

**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

***SUPPLEMENTAL REPORTS***

***DECEMBER 31, 2006***

**MR. ROBERT SPRAGUE, CITY AUDITOR**





Mary Taylor, CPA  
Auditor of State

City Council  
City of Findlay  
318 Dorney Plaza  
313 Municipal Building  
Findlay, Ohio 45840

We have reviewed the *Independent Auditor's Report* of the City of Findlay, Hancock County, prepared by Julian & Grube, Inc., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 10, 2007

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**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

**BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Independent Auditors' Report on Supplementary Schedule of Expenditures of Federal Awards**

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

Our audit was performed for the purpose of forming opinions on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Findlay as of and for the year ended December 31, 2006. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
June 4, 2007

**CITY OF FINDLAY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT</b>			
(B) Small Cities Community Development Block Grant	14.228	A-D-05-120-1	\$ 350,000
Small Cities Community Development Block Grant	14.228	A-F-05-120-1	184,000
<b>Total U.S. Department of Housing and Urban Development</b>			<u>534,000</u>
<b>U. S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION PASSED THROUGH THE N/A</b>			
Airport Improvement Program	20.106	N/A	<u>1,472,319</u>
<b>U. S. DEPARTMENT OF TRANSPORTATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION</b>			
Highway Planning and Construction	20.205	78111	160,751
Highway Planning and Construction	20.205	78124	113,234
Highway Planning and Construction	20.205	78601	242,022
<b>Total U.S. Department of Transportation</b>			<u>516,007</u>
<b>U. S. ENVIRONMENTAL PROTECTION AGENCY PASSED THROUGH THE N/A</b>			
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	N/A	<u>18,276</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF HEALTH</b>			
Public Health Infrastructure	93.283	L927/M330	93,745
Public Health Infrastructure	93.283	M556/M523	47,007
<b>Total U.S. Department of Health and Human Services</b>			<u>140,752</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE N/A</b>			
Assistance to Firefighters	97.044	N/A	<u>51,233</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 2,732,587</u>

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

(B) The City has established a revolving loan program to provide low-interest loans to businesses that are creating jobs and meet the other program requirements. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. At December 31, 2006, the gross amount of loans outstanding under this program were \$870,806. Of this amount \$200,000 was new revolving loans issued during the year ended December 31, 2006.

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



## **Julian & Grube, Inc.**

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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, as of and for the year ended December 31, 2006, which collectively comprise the City of Findlay's basic financial statements and have issued our report thereon dated June 4, 2007. As disclosed in Note 3B, the City has reported a prior period adjustment due to an appraisal report, in the amounts reported as capital assets and net assets at December 31, 2005 due to the City receiving an appraisal of its capital assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Findlay's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Findlay's financial statements that is more than inconsequential will not be prevented or detected by the City of Findlay's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as 2006-COF-002 to be a significant deficiency in internal control over financial reporting.

Members of Council and Mayor  
City of Findlay

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Findlay's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2006-COF-001.

We also noted certain other matters that we reported to the management of the City of Findlay in a letter dated June 4, 2007.

The City of Findlay's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City of Findlay's response and, accordingly, we express no opinion on it.

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



Julian & Grube, Inc.  
June 4, 2007



## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133***

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

#### Compliance

We have audited the compliance of the City of Findlay with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The City of Findlay's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Findlay's management. Our responsibility is to express an opinion on the City of Findlay's compliance based on our audit.

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

In our opinion, the City of Findlay complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

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

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

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
June 4, 2007

**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 § .505**

**DECEMBER 31, 2006**

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs:	Small Cities Community Development Block Grant (CFDA #14.228) and Highway Planning and Construction (CFDA #20.205)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 § .505**

**DECEMBER 31, 2006**

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2006-COF-001

Ohio Revised Code Sections 117.16(A); 723.52, 5543.19: 5575.01 describe force account requirements. The sections require, in part, that certain capital construction and/or maintenance projects undertaken by counties, certain municipal corporations (cities and village), and townships may be performed by these entities' own employees, equipment, and materials – as opposed to bidding these jobs out to private contractors – if the estimated costs of these projects are below certain statutory limits. This is what is generally meant by the term “force account”.

A director of public service in a city, or the legislative authority of a village, is required to estimate the costs of any “contract” for the construction, reconstruction, widening, resurfacing, or repair of a street or other public way using the Auditor of State’s force account project assessment form.

When the estimated cost of the work exceeds \$30,000, the city or village must invite and receive competitive bids from private contractors for completing the work. However, force accounts may be used if the city or village rejects all bids. The force account work must be performed in compliance with the plans and specifications upon which the private contractor bids were based.

During 2006, the City performed a project (Center St. – S. Blanchard to McManness 2400’ x 16’) via force account. This project evidenced by a “Force Account Project Assessment Form” (estimate) totaled \$42,053 which is in excess of the \$30,000 requirement to obtain bids. It was further noted that the completed form was not signed or dated.

The lack of proper procedures on this project prevented competitive bids from being obtained and reviewed and possibly awarded. This would have enabled the City to evaluate if competitive bidding would have resulted in a lower total cost of the project.

We recommend the City’s Service Director take effective action to develop written policies and procedures regarding the use of Force Accounts. We further recommend the City Service Director review the Ohio Revised Code Section to help identify all the requirements. We further recommend reviewing Auditor of State Bulletin 2003-003.

Client Response: The City has already taken corrective action on this matter by requiring a certain supervisor to monitor and enforce these types of projects and maintain the proper documentation.

**CITY OF FINDLAY  
HANCOCK COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
OMB CIRCULAR A-133 § .505**

**DECEMBER 31, 2006**

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (continued)</b>
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Finding Number	2006-COF-002
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The City had a prior period material restatement to its capital assts. This is a result of the City’s lack of ability to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles as it relates to capital assets prior to 2006. The City contracted and received an independent appraisal report for their capital assets. This was a proactive step by the City to ensure all capital assets owned by the City are accounted for and included in their financial report.

We recommend the City implement a policy and related procedures for the personnel in the various departments to record capital asset additions and disposals in a timely manner and in accordance with generally accepted accounting principles.

*Client Response:* The City will evaluate implementing policies and procedures regarding capital asset identification of additions and disposals and develop a process to communicate these policies and procedures effectively to City staff.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

**CITY OF FINDLAY, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2006

PREPARED BY:

CITY AUDITOR'S OFFICE  
ROBERT COLE SPRAGUE, CITY AUDITOR



**CITY OF FINDLAY, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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## AUDITOR'S OFFICE

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Findlay, OH 45840-3346  
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ROBERT COLE SPRAGUE  
CITY AUDITOR

June 4, 2007

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, 2006, 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 2005 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.

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.

The firm of 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.

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2006 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the City, as well as compliment the required Management's Discussion and Analysis (MD&A). GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The City's MD&A can be found immediately following the Independent Auditor's Report.

## **PROFILE OF THE CITY**

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 office of the Treasurer is a part-time position. All officials are elected to four-year terms except the members of Council. Council members serve 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. The Safety Director and the Service Director are appointed by the Mayor. The Safety Director has administrative responsibility for the safety/security forces and the Service Director oversees the utilities, streets, engineering, parks, and all other service departments.

The City provides police and fire protection, health services, engineering 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. The City's financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. The City has no component units.

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.

The annual budget serves as the foundation of the City's financial planning and control. Departmental budgets are prepared by the individual supervisors, approved by the Service Director or Safety Director, and then submitted to Council members for final review. The legal level of budgetary control is at the departmental level within each fund. All changes in departmental appropriations require action by the City Council. See Note 2.F to the basic financial statements for further discussion on the City's budgetary process.

## **ECONOMIC CONDITION AND OUTLOOK**

### ***Local Economy***

The financial health of the City is dependent on the vibrancy and economic growth of our tax base. It is entirely appropriate to look at the overall health of our community and our ability to attract businesses and create jobs. Findlay's economy remained robust in 2006, and this is reflected in several recent awards. The City was again named one of the 100 Best Communities for Young People by America's Promise – Alliance for Youth, which was founded by Colin Powell. And, our local hospital - Blanchard Valley Hospital - was named one of the 100 Top Medium Sized Hospitals in the United States. These types of accolades require infrastructure assets that are simply not possible without a strong economy, and several large businesses led the economic charge in 2006.

Located in the heart of downtown Findlay is the headquarters for Marathon Oil, one of the nation's largest petroleum refiners. They continued to add new employees in 2006, creating 49 new positions while posting record profits. Lowe's Distribution Center added 60 workers in 2006. A. Shulman, an international supplier of plastics compounds and resins, announced construction of a \$40 million, 100,000 square foot plant in the City. Two new ethanol plants are under construction in Lima and Leipsic, both of which are within a 30 minute drive of Hancock County, which is excellent news for our county farmers. On the economic development front, our local Chamber of Commerce reorganized in 2006 to become GreaterFindlay Inc., and they are increasing their focus on attracting new businesses to our area.

2006 was a difficult year for Cooper Tire & Rubber as skyrocketing petroleum and rubber raw materials cost made it difficult for them to turn a profit. Last year, Cooper reduced their work force by 131 jobs to bring their local work force to 2,065. Since then, a new management team has arrived, and Cooper quickly turned the corner, posting a profit in the first quarter of 2007. The stock price has tripled since its low in August of 2006, and Cooper is financially healthy again, positioned for future growth.

Infrastructure allows new business investment to take place, and there have been many infrastructure improvements in 2006. American Electric Power put \$2.7 million into rebuilding multiple substations to improve electricity reliability. Most of the asphalt has been laid on the US 30 project, which will create a 4 lane highway from the Indiana border to Canton, OH. This highway will run through southern Hancock County and make it easier for Findlay based companies to travel east and west across Ohio. Construction on US 30 is scheduled for completion by the end of the summer in 2007.

Infrastructure investment also took place by many non-profit organizations which will greatly add to our local economy and raise our standard of living. Blanchard Valley Hospital opened a brand new \$95 million patient pavilion, offering a state of the art medical facility within several blocks of downtown. The hospital also unveiled a new, full service heart center last year. The Birchaven Retirement Village, a new 133 acre retirement community, added the construction of more condos and an aquatic center featuring two heated, indoor swimming pools. The University of Findlay expanded their new College of Education and Pharmacy by acquiring an additional 62,000 square feet of space, and they are constructing \$4.2 million of laboratories in this facility. Owens Community College added a new \$4.2 million Community Education and Wellness center at its new campus. St. Michael's Catholic school unveiled a new 110,000 square foot, \$8 million private school with classes K to 8<sup>th</sup> grade. The new \$7 million Family Center opened for business, housing under one roof many different charities and non-profit groups that all serve low-income working families in our community.

The City depends on public schools to educate our children, who become our future work force, community leaders, and entrepreneurs. In May of 2006, voters passed a permanent capital improvement levy for the city school system, and the schools have already used some funds to update their school bus fleet and their technology infrastructure. In the fall of 2007, Findlay City Schools plan on increasing the average class time spent on math from 40 minutes per day to 76 minutes per day. And in the 2008-2009 school year they plan to add advanced placement statistics and physics classes to their 14 existing advanced placement class offerings.

In general, 2006 was a busy and productive year for our community and the City. We look forward to an industrious 2007 as we continue to lay the groundwork for future stability and prosperity.

### ***Long-Term Financial Planning***

The City's culture has always been one of conservative financial choices, trying to use debt sparingly. This preference for using cash for capital equipment needs as well as yearly road maintenance, park improvements, traffic light construction, and so on, has given the city a great deal of financial flexibility. We will continue this approach of using cash as much as possible for our capital investments.

Planning has become a key part of managing our departments and the services they provide to the residents of the City. Findlay's 5 year capital improvement plan is in the process of being updated with new projects and equipment. This capital plan enables the City to make choices based on broad, long-term needs. This expenditure planning tool also helps us make decisions on our debt service commitments.

### ***Major Initiatives***

The City is building a premier sports facility on the north side of town. This facility will consist of a renovated hockey rink building and a complex of 5 championship-level baseball fields. In 2006, the hockey rink renovations were completed, and that building now includes community meeting rooms as well as new recreation department offices. Construction on the 5 baseball field complex has begun as of Spring of 2007.

Important upgrades were made to the water treatment plant in 2006 as well. The roof and windows were replaced to save the historically significant water treatment works building. The controls were moved to a state of the art PC-based software system, and the water treatment operations can now be controlled by a single operator with the click of a mouse. The push button controls were replaced by touch-screen controls for the filters, and several of the major chemical feeders were replaced with new equipment. The Water fund continued its string of surpluses in 2006, as did the Water Pollution Control fund, and there are significant carryover balances in both these funds. In 2007, water and sewer rates will be examined to see if a rate increase is justified.

The City repaved Howard Street along with several other streets, and re-designed the busy Blanchard Street and Tiffin Avenue intersection. Over \$1 million of improvements were made to the runways at the Findlay Airport. The City also completed the downtown streetscape project, giving the downtown a facelift with new streetlights, benches, and some new sidewalks.

### **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, 2005. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe 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.

## ACKNOWLEDGEMENTS

The staff of the Auditor's office is a very talented, knowledgeable group; thank you to Ginger Sampson, CPA, Carolyn Ehrnschwender, Susan Spangler, and Amy Baird for their accurate and diligent work during 2006, which created the foundation for these financial reports. A special thanks to the City's long-time auditor, Janet Wobser, who recently retired but was instrumental in shaping so many of the City's policies and our financial culture. I want to recognize Ginger Sampson's knowledge and dedication, which are instrumental in issuing this report. I would also like to thank our consultants, Julian & Grube, Inc. for their efforts in the development of this CAFR.

