Other.	-	-	-	-	1,807
Debt service:					
Principal retirement	80,000	-	385,470	465,470	383,215
Interest and fiscal charges	4,200	-	222,972	227,172	208,592
Bond issuance costs	-	-	33,490	33,490	-
Total expenditures	84,200	-	641,932	726,132	593,614
Excess (deficiency) of revenues over (under) expenditures.	(84,200)	112,166	(536,992)	(509,026)	(337,728)
Other financing sources (uses):					
Issuance of bonds	-	-	2,420,000	2,420,000	-
Premium and accrued interest on bonds sold	-	-	89,570	89,570	-
Transfers in	84,200	-	511,114	595,314	416,601
Transfers out	-	(194,504)	-	(194,504)	(1,712)
Payment to refunded bond escrow agent.	-	-	(2,477,100)	(2,477,100)	-
Total other financing sources (uses)	84,200	(194,504)	543,584	433,280	414,889
Net change in fund balances	-	(82,338)	6,592	(75,746)	77,161
Fund balances, January 1	-	82,338	174,953	257,291	180,130
Fund balances, December 31.	\$ -	\$ -	\$ 181,545	\$ 181,545	\$ 257,291

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
WESTERN AVENUE PILOT DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Debt service					
Principal retirement	\$ 80,000	\$ 80,000	\$ 80,000	\$ -	\$ 75,000
Interest and fiscal charges	4,200	4,200	4,200	-	8,063
Total expenditures	<u>84,200</u>	<u>84,200</u>	<u>84,200</u>	<u>-</u>	<u>83,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(84,200)</u>	<u>(84,200)</u>	<u>(84,200)</u>	<u>-</u>	<u>(83,063)</u>
Other financing sources:					
Transfers in	<u>84,200</u>	<u>84,200</u>	<u>84,200</u>	<u>-</u>	<u>83,063</u>
Total other financing sources	<u>84,200</u>	<u>84,200</u>	<u>84,200</u>	<u>-</u>	<u>83,063</u>
Net change in fund balance	-	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
SIXTH STREET PILOT DEBT SERVICE FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Special assessments	\$ 103,082	\$ 112,166	\$ 112,166	\$ -	\$ 131,764
Total revenues	103,082	112,166	112,166	-	131,764
Other financing uses:					
Transfers out	(84,200)	(194,504)	(194,504)	-	(83,063)
Total other financing uses	(84,200)	(194,504)	(194,504)	-	(83,063)
Net change in fund balance	18,882	(82,338)	(82,338)	-	48,701
Fund balance at beginning of year.	<u>82,338</u>	<u>82,338</u>	<u>82,338</u>	<u>-</u>	<u>33,637</u>
Fund balance at end of year	<u>\$ 101,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,338</u>

CITY OF FINDLAY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
DEBT SERVICE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Special assessments	\$ 125,286	\$ 125,286	\$ 104,940	\$ (20,346)	\$ 124,314
Total revenues	125,286	125,286	104,940	(20,346)	124,314
Expenditures:					
Debt service					
Principal retirement	375,556	385,470	385,470	-	308,215
Interest and fiscal charges	217,241	222,975	222,973	2	200,529
Bond issuance costs	12,048	12,366	33,489	(21,123)	-
Total debt service	604,845	620,811	641,932	(21,121)	508,744
Total expenditures	604,845	620,811	641,932	(21,121)	508,744
Excess (deficiency) of revenues over (under) expenditures	(479,559)	(495,525)	(536,992)	(41,467)	(384,430)
Other financing sources:					
Payment to refunded bond escrow agent	-	-	(2,477,100)	(2,477,100)	-
Premium on bonds sold	-	-	89,570	89,570	-
Issuance of bonds	-	-	2,420,000	2,420,000	-
Transfers in	479,560	495,526	511,114	15,588	414,602
Transfers out	-	-	-	-	(1,712)
Total other financing sources	479,560	495,526	543,584	48,058	412,890
Net change in fund balance	1	1	6,592	6,591	28,460
Fund balance at beginning of year	174,953	174,953	174,953	-	146,493
Fund balance at end of year	\$ 174,954	\$ 174,954	\$ 181,545	\$ 6,591	\$ 174,953

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	<u>Municipal Court Improvements</u>	<u>Capital Improvement Projects</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 669,342	\$ 42,337	\$ 711,679	\$ 595,938
Total assets.	<u>\$ 669,342</u>	<u>\$ 42,337</u>	<u>\$ 711,679</u>	<u>\$ 595,938</u>
Fund balance:				
Reserved for encumbrances.	-	181,019	181,019	181,019
Unreserved, undesignated (deficit).	669,342	(138,682)	530,660	414,919
Total fund balance	<u>\$ 669,342</u>	<u>\$ 42,337</u>	<u>\$ 711,679</u>	<u>\$ 595,938</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003)

	Municipal Court Improvements	Capital Improvement Projects	Totals	
			2004	2003
Revenues:				
Fines and forfeitures	\$ 73,404	\$ -	\$ 73,404	\$ 92,873
Special assessments	-	-	-	300,032
Total revenues	<u>73,404</u>	<u>-</u>	<u>73,404</u>	<u>392,905</u>
Expenditures:				
Current:				
General government	-	-	-	1,074
Capital outlay	-	663	663	334,696
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>663</u>	<u>663</u>	<u>335,770</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>73,404</u>	<u>(663)</u>	<u>72,741</u>	<u>57,135</u>
Other financing sources (uses):				
Issuance of bonds	-	43,000	43,000	36,550
Transfers in	-	-	-	-
Transfers out	-	-	-	(3,000)
Total other financing sources (uses)	<u>-</u>	<u>43,000</u>	<u>43,000</u>	<u>33,550</u>
Net change in fund balances	73,404	42,337	115,741	90,685
Fund balances, January 1	<u>595,938</u>	<u>-</u>	<u>595,938</u>	<u>505,253</u>
Fund balances, December 31.	<u>\$ 669,342</u>	<u>\$ 42,337</u>	<u>\$ 711,679</u>	<u>\$ 595,938</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
CAPITAL PROJECTS FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 300,032
Total revenues	-	-	-	-	300,032
Expenditures:					
Capital outlay	-	54,191	663	53,528	334,696
Debt service					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	54,191	663	53,528	334,696
Excess (deficiency) of revenues over (under) expenditures	-	(54,191)	(663)	53,528	(34,664)
Other financing sources (uses):					
Issuance of bonds	-	-	43,000	43,000	36,550
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(3,000)
Total other financing sources (uses)	-	-	43,000	43,000	33,550
Net change in fund balance	-	(54,191)	42,337	96,528	(1,114)
Fund balance at beginning of year	-	-	-	-	1,114
Fund balance at end of year	<u>\$ -</u>	<u>\$ (54,191)</u>	<u>\$ 42,337</u>	<u>\$ 96,528</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
MUNICIPAL COURT IMPROVEMENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 80,000	\$ 80,000	\$ 73,404	\$ (6,596)	\$ 92,873
Total revenues	80,000	80,000	73,404	(6,596)	92,873
Expenditures:					
General government	178,000	178,000	-	178,000	1,074
Capital outlay	72,000	72,000	-	72,000	-
Total expenditures	250,000	250,000	-	250,000	1,074
Net change in fund balance	(170,000)	(170,000)	73,404	243,404	91,799
Fund balance at beginning of year	595,938	595,938	595,938	-	504,139
Fund balance at end of year	\$ 425,938	\$ 425,938	\$ 669,342	\$ 243,404	\$ 595,938

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
NONMAJOR PERMANENT FUND

DECEMBER 31, 2004

	2004	2003
	Nonmajor	Nonmajor
	Permanent	Permanent
	Fund	Fund
	<hr/>	<hr/>
Assets:		
Equity in pooled cash and cash equivalents.	\$ 497,365	\$ 486,540
Investments	470,179	450,000
Receivables (net of allowances of uncollectibles).	1,840	1,157
	<hr/>	<hr/>
Total assets	<u>\$ 969,384</u>	<u>\$ 937,697</u>
Fund balance:		
Reserved for perpetual care.	967,544	936,540
Unreserved, undesignated	1,840	1,157
	<hr/>	<hr/>
Total fund balance.	<u>\$ 969,384</u>	<u>\$ 937,697</u>