Respectfully submitted,

A handwritten signature in black ink that reads "Robert Cole Sprague". The signature is written in a cursive, flowing style.

Robert Cole Sprague  
City Auditor

**CITY OF FINDLAY, OHIO**

DECEMBER 31, 2006

**ELECTED OFFICIALS**

Mayor	Anthony P. Iriti
Auditor	Janet R. Wobser (1)
Municipal Court Judge	Kevin C. Smith
Municipal Court Judge	Vernon L. Preston (2)
Treasurer	Robert Cole Sprague (3)
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	Mike Eler
Sixth Ward	William J. Schedel, Jr

**APPOINTED OFFICIALS**

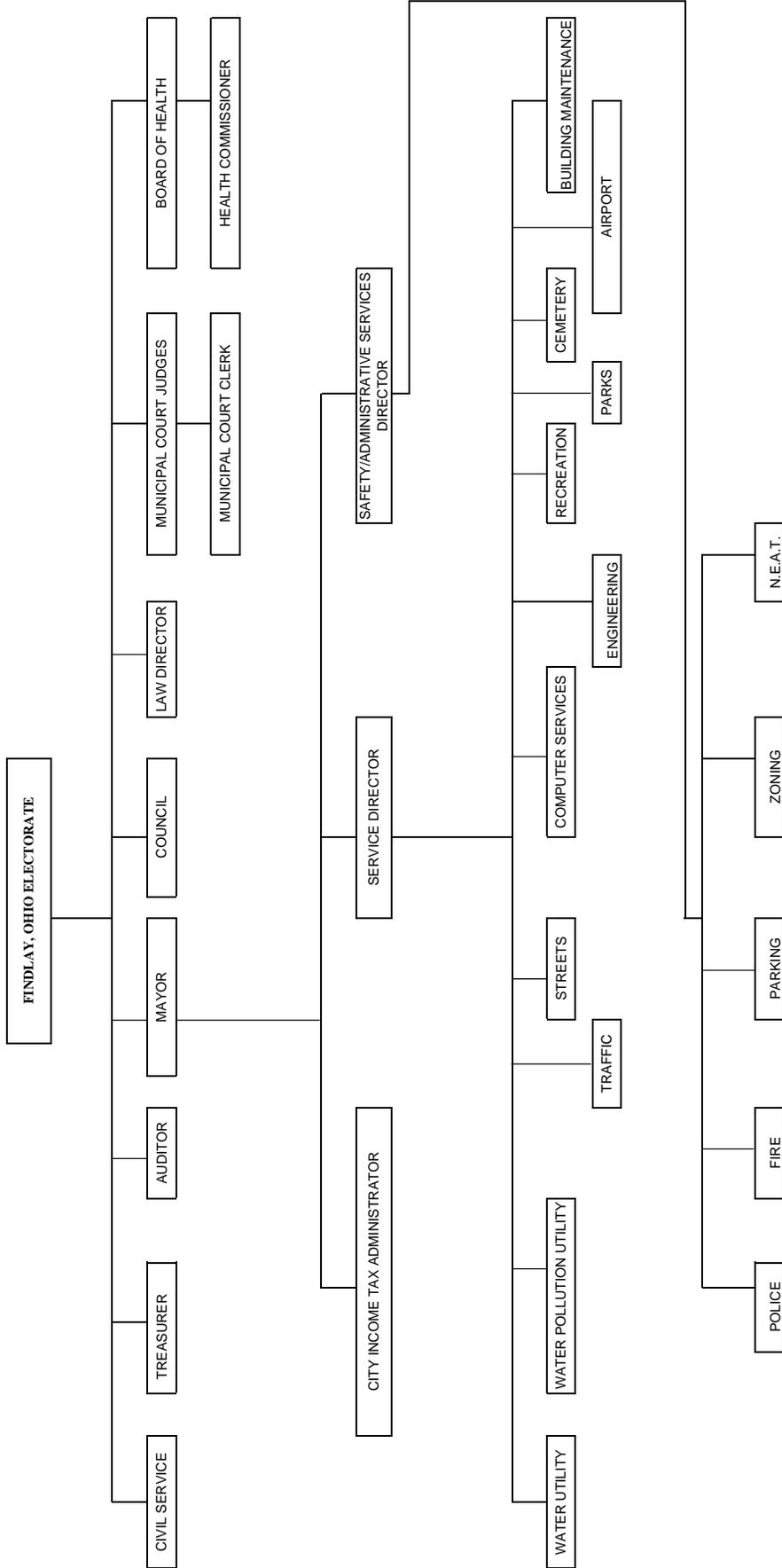
Service Director	Vacant (4)
Safety/Administrative Services Director	Eileen Bensen
Chief Engineer	Jacqueline Schroeder, PE
City Income Tax Administrator	Andrew L. Thomas
Municipal Court Clerk	Marsha Okuly

**CITY AUDITOR'S OFFICE**

City Auditor	Janet R. Wobser (1)
Deputy Auditor	Ginger Sampson, CPA
Audit Clerk	Carolyn Ehrnschwender
Audit Clerk	Susan Spangler
Audit Clerk	Amy Baird

- (1) Robert Cole Sprague was appointed City Auditor on April 17, 2007.
- (2) Robert A. Fry was appointed Municipal Court Judge on January 5, 2007.
- (3) Deborah Preston was appointed City Treasurer on April 17, 2007.
- (4) Michael Sobczyk appointed Service Director on January 22, 2007.

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, 2005

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



President

Executive Director



## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### Independent Auditors' 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, 2006, 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 the Comptroller General of the United States' *Government Auditing Standards*. 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, 2006, 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.

As disclosed in Note 3B, the City has reported a prior period adjustment in the amounts reported as capital assets and net assets at December 31, 2005 due to the City receiving an appraisal of its capital assets.

Independent Auditors Report  
City of Findlay  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is 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 schedules, 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 schedules 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.



Julian & Grube, Inc.  
June 4, 2007

## CITY OF FINDLAY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006

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, 2006. 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 2006 are as follows:

- The total net assets of the City increased \$11,996,101. Net assets of governmental activities increased \$5,268,037 or 7.39% over 2005 and net assets of business-type activities increased \$6,728,064 or 6.45% over 2005.
- General revenues accounted for \$28,141,199 or 81.39% of total governmental activities revenue. Program specific revenues accounted for \$6,434,020 or 18.61% of total governmental activities revenue.
- The City had \$29,266,357 in expenses related to governmental activities; \$6,434,020 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$22,832,337 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$28,141,199.
- The general fund had revenues of \$10,964,112 in 2006. This represents an increase of \$754,117 from 2005 revenues. Transfers-in amounted to \$16,083,361 and are reported under other financing sources. The expenditures of the general fund, which totaled \$27,157,081 in 2006, increased \$4,471,537 from 2005. The net decrease in fund balance for the general fund was \$1,373,301 or 16.65%.
- The street maintenance and repair fund had revenues of \$3,008,932 in 2006. This represents an increase of \$812,193 from 2005 revenues. The expenditures of the street maintenance and repair fund, which totaled \$6,482,207 in 2006, increased \$1,421,444 from 2005. The net increase in fund balance for the street maintenance and repair fund was \$310,066 or 31.73%.
- The city income tax administration fund had revenues of \$18,558,274 in 2006. This represents an increase of \$1,218,992 from 2005 revenues. The expenditures of the city income tax administration fund, which totaled \$823,998 in 2006, increased \$133,159 from 2005. The net increase in fund balance for the city income tax administration fund was \$3,876 or 0.13%.
- 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 2006 by \$6,728,064. 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, 2006

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 2006?" 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, 2006

#### *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 two different types of proprietary funds; enterprise funds and internal service 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 57-96 of this report.

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Government-Wide Financial Analysis**

During 2006, the City had a prior period adjustment to net assets due to a reappraisal of the City's capital assets. The effect of this reappraisal was to decrease governmental activities net assets \$1,195,566 from \$72,509,452 to \$71,313,886. The reappraisal increased business-type activities net assets by \$17,678,584 from \$86,572,791 to \$104,251,375. The table below provides a summary of the City's net assets for 2006 and 2005:

	Net Assets					
	Governmental	Business-type	Restated	Restated	2006	Restated
	Activities	Activities	Governmental	Business-type		
2006	2006	2005	2005	Total	2005	
<u>Assets</u>						
Current and other assets	\$ 30,379,401	\$ 17,346,899	\$ 25,426,814	\$ 15,778,412	\$ 47,726,300	\$ 41,205,226
Capital assets, net	<u>65,613,097</u>	<u>151,415,574</u>	<u>60,116,018</u>	<u>148,457,654</u>	<u>217,028,671</u>	<u>208,573,672</u>
Total assets	<u>95,992,498</u>	<u>168,762,473</u>	<u>85,542,832</u>	<u>164,236,066</u>	<u>264,754,971</u>	<u>249,778,898</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	8,087,094	55,553,750	8,384,031	56,369,249	63,640,844	64,753,280
Other liabilities	<u>11,323,481</u>	<u>2,229,284</u>	<u>5,844,915</u>	<u>3,615,442</u>	<u>13,552,765</u>	<u>9,460,357</u>
Total liabilities	<u>19,410,575</u>	<u>57,783,034</u>	<u>14,228,946</u>	<u>59,984,691</u>	<u>77,193,609</u>	<u>74,213,637</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	57,094,162	96,809,655	56,187,353	92,990,351	153,903,817	149,177,704
Restricted	10,010,547	8,221,502	9,251,788	7,659,171	18,232,049	16,910,959
Unrestricted	<u>9,477,214</u>	<u>5,948,282</u>	<u>5,874,745</u>	<u>3,601,853</u>	<u>15,425,496</u>	<u>9,476,598</u>
Total net assets	<u>\$ 76,581,923</u>	<u>\$ 110,979,439</u>	<u>\$ 71,313,886</u>	<u>\$ 104,251,375</u>	<u>\$ 187,561,362</u>	<u>\$ 175,565,261</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2006, the City's assets exceeded liabilities by \$187,561,362. At year-end, net assets were \$76,581,923 and \$110,979,439 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 81.97% 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, 2006, were \$57,094,162 and \$98,809,655 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, 2006, 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, \$18,232,049 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 \$9,477,214 may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

The table below shows the changes in net assets for fiscal year 2006 and 2005:

	<b>Change in Net Assets</b>					
	Governmental Activities <u>2006</u>	Business-type Activities <u>2006</u>	Governmental Activities <u>2005</u>	Business-type Activities <u>2005</u>	2006 <u>Total</u>	2005 <u>Total</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,983,251	\$ 16,765,300	\$ 3,051,053	\$ 16,801,317	\$ 19,748,551	\$ 19,852,370
Operating grants and contributions	3,450,769	-	2,608,882	-	3,450,769	2,608,882
Capital grants and contributions	-	3,015,561	1,512,583	4,567,599	3,015,561	6,080,182
Total program revenues	<u>6,434,020</u>	<u>19,780,861</u>	<u>7,172,518</u>	<u>21,368,916</u>	<u>26,214,881</u>	<u>28,541,434</u>
General revenues:						
Property taxes	3,089,143	-	3,156,557	-	3,089,143	3,156,557
Income taxes	18,966,079	-	17,260,892	-	18,966,079	17,260,892
Unrestricted grants and entitlements	3,903,190	-	3,505,531	-	3,903,190	3,505,531
Investment earnings	997,951	578,344	556,868	325,083	1,576,295	881,951
Miscellaneous	1,184,836	322,056	1,099,952	377,656	1,506,892	1,477,608
Total general revenues	<u>28,141,199</u>	<u>900,400</u>	<u>25,579,800</u>	<u>702,739</u>	<u>29,041,599</u>	<u>26,282,539</u>
Total revenues	<u>34,575,219</u>	<u>20,681,261</u>	<u>32,752,318</u>	<u>22,071,655</u>	<u>55,256,480</u>	<u>54,823,973</u>
Expenses:						
General government	6,504,903	-	6,387,634	-	6,504,903	6,387,634
Security of persons and property	14,848,790	-	14,919,051	-	14,848,790	14,919,051
Public health and welfare	1,540,983	-	1,515,801	-	1,540,983	1,515,801
Transportation	4,789,212	-	4,194,626	-	4,789,212	4,194,626
Leisure time activity	1,370,659	-	1,413,227	-	1,370,659	1,413,227
Interest and fiscal charges	211,810	-	108,694	-	211,810	108,694
Water	-	5,667,066	-	5,916,358	5,667,066	5,916,358
Water pollution control	-	6,355,113	-	6,175,336	6,355,113	6,175,336
Airport	-	1,673,047	-	1,642,345	1,673,047	1,642,345
Parking facilities	-	144,136	-	139,108	144,136	139,108
Swimming pool	-	154,660	-	122,407	154,660	122,407
Total expenses	<u>29,266,357</u>	<u>13,994,022</u>	<u>28,539,033</u>	<u>13,995,554</u>	<u>43,260,379</u>	<u>42,534,587</u>
Increase in net assets before transfers	<u>5,308,862</u>	<u>6,687,239</u>	<u>4,213,285</u>	<u>8,076,101</u>	<u>11,996,101</u>	<u>12,289,386</u>
Transfers	<u>(40,825)</u>	<u>40,825</u>	<u>33,689</u>	<u>(33,689)</u>	<u>-</u>	<u>-</u>
Increase in net assets	5,268,037	6,728,064	4,246,974	8,042,412	11,996,101	12,289,386
Net assets at						
beginning of year (restated)	<u>71,313,886</u>	<u>104,251,375</u>	<u>67,066,912</u>	<u>96,208,963</u>	<u>175,565,261</u>	<u>163,275,875</u>
Net assets at end of year	<u>\$ 76,581,923</u>	<u>\$ 110,979,439</u>	<u>\$ 71,313,886</u>	<u>\$ 104,251,375</u>	<u>\$ 187,561,362</u>	<u>\$ 175,565,261</u>

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Governmental Activities**

Governmental activities net assets increased \$5,268,037 in 2006.

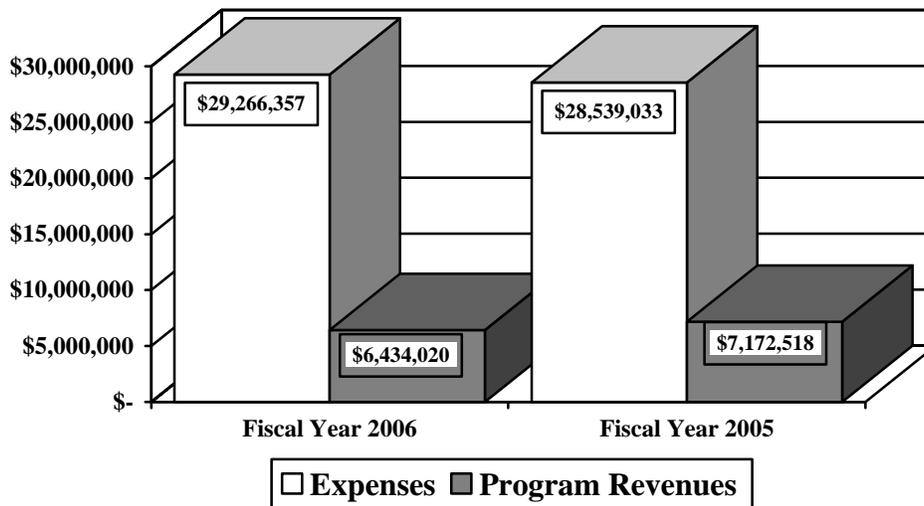
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$14,848,790 of the total expenses of the City. These expenses were partially funded by \$96,414 in direct charges to users of the services. General government expenses totaled \$6,504,903. General government expenses were partially funded by \$1,795,902 in direct charges to users of the services.

The state and federal government contributed to the City a total of \$3,450,769 in operating grants and contributions. These operating grants and contributions consist primarily of restricted federal and state grant revenues, property tax rollbacks, fuel taxes and motor vehicle license fees. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$3,250,769 subsidized transportation programs.

General revenues totaled \$28,141,199, and amounted to 81.39% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$3,089,143 and \$18,966,079, 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 \$3,903,190.

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**



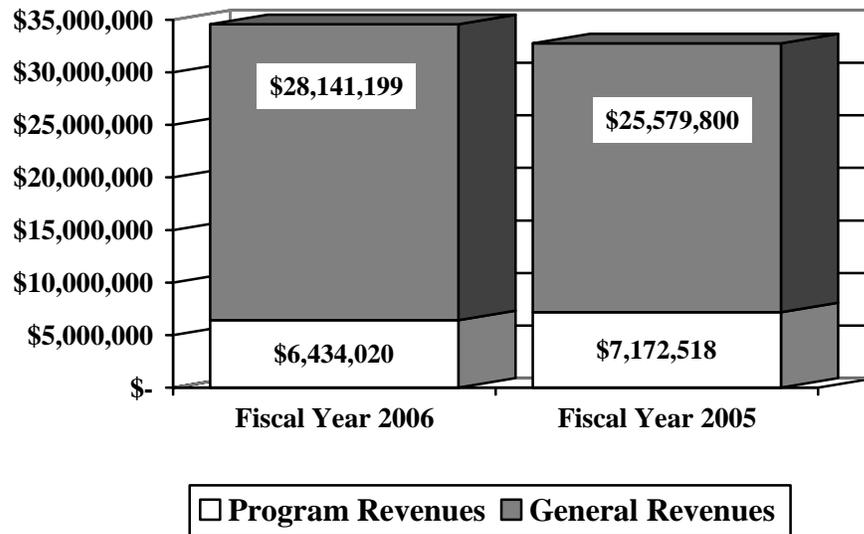
**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Governmental Activities</b>			
	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
Program Expenses:				
General government	\$ 6,504,903	\$ 4,509,001	\$ 6,387,634	\$ 4,232,920
Security of persons and property	14,848,790	14,752,376	14,919,051	14,865,739
Public health and welfare	1,540,983	878,231	1,515,801	908,344
Transportation	4,789,212	1,527,989	4,194,626	287,379
Leisure time activity	1,370,659	989,054	1,413,227	1,075,347
Interest and fiscal charges	<u>211,810</u>	<u>175,686</u>	<u>108,694</u>	<u>(3,214)</u>
<b>Total</b>	<u><u>\$ 29,266,357</u></u>	<u><u>\$ 22,832,337</u></u>	<u><u>\$ 28,539,033</u></u>	<u><u>\$21,366,515</u></u>

The dependence upon general revenues for governmental activities is apparent, with 78.02% of expenses supported through taxes and other general revenues.

**Governmental Activities – General and Program Revenues**



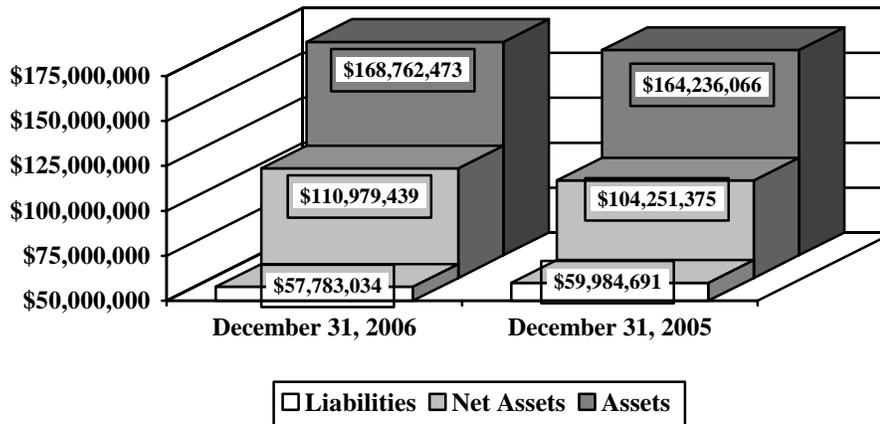
**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**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 \$19,780,861, general revenues of \$900,400 and expenses of \$13,994,022 for 2006. 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 \$15,381,683 which is \$1,006,720 below last year's total of \$16,388,403. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2006 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/06</u>	Fund Balances <u>12/31/05</u>	Increase <u>(Decrease)</u>
Major funds:			
General	\$ 6,872,285	\$ 8,245,586	\$ (1,373,301)
Street repair and maintenance	1,287,128	977,062	310,066
City income tax administration	3,062,790	3,058,914	3,876
Other nonmajor governmental funds	<u>4,159,480</u>	<u>4,106,841</u>	<u>52,639</u>
Total	<u>\$ 15,381,683</u>	<u>\$ 16,388,403</u>	<u>\$ (1,006,720)</u>

**CITY OF FINDLAY, OHIO**

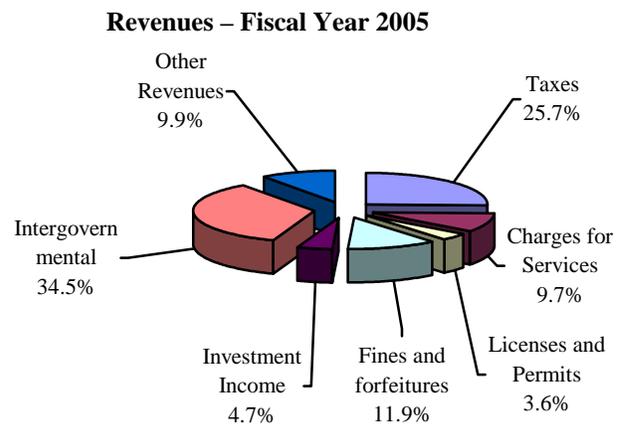
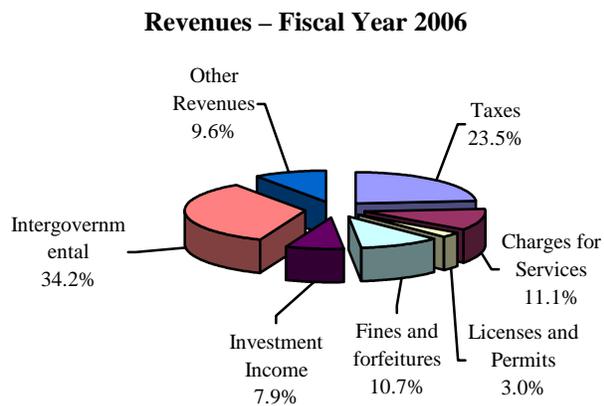
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**General Fund**

The City's general fund balance decreased \$1,373,301, primarily due to an increase in capital outlay expenditures in the amount of \$4,049,526. The table that follows assists in illustrating the revenues of the general fund for 2006 and 2005.

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 2,575,307	\$ 2,619,131	(1.67) %
Charges for services	1,217,693	992,685	22.67 %
Licenses and permits	326,340	367,854	(11.29) %
Fines and forfeitures	1,170,267	1,213,004	(3.52) %
Investment income	866,093	483,745	79.04 %
Intergovernmental	3,756,671	3,520,988	6.69 %
Other	<u>1,051,741</u>	<u>1,012,588</u>	3.87 %
<b>Total</b>	<b><u>\$ 10,964,112</u></b>	<b><u>\$ 10,209,995</u></b>	<b>7.39 %</b>

Tax revenue represents 23.49% of all general fund revenue. The 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 decreased slightly by 1.67% from prior year. The increase in investment income is primarily due to the increase 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 2005.



**CITY OF FINDLAY, OHIO**

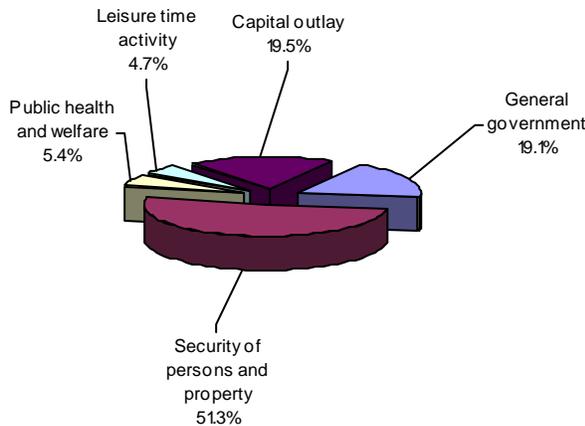
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

The table that follows assists in illustrating the expenditures of the general fund for 2006 and 2005.

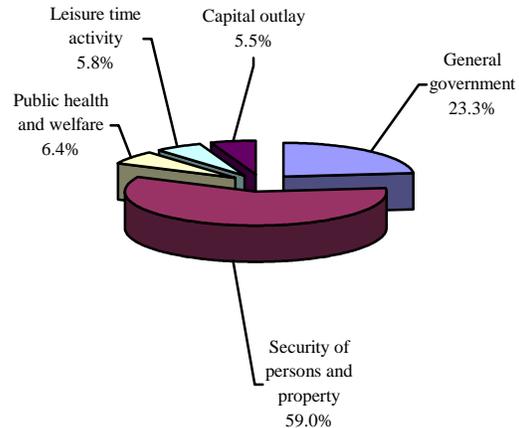
	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 5,189,298	\$ 5,274,875	(1.62) %
Security of persons and property	13,929,863	13,390,381	4.03 %
Public health and welfare	1,467,461	1,461,958	0.38 %
Leisure time activity	1,267,736	1,305,133	(2.87) %
Capital outlay	<u>5,302,723</u>	<u>1,253,197</u>	323.14 %
<b>Total</b>	<b><u>\$ 27,157,081</u></b>	<b><u>\$ 22,685,544</u></b>	19.71 %

Capital outlay expenditures increased 323.14%. Capital outlay expenditures increased primarily due to two major projects: the Hancock Recreation Center rehabilitation (the 'Cube') and County Road 236 widening. All other expenditures remained comparable to 2005.

**Expenditures - Fiscal Year 2006**



**Expenditures - Fiscal Year 2005**



***Street Maintenance and Repair Fund***

The street maintenance and repair fund had revenues of \$3,008,932 in 2006. This represents an increase of \$812,193 from 2005 revenues. The expenditures of the street maintenance and repair fund, which totaled \$6,482,207 in 2006, increased \$1,421,444 from 2005. The net increase in fund balance for the street maintenance and repair fund was \$310,066 or 31.73%.