CITY OF FINDLAY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
PERMANENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2003)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2003</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Contributions and donations	\$ 30,000	\$ 30,000	\$ 31,200	\$ 1,200	\$ 27,294
Investment income	15,000	15,000	13,478	(1,522)	16,525
Total revenues	45,000	45,000	44,678	(322)	43,819
Other financing uses:					
Transfers out	(18,000)	(18,000)	(12,991)	5,009	(116,151)
Total other financing uses	(18,000)	(18,000)	(12,991)	5,009	(116,151)
Net change in fund balance	27,000	27,000	31,687	4,687	(72,332)
Fund balance at beginning of year	937,697	937,697	937,697	-	1,010,029
Fund balance at end of year	\$ 964,697	\$ 964,697	\$ 969,384	\$ 4,687	\$ 937,697

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
WATER FUND

DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 3,054,462	\$ 2,646,425
Cash with escrow agent.	25,592	27,348
Receivables (net of allowances of uncollectibles)	1,376,300	1,314,947
Materials and supplies inventory	398,342	315,992
Prepayments	31,840	32,634
Total current assets	<u>4,886,536</u>	<u>4,337,346</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents	579,955	539,569
Cash and cash equivalents with fiscal agent	478,598	672,051
Deferred bond costs	144,010	171,242
Capital assets:		
Land and construction in progress	1,804,742	997,896
Depreciable capital assets, net	42,844,582	43,227,734
Total noncurrent assets	<u>45,851,887</u>	<u>45,608,492</u>
Total assets	<u>50,738,423</u>	<u>49,945,838</u>
Liabilities:		
Current liabilities:		
Accounts payable.	209,262	28,308
Retainage payable	25,592	27,348
Accrued wages and benefits	81,801	60,996
Compensated absences payable.	165,102	230,266
Due to other funds	353,737	357,331
Deposits held and due to others	150,317	120,439
Current portion of loans payable	31,416	21,416
Current portion of bonds	1,625,000	1,525,000
Accrued interest payable	116,516	198,434
Total current liabilities	<u>2,758,743</u>	<u>2,569,538</u>
Long term liabilities:		
Loans payable	625,289	461,705
Compensated absences payable.	390,013	294,625
General obligation bonds	11,873,999	13,266,162
Total liabilities.	<u>15,648,044</u>	<u>16,592,030</u>
Net assets:		
Invested in capital assets, net of related debt	30,493,620	28,951,347
Restricted for:		
Capital projects	579,955	539,569
Debt service.	478,598	672,051
Unrestricted	3,538,206	3,190,841
Total net assets	<u>\$ 35,090,379</u>	<u>\$ 33,353,808</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
WATER FUND

FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services	\$ 6,554,396	\$ 6,771,645
Other	78,090	82,560
Total operating revenues	<u>6,632,486</u>	<u>6,854,205</u>
Operating expenses:		
Personal services	2,722,897	2,558,475
Contract services	134,786	98,077
Materials and supplies.	852,761	779,311
Utilities	257,515	245,913
Depreciation.	1,031,978	1,164,577
Other.	150,768	157,358
Total operating expenses	<u>5,150,705</u>	<u>5,003,711</u>
Operating income.	<u>1,481,781</u>	<u>1,850,494</u>
Nonoperating revenues (expenses):		
Other nonoperating revenues.	305,276	278,914
Interest income	66,136	122,183
Loss on disposal of capital assets.	(214,858)	(288,984)
Intergovernmental.	131,635	-
Other nonoperating expenses.	(68,750)	(8,542)
Interest and fiscal charges	(824,746)	(1,097,606)
Total nonoperating revenues (expenses)	<u>(605,307)</u>	<u>(994,035)</u>
Income before contributions and transfers	876,474	856,459
Capital contributions.	389,727	1,110,795
Transfers in	706,289	292,849
Transfers out	<u>(235,919)</u>	<u>(187,915)</u>
Change in net assets.	1,736,571	2,072,188
Net assets, January 1	<u>33,353,808</u>	<u>31,281,620</u>
Net assets, December 31	<u>\$ 35,090,379</u>	<u>\$ 33,353,808</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003 (Restated)</u>
Cash flows from operating activities:		
Cash received from customers	\$ 6,497,541	\$ 6,731,566
Cash received from other operations	78,090	82,560
Cash payments for personal services	(2,671,868)	(2,520,158)
Cash payments for contract services.	(133,992)	(103,047)
Cash payments for materials and supplies.	(754,157)	(922,016)
Cash payments for utilities.	(261,109)	(220,341)
Cash payments for other operating expenses	<u>(120,890)</u>	<u>(151,798)</u>
Net cash provided by operating activities.	<u>2,633,615</u>	<u>2,896,766</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	332,276	293,407
Other non-capital expenses	(70,506)	(8,542)
Grants and contributions	131,635	-
Transfers in	706,289	292,849
Transfers out	<u>(235,919)</u>	<u>(187,915)</u>
Net cash provided by noncapital financing activities	<u>863,775</u>	<u>389,799</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,444,561)	(1,845,432)
Capital contributions	389,727	689,391
Proceeds from sale of bonds	1,390,000	10,830,000
Premium on bonds sold	63,900	183,087
Bond issuance costs	(18,999)	(102,571)
Payment to refunding bond escrow agent	(1,430,828)	(12,255,000)
Principal paid on bonds	(1,525,000)	(1,580,000)
Interest paid on bonds.	(903,637)	(1,004,325)
Proceeds of loans	200,000	200,000
Principal paid on loans	<u>(26,416)</u>	<u>(16,416)</u>
Net cash (used in) capital and related financing activities	<u>(3,305,814)</u>	<u>(4,901,266)</u>
Cash flows from investing activities:		
Sales of investment securities.	-	1,981,383
Interest received.	<u>61,638</u>	<u>135,303</u>
Net cash provided by investing activities	<u>61,638</u>	<u>2,116,686</u>
Net increase in cash and cash equivalents	253,214	501,985
Cash and cash equivalents at beginning of year . . .	<u>3,885,393</u>	<u>3,383,408</u>
Cash and cash equivalents at end of year.	<u>\$ 4,138,607</u>	<u>\$ 3,885,393</u>

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CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	<u>2004</u>	<u>2003</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,481,781	\$ 1,850,494
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,031,978	1,164,577
Changes in assets and liabilities:		
(Increase) in accounts receivable.	(56,855)	(40,079)
(Increase) in materials and supplies inventory.	(82,350)	(33,455)
Decrease (increase) in prepayments	794	(4,970)
Increase (decrease) in accounts payable	180,954	(109,250)
Increase in accrued wages and benefits.	20,805	9,937
Increase in compensated absences payable.	30,224	28,380
Increase in deposits held and due to others	29,878	5,560
Increase (decrease) in due to other funds.	(3,594)	25,572
Net cash provided by operating activities	<u>\$ 2,633,615</u>	<u>\$ 2,896,766</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF NET ASSETS
WATER POLLUTION CONTROL FUND**

DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 840,928	\$ 828,419
Receivables (net of allowances of uncollectibles) . . .	384,158	370,279
Due from other funds	353,737	357,331
Prepayments	22,352	22,422
Materials and supplies inventory	<u>10,669</u>	<u>10,860</u>
Total current assets	<u>1,611,844</u>	<u>1,589,311</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents	812,429	802,150
Cash and cash equivalents with fiscal agent	4,694,932	4,244,309
Deferred bond costs	132,792	153,901
Capital assets:		
Land and construction in progress	311,375	567,885
Depreciable capital assets, net	<u>71,013,785</u>	<u>71,409,698</u>
Total noncurrent assets	<u>76,965,313</u>	<u>77,177,943</u>
Total assets	<u>78,577,157</u>	<u>78,767,254</u>
Liabilities:		
Current liabilities:		
Accounts payable	47,950	54,993
Accrued wages and benefits	56,775	41,662
Compensated absences payable	167,085	190,802
Deposits held and due to others	106,966	85,595
Claims and judgements payable	-	-
Current portion of loans payable	1,440,816	1,319,218
Current portion of bonds	1,075,000	935,000
Accrued interest payable	<u>835,254</u>	<u>1,020,497</u>
Total current liabilities	<u>3,729,846</u>	<u>3,647,767</u>
Long term liabilities:		
Loans payable	32,012,460	33,529,882
Compensated absences payable	152,922	151,177
Bonds payable	<u>10,326,474</u>	<u>11,412,693</u>
Total liabilities	<u>46,221,702</u>	<u>48,741,519</u>
Net assets:		
Invested in capital assets, net of related debt	26,470,410	24,780,790
Restricted for:		
Capital projects	2,626,342	2,043,217
Debt service	2,068,590	2,201,093
Unrestricted	<u>1,190,113</u>	<u>1,000,635</u>
Total net assets	<u>\$ 32,355,455</u>	<u>\$ 30,025,735</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
WATER POLLUTION CONTROL FUND

FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services	\$ 8,079,955	\$ 7,468,950
Other	99,824	71,903
Total operating revenues	<u>8,179,779</u>	<u>7,540,853</u>
Operating expenses:		
Personal services	1,868,707	1,800,405
Contract services	99,685	210,387
Materials and supplies.	238,795	207,057
Utilities	313,737	288,415
Depreciation.	1,493,210	1,627,092
Other.	147,079	114,288
Total operating expenses	<u>4,161,213</u>	<u>4,247,644</u>
Operating income	<u>4,018,566</u>	<u>3,293,209</u>
Nonoperating revenues (expenses):		
Other nonoperating revenues.	2,949	268,483
Interest income	76,753	91,514
Loss on disposal of capital assets.	(2,534)	(68,236)
Other nonoperating expenses.	(943)	(259,284)
Interest and fiscal charges	(1,831,901)	(2,268,287)
Total nonoperating revenues (expenses).	<u>(1,755,676)</u>	<u>(2,235,810)</u>
Income before contributions and transfers	2,262,890	1,057,399
Capital contributions.	529,525	1,567,714
Transfers in	11,000	78,606
Transfers out	<u>(473,695)</u>	<u>(417,777)</u>
Change in net assets.	2,329,720	2,285,942
Net assets, January 1	<u>30,025,735</u>	<u>27,739,793</u>
Net assets, December 31	<u>\$ 32,355,455</u>	<u>\$ 30,025,735</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER POLLUTION CONTROL FUND

FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received from customers	\$ 8,075,239	\$ 7,415,590
Cash received from other operations	99,824	71,903
Cash payments for personal services	(1,875,566)	(1,799,130)
Cash payments for contract services.	(99,615)	(211,653)
Cash payments for materials and supplies.	(245,647)	(239,604)
Cash payments for utilities.	(313,737)	(288,415)
Cash payments for claims and judgements	-	(1,300,000)
Cash payments for other operating expenses	<u>(125,708)</u>	<u>(113,792)</u>
Net cash provided by operating activities.	<u>5,514,790</u>	<u>3,534,899</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	9,315	268,483
Other non-capital expenses	(943)	(259,284)
Transfers in	11,000	78,606
Transfers out	<u>(473,695)</u>	<u>(417,777)</u>
Net cash (used in) noncapital financing activities	<u>(454,323)</u>	<u>(329,972)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(843,321)	(2,693,881)
Capital contributions.	529,525	1,264,245
Proceeds from sale of bonds.	6,480,000	5,070,000
Premium on bonds sold	259,846	243,848
Bond issuance costs	(88,560)	(49,453)
Payment to refunding bond escrow agent.	(6,647,762)	(5,875,000)
Principal paid on bonds.	(935,000)	-
Interst paid on bonds.	(737,243)	(723,166)
Proceeds of loans	-	409,342
Principal paid on loans	(1,395,824)	(1,265,583)
Interest paid on loans	<u>(1,279,901)</u>	<u>(1,481,784)</u>
Net cash (used in) capital and related financing activities	<u>(4,658,240)</u>	<u>(5,101,432)</u>
Cash flows from investing activities:		
Interest received.	<u>71,184</u>	<u>119,181</u>
Net cash provided by investing activities	<u>71,184</u>	<u>119,181</u>
Net increase (decrease) in cash and cash equivalents.	473,411	(1,777,324)
Cash and cash equivalents at beginning of year	<u>5,874,878</u>	<u>7,652,202</u>
Cash and cash equivalents at end of year.	<u><u>\$ 6,348,289</u></u>	<u><u>\$ 5,874,878</u></u>

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CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER POLLUTION CONTROL FUND (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	<u>2004</u>	<u>2003</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,018,566	\$ 3,293,209
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,493,210	1,627,092
Changes in assets and liabilities:		
(Increase) in accounts receivable	(8,310)	(27,788)
(Increase) decrease in due from other funds	3,594	(25,572)
(Increase) decrease in materials and supplies inventory	191	(1,387)
(Increase) decrease in prepayments	70	(1,266)
(Decrease) in accounts payable	(7,043)	(31,160)
Increase in accrued wages and benefits	15,113	5,739
(Decrease) in compensated absences payable	(21,972)	(4,464)
(Decrease) in claims and judgements payable	-	(1,300,000)
Increase in deposits held and due to others	21,371	496
Net cash provided by operating activities	<u>\$ 5,514,790</u>	<u>\$ 3,534,899</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
AIRPORT FUND

DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 73,961	\$ 127,260
Receivables (net of allowances of uncollectibles):	91,190	45,254
Due from other governments	19,444	3,174
Materials and supplies inventory	36,295	31,989
Prepayments	<u>14,201</u>	<u>14,057</u>
Total current assets	<u>235,091</u>	<u>221,734</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents.	22,389	24,678
Deferred bond costs	3,611	5,234
Capital assets:		
Land and construction in progress	3,502,764	3,422,788
Depreciable capital assets, net	<u>6,947,071</u>	<u>7,493,688</u>
Total noncurrent assets	<u>10,475,835</u>	<u>10,946,388</u>
Total assets	<u>10,710,926</u>	<u>11,168,122</u>
Liabilities:		
Current liabilities:		
Accounts payable.	43,445	21,935
Accrued wages and benefits	7,977	6,797
Compensated absences payable.	15,178	12,594
Accrued interest payable	3,640	9,678
Deposits held and due to others	15,291	13,004
Current portion of bonds	<u>40,000</u>	<u>30,000</u>
Total current liabilities	<u>125,531</u>	<u>94,008</u>
Long term liabilities:		
General obligation bonds	278,895	320,000
Compensated absences payable.	<u>15,861</u>	<u>1,700</u>
Total liabilities.	<u>420,287</u>	<u>415,708</u>
Net assets:		
Invested in capital assets, net of related debt	10,130,940	10,566,476
Restricted for:		
Debt service.	22,389	24,678
Unrestricted	<u>137,310</u>	<u>161,260</u>
Total net assets	<u>\$ 10,290,639</u>	<u>\$ 10,752,414</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
AIRPORT FUND

FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services	\$ 19,515	\$ 28,838
Other	756,912	648,908
Total operating revenues	<u>776,427</u>	<u>677,746</u>
Operating expenses:		
Personal services	279,709	287,601
Contract services	34,889	9,164
Materials and supplies.	451,569	342,887
Utilities	18,882	17,236
Depreciation.	1,001,648	553,228
Other.	96,987	73,710
Total operating expenses	<u>1,883,684</u>	<u>1,283,826</u>
Operating loss.	<u>(1,107,257)</u>	<u>(606,080)</u>
Nonoperating revenues (expenses):		
Interest and fiscal charges	(14,482)	(20,722)
Loss on disposal of capital assets.	-	(1,725)
Other nonoperating revenues.	17,824	163,813
Intergovernmental	520,829	-
Total nonoperating revenues (expenses)	<u>524,171</u>	<u>141,366</u>
Income (loss) before transfers.	(583,086)	(464,714)
Capital contributions.	20,220	-
Transfers in	137,105	117,305
Transfers out	(36,014)	-
Change in net assets.	(461,775)	(347,409)
Net assets, January 1	<u>10,752,414</u>	<u>11,099,823</u>
Net assets, December 31	<u>\$ 10,290,639</u>	<u>\$ 10,752,414</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
AIRPORT FUND

FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received from customers	\$ 19,515	\$ 41,788
Cash received from other operations	694,706	732,327
Cash payments for personal services	(261,784)	(284,213)
Cash payments for contract services.	(35,033)	(10,725)
Cash payments for materials and supplies.	(434,365)	(440,876)
Cash payments for utilities.	(18,882)	(17,236)
Cash payments for other operating expenses	<u>(94,700)</u>	<u>(73,402)</u>
Net cash (used in) operating activities.	<u>(130,543)</u>	<u>(52,337)</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	-	163,813
Grants and contributions	539,738	-
Transfers in	137,105	117,305
Transfers out	<u>(36,014)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>640,829</u>	<u>281,118</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(535,007)	(250,388)
Capital contributions	20,220	-
Proceeds from sale bonds	270,000	-
Premium on bonds sold	5,614	-
Bond issuance costs.	(3,611)	-
Payment to refunding bond escrow agent.	(272,570)	-
Principal paid on bonds	(30,000)	(30,000)
Interest paid on bonds	<u>(20,520)</u>	<u>(20,856)</u>
Net cash (used in) capital and related financing activities	<u>(565,874)</u>	<u>(301,244)</u>
Net (decrease) in cash and cash equivalents	(55,588)	(72,463)
Cash and cash equivalents at beginning of year	<u>151,938</u>	<u>224,401</u>
Cash and cash equivalents at end of year.	<u><u>\$ 96,350</u></u>	<u><u>\$ 151,938</u></u>
Reconciliation of operating loss to net cash (used in) operating activities:		
Operating (loss).	\$ (1,107,257)	\$ (606,080)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation	1,001,648	553,228
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(45,936)	12,950
(Increase) decrease in due from other governments	(16,270)	83,419
(Increase) in materials and supplies inventory.	(4,306)	(2,595)
(Increase) in prepayments.	(144)	(1,561)
Increase (decrease) in accounts payable	21,510	(95,394)
Increase in accrued wages and benefits	1,180	1,166
Increase in compensated absences payable	16,745	2,222
Increase in deposits held and due to others	<u>2,287</u>	<u>308</u>
Net cash (used in) operating activities	<u><u>\$ (130,543)</u></u>	<u><u>\$ (52,337)</u></u>

CITY OF FINDLAY, OHIO

Nonmajor Enterprise Funds

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered primarily through user charges.

Swimming Pool:

To account for the operation of the swimming pool complex at Riverside Park. These rates are set by the Service Director and the Parks & Recreation Board.

Parking Facilities:

To account for the operation of the parking department, which includes maintenance and rental of lots, collection of meter and fine revenue, and the monitoring of all on-street and off-street parking zones.

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2004

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 17,221	\$ 151,207	\$ 168,428
Prepayments	870	1,271	2,141
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,631	94,331	95,962
Depreciable capital assets, net	495,767	56,055	551,822
Total noncurrent assets	<u>497,398</u>	<u>150,386</u>	<u>647,784</u>
Total assets	<u>515,489</u>	<u>302,864</u>	<u>818,353</u>
Liabilities:			
Current liabilities:			
Accounts payable	972	1,401	2,373
Accrued wages and benefits	-	2,077	2,077
Compensated absences payable	-	6,069	6,069
Deposits held and due to others	-	4,350	4,350
Long-term liabilities:			
Compensated absences payable	-	10,057	10,057
Total liabilities	<u>972</u>	<u>23,954</u>	<u>24,926</u>
Net assets:			
Invested in capital assets, net of related debt	497,398	150,386	647,784
Unrestricted	17,119	128,524	145,643
Total net assets	<u>\$ 514,517</u>	<u>\$ 278,910</u>	<u>\$ 793,427</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Swimming Pool	Parking Facilities	Total
Operating revenues:			
Charges for services	\$ 42,975	\$ 92,131	\$ 135,106
Other	2,371	-	2,371
Total operating revenues	45,346	92,131	137,477
Operating expenses:			
Personal services	65,956	86,331	152,287
Contract services	539	3,937	4,476
Materials and supplies.	14,663	1,270	15,933
Utilities	3,668	349	4,017
Depreciation.	18,086	15,082	33,168
Other.	2,928	4,847	7,775
Total operating expenses	105,840	111,816	217,656
Operating loss	(60,494)	(19,685)	(80,179)
Nonoperating expenses:			
Other nonoperating expenses.	-	(1,024)	(1,024)
Total nonoperating expenses	-	(1,024)	(1,024)
Loss before transfers.	(60,494)	(20,709)	(81,203)
Transfers in	35,000	-	35,000
Change in net assets.	(25,494)	(20,709)	(46,203)
Net assets, January 1	540,011	299,619	839,630
Net assets, December 31	\$ 514,517	\$ 278,910	\$ 793,427

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 42,975	\$ 92,131	\$ 135,106
Cash received from other operations	2,371	-	2,371
Cash payments for personal services	(65,956)	(86,303)	(152,259)
Cash payments for contract services.	(550)	(3,892)	(4,442)
Cash payments for materials and supplies.	(14,618)	(2,498)	(17,116)
Cash payments for utilities.	(3,668)	(349)	(4,017)
Cash payments for other operating expenses	(2,928)	(3,921)	(6,849)
	<hr/>	<hr/>	<hr/>
Net cash (used in) operating activities.	(42,374)	(4,832)	(47,206)
Cash flows from noncapital financing activities:			
Other non-capital expenses	-	(1,024)	(1,024)
Transfers in	35,000	-	35,000
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) noncapital financing activities	35,000	(1,024)	33,976
Net decrease in cash and cash equivalents	(7,374)	(5,856)	(13,230)
Cash and cash equivalents at beginning of year . . .	<hr/>	<hr/>	<hr/>
	24,595	157,063	181,658
Cash and cash equivalents at end of year.	<hr/>	<hr/>	<hr/>
	\$ 17,221	\$ 151,207	\$ 168,428
	<hr/>	<hr/>	<hr/>
Reconciliation of operating loss to net cash (used in) operating activities:			
Operating loss	\$ (60,494)	\$ (19,685)	\$ (80,179)
Adjustments to reconcile operating loss to net cash (used in) operating activities:			
Depreciation	18,086	15,082	33,168
Changes in assets and liabilities:			
(Increase) decrease in prepaids.	(11)	45	34
(Decrease) in accrued wages and benefits	-	(448)	(448)
Increase in compensated absences payable	-	476	476
Increase in deposits held and due to others	-	926	926
(Decrease) increase in accounts payable	45	(1,228)	(1,183)
	<hr/>	<hr/>	<hr/>
Net cash (used in) operating activities	\$ (42,374)	\$ (4,832)	\$ (47,206)

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
SWIMMING POOL FUND

DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	2004	2003
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 17,221	\$ 24,595
Prepayments	870	859
Noncurrent assets:		
Capital assets:		
Land and construction in progress	1,631	1,631
Depreciable capital assets, net	495,767	513,853
Total noncurrent assets	497,398	515,484
Total assets	515,489	540,938
Liabilities:		
Current liabilities:		
Accounts payable.	972	927
Total liabilities.	972	927
Net assets:		
Invested in capital assets, net of related debt	497,398	515,484
Unrestricted	17,119	24,527
Total net assets	\$ 514,517	\$ 540,011

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
SWIMMING POOL FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services	\$ 42,975	\$ 47,429
Other	2,371	2,641
Total operating revenues	<u>45,346</u>	<u>50,070</u>
Operating expenses:		
Personal services	65,956	66,365
Contract services	539	265
Materials and supplies.	14,663	21,786
Utilities	3,668	3,582
Depreciation.	18,086	18,037
Other.	2,928	1,860
Total operating expenses	<u>105,840</u>	<u>111,895</u>
Operating loss.	<u>(60,494)</u>	<u>(61,825)</u>
Nonoperating expenses:		
Loss on disposal of capital assets.	-	(13,591)
Other nonoperating expenses.	-	(4,175)
Total nonoperating expenses	<u>-</u>	<u>(17,766)</u>
Loss before transfers	(60,494)	(79,591)
Transfers in	<u>35,000</u>	<u>20,000</u>
Change in net assets.	(25,494)	(59,591)
Net assets, January 1	<u>540,011</u>	<u>599,602</u>
Net assets, December 31	<u>\$ 514,517</u>	<u>\$ 540,011</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
SWIMMING POOL FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	2004	2003
Cash flows from operating activities:		
Cash received from customers	\$ 42,975	\$ 47,429
Cash received from other operations	2,371	2,641
Cash payments for personal services	(65,956)	(66,365)
Cash payments for contract services.	(550)	(304)
Cash payments for materials and supplies.	(14,618)	(21,574)
Cash payments for utilities.	(3,668)	(3,582)
Cash payments for other operating expenses	(2,928)	(1,860)
Net cash (used in) operating activities.	(42,374)	(43,615)
Cash flows from noncapital financing activities:		
Other non-capital expenses	-	(4,175)
Transfers in	35,000	20,000
Net cash provided by noncapital financing activities	35,000	15,825
Net (decrease) in cash and cash equivalents	(7,374)	(27,790)
Cash and cash equivalents at beginning of year . . .	24,595	52,385
Cash and cash equivalents at end of year.	\$ 17,221	\$ 24,595
Reconciliation of operating loss to net cash (used in) operating activities:		
Operating loss	\$ (60,494)	\$ (61,825)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation	18,086	18,037
Changes in assets and liabilities:		
(Increase) in prepaids.	(11)	(39)
Increase in accounts payable	45	212
Net cash (used in) operating activities	\$ (42,374)	\$ (43,615)