## CITY OF FINDLAY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006

#### *City Income Tax Administration Fund*

The city income tax administration fund had revenues of \$18,558,274 in 2006. This represents an increase of \$1,218,992 from 2005 revenues. The expenditures of the city income tax administration fund, which totaled \$823,998 in 2006, increased \$133,159 from 2005. The net increase in fund balance for the city income tax administration fund was \$3,876 or 0.13%. 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 2006, 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 approximately 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 is 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 \$6,638,816 from \$23,910,292 to \$30,549,108. Actual revenues and other financing sources of \$27,083,650 exceeded final budgeted revenues and other financing sources of \$26,808,618 by \$275,032 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 \$2,125,847 lower than the final budgeted amounts.

#### *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 289-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  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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 2006 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	128,265	\$408,459	6.11%
Ball Metal	83,078	264,229	3.95%
Cooper Tire	82,394	182,473	2.73%
University of Findlay	38,427	111,320	1.67%
Hancock County	37,155	94,267	1.41%
Sanoh America (Hisan)	34,920	72,669	1.09%
Marathon	26,599	61,644	0.92%
B V R H C	23,978	58,276	0.87%
Findlay City Schools	15,227	52,184	0.78%
City Laundry	<u>27,201</u>	<u>51,236</u>	<u>0.77%</u>
Total Top Ten	497,244	1,356,757	20.30%
All Other Customers	<u>1,866,017</u>	<u>5,327,132</u>	<u>79.70%</u>
Total	<u>2,363,261</u>	<u>\$6,683,889</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	1,081,483	\$2,985,205	44.66%
Inside City/Commercial	555,674	1,456,332	21.79%
Inside City/Industrial	223,901	501,858	7.51%
Outside City/Residential	208,731	820,517	12.27%
Outside City/Commercial	46,261	212,391	3.18%
Outside City/Industrial	<u>247,211</u>	<u>707,586</u>	<u>10.59%</u>
Total	<u>2,363,261</u>	<u>\$6,683,889</u>	<u>100.00%</u>
Total Water Customers	17,313		

\* Hundred Cubic Feet

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

***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 2006 is presented below:

**Ten Largest Single Wastewater Customers**

<u>Customer</u>	<u>Revenue</u>	Percent of <u>Total</u>
University of Findlay	\$ 130,586	1.68%
Cooper Tire	107,214	1.38%
Whirlpool	102,174	1.31%
Ball Metal	75,774	0.98%
Findlay City Schools	66,837	0.86%
Marathon	59,442	0.77%
B V R H C	55,229	0.71%
Village of Arcadia	53,975	0.70%
Sanoh America (Hisan)	52,846	0.68%
City Laundry	<u>51,236</u>	<u>0.66%</u>
 Total Top Ten	 \$ 755,313	 9.73%
All Other Customers	<u>7,004,178</u>	<u>90.27%</u>
 Grand Total	 <u>\$7,759,491</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	\$4,397,514	56.67%
Inside City/Commercial	1,556,290	20.05%
Inside City/Industrial	380,992	4.91%
Outside City/Residential	991,359	12.78%
Outside City/Commercial	181,410	2.34%
Outside City/Industrial	<u>251,926</u>	<u>3.25%</u>
 Total	 <u>\$7,759,491</u>	 <u>100.00%</u>
 Total Wastewater Customers Inside Corp		14,645
 Total Wastewater Customers Outside Corp		2,199

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Capital Assets and Debt Administration**

**Capital Assets**

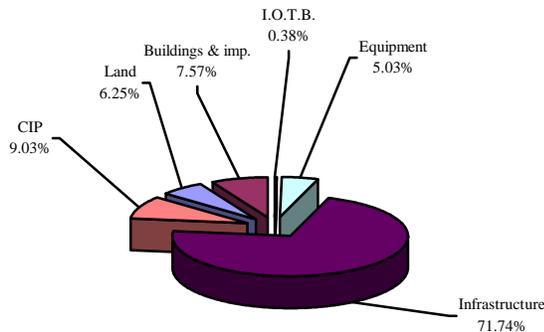
At the end of fiscal 2006, the City had \$217,028,671 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings (I.O.T.B.), machinery and equipment, utility plant in service, utility lines in service, infrastructure and construction in progress (CIP). Of this total, \$65,613,097 was reported in governmental activities and \$151,415,574 was reported in business-type activities. The following table shows fiscal 2006 balances compared to 2005:

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

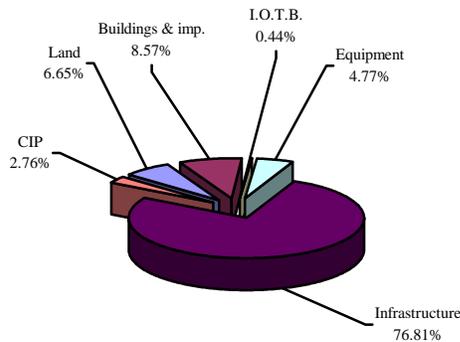
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 4,098,992	\$ 3,999,516	\$ 4,734,694	\$ 4,734,694	\$ 8,833,686	\$ 8,734,210
Buildings and improvements	4,964,247	5,154,632	562,313	644,486	5,526,560	5,799,118
I.O.T.B.	247,715	266,218	6,577,318	6,995,887	6,825,033	7,262,105
Utility plant in service	-	-	51,149,734	52,571,516	51,149,734	52,571,516
Utility lines in service	-	-	78,367,828	77,730,881	78,367,828	77,730,881
Machinery and equipment	3,299,941	2,868,720	1,448,712	1,673,201	4,748,653	4,541,921
Infrastructure	47,078,438	46,165,114	-	-	47,078,438	46,165,114
Construction in progress	5,923,764	1,661,818	8,574,975	4,106,989	14,498,739	5,768,807
<b>Totals</b>	<b>\$ 65,613,097</b>	<b>\$ 60,116,018</b>	<b>\$ 151,415,574</b>	<b>\$ 148,457,654</b>	<b>\$ 217,028,671</b>	<b>\$ 208,573,672</b>

The following graphs show the breakdown of governmental capital assets by category for 2006 and 2005.

**Capital Assets - Governmental Activities 2006**



**Capital Assets - Governmental Activities 2005**

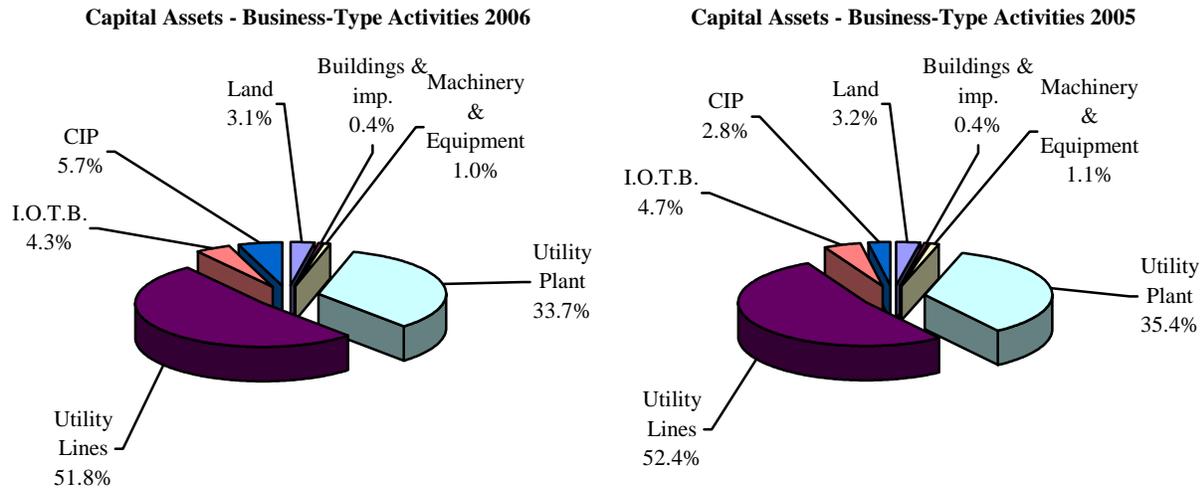


The City's largest governmental capital asset category is infrastructure which includes streets, storm sewers, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 71.74% of the City's total governmental capital assets.

**CITY OF FINDLAY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

The following graphs show the breakdown of business-type capital assets by category for 2006 and 2005.



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 51.8% 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**

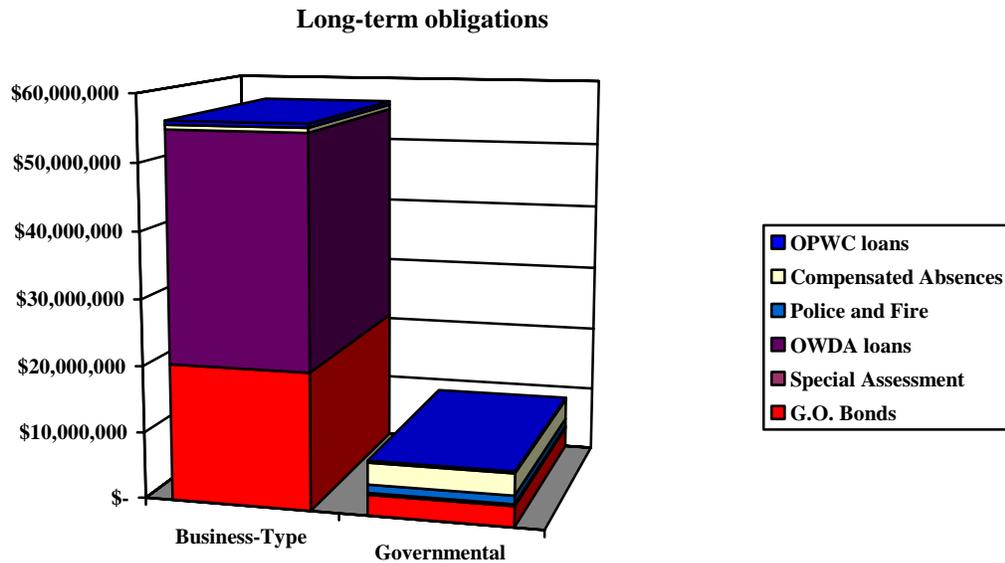
The City had the following long-term obligations outstanding at December 31, 2006 and 2005:

	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Compensated absences	\$ 3,256,511	\$ 3,204,171
Police and Fire past service	1,229,271	1,251,195
Capital lease obligation	-	2,020
OPWC loans	271,921	133,200
Special Assessment bonds	288,875	434,045
General Obligation bonds	<u>3,110,000</u>	<u>3,440,000</u>
<b>Total long-term obligations</b>	<b><u>\$ 8,156,578</u></b>	<b><u>\$ 8,464,631</u></b>
	<u>Business-Type Activities</u>	
	<u>2006</u>	<u>2005</u>
General Obligation bonds	\$ 20,545,000	\$ 23,240,000
OPWC loans	588,873	625,289
OWDA loans	34,353,505	32,381,825
Compensated absences	<u>723,949</u>	<u>901,946</u>
<b>Total long-term obligations</b>	<b><u>\$ 56,211,327</u></b>	<b><u>\$ 57,149,060</u></b>

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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 2006, the City issued a \$149,663 Ohio Public Works Commission loan for the purpose of Howard Street improvements and a \$3,486,678 Ohio Water Development Authority loan to finance water treatment plant improvements.

The City has issued short-term note obligations to finance various projects. Information on the City's notes payable activity for 2006 is presented in Note 8 to the financial statements. Events occurring subsequent to December 31, 2006 relating to note payable obligations is discussed in Note 18 to the financial statements.

See Note 11 to the basic financial statements for further detail on the City long-term obligations outstanding at year-end.

**Economic Conditions and Outlook**

The City is fortunate to have many different types of industries in our community. Significant employers in the area are Marathon Oil, Cooper Tire & Rubber, Ball Metal, Whirlpool, Dow Chemical, Lowe's Distribution, Bridgestone, Kohl's Distribution, Nissin Brake, Best Buy Distribution, Sanoh America, Blanchard Valley Regional Health Center, Hancock County, Findlay City Schools, and the City of Findlay. In addition, our community has significant companies in a number of diverse industries: software development, trucking, plastics, car parts suppliers, aggregate producers, environmental remediation, publishing, corporate research, job placement, construction of assembly line machines, steel, drainage tile, and many more. Marathon and Cooper have traditionally been anti-cyclical and have done very well in recessions, serving as a stabilizing factor for our local economy.

## **CITY OF FINDLAY, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

With this stable and strong economic backdrop, the City had record income tax collections in 2006, an increase of nearly 7% over collections in 2005. Our property tax collections were down slightly, but we made up the difference by increasing our charges for services revenue. Our 2006 investment income has almost doubled from 2005 due to better interest rates available on the open market in 2006. This overall increase in revenue has allowed the City to invest in some community projects.

The City's largest project in 2006 was the \$2.3 million renovation of the City hockey facility on the North side of town, which has been named The Cube. This facility now has expanded space for community meeting rooms and recreation department offices, in addition to upgrades for the hockey rink. The Cube is the first piece of a new premier sports facility currently under construction. Ground has already been broken on the construction of five competition-level baseball fields around The Cube, and work is expected to be complete by the end of 2007. The addition of this competition-level sports complex to our community is expected to help attract companies to the area.

As the City grows, we strive hard to maintain the level of services we provide while also continuing our aggressive capital investment schedule. While we grapple with increasing demands and an expanding geography, we will stay with our traditional approach of keeping reasonable debt levels while maintaining conservative operating budgets. This approach best ensures our financial stability and flexibility for many years to come.

#### **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 Mr. Robert Sprague, 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, 2006

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 18,530,874	\$ 5,698,298	\$ 24,229,172
Cash in segregated accounts . . . . .	136,028	-	136,028
Cash with fiduciary agent . . . . .	482,331	-	482,331
Cash with escrow agent . . . . .	130,351	155,342	285,693
Receivables (net of allowances for uncollectibles) . . . . .	7,498,030	2,128,280	9,626,310
Internal balances . . . . .	(233)	233	-
Due from other governments . . . . .	1,994,736	329,960	2,324,696
Prepayments . . . . .	84,170	56,577	140,747
Materials and supplies inventory . . . . .	250,607	532,825	783,432
Deferred bond costs . . . . .	32,377	-	32,377
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	1,240,130	8,221,502	9,461,632
Deferred bond costs . . . . .	-	223,882	223,882
Capital assets:			
Land and construction in progress . . . . .	10,022,756	13,309,669	23,332,425
Depreciable capital assets, net . . . . .	55,590,341	138,105,905	193,696,246
Total capital assets . . . . .	<u>65,613,097</u>	<u>151,415,574</u>	<u>217,028,671</u>
Total assets . . . . .	<u>95,992,498</u>	<u>168,762,473</u>	<u>264,754,971</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	1,371,734	583,289	1,955,023
Retainage payable . . . . .	95,940	155,342	251,282
Accrued wages and benefits . . . . .	512,281	136,712	648,993
Due to other governments . . . . .	6,023	-	6,023
Deferred revenue . . . . .	3,168,607	10,236	3,178,843
Deposits held and due to others . . . . .	1,098,973	343,669	1,442,642
Matured bonds payable . . . . .	34,411	-	34,411
Accrued interest payable . . . . .	85,512	1,000,036	1,085,548
Notes payable . . . . .	4,950,000	-	4,950,000
Long-term liabilities:			
Due within one year . . . . .	2,016,648	4,803,087	6,819,735
Due in more than one year . . . . .	6,070,446	50,750,663	56,821,109
Total liabilities . . . . .	<u>19,410,575</u>	<u>57,783,034</u>	<u>77,193,609</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	57,094,162	96,809,655	153,903,817
Restricted for:			
Capital projects . . . . .	816,047	5,605,343	6,421,390
Debt service . . . . .	300,417	2,616,159	2,916,576
Transportation improvement projects . . . . .	1,682,254	-	1,682,254
Income tax distribution . . . . .	4,284,626	-	4,284,626
Economic development programs . . . . .	996,565	-	996,565
Perpetual care:			
Expendable . . . . .	6,856	-	6,856
Nonexpendable . . . . .	1,040,735	-	1,040,735
Other purposes . . . . .	883,047	-	883,047
Unrestricted . . . . .	<u>9,477,214</u>	<u>5,948,282</u>	<u>15,425,496</u>
Total net assets . . . . .	<u>\$ 76,581,923</u>	<u>\$ 110,979,439</u>	<u>\$ 187,561,362</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF FINDLAY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General government . . . . .	\$ 6,504,903	\$ 1,795,902	\$ 200,000	\$ -
Security of persons and property . . . . .	14,848,790	96,414	-	-
Public health and welfare . . . . .	1,540,983	662,752	-	-
Transportation. . . . .	4,789,212	10,454	3,250,769	-
Leisure time activity. . . . .	1,370,659	381,605	-	-
Interest and fiscal charges. . . . .	211,810	36,124	-	-
Total governmental activities . . . . .	<u>29,266,357</u>	<u>2,983,251</u>	<u>3,450,769</u>	<u>-</u>
<b>Business-Type Activities:</b>				
Water . . . . .	5,667,066	7,085,719	-	912,772
Water pollution control. . . . .	6,355,113	8,505,966	-	530,783
Airport . . . . .	1,673,047	1,042,094	-	1,572,006
Nonmajor:				
Parking facilities . . . . .	144,136	66,901	-	-
Swimming pool. . . . .	154,660	64,620	-	-
Total business-type activities . . . . .	<u>13,994,022</u>	<u>16,765,300</u>	<u>-</u>	<u>3,015,561</u>
Total primary government . . . . .	<u>\$ 43,260,379</u>	<u>\$ 19,748,551</u>	<u>\$ 3,450,769</u>	<u>\$ 3,015,561</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 (restated) . . . . .

Net assets at end of year . . . . .

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue and Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (4,509,001)	\$ -	\$ (4,509,001)
(14,752,376)	-	(14,752,376)
(878,231)	-	(878,231)
(1,527,989)	-	(1,527,989)
(989,054)	-	(989,054)
(175,686)	-	(175,686)
<u>(22,832,337)</u>	<u>-</u>	<u>(22,832,337)</u>
-	2,331,425	2,331,425
-	2,681,636	2,681,636
-	941,053	941,053
-	(77,235)	(77,235)
-	<u>(90,040)</u>	<u>(90,040)</u>
-	<u>5,786,839</u>	<u>5,786,839</u>
<u>(22,832,337)</u>	<u>5,786,839</u>	<u>(17,045,498)</u>
2,575,307	-	2,575,307
513,836	-	513,836
18,966,079	-	18,966,079
3,903,190	-	3,903,190
997,951	578,344	1,576,295
<u>1,184,836</u>	<u>322,056</u>	<u>1,506,892</u>
28,141,199	900,400	29,041,599
<u>(40,825)</u>	<u>40,825</u>	<u>-</u>
5,268,037	6,728,064	11,996,101
<u>71,313,886</u>	<u>104,251,375</u>	<u>175,565,261</u>
<u>\$ 76,581,923</u>	<u>\$ 110,979,439</u>	<u>\$ 187,561,362</u>

**CITY OF FINDLAY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006  
(WITH COMPARATIVE TOTALS FOR 2005)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 12,605,578	\$ 1,937,480	\$ 368,232
Cash in segregated accounts . . . . .	10,269	-	-
Cash with fiduciary agent . . . . .	-	-	-
Cash with escrow agent . . . . .	23,180	72,760	-
Receivables (net of allowance for uncollectibles) . . . . .	2,977,568	13,880	2,727,867
Interfund loan receivable . . . . .	4,729	-	-
Due from other governments . . . . .	1,419,338	513,189	-
Prepayments. . . . .	70,046	12,965	1,159
Materials and supplies inventory . . . . .	-	245,927	-
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	-	-	1,240,130
Total assets . . . . .	<u>\$ 17,110,708</u>	<u>\$ 2,796,201</u>	<u>\$ 4,337,388</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 1,140,129	\$ 197,664	\$ 21,503
Retainage payable. . . . .	23,180	72,760	-
Accrued wages and benefits. . . . .	455,474	50,195	6,612
Interfund loan payable . . . . .	-	-	-
Due to other governments. . . . .	6,023	-	-
Matured bonds payable . . . . .	-	-	-
Deposits held and due to others . . . . .	956,622	124,728	17,623
Notes payable. . . . .	4,270,000	680,000	-
Deferred revenue . . . . .	3,386,995	383,726	1,228,860
Total liabilities . . . . .	<u>10,238,423</u>	<u>1,509,073</u>	<u>1,274,598</u>
<b>Fund Balances:</b>			
Reserved for encumbrances. . . . .	2,285,385	822,494	31,872
Reserved for prepayments . . . . .	70,046	12,965	1,159
Reserved for materials and supplies inventory . . . . .	-	245,927	-
Reserved for loans receivable . . . . .	-	-	-
Reserved for debt service. . . . .	-	-	-
Reserved for perpetual care. . . . .	-	-	-
Reserved for capital improvements. . . . .	-	-	1,240,130
Unreserved, undesignated, reported in:			
General fund. . . . .	4,516,854	-	-
Special revenue funds. . . . .	-	205,742	1,789,629
Permanent fund . . . . .	-	-	-
Capital projects funds. . . . .	-	-	-
Total fund balances . . . . .	<u>6,872,285</u>	<u>1,287,128</u>	<u>3,062,790</u>
Total liabilities and fund balances. . . . .	<u>\$ 17,110,708</u>	<u>\$ 2,796,201</u>	<u>\$ 4,337,388</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds 2006</b>	<b>Total Governmental Funds 2005</b>
\$ 2,521,775	\$ 17,433,065	\$ 13,772,865
125,759	136,028	179,494
482,331	482,331	645,239
34,411	130,351	112,607
1,778,361	7,497,676	6,603,574
-	4,729	-
62,209	1,994,736	1,674,213
-	84,170	124,566
-	245,927	179,883
-	1,240,130	1,034,116
\$ 5,004,846	\$ 29,249,143	\$ 24,326,557
\$ 11,221	\$ 1,370,517	\$ 1,297,821
-	95,940	79,398
-	512,281	513,613
4,729	4,729	-
-	6,023	9,565
34,411	34,411	33,209
-	1,098,973	774,826
-	4,950,000	-
795,005	5,794,586	5,229,722
845,366	13,867,460	7,938,154
500	3,140,251	999,250
-	84,170	124,566
-	245,927	179,883
870,806	870,806	602,313
199,170	199,170	193,624
1,040,735	1,040,735	971,777
-	1,240,130	1,034,116
-	4,516,854	7,401,998
1,225,866	3,221,237	4,110,157
6,856	6,856	2,847
815,547	815,547	767,872
4,159,480	15,381,683	16,388,403
\$ 5,004,846	\$ 29,249,143	\$ 24,326,557

**CITY OF FINDLAY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2006

<b>Total governmental fund balances</b>		\$ 15,381,683
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		65,606,343
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income taxes	1,228,860	
Special assessments	186,759	
Intergovernmental revenues	1,210,360	
Total		2,625,979
Unamortized premiums on bond issuances are not recorded in the funds.		(89,897)
Unamortized deferred charges on refundings not recorded in the funds.		159,381
Unamortized bond issuance costs are not recognized in the funds.		32,377
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 \$233, is:		1,108,147
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	85,512	
Special assessment bonds	288,875	
General obligation bonds	3,110,000	
OPWC loans	271,921	
Police and fire past service liability	1,229,271	
Compensated absences	3,256,511	
Total		(8,242,090)
<b>Net assets of governmental activities</b>		<b>\$ 76,581,923</b>

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, 2006  
(WITH COMPARATIVE TOTALS FOR 2005)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
<b>Revenues:</b>			
Municipal income taxes . . . . .	\$ -	\$ -	\$ 18,546,064
Property and other taxes . . . . .	2,575,307	-	-
Charges for services . . . . .	1,217,693	10,454	11,624
Licenses and permits . . . . .	326,340	-	-
Fines and forfeitures . . . . .	1,170,267	-	-
Intergovernmental . . . . .	3,756,671	2,860,102	-
Special assessments . . . . .	-	-	-
Investment income . . . . .	866,093	5,867	-
Reimbursements . . . . .	835,261	-	-
Other . . . . .	216,480	132,509	586
Total revenues . . . . .	<u>10,964,112</u>	<u>3,008,932</u>	<u>18,558,274</u>
<b>Expenditures:</b>			
Current:			
General government . . . . .	5,189,298	-	821,908
Security of persons and property . . . . .	13,929,863	66	-
Public health and welfare . . . . .	1,467,461	-	-
Transportation . . . . .	-	2,392,538	-
Leisure time activity . . . . .	1,267,736	-	-
Capital outlay . . . . .	5,302,723	4,089,603	-
Debt service:			
Principal retirement . . . . .	-	-	2,020
Interest and fiscal charges . . . . .	-	-	70
Total expenditures . . . . .	<u>27,157,081</u>	<u>6,482,207</u>	<u>823,998</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(16,192,969)</u>	<u>(3,473,275)</u>	<u>17,734,276</u>
<b>Other financing sources (uses):</b>			
Sale of capital assets . . . . .	-	-	-
Issuance of OPWC loans . . . . .	-	149,663	-
Issuance of bonds . . . . .	-	-	-
Premium on notes sold . . . . .	36,177	3,080	-
Transfers in . . . . .	16,083,361	3,755,365	494,379
Transfers out . . . . .	(1,266,180)	(184,620)	(18,224,264)
Total other financing sources (uses) . . . . .	<u>14,853,358</u>	<u>3,723,488</u>	<u>(17,729,885)</u>
Net change in fund balances . . . . .	(1,339,611)	250,213	4,391
<b>Fund balances at beginning of year . . . . .</b>	8,245,586	977,062	3,058,914
<b>Increase in reserve for inventory . . . . .</b>	-	66,044	-
<b>(Decrease) in prepaids . . . . .</b>	(33,690)	(6,191)	(515)
<b>Fund balances at end of year . . . . .</b>	<u>\$ 6,872,285</u>	<u>\$ 1,287,128</u>	<u>\$ 3,062,790</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Other Governmental Funds</b>	<b>Total Governmental Funds 2006</b>	<b>Total Governmental Funds 2005</b>
\$ -	\$ 18,546,064	\$ 17,323,028
513,836	3,089,143	3,156,557
68,950	1,308,721	1,051,512
-	326,340	367,854
141,799	1,312,066	1,370,961
584,780	7,201,553	6,227,738
170,580	170,580	288,554
77,924	949,884	537,856
-	835,261	834,736
-	349,575	265,216
<u>1,557,869</u>	<u>34,089,187</u>	<u>31,424,012</u>
32,779	6,043,985	6,077,685
14,975	13,944,904	14,179,528
-	1,467,461	1,483,325
21,471	2,414,009	1,797,021
-	1,267,736	1,305,133
7,222	9,399,548	4,003,967
486,112	488,132	429,486
243,805	243,875	137,867
<u>806,364</u>	<u>35,269,650</u>	<u>29,414,012</u>
751,505	(1,180,463)	2,010,000
-	-	500
-	149,663	-
-	-	129,300
-	39,257	-
572,544	20,905,649	18,958,417
(1,271,410)	(20,946,474)	(19,324,728)
<u>(698,866)</u>	<u>148,095</u>	<u>(236,511)</u>
52,639	(1,032,368)	1,773,489
4,106,841	16,388,403	14,604,551
-	66,044	-
-	(40,396)	10,363
<u>\$ 4,159,480</u>	<u>\$ 15,381,683</u>	<u>\$ 16,388,403</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, 2006