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
PARKING FACILITIES FUND

DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	<u>2004</u>	<u>2003</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 151,207	\$ 157,063
Prepayments	1,271	1,316
Noncurrent assets:		
Capital assets:		
Land and construction in progress	94,331	94,331
Depreciable capital assets, net	56,055	71,137
Total noncurrent assets	<u>150,386</u>	<u>165,468</u>
Total assets	<u>302,864</u>	<u>323,847</u>
Liabilities:		
Current liabilities:		
Accounts payable.	1,401	2,629
Accrued wages and benefits	2,077	2,525
Compensated absences payable.	6,069	5,540
Deposits held and due to others	4,350	3,424
Long term liabilities:		
Compensated absences payable.	10,057	10,110
Total liabilities.	<u>23,954</u>	<u>24,228</u>
Net assets:		
Invested in capital assets, net of related debt	150,386	165,468
Unrestricted	128,524	134,151
Total net assets	<u>\$ 278,910</u>	<u>\$ 299,619</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PARKING FACILITIES FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Charges for services	\$ 92,131	\$ 105,484
Other	-	34
Total operating revenues	<u>92,131</u>	<u>105,518</u>
Operating expenses:		
Personal services	86,331	102,774
Contract services	3,937	3,935
Materials and supplies.	1,270	3,094
Utilities	349	319
Depreciation.	15,082	15,040
Other.	<u>4,847</u>	<u>4,532</u>
Total operating expenses	<u>111,816</u>	<u>129,694</u>
Operating (loss)	<u>(19,685)</u>	<u>(24,176)</u>
Nonoperating expenses:		
Loss on disposal of capital assets.	-	(4,387)
Other nonoperating expenses.	<u>(1,024)</u>	<u>(4,360)</u>
Total nonoperating expenses	<u>(1,024)</u>	<u>(8,747)</u>
Change in net assets.	(20,709)	(32,923)
Net assets, January 1	<u>299,619</u>	<u>332,542</u>
Net assets, December 31	<u>\$ 278,910</u>	<u>\$ 299,619</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
PARKING FACILITIES FUND

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received from customers	\$ 92,131	\$ 105,484
Cash received from other operations	-	34
Cash payments for personal services	(86,303)	(98,010)
Cash payments for contract services.	(3,892)	(3,972)
Cash payments for materials and supplies.	(2,498)	(4,167)
Cash payments for utilities.	(349)	(319)
Cash payments for other operating expenses	<u>(3,921)</u>	<u>(4,427)</u>
Net cash (used in) operating activities.	<u>(4,832)</u>	<u>(5,377)</u>
Cash flows from noncapital financing activities:		
Other non-capital expenses	<u>(1,024)</u>	<u>(4,360)</u>
Net cash (used in) noncapital financing activities	<u>(1,024)</u>	<u>(4,360)</u>
Net (decrease) in cash and cash equivalents	(5,856)	(9,737)
Cash and cash equivalents at beginning of year . . .	<u>157,063</u>	<u>166,800</u>
Cash and cash equivalents at end of year.	<u><u>\$ 151,207</u></u>	<u><u>\$ 157,063</u></u>
Reconciliation of operating loss to net cash (used in) operating activities:		
Operating (loss)	\$ (19,685)	\$ (24,176)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation	15,082	15,040
Changes in assets and liabilities:		
(Increase) decrease in prepaids.	45	(37)
Increase (decrease) in accrued wages and benefits. . .	(448)	650
(Decrease) in accounts payable	(1,228)	(1,073)
Increase in deposits held and due to others	926	105
Increase in compensated absences payable	<u>476</u>	<u>4,114</u>
Net cash (used in) operating activities	<u><u>\$ (4,832)</u></u>	<u><u>\$ (5,377)</u></u>

CITY OF FINDLAY, OHIO

The internal service funds account for the financing of goods or services provided by one department or agency to other departments of the City of Findlay on a cost-reimbursement basis. Accounting for these funds is designed to accumulate all of the costs incurred by the internal service funds in providing goods and services to other departments. However, charges to the other departments are not intended to produce a significant profit in the long run, but to recover the total costs of providing goods or services.

Central Stores:

To account for the central purchase of various office supplies in large quantities at a lesser price with the subsequent charge to the various user departments.

Self Insurance:

To account for processing and paying general municipal liability insurance claims in lieu of purchasing general municipal liability insurance.

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS

DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003)

	Central Stores	Self-Insurance	Totals	
			2004	2003
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 53,696	\$ 602,167	\$ 655,863	\$ 658,791
Receivables (net of allowances of uncollectibles)	-	-	-	581
Prepayments.	-	15,525	15,525	17,344
Due from other funds.	-	935	935	-
Materials and supplies inventory	4,566	-	4,566	5,270
Total assets.	<u>58,262</u>	<u>618,627</u>	<u>676,889</u>	<u>681,986</u>
Liabilities:				
Current liabilities:				
Accounts payable.	-	-	-	240
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>240</u>
Net assets:				
Unrestricted	<u>58,262</u>	<u>618,627</u>	<u>676,889</u>	<u>681,746</u>
Total net assets.	<u>\$ 58,262</u>	<u>\$ 618,627</u>	<u>\$ 676,889</u>	<u>\$ 681,746</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003)

	Central Stores	Self-Insurance	Totals	
			2004	2003
Operating revenues:				
Charges for services	\$ 22,330	\$ -	\$ 22,330	\$ 19,756
Total operating revenues	22,330	-	22,330	19,756
Operating expenses:				
Personal services	-	-	-	267,996
Materials and supplies.	-	11,316	11,316	14,513
Depreciation.	15,112	-	15,112	875
Other.	892	7,406	8,298	47,492
Total operating expenses	16,004	18,722	34,726	330,876
Operating income (loss)	6,326	(18,722)	(12,396)	(311,120)
Nonoperating revenues:				
Interest revenue	-	7,539	7,539	9,481
Total nonoperating revenues.	-	7,539	7,539	9,481
Change in net assets	6,326	(11,183)	(4,857)	(301,639)
Net assets, January 1.	51,936	629,810	681,746	983,385
Net assets, December 31	\$ 58,262	\$ 618,627	\$ 676,889	\$ 681,746

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2003)

	Central Stores	Self-Insurance	Totals	
			2004	2003
Cash flows from operating activities:				
Cash received from customers	\$ 22,330	\$ -	\$ 22,330	\$ 19,756
Cash payments for personal services	-	-	-	(288,558)
Cash payments for contract services	-	(11,556)	(11,556)	(15,128)
Cash payments for materials and supplies	(14,408)	-	(14,408)	-
Cash payments for other operating expenses	(892)	(5,587)	(6,479)	(49,051)
Net cash provided by (used in) operating activities	<u>7,030</u>	<u>(17,143)</u>	<u>(10,113)</u>	<u>(332,981)</u>
Cash flows from noncapital financing activities:				
Other non-capital revenues	-	-	-	3,118
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,118</u>
Cash flows from investing activities:				
Interest received	-	7,185	7,185	12,755
Net cash provided by investing activities	<u>-</u>	<u>7,185</u>	<u>7,185</u>	<u>12,755</u>
Net increase (decrease) in cash and cash equivalents	7,030	(9,958)	(2,928)	(317,108)
Cash and cash equivalents at beginning of year	46,666	612,125	658,791	975,899
Cash and cash equivalents at end of year	<u>\$ 53,696</u>	<u>\$ 602,167</u>	<u>\$ 655,863</u>	<u>\$ 658,791</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 6,326	\$ (18,722)	\$ (12,396)	\$ (311,120)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	-	875
Changes in assets and liabilities:				
(Increase) decrease in materials and supplies inventory	704	-	704	(361)
(Increase) in prepaids	-	1,819	1,819	(1,559)
(Decrease) in accounts payable	-	(240)	(240)	(20,816)
Net cash provided by (used in) operating activities	<u>\$ 7,030</u>	<u>\$ (17,143)</u>	<u>\$ (10,113)</u>	<u>\$ (332,981)</u>

CITY OF FINDLAY, OHIO

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

Private Purpose Trust Fund

Private Trust:

This fund accounts for the monies held in trust from contributions, gifts or by bequests that are invested by the City. The interest earnings from these investments are used to care for certain cemetery lots in a manner specified by the contributor.