<b>Net change in fund balances - total governmental funds</b>		\$ (1,032,368)
<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 exceeded depreciation expense in the current period (net of internal service fund activity):		
Capital outlays	8,779,039	
Depreciation expense	<u>(3,244,896)</u>	5,534,143
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		
		(34,873)
Governmental funds report expenditures for and prepaids and consumable inventories when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		25,648
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	420,015	
Intergovernmental	152,406	
Special assessments	<u>(134,456)</u>	437,965
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported on the statement of activities:		
Decrease in accrued interest payable	8,293	
Amortization of bond premiums	10,908	
Amortization of deferred charges on refundings	(22,024)	
Amortization of bond issue costs	<u>(4,369)</u>	(7,192)
Proceeds from issuance of loans 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.		
		(149,663)
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. Principal payments during the year were:		
General obligation bonds	330,000	
Special assessment bonds	145,170	
OPWC loans	10,942	
Capital lease obligation	2,020	
Police and Fire past service liability	<u>21,924</u>	510,056
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.		
		(52,340)
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 of \$95, is allocated among the governmental activities.		
		<u>36,661</u>
<b>Change in net assets of governmental activities</b>		<u>\$ 5,268,037</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property and other taxes . . . . .	\$ 2,456,174	\$ 2,456,174	\$ 2,575,307	\$ 119,133
Charges for services . . . . .	1,593,300	1,593,300	1,217,693	(375,607)
Licenses and permits. . . . .	378,500	378,500	326,340	(52,160)
Fines and forfeitures. . . . .	651,500	651,500	1,170,267	518,767
Intergovernmental . . . . .	3,414,975	3,414,975	3,756,671	341,696
Investment income . . . . .	630,000	630,000	866,093	236,093
Reimbursements. . . . .	743,200	743,200	835,261	92,061
Other . . . . .	110,700	110,700	216,480	105,780
Total revenues. . . . .	<u>9,978,349</u>	<u>9,978,349</u>	<u>10,964,112</u>	<u>985,763</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	5,530,363	5,636,537	5,189,298	447,239
Security of persons and property . . . . .	14,125,650	14,731,455	13,929,863	801,592
Public health and welfare. . . . .	1,547,722	1,547,723	1,467,461	80,262
Leisure time activity . . . . .	1,561,140	1,536,105	1,267,736	268,369
Capital outlay . . . . .	-	5,302,723	5,302,723	-
Total expenditures . . . . .	<u>22,764,875</u>	<u>28,754,543</u>	<u>27,157,081</u>	<u>1,597,462</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(12,786,526)</u>	<u>(18,776,194)</u>	<u>(16,192,969)</u>	<u>2,583,225</u>
<b>Other financing sources (uses):</b>				
Premium on notes sold . . . . .	2,111	-	36,177	36,177
Transfers in . . . . .	16,570,269	16,830,269	16,083,361	(746,908)
Transfers out . . . . .	(1,145,417)	(1,794,565)	(1,266,180)	528,385
Total other financing sources (uses) . . . . .	<u>15,426,963</u>	<u>15,035,704</u>	<u>14,853,358</u>	<u>(182,346)</u>
Net change in fund balance . . . . .	2,640,437	(3,740,490)	(1,339,611)	2,400,879
<b>Fund balance at beginning of year . . . . .</b>	8,245,586	8,245,586	8,245,586	-
<b>Decrease in reserve for prepaids . . . . .</b>	<u>(33,690)</u>	<u>(33,690)</u>	<u>(33,690)</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 10,852,333</u>	<u>\$ 4,471,406</u>	<u>\$ 6,872,285</u>	<u>\$ 2,400,879</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  
 STREET MAINTENANCE AND REPAIR  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 10,000	\$ 10,000	\$ 10,454	\$ 454
Intergovernmental . . . . .	3,696,000	3,530,000	2,860,102	(669,898)
Investment income . . . . .	-	-	5,867	5,867
Other . . . . .	123,285	123,285	132,509	9,224
Total revenues. . . . .	<u>3,829,285</u>	<u>3,663,285</u>	<u>3,008,932</u>	<u>(654,353)</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property . . . . .	50	50	66	(16)
Transportation . . . . .	2,801,864	2,814,236	2,392,538	421,698
Capital outlay . . . . .	-	4,089,603	4,089,603	-
Total expenditures . . . . .	<u>2,801,914</u>	<u>6,903,889</u>	<u>6,482,207</u>	<u>421,682</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>1,027,371</u>	<u>(3,240,604)</u>	<u>(3,473,275)</u>	<u>(232,671)</u>
<b>Other financing sources (uses):</b>				
Premium on notes sold . . . . .	3,889	-	3,080	3,080
Issuance of OPWC loans. . . . .	-	-	149,663	149,663
Transfers in . . . . .	4,111,220	5,555,767	3,755,365	(1,800,402)
Transfers out . . . . .	(265,097)	(586,491)	(184,620)	401,871
Total other financing sources (uses) . . . . .	<u>3,850,012</u>	<u>4,969,276</u>	<u>3,723,488</u>	<u>(1,245,788)</u>
Net change in fund balance . . . . .	4,877,383	1,728,672	250,213	(1,478,459)
<b>Fund balance at beginning of year . . . . .</b>	977,062	977,062	977,062	-
<b>Increase in reserve for inventory . . . . .</b>	66,044	66,044	66,044	-
<b>Decrease in reserve for prepaids. . . . .</b>	(6,191)	(6,191)	(6,191)	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,914,298</u>	<u>\$ 2,765,587</u>	<u>\$ 1,287,128</u>	<u>\$ (1,478,459)</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, 2006

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Municipal income taxes . . . . .	\$ 17,000,000	\$ 17,000,000	\$ 18,546,064	\$ 1,546,064
Charges for services . . . . .	-	-	11,624	11,624
Other . . . . .	-	-	586	586
Total revenues. . . . .	<u>17,000,000</u>	<u>17,000,000</u>	<u>18,558,274</u>	<u>1,558,274</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	824,913	875,413	821,908	53,505
Debt service:				
Principal retirement. . . . .	2,020	2,020	2,020	-
Interest and fiscal charges . . . . .	70	70	70	-
Total expenditures . . . . .	<u>827,003</u>	<u>877,503</u>	<u>823,998</u>	<u>53,505</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>16,172,997</u>	<u>16,122,497</u>	<u>17,734,276</u>	<u>1,611,779</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	494,379	494,379
Transfers out . . . . .	(12,645,000)	(18,224,265)	(18,224,264)	1
Total other financing sources (uses) . . . . .	<u>(12,645,000)</u>	<u>(18,224,265)</u>	<u>(17,729,885)</u>	<u>494,380</u>
Net change in fund balance . . . . .	3,527,997	(2,101,768)	4,391	2,106,159
<b>Fund balance at beginning of year . . . . .</b>	3,058,914	3,058,914	3,058,914	-
<b>Decrease in reserve for prepaids . . . . .</b>	<u>(515)</u>	<u>(515)</u>	<u>(515)</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 6,586,396</u>	<u>\$ 956,631</u>	<u>\$ 3,062,790</u>	<u>\$ 2,106,159</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF FINDLAY, OHIO**

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2006  
 (WITH COMPARATIVE TOTALS FOR 2005)

	<b>Business-type Activities -Enterprise Funds</b>			
	<b>Water</b>	<b>Water Pollution Control</b>	<b>Airport</b>	<b>Other Enterprise</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents . . . . .	\$ 3,842,420	\$ 1,456,512	\$ 348,650	\$ 50,716
Cash with escrow agent. . . . .	26,208	129,134	-	-
Receivables (net of allowance for uncollectibles) . . . . .	1,561,856	510,439	55,985	-
Due from other funds . . . . .	-	408,738	-	-
Due from other governments . . . . .	-	-	329,960	-
Prepayments. . . . .	24,556	16,382	12,683	2,956
Materials and supplies inventory . . . . .	466,177	12,276	54,372	-
Total current assets . . . . .	<u>5,921,217</u>	<u>2,533,481</u>	<u>801,650</u>	<u>53,672</u>
Noncurrent assets:				
Restricted Assets:				
Equity in pooled cash and cash equivalents. . . . .	1,218,636	6,968,422	34,444	-
Deferred bond costs. . . . .	109,207	112,028	2,647	-
Capital assets:				
Land and construction in progress . . . . .	5,774,921	311,375	7,127,411	95,962
Depreciable capital assets, net . . . . .	44,288,205	87,362,075	5,849,479	606,146
Total noncurrent assets . . . . .	<u>51,390,969</u>	<u>94,753,900</u>	<u>13,013,981</u>	<u>702,108</u>
Total assets . . . . .	<u>57,312,186</u>	<u>97,287,381</u>	<u>13,815,631</u>	<u>755,780</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable. . . . .	123,810	61,086	393,880	4,513
Retainage payable. . . . .	26,208	129,134	-	-
Accrued wages and benefits . . . . .	70,354	55,306	7,798	3,254
Compensated absences payable. . . . .	240,566	154,399	16,527	7,130
Due to other funds . . . . .	408,738	-	-	-
Deposits held and due to others . . . . .	184,061	135,588	18,084	5,936
Deferred revenue . . . . .	9,961	275	-	-
Current portion of loans payable . . . . .	36,416	1,578,049	-	-
Current portion of bonds . . . . .	1,675,000	1,055,000	40,000	-
Accrued interest payable. . . . .	180,222	815,370	4,444	-
Total current liabilities . . . . .	<u>2,955,336</u>	<u>3,984,207</u>	<u>480,733</u>	<u>20,833</u>
Long-term liabilities:				
General obligation bonds . . . . .	8,615,926	8,296,974	204,523	-
Compensated absences payable . . . . .	149,882	119,732	24,801	10,912
Loans payable . . . . .	4,427,466	28,900,447	-	-
Total long-term liabilities . . . . .	<u>13,193,274</u>	<u>37,317,153</u>	<u>229,324</u>	<u>10,912</u>
Total liabilities . . . . .	<u>16,148,610</u>	<u>41,301,360</u>	<u>710,057</u>	<u>31,745</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt. . . . .	35,417,525	47,955,008	12,735,014	702,108
Restricted for:				
Capital projects . . . . .	653,266	4,952,077	-	-
Debt service . . . . .	565,370	2,016,345	34,444	-
Unrestricted . . . . .	4,527,415	1,062,591	336,116	21,927
Total net assets . . . . .	<u>\$ 41,163,576</u>	<u>\$ 55,986,021</u>	<u>\$ 13,105,574</u>	<u>\$ 724,035</u>

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

<b>2006 Enterprise Funds Total</b>	<b>Restated 2005 Enterprise Funds Total</b>	<b>2006 Governmental Activities - Internal Service Funds</b>	<b>2005 Governmental Activities - Internal Service Funds</b>
\$ 5,698,298	\$ 4,200,017	\$ 1,097,809	\$ 1,058,508
155,342	25,818	-	-
2,128,280	2,012,937	354	441
408,738	357,221	-	-
329,960	1,065,457	-	-
56,577	73,887	-	-
532,825	488,839	4,680	4,700
<u>9,310,020</u>	<u>8,224,176</u>	<u>1,102,843</u>	<u>1,063,649</u>
8,221,502	7,659,171	-	-
223,882	252,148	-	-
13,309,669	8,841,683	-	-
138,105,905	139,615,971	6,754	8,945
<u>159,860,958</u>	<u>156,368,973</u>	<u>6,754</u>	<u>8,945</u>
<u>169,170,978</u>	<u>164,593,149</u>	<u>1,109,597</u>	<u>1,072,594</u>
583,289	2,204,211	1,217	970
155,342	25,818	-	-
136,712	137,394	-	-
418,622	383,327	-	-
408,738	357,221	-	-
343,669	255,558	-	-
10,236	-	-	-
1,614,465	1,551,414	-	-
2,770,000	2,695,000	-	-
1,000,036	992,461	-	-
<u>7,441,109</u>	<u>8,602,404</u>	<u>1,217</u>	<u>970</u>
17,117,423	19,765,189	-	-
305,327	518,619	-	-
33,327,913	31,455,700	-	-
<u>50,750,663</u>	<u>51,739,508</u>	<u>-</u>	<u>-</u>
<u>58,191,772</u>	<u>60,341,912</u>	<u>1,217</u>	<u>970</u>
96,809,655	92,990,351	6,754	8,945
5,605,343	5,026,928	-	-
2,616,159	2,632,243	-	-
5,948,049	3,601,715	1,101,626	1,062,679
<u>110,979,206</u>	<u>104,251,237</u>	<u>\$ 1,108,380</u>	<u>\$ 1,071,624</u>
233	138		
<u>\$ 110,979,439</u>	<u>\$ 104,251,375</u>		

**CITY OF FINDLAY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(WITH COMPARATIVE TOTALS FOR 2005)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Water Pollution Control</b>	<b>Airport</b>	<b>Other Enterprise</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 7,085,719	\$ 8,505,966	\$ 26,371	\$ 131,521
Other . . . . .	84,060	15,198	1,015,723	4,471
<b>Total operating revenues . . . . .</b>	<b>7,169,779</b>	<b>8,521,164</b>	<b>1,042,094</b>	<b>135,992</b>
<b>Operating expenses:</b>				
Personal services . . . . .	2,645,666	1,935,170	280,224	212,195
Contract services . . . . .	274,904	185,763	126,536	10,316
Materials and supplies . . . . .	731,960	311,451	674,571	31,524
Utilities . . . . .	307,702	373,912	20,976	4,836
Depreciation . . . . .	1,027,188	1,845,799	557,567	36,025
Other . . . . .	65,992	6,640	-	3,900
<b>Total operating expenses . . . . .</b>	<b>5,053,412</b>	<b>4,658,735</b>	<b>1,659,874</b>	<b>298,796</b>
<b>Operating income (loss) . . . . .</b>	<b>2,116,367</b>	<b>3,862,429</b>	<b>(617,780)</b>	<b>(162,804)</b>
<b>Nonoperating revenues (expenses):</b>				
Other nonoperating revenues . . . . .	72,154	94,825	51,348	-
Intergovernmental . . . . .	-	-	1,572,006	-
Interest income . . . . .	239,490	338,854	-	-
Loss on disposal of capital assets . . . . .	-	-	-	-
Interest expense and fiscal charges . . . . .	(613,739)	(1,696,388)	(13,173)	-
<b>Total nonoperating revenues (expenses) . . . . .</b>	<b>(302,095)</b>	<b>(1,262,709)</b>	<b>1,610,181</b>	<b>-</b>
<b>Income (loss) before contributions and transfers . . . . .</b>	<b>1,814,272</b>	<b>2,599,720</b>	<b>992,401</b>	<b>(162,804)</b>
Capital contributions . . . . .	912,772	530,783	-	-
Transfers in . . . . .	551,145	1,171	273,350	71,000
Transfers out . . . . .	(309,511)	(541,640)	-	(4,690)
<b>Changes in net assets . . . . .</b>	<b>2,968,678</b>	<b>2,590,034</b>	<b>1,265,751</b>	<b>(96,494)</b>
<b>Net assets at beginning of year (restated) . . . . .</b>	<b>38,194,898</b>	<b>53,395,987</b>	<b>11,839,823</b>	<b>820,529</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 41,163,576</b>	<b>\$ 55,986,021</b>	<b>\$ 13,105,574</b>	<b>\$ 724,035</b>

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

<b>2006</b>		<b>2005</b>		<b>2006</b>	<b>2005</b>
<b>Enterprise</b>		<b>Enterprise</b>		<b>Governmental</b>	<b>Governmental</b>
<b>Funds Total</b>		<b>Funds Total</b>		<b>Activities -</b>	<b>Activities -</b>
				<b>Internal</b>	<b>Internal</b>
				<b>Service Funds</b>	<b>Service Funds</b>
\$	15,749,577	\$	15,802,509	\$	26,527
	1,119,452		1,002,898		-
	<u>16,869,029</u>		<u>16,805,407</u>		<u>26,527</u>
	5,073,255		5,043,455		-
	597,519		582,261		16,212
	1,749,506		1,688,305		19,435
	707,426		697,399		-
	3,466,579		3,146,052		2,191
	76,532		299,042		-
	<u>11,670,817</u>		<u>11,456,514</u>		<u>37,838</u>
	5,198,212		5,348,893		(11,311)
	218,327		373,566		-
	1,572,006		2,077,396		-
	578,344		325,083		48,067
	-		(142,428)		-
	(2,323,300)		(2,396,271)		-
	<u>45,377</u>		<u>237,346</u>		<u>48,067</u>
	5,243,589		5,586,239		36,756
	1,443,555		2,490,203		-
	896,666		742,011		-
	(855,841)		(775,700)		-
	<u>6,727,969</u>		<u>8,042,753</u>		<u>36,756</u>
					<u>1,071,624</u>
					<u>\$ 1,108,380</u>
					<u>\$ 1,071,624</u>
	95		(341)		
\$	<u>6,728,064</u>	\$	<u>8,042,412</u>		

**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2006  
 (WITH COMPARATIVE TOTALS FOR 2005)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Water Pollution Control</b>	<b>Airport</b>	<b>Other Enterprise</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 7,092,513	\$ 8,469,497	\$ 26,371	\$ 131,521
Cash received from other operations. . . . .	84,060	15,198	1,037,251	4,471
Cash payments for personal services . . . . .	(2,838,716)	(1,933,341)	(268,360)	(211,517)
Cash payments for contract services . . . . .	(220,586)	(142,634)	(120,919)	(7,959)
Cash payments for materials and supplies . . . . .	(757,911)	(329,382)	(666,913)	(30,872)
Cash payments for utilities. . . . .	(256,185)	(373,912)	(20,976)	(4,836)
Cash payments for other expenses. . . . .	(65,992)	(6,640)	-	(3,900)
Net cash provided by (used in) operating activities.	<u>3,037,183</u>	<u>5,698,786</u>	<u>(13,546)</u>	<u>(123,092)</u>
<b>Cash flows from noncapital financing activities:</b>				
Other non-capital revenues . . . . .	72,543	224,684	51,348	-
Grants and contributions . . . . .	-	-	2,307,503	-
Transfers in . . . . .	551,145	1,171	273,350	71,000
Transfers out. . . . .	(309,511)	(541,640)	-	(4,690)
Net cash provided by (used in) noncapital financing activities . . . . .	<u>314,177</u>	<u>(315,785)</u>	<u>2,632,201</u>	<u>66,310</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	(3,799,822)	(311,572)	(2,361,775)	(118,817)
Principal paid on bonds . . . . .	(1,635,000)	(1,020,000)	(40,000)	-
Interest paid on bonds . . . . .	(443,154)	(412,798)	(10,867)	-
Proceeds of loans. . . . .	3,468,384	-	-	-
Principal paid on loans. . . . .	(36,416)	(1,514,998)	-	-
Interest paid on loans . . . . .	-	(1,299,130)	-	-
Net cash used in capital and related financing activities . . . . .	<u>(2,446,008)</u>	<u>(4,558,498)</u>	<u>(2,412,642)</u>	<u>(118,817)</u>
<b>Cash flows from investing activities:</b>				
Interest received. . . . .	<u>176,308</u>	<u>253,559</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities. . . . .	<u>176,308</u>	<u>253,559</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	1,081,660	1,078,062	206,013	(175,599)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>4,005,604</u>	<u>7,476,006</u>	<u>177,081</u>	<u>226,315</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 5,087,264</u>	<u>\$ 8,554,068</u>	<u>\$ 383,094</u>	<u>\$ 50,716</u>

<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>Enterprise</b>	<b>Enterprise</b>	<b>Governmental</b>	<b>Governmental</b>
<b>Funds Total</b>	<b>Funds Total</b>	<b>Activities -</b>	<b>Activities -</b>
		<b>Internal</b>	<b>Internal</b>
		<b>Service Funds</b>	<b>Service Funds</b>
\$ 15,719,902	\$ 15,656,455	\$ 26,527	\$ 22,747
1,140,980	1,016,575	-	-
(5,251,934)	(5,075,032)	-	-
(492,098)	(585,614)	(16,212)	(10,065)
(1,785,078)	(1,807,318)	(19,168)	(17,078)
(655,909)	(693,915)	-	-
(76,532)	(320,408)	-	(1,683)
<u>8,599,331</u>	<u>8,190,743</u>	<u>(8,853)</u>	<u>(6,079)</u>
348,575	232,378	-	-
2,307,503	1,031,383	-	-
896,666	742,011	-	400,000
(855,841)	(775,700)	-	-
<u>2,696,903</u>	<u>1,230,072</u>	<u>-</u>	<u>400,000</u>
(6,591,986)	(2,528,583)	-	(10,782)
(2,695,000)	(2,740,000)	-	-
(866,819)	(846,218)	-	-
3,468,384	388,331	-	-
(1,551,414)	(1,491,197)	-	-
(1,299,130)	(1,362,503)	-	-
<u>(9,535,965)</u>	<u>(8,580,170)</u>	<u>-</u>	<u>(10,782)</u>
<u>429,867</u>	<u>292,687</u>	<u>48,154</u>	<u>19,506</u>
<u>429,867</u>	<u>292,687</u>	<u>48,154</u>	<u>19,506</u>
2,190,136	1,133,332	39,301	402,645
11,885,006	10,751,674	1,058,508	655,863
<u>\$ 14,075,142</u>	<u>\$ 11,885,006</u>	<u>\$ 1,097,809</u>	<u>\$ 1,058,508</u>

-- continued

**CITY OF FINDLAY, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2006  
 (WITH COMPARATIVE TOTALS FOR 2005)

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water</b>	<b>Water Pollution Control</b>	<b>Airport</b>	<b>Other Enterprise</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 2,116,367	\$ 3,862,429	\$ (617,780)	\$ (162,804)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:				
Depreciation . . . . .	1,027,188	1,845,799	557,567	36,025
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable . . . . .	(3,167)	14,773	21,528	-
(Increase) decrease in due from other funds . . . . .	51,517	-	-	-
(Increase) decrease in materials and supplies inventory . . . . .	(34,471)	(2,208)	(7,307)	-
(Increase) decrease in prepayments. . . . .	9,190	5,873	1,887	360
Increase (decrease) in accounts payable. . . . .	8,520	(15,723)	14,965	652
Increase (decrease) in accrued wages and benefits . .	(5,528)	4,471	257	118
Increase (decrease) in compensated absences payable . . . . .	(187,522)	(2,642)	11,607	560
Increase (decrease) in deposits held and due to others . . . . .	45,128	37,256	3,730	1,997
Increase in deferred revenue . . . . .	9,961	275	-	-
Increase (decrease) in due to other funds . . . . .	-	(51,517)	-	-
Net cash provided by (used in) operating activities . .	<u>\$ 3,037,183</u>	<u>\$ 5,698,786</u>	<u>\$ (13,546)</u>	<u>\$ (123,092)</u>

**Non-cash Transactions:**

During 2006, the Water Pollution Control fund received \$530,783 in capital contributions primarily donated sewer lines from private developers. During 2006, the Water fund received \$912,772 in capital contributions primarily donated water lines from private developers. During 2006, the Water fund had \$18,294 in capitalized interest on OWDA loan proceeds. At December 31, 2006 and 2005, the Airport fund purchased \$1,942,270 and \$347,325, respectively, in capital assets on account. At December 31, 2006 and 2005, the Swimming Pool fund (an other enterprise fund) purchased \$0 and \$34,391, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>2006</u> <u>Enterprise</u> <u>Funds Total</u>	<u>2005</u> <u>Enterprise</u> <u>Funds Total</u>	<u>2006</u> <u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Funds</u>	<u>2005</u> <u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
\$ 5,198,212	\$ 5,348,893	\$ (11,311)	\$ (24,277)
3,466,579	3,146,052	2,191	1,837
33,134	(128,893)	-	-
51,517	(3,484)	-	-
(43,986)	(43,533)	20	(134)
17,310	(3,353)	-	15,525
8,414	(75,480)	247	970
(682)	(11,236)	-	-
(177,997)	(20,341)	-	-
88,111	(21,366)	-	-
10,236	-	-	-
(51,517)	3,484	-	-
<u>\$ 8,599,331</u>	<u>\$ 8,190,743</u>	<u>\$ (8,853)</u>	<u>\$ (6,079)</u>

**CITY OF FINDLAY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2006

	<u>Private-Purpose Trust</u>	<u>Agency</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 158,897	\$ 241,453
Cash in segregated accounts . . . . .	-	95,436
Receivables:		
Accrued interest. . . . .	718	-
	<hr/>	<hr/>
Total assets. . . . .	<u>159,615</u>	<u>\$ 336,889</u>
 <b>Liabilities:</b>		
Accounts payable . . . . .	-	\$ 4,374
Deposits held and due to others . . . . .	-	332,515
	<hr/>	<hr/>
Total liabilities . . . . .	<u>-</u>	<u>\$ 336,889</u>
 <b>Net Assets:</b>		
Held in trust for private cemetery care . . . . .	<u>159,615</u>	
Total net assets . . . . .	<u>\$ 159,615</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, 2006

	<b>Private-Purpose Trust</b>	
	<hr/>	
<b>Additions:</b>		
Interest . . . . .	\$	5,493
Gifts and contributions. . . . .		<hr/> 1,984
Total Additions. . . . .		<hr/> 7,477
 <b>Deductions:</b>		
Cemetery care . . . . .		<hr/> 3,248
Changes in net assets . . . . .		4,229
Net assets at the beginning of the year. . . . .		<hr/> 155,386
Net assets at the end of the year . . . . .	\$	<hr/> <hr/> 159,615

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, 2006

#### 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. On the statement of activities, interfund services provided and used are not eliminated in the process of consolidation.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**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 the 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, 2006

**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 (Sewer)*** - 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 which accounts monies in trust to benefit specific cemetery lots as directed by the contributor. The City's agency funds account for deposits held for the satisfactory completion of various projects, to account for the funds maintained by the Municipal Court, and to account for income tax and tax increment financing payments collected on-behalf and due to other governments.