Agency Funds

Agency funds are custodial in nature, and thus, do not recognize revenues or expenditures, only changes in assets and liabilities. These funds are used to record the collection and payment of refundable deposits, taxes collected for other governments, and municipal court.

Guaranteed Deposits:

This fund accounts for the monies held as deposits, that are required to guarantee the satisfactory completion of a job or project. These monies are returned to the depositor or used to pay any charges after the job or project has been accepted by the City Engineering Department or Fire Department.

Municipal Court:

This fund reports the receipts and disbursements from the daily operation of the Court.

Tax Collection:

This fund accounts for the monies collected as taxes for the Village of Arlington.

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
Guaranteed Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 109,927	\$ 463,518	\$ 109,927	\$ 463,518
Total assets	<u>\$ 109,927</u>	<u>\$ 463,518</u>	<u>\$ 109,927</u>	<u>\$ 463,518</u>
Liabilities:				
Accounts payable.	\$ 1,047	\$ -	\$ 1,047	\$ -
Deposits held and due to others.	108,880	463,518	108,880	463,518
Total liabilities.	<u>\$ 109,927</u>	<u>\$ 463,518</u>	<u>\$ 109,927</u>	<u>\$ 463,518</u>
Municipal Court				
Assets:				
Cash in segregated accounts	\$ 74,770	\$ 3,436,829	\$ 3,309,412	\$ 202,187
Total assets	<u>\$ 74,770</u>	<u>\$ 3,436,829</u>	<u>\$ 3,309,412</u>	<u>\$ 202,187</u>
Liabilities:				
Deposits held and due to others.	\$ 74,770	\$ 3,436,829	\$ 3,309,412	\$ 202,187
Total liabilities.	<u>\$ 74,770</u>	<u>\$ 3,436,829</u>	<u>\$ 3,309,412</u>	<u>\$ 202,187</u>
Tax Collection				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,462	\$ 1,958	\$ 1,462	\$ 1,958
Total assets	<u>\$ 1,462</u>	<u>\$ 1,958</u>	<u>\$ 1,462</u>	<u>\$ 1,958</u>
Liabilities:				
Accounts payable.	\$ 1,462	\$ 1,958	\$ 1,462	\$ 1,958
Total liabilities.	<u>\$ 1,462</u>	<u>\$ 1,958</u>	<u>\$ 1,462</u>	<u>\$ 1,958</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 111,389	\$ 465,476	\$ 111,389	\$ 465,476
Cash in segregated accounts	74,770	3,436,829	3,309,412	202,187
Total assets	<u>\$ 186,159</u>	<u>\$ 3,902,305</u>	<u>\$ 3,420,801</u>	<u>\$ 667,663</u>
Liabilities:				
Accounts payable.	\$ 2,509	\$ 1,958	\$ 2,509	\$ 1,958
Deposits held and due to others.	183,650	3,900,347	3,418,292	665,705
Total liabilities.	<u>\$ 186,159</u>	<u>\$ 3,902,305</u>	<u>\$ 3,420,801</u>	<u>\$ 667,663</u>

CITY OF FINDLAY, OHIO

GENERAL GOVERNMENT EXPENDITURES (1)
LAST TEN FISCAL YEARS

Fiscal Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Transportation	General Government	Capital Outlay	Other	Debt Service	Total
1995	\$ 7,922,548	\$ 874,953	\$ 553,429	\$ 1,116,682	\$ 3,800,206	\$ 2,835,646	\$ -	\$ -	\$17,103,464
1996	8,563,774	970,508	598,474	1,173,431	4,026,826	3,631,190	-	-	18,964,203
1997	9,501,196	1,014,831	661,609	1,288,336	4,336,992	4,937,050	-	-	21,740,014
1998	9,817,349	1,030,722	654,402	1,221,917	4,420,483	1,985,443	-	-	19,130,316
1999	10,387,007	1,128,912	696,805	1,379,006	4,612,742	2,973,670	-	-	21,178,142
2000	10,805,889	1,114,922	674,902	1,499,571	4,955,208	2,902,229	-	-	21,952,721
2001	11,601,542	1,264,665	820,908	1,563,537	5,702,120	3,946,183	-	-	24,898,955
2002	11,473,558	1,341,562	884,368	1,620,918	5,664,145	4,950,754	-	772,787	26,708,092
2003	12,659,590	1,334,612	1,305,622	1,618,551	5,542,145	4,913,419	1,807	603,712	27,979,458
2004	13,433,081	1,368,300	1,373,950	1,636,349	5,777,002	4,241,071	-	728,640	28,558,393

(1) Years 1995 - 2001 include general and special revenue funds. Years 2002 - 2004 include total governmental funds (general, special revenue, debt service, capital projects and permanent fund).

CITY OF FINDLAY, OHIO

GENERAL GOVERNMENT REVENUES (1)
LAST TEN FISCAL YEARS

Fiscal Year	City Income Tax (2)	Other Local Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Investment Earnings
1995	\$ 9,516,934	\$ 2,022,747	\$ 87,440	\$ 4,029,631	\$ 570,123	\$ 546,674
1996	9,881,857	2,146,679	82,631	3,778,635	474,630	629,300
1997	10,612,877	2,286,406	102,034	3,642,035	470,116	725,230
1998	11,971,583	2,421,604	110,535	4,009,104	523,498	580,976
1999	13,039,592	2,670,514	96,613	4,358,959	466,650	688,561
2000	13,210,815	2,671,228	104,710	4,086,594	528,254	957,950
2001	14,806,202	2,876,539	256,264	4,489,752	528,138	769,202
2002	14,447,353	2,864,133	294,599	4,527,289	572,362	454,434
2003	14,002,165	2,826,806	319,748	5,396,980	916,668	269,067
2004	15,385,918	2,929,611	361,509	6,206,496	983,651	185,586

(1) Years 1995 - 2001 include general and special revenue funds. Years 2002 - 2004 include total governmental funds (general, special revenue, debt service, capital projects and permanent fund).

(2) The amount of cash collected in 2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996, and 1995 was \$15,265,817, \$14,278,805, \$14,930,706, \$14,360,692, \$13,097,275, \$13,122,926, \$11,720,360, \$10,530,692, \$9,958,154, and \$9,447,944, respectively. The difference between the amount collected and the revenues recognized is the change in receivables for income taxes withheld in the fourth quarter and remitted to the City in the first quarter of the following year.

<u>Fines and Forfeitures</u>	<u>All Other</u>	<u>Total</u>
\$ 1,116,847	\$ 777,739	\$ 18,668,135
1,231,933	1,132,455	19,358,120
1,263,007	954,200	20,055,905
1,407,323	1,248,658	22,273,281
1,441,953	904,049	23,666,891
1,437,798	981,262	23,978,611
1,378,926	1,130,911	26,235,934
1,518,046	1,333,064	26,011,280
1,538,397	1,731,981	27,001,812
1,377,006	1,389,033	28,818,810

CITY OF FINDLAY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL ESTATE AND PUBLIC UTILITY
LAST TEN FISCAL YEARS

<u>Collection Year</u>	<u>Billed (1)</u>	<u>Collected (2)</u>	<u>% Collected</u>
1995	\$ 1,419,700	\$ 1,384,231	97.5%
1996	1,564,762	1,514,910	96.8%
1997	1,608,999	1,565,917	97.3%
1998	1,634,556	1,599,203	97.8%
1999	1,896,708	1,841,703	97.1%
2000	1,949,594	1,879,701	96.4%
2001	1,992,482	1,956,575	98.2%
2002	2,090,064	2,025,332	96.9%
2003	2,133,732	2,073,489	97.2%
2004	2,247,562	2,126,072	94.6%

Source: Hancock County Auditor

(1) The amounts shown as billed are inclusive of outstanding delinquencies billed and the state reimbursement (rollback) amounts. The amounts are exclusive of any special assessments.

(2) The collected amounts in the above table include the collection of delinquent taxes, which amounts cannot be segregated from current year collections based upon the County Auditor's records. The outstanding delinquencies as they relate to the City also could not be determined from the County Auditor's records as delinquencies are kept on the County Auditor's records in a total amount for the entire county.

CITY OF FINDLAY, OHIO

PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

<u>Collection Year</u>	<u>Billed</u>	<u>Collected (1)</u>	<u>% Collected</u>
1995	\$ 384,440	\$ 429,696	111.8%
1996	429,149	421,722	98.3%
1997	433,622	479,082	110.5%
1998	502,047	516,610	102.9%
1999	527,992	516,903	97.9%
2000	486,134	476,429	98.0%
2001	613,077	614,527	100.2%
2002	551,864	492,563	89.3%
2003	480,632	468,412	97.5%
2004	487,566	484,739	99.4%

Source: Hancock County Auditor

(1) The amounts shown as billed are the totals of the tax bills as mailed to the taxpayers by the County Treasurer.

(2) The collected amounts in the above table include the collection of delinquent taxes, which amounts cannot be segregated from current year collections based upon the County Auditor's records. The outstanding delinquencies as they relate to the City also could not be determined from the County Auditor's records as delinquencies are kept on the County Auditor's records in a total amount for the entire county.

CITY OF FINDLAY, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Calendar Year (1)	Real Estate Other Than Public Utility (2)	Public Utility Real and Tangible Personal Property (3)	Tangible Personal Property Other Than Public Utility (4)	Total	Estimated Actual Value (5)
1996	\$ 448,014,540	\$ 28,350,120	\$ 120,137,602	\$ 596,502,262	\$ 1,704,292,177
1997	460,980,100	28,205,230	134,109,133	623,294,463	1,934,109,760
1998	472,667,350	28,093,070	153,103,629	653,864,049	2,043,158,573
1999 (6)	551,462,520	28,395,260	156,889,861	736,747,641	2,284,295,958
2000	564,268,950	25,705,800	164,997,670	754,972,420	2,345,632,822
2001	574,141,030	26,603,490	151,916,904	752,661,424	2,324,080,530
2002	611,410,130	20,339,970	191,586,739	823,336,839	2,571,347,241
2003	626,960,430	20,705,880	172,457,599	820,123,909	2,540,305,567
2004	645,430,870	20,894,840	144,017,614	810,343,324	2,479,858,199
2005 (6)	718,179,890	21,185,600	148,117,214	887,482,704	2,704,941,684

Source: Hancock County Auditor

(1) Valuations are amounts for collection year.

(2) Real property taxes collected in a calendar year are levied as of January 1 of that year based on the assessed values as of January 1 of the preceding year.

(3) Public utility real and tangible personal property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.

(4) Tangible personal property taxes collected in a calendar year are levied in the same calendar year as assessed on values at the close of the most recent fiscal year of the taxpayer (ending on or before March 31st of such calendar year) at tax rates determined in the preceding year.

(5) Real estate assessed value is 35% of appraised value and tangible personal property assessed value is 25% of appraised value by state statute.

(6) Sexennial update of property values, effective in tax collection years 1999 and 2005.

CITY OF FINDLAY, OHIO

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)**

LAST TEN FISCAL YEARS

<u>Calendar Year Collected (1)</u>	<u>City</u>	<u>Hancock County</u>	<u>Hancock County Park District</u>	<u>Findlay City School District</u>	<u>Total</u>
1996	\$ 3.20	\$ 4.90	\$ 0.80	\$ 53.35	\$ 62.25
1997	3.20	5.18	0.80	53.35	62.53
1998	3.20	5.18	0.80	53.35	62.53
1999	3.20	5.14	0.80	53.35	62.49
2000	3.20	5.15	0.80	53.35	62.50
2001	3.20	5.14	0.80	53.35	62.49
2002	3.20	5.12	0.80	53.35	62.47
2003	3.20	5.12	0.80	53.35	62.47
2004	3.20	5.40	0.80	53.35	62.75
2005	3.20	5.40	0.80	58.25	67.65

Source: Hancock County Auditor

(1) Property tax rates are the rates for the respective years of collection.

CITY OF FINDLAY, OHIO

**REAL ESTATE AND PUBLIC UTILITY
PRINCIPAL TAXPAYERS**

DECEMBER 31, 2004

<u>Name of Taxpayer</u>	<u>Assessed Values</u>	<u>Percentage of Total Assessed Valuation</u>
Ohio Power Company	\$ 13,185,250	1.49%
Marathon Oil/Petroleum Company	11,657,760	1.31%
Cooper Tire & Rubber Company	8,774,700	0.99%
Findlay Shopping Center, Inc.	5,873,060	0.66%
Ohio Bell Telephone Company	5,272,710	0.59%
Logistics Solutions of Ohio	3,696,730	0.42%
Best Buy Distribution Center	2,775,400	0.31%
Meijer	2,547,210	0.29%
Owens Illinois/Brockway Plastics Company	2,491,020	0.28%
LP Investment Company	2,282,160	0.26%
Totals	<u>\$ 58,556,000</u>	<u>6.60%</u>

Source: Hancock County Auditor

CITY OF FINDLAY, OHIO

SPECIAL ASSESSMENT COLLECTIONS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Current Assessments Due</u>	<u>Total Assessments Collected (1)</u>	<u>Rate of Collections to Amount Due</u>	<u>Total Outstanding Assessments</u>
1995	\$ 26,927	\$ 27,254	101.2%	\$ 416,837
1996	57,010	58,498	102.6%	358,339
1997	51,674	57,380	111.0%	300,959
1998	37,087	36,649	98.8%	573,398
1999	75,427	76,569	101.5%	492,933
2000	64,044	64,683	101.0%	428,250
2001	81,631	77,017	94.3%	573,926
2002	102,943	98,333	95.5%	614,867
2003	135,518	133,140	98.2%	584,896
2004	168,695	153,122	90.8%	488,412

Source: Hancock County Auditor

(1) The collected amounts in the above table include the collection of delinquent assessments and the collection of assessments paid in advance of the actual due date.

CITY OF FINDLAY, OHIO

COMPUTATION OF LEGAL DEBT MARGINS

DECEMBER 31, 2004

DIRECT DEBT LIMITATION

Assessed Value		\$ 887,482,704
Overall Debt Limitation		
10 1/2 Percent of Assessed Valuation		\$ 93,185,684
TOTAL INDEBTEDNESS:	\$ 64,395,146	
Less: Debt outside limitations (1)		
Water General Obligation Bonds	2,980,000	
Sewer General Obligation Bonds	770,000	
OWDA Loans	33,453,275	
Ohio Public Works Commission Loans	797,105	
Water Refunding Bonds - 2003 Issue	9,530,000	
Water Refunding Bonds - 2004 Issue	1,390,000	
Sewer Refunding Bonds - 2003 Issue	4,490,000	
Sewer Refunding Bonds - 2004 Issue	6,480,000	
Airport General Obligation Bonds	70,000	
Airport Refunding Bonds - 2004 Issue	270,000	
Special Assessment Bonds	384,765	
Total Outside Limits	<u>60,615,145</u>	
Debt Within 10 1/2 Percent Limitation	3,780,001	
Less: Debt Service Fund Balance	<u>181,545</u>	
Net Debt Subject to 10 1/2 Percent Limitation		<u>3,598,456</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		<u>\$ 89,587,228</u>

INDIRECT DEBT LIMITATION

Unvoted Debt Limitation		
5 1/2 Percent of Assessed Valuation		\$ 48,811,549
TOTAL INDEBTEDNESS:	\$ 64,395,146	
Less: Debt outside limitations (1)	<u>60,615,145</u>	
Debt Within 5 1/2 Percent Limitation	3,780,001	
Less: Debt Service Fund Balance	<u>181,545</u>	
Net Debt Subject to 5 1/2 Percent Limitation		<u>3,598,456</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		<u>\$ 45,213,093</u>

(1) The above debt limitations are established by Section 133.03 of the Ohio Revised Code. Excluded from these limitations are special assessment bonds and notes because they are supported by levies against specifically benefited properties. Also excluded from these limitations is Enterprise fund debt to the extent the related debt service costs are supported by the net operating revenues of the individual funds. All airport, water and water pollution control debt is self supporting and therefore not subject to the debt limitations established by Section 133.03 of the Ohio Revised Code.

CITY OF FINDLAY, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT

DECEMBER 31, 2004

<u>Jurisdiction</u>	<u>Assessed Valuation</u>	<u>General Obligation Debt</u>	<u>Percent Applicable to City of Findlay (1)</u>	<u>Amount Applicable to City of Findlay</u>
City of Findlay	\$ 887,482,704	\$ -	100% (2) \$	-
Hancock County	1,622,489,326	13,930,200	54.22%	7,552,954
Allen Township	108,919,778	-	0.48%	-
Marion Township	91,535,819	-	3.76%	-
Findlay City School District	853,697,868	-	93.11%	-
Liberty-Benton Local School District	154,843,410	4,058,427	17.28%	701,296
Van Buren Local School District	231,808,615	<u>10,310,000</u>	26.27%	<u>2,708,437</u>
 Total Direct and Overlapping Debt		<u>\$ 28,298,627</u>		<u>\$ 10,962,688</u>

(1) Source: Ohio Municipal Advisory Council

(2) The City has no General Obligation Debt which is supported by general property tax receipts.

CITY OF FINDLAY, OHIO

DEBT SERVICE COVERAGE FOR ENTERPRISE FUND DEBT (1)

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
1995	\$ 11,225,536	\$ 5,431,484	\$ 5,794,052	\$ 1,247,929	\$ 2,537,844	\$ 3,785,773	1.53
1996	10,721,445	5,841,884	4,879,561	1,516,228	2,002,443	3,518,671	1.39
1997	11,482,769	6,473,213	5,009,556	1,589,689	2,162,064	3,751,753	1.34
1998	13,008,877	6,831,392	6,177,485	2,083,317	2,139,558	4,222,875	1.46
1999	13,303,935	7,134,087	6,169,848	2,217,121	2,137,338	4,354,459	1.42
2000	14,380,162	7,484,038	6,896,124	2,320,073	2,014,519	4,334,592	1.59
2001	14,934,831	8,330,582	6,604,249	2,423,218	2,652,004	5,075,222	1.30
2002	15,810,297	7,921,290	7,889,007	3,568,452	3,210,304	6,778,756	1.16
2003	15,997,711	7,549,229	8,448,482	3,826,545	3,139,605	6,966,150	1.21
2004	16,710,094	7,738,459	8,971,635	3,417,241	2,671,129	6,088,370	1.47

(1) Water fund, Water Pollution Control fund and Airport fund. Includes all revenue sources included in "income (loss) before contributions and transfers".

(2) Includes all expenses included in "income (loss) before contributions and transfers" except depreciation expense and loss on disposal of capital assets. These items have not been included in direct operating expenses as they do not require the outlay of working capital.

(3) Represents debt service payments made in the respective year.

CITY OF FINDLAY, OHIO

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

Fiscal Year	Property Value	Commercial		Residential		Bank Deposits (2)
		Number of Units	Construction Value (1)	Number of Units	Construction Value (1)	
1995	\$ 1,153,653,114	99	\$ 32,092,584	392	\$ 21,094,213	\$ 677,990,000
1996	1,280,041,542	102	16,832,097	377	21,463,137	666,501,000
1997	1,317,086,000	117	28,332,110	562	27,885,972	708,092,000
1998	1,350,478,142	163	34,823,784	657	37,219,838	725,770,000
1999	1,575,607,200	137	32,084,295	540	25,894,507	736,464,000
2000	1,612,197,000	111	78,267,638	525	24,194,546	796,580,000
2001	1,640,402,942	97	19,521,233	552	22,206,943	804,542,000
2002	1,746,886,086	87	17,930,974	680	27,836,181	870,754,000
2003	1,791,315,514	84	20,849,510	670	36,145,947	826,967,000
2004	1,844,088,200	63	31,845,998	738	49,676,277	823,745,000

(1) Source: City of Findlay Engineering Department

(2) Source: FDIC Market Share Report for all of Hancock County as of June 30 of each year

CITY OF FINDLAY, OHIO

FIFTEEN LARGEST EMPLOYERS

DECEMBER 31, 2004

<u>Employer</u>	<u>Business</u>	<u>Number of Employees</u>
Cooper Tire and Rubber Company	General Offices & Tire Manufacturing	2,250
Whirlpool Corporation	Home Appliances	(1) 2,075
Blanchard Valley Hospital	Hospital Service	1,562
Marathon Ashland Petroleum LLC	Petroleum Products	1,337
Findlay City Schools	Education	800
Nissin Brake	Automotive & Recreational Vehicle Brake Parts	759
Lowe's Distribution Center	Distribution Center	653
Hancock County	County Government	615
HiSan Corporation	Automotive - Small Tubing	615
Kohl's Distribution Center	Retail Distribution Center	598
University of Findlay	Education	520
Ball Metal Container Group	Beverage Cans	(1) 444
Wal-Mart Super Center	Department Store	418
City of Findlay	City Government	413
Best Buy Distribution Center	Distribution Center	348

(1) Located outside City limits, but major source of employment for Findlay residents.

CITY OF FINDLAY, OHIO

MISCELLANEOUS STATISTICS

DECEMBER 31, 2004

Founded in 1812 as Fort Findlay	
Form of government	Mayor - Council
Area - square miles	19.047
Miles of streets	188.05
Population (2000 Census)	38,967
Unemployment Rate	4.52%
Number of Full-time Employees (including Police & Fire)	416
Fire Protection:	
Number of stations	4
Number of firefighters	72
Police Protection:	
Number of stations	1
Number of police officers	72
Number of auxiliary police officers	13
Water and Wastewater Utilities:	
Number of accounts	17,087
Average daily water consumption (gallons)	6,224,000
Reservoir capacity (gallons)	6.4 billion
Miles of water mains	288.36
Water Treatment Plants	1
Miles of sanitary sewer lines	279.03
Sewage Treatment Plants	1
Recreation:	
Number of parks	19 (356.1 acres)
Findlay Reservoir (Boating and Fishing)	775 acres
Ballfields (Baseball and Softball)	37
Tennis Courts, Volleyball and Basketball	32 (2 lighted)
Soccer Fields	25
Swimming Pool	1
Education Enrollment:	
Findlay City School District (grades K-12)	6,498
St. Michael's Catholic School (grades K-8)	560
University of Findlay	3,981
Winebrenner Theological Seminary	147
Owens Community College	2,664
Brown-Mackie College	453

CITY OF FINDLAY, OHIO

COMPLIANCE INFORMATION

**SECURITIES AND EXCHANGE COMMISSION RULE
15c2-12**

In compliance with the S.E.C. rule, the City of Findlay submits the following regarding its outstanding obligations.

Description of Material Events

1. There were no delinquencies of principal and/or interest payments.
2. There were no non-payment related defaults.
3. There were no unscheduled draws on debt service reserves reflecting financial difficulties.
4. There were no unscheduled draws on credit enhancements reflecting financial difficulties.
5. There was no substitution of credit or liquidity providers, nor was there a failure to perform.
6. There have been no adverse tax opinions affecting the tax exempt status of any of the City's outstanding obligations.
7. There were no modifications to rights of bond holders.
8. There were no calls issued for the City's outstanding obligations during 2004.
9. During 2004 the City issued \$10,560,000 of Series 2004 Various Purpose General Obligation Bonds to advance refund \$9,915,000 of Series 1996 Various Purpose General Obligation Bonds. The 1996 bonds have a call date of July 1, 2006. The bonds that were refunded have a maturity date beyond the call date and are considered to be defeased in substance as the proceeds of the refunding issue were placed in trust with the escrow agent to be used at the given call date. The Note 10 to the financial statements addresses this transaction in further detail.
10. The City did not release, substitute or sell any property securing repayment of its obligations.
11. The City has a credit rating for General Obligation bonds from Moody's Investors Services, Inc. of Aa3. The City also has a rating from Standard and Poors Corporation of AA-.

In order to provide full disclosure, this Comprehensive Annual Financial Report will be sent to the Municipal Securities Rulemaking Board, all nationally recognized municipal securities information repositories (NRMSIRS), and to the Ohio Municipal Advisory Council.