**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, 2006

**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, 2006

**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, 2006, but which were levied to finance fiscal year 2007 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 legal level of budgetary control is at the departmental level within each fund. Within each departmental budget, the legal level is further broken down to objects "personal services" and "other". All changes in departmental appropriations or changes between the "personal services" and "other" objects within a department require action by the City Council.

## CITY OF FINDLAY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

Budgetary information for the Revolving Loan special revenue fund is not reported because it is not included in the entity for which the "appropriated budget" is adopted.

**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 Investments" on the financial statements.

During 2006, 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 2006. 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, 2006.

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 2006 amounted to \$866,093, which includes \$327,019 assigned from other City funds as not all funds of the City as receive interest earnings.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**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 2007 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.

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.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

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
Utility lines 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, 2006

**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. Transfers between governmental funds are eliminated for reporting on the statement of activities.

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, 2006**

**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 permissive motor vehicle license tax and programs to enhance the security of persons and property and the general government.

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

**R. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss**

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Issuance costs are recorded as deferred charges.

Bond premiums are deferred and accreted over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction from the face amount of the new debt.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

**S. Interfund Balances**

On fund financial statements, receivables and payables resulting from services provided from one fund to another is classified as "due to/from other funds." Receivables and payables resulting from interfund loans are classified as "interfund loans payable/receivable". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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

**T. 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 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2006, the City has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of GASB Statement No. 46 and GASB Statement No. 47 did not have an effect on the fund balances/net assets of the City as previously reported at December 31, 2005.

**B. Restatement of Net Assets**

The City has reported a prior period adjustment to reflect the effect of a reappraisal of the City's capital assets which was performed during 2006. Based upon the reappraisal, adjustments are required to correct for errors and omissions in the City's capital asset balances at December 31, 2005. The prior period adjustment had the following effect on net assets as previously reported:

	Governmental Activities	Business-type Activities	Enterprise Funds		
			Water	Water Pollution Control	Airport
Net assets, December 31, 2005	\$ 72,509,452	\$ 86,572,791	\$38,193,448	\$ 35,733,178	\$ 11,825,498
Capital asset adjustments	<u>(1,195,566)</u>	<u>17,678,584</u>	<u>1,450</u>	<u>17,662,809</u>	<u>14,325</u>
Restated net assets, December 31, 2005	<u>\$ 71,313,886</u>	<u>\$104,251,375</u>	<u>\$38,194,898</u>	<u>\$ 53,395,987</u>	<u>\$ 11,839,823</u>

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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;
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, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided 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;
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;
3. Obligations of the City.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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. In accordance with Ohio Revised Code, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. The City's investment policy limits security purchases to those that mature within two years of the settlement date. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

*Cash with Fiduciary Agent:* At year-end, the City had \$482,331 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, 2006. This amount is not included in the City's depository balance below.

*Cash with Escrow Agent:* At year-end, the City had \$285,693 on deposit with financial institutions for retainage escrow accounts and bond and coupon payments. This amount is included in the City's depository balance below.

*Cash in Segregated Accounts:* At year-end, the City had \$231,464 deposited with a financial institution for monies related to the Revolving Loan special revenue fund (a nonmajor governmental fund), the Municipal Court agency fund and for police operations. These amounts are included in the City's depository balance below.

**A. Deposits with Financial Institutions**

At December 31, 2006, the carrying amount of all City deposits was \$25,413,794 and the bank balance of all City deposits was \$25,695,372. Of the bank balance, \$15,789,012 was covered by pledged collateral held by the Federal Reserve Bank of Boston in the name of the City, \$3,800,000 was covered by pledged collateral held by the Federal Home Loan Bank of Cincinnati in the name of the City, \$4,939,532, was exposed to custodial risk as discussed below and \$1,166,828 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the City's deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

As of December 31, 2006, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
FHLB	\$ 4,995,000	\$ -	\$ -	\$ 999,490	\$ 3,995,510
FNMA	1,995,770		998,370	-	997,400
FHLMC	1,996,870	-	-	998,380	998,490
STAR Ohio	<u>206,877</u>	<u>206,877</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,194,517</u>	<u>\$ 206,877</u>	<u>\$ 998,370</u>	<u>\$ 1,997,870</u>	<u>\$ 5,991,400</u>

The weighted average length to maturity of investment is 1.46 years.

*Interest Rate Risk:* The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The City's investment policy further limits security purchases to those that mature within two years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City's investments in federal agency securities carry a rating of AAA by Standard & Poor's and Aaa by Moody's.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk:* The City's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

The following table includes the percentage of each investment type held by the City at December 31, 2006:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 4,995,000	54.32
FNMA	1,995,770	21.71
FHLMC	1,996,870	21.72
STAR Ohio	206,877	2.25
	<u>\$ 9,194,517</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investment to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2006:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 25,413,794
Investments	9,194,517
Cash with fiduciary agent	<u>482,331</u>
Total	<u>\$ 35,090,642</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 20,519,714
Business type activities	14,075,142
Fiduciary funds	<u>495,786</u>
Total	<u>\$ 35,090,642</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2006, 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	Water Pollution Control	Nonmajor Enterprise	
General	\$ -	\$ 14,950,071	\$ -	\$ 707,300	\$ 212,995	\$ 212,995	\$ -	\$ 16,083,361
City Income Tax	314,871	-	174,818	-	-	-	4,690	494,379
Street Maintenance and Repair	706,500	2,389,410	-	564,110	95,345	-	-	3,755,365
Nonmajor Governmental	90,809	471,933	9,802	-	-	-	-	572,544
Water	-	222,500	-	-	-	328,645	-	551,145
Sewer	-	-	-	-	1,171	-	-	1,171
Airport	100,000	173,350	-	-	-	-	-	273,350
Nonmajor Enterprise	54,000	17,000	-	-	-	-	-	71,000
<b>Total</b>	<u>\$ 1,266,180</u>	<u>\$ 18,224,264</u>	<u>\$ 184,620</u>	<u>\$ 1,271,410</u>	<u>\$ 309,511</u>	<u>\$ 541,640</u>	<u>\$ 4,690</u>	<u>\$ 21,802,315</u>

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 6 - TAXES**

**A. Property Tax**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenues received during 2006 for real and public utility property taxes represents collections of 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes which became a lien January 1, 2005, are levied after October 1, 2005 and collected in 2006 real property taxes.

## CITY OF FINDLAY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

#### NOTE 6 – TAXES – (Continued)

Tangible personal property tax revenues received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of January 1, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax assessment percentage for property, including inventory, is 18.75% for 2006. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008, and zero for 2009. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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.

The assessed value upon which the 2006 collections were based was \$862,123,655. The tax rate applicable to the 2006 collections was 3.2 mills.

#### **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.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 7 - RECEIVABLES**

The City's receivables from outside parties at December 31, 2006, by fund, are shown as follows:

	Major Funds			Major Funds			
	City	Street	Nonmajor	Water			
	Income Tax	Maintenance	Governmental	Pollution	Control	Airport	
	General	Administration	and Repair	Funds	Water	Control	Airport
Income Taxes	\$ -	\$ 2,727,867	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	2,413,822	-	-	557,894	-	-	-
Hotel/Motel taxes	68,741	-	-	-	-	-	-
Economic development loans	-	-	-	870,806	-	-	-
Special assessments	-	-	-	342,805	-	-	-
Billed and unbilled							
Charges for services	-	-	-	-	1,473,530	377,792	55,985
Miscellaneous	183,011	-	13,880	-	-	-	-
Accrued interest - unrestricted	311,994	-	-	6,856	88,326	132,647	-
Total receivables, net of allowances	<u>\$ 2,977,568</u>	<u>\$ 2,727,867</u>	<u>\$ 13,880</u>	<u>\$ 1,778,361</u>	<u>\$ 1,561,856</u>	<u>\$ 510,439</u>	<u>\$ 55,985</u>
Due from other governments:							
Property tax rollbacks	\$ 88,128	\$ -	\$ -	\$ 20,364	\$ -	\$ -	\$ -
Estate taxes	730,848	-	-	-	-	-	-
Local government funds	466,844	-	-	-	-	-	-
State tax	133,518	-	-	-	-	-	-
Fuel tax	-	-	487,936	39,797	-	-	-
Motor vehicle license fees	-	-	25,253	2,048	-	-	-
Federal Airport Grant	-	-	-	-	-	-	329,960
Total due from other governments	<u>1,419,338</u>	<u>-</u>	<u>513,189</u>	<u>62,209</u>	<u>-</u>	<u>-</u>	<u>329,960</u>
Total due from outside parties	<u>\$ 4,396,906</u>	<u>\$ 2,727,867</u>	<u>\$ 527,069</u>	<u>\$ 1,840,570</u>	<u>\$ 1,561,856</u>	<u>\$ 510,439</u>	<u>\$ 385,945</u>

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, 2006 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, 2006 represent the City's portion of 2006 taxes to be collected by the Hancock County Treasurer during 2007 based on the assessed value of property described in Note 6.A.

Hotel/Motel taxes accrued at December 31, 2006 represent 2006 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, 2006 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.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 7 – RECEIVABLES – (Continued)**

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 2006 state taxes, local government monies and property tax rollbacks (intergovernmental) anticipated to be received by the City from January 1, 2007 through June 30, 2007. Due from other governments in the special revenue funds represents 2006 motor vehicle license fees and gasoline excise taxes anticipated to be received by the City from January 1, 2007 to June 30, 2007.

Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2006.

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.

**NOTE 8 – NOTES PAYABLE**

The City had the following note activity during fiscal 2006:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
Various Purpose	3/7/2006	11/7/2006	\$ -	\$ 3,165,000	\$ (3,165,000)	\$ -
Various Purpose	11/2/2006	4/13/2007	-	<u>4,950,000</u>	-	<u>4,950,000</u>
Total			<u>\$ -</u>	<u>\$ 8,115,000</u>	<u>\$ (3,165,000)</u>	<u>\$ 4,950,000</u>

Various Purpose Notes

On March 7, 2006, the City issued a \$3,165,000 various purpose general obligation note to finance renovations to the Hancock Recreation Center, to purchase land adjacent to the Hancock Recreation Center for athletic fields and parking, to purchase and renovate a building for the Street Department and to purchase right-of-way. This note was retired with the issuance of a \$4,950,000 general obligation bond anticipation note on November 11, 2006. The additional proceeds, in excess of the note retirement, were used to purchase additional right-of-way and to begin phase one of the Hancock Recreation Center Five Plex Sports Complex. Since this note was not financed on a long-term basis prior to the issuance of the financial statements, it will be recorded as a fund liability of the general fund (\$4,270,000) and the Street Maintenance and Repair fund (\$680,000) which are the funds that received the proceeds.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental activities**

Governmental activities capital assets have been restated due errors and omission in the amounts reported in the prior year. The governmental activities capital assets have been restated as follows:

<b><u>Governmental activities:</u></b>	<u>Balance</u> 12/31/05	<u>Adjustments</u>	<u>Restated</u> <u>Balance</u> 12/31/05
<i>Capital assets, not being depreciated:</i>			
Land	\$ 3,999,516	\$ -	\$ 3,999,516
Construction in progress	<u>1,661,818</u>	<u>-</u>	<u>1,661,818</u>
Total capital assets, not being depreciated	<u>5,661,334</u>	<u>-</u>	<u>5,661,334</u>
<i>Capital assets, being depreciated:</i>			
Buildings and improvements	8,559,020	42,000	8,601,020
Improvements other than buildings	356,142	124,963	481,105
Equipment	9,005,786	118,604	9,124,390
Infrastructure	<u>77,967,213</u>	<u>(1,199,535)</u>	<u>76,767,678</u>
Total capital assets, being depreciated	<u>95,888,161</u>	<u>(913,968)</u>	<u>94,974,193</u>
<i>Less: accumulated depreciation:</i>			
Buildings and improvements	(3,419,691)	(26,697)	(3,446,388)
Improvements other than buildings	(161,573)	(53,314)	(214,887)
Equipment	(6,187,171)	(68,499)	(6,255,670)
Infrastructure	<u>(30,469,476)</u>	<u>(133,088)</u>	<u>(30,602,564)</u>
Total accumulated depreciation	<u>(40,237,911)</u>	<u>(281,598)</u>	<u>(40,519,509)</u>
Total capital assets, being depreciated, net	<u>55,650,250</u>	<u>(1,195,566)</u>	<u>54,454,684</u>
Governmental activities capital assets, net	<u>\$ 61,311,584</u>	<u>\$ (1,195,566)</u>	<u>\$ 60,116,018</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - CAPITAL ASSETS – (Continued)**

Governmental activities capital asset activity for the year ended December 31, 2006, was as follows:

	Restated Balance	Additions	Disposals	Balance
<b><u>Governmental activities:</u></b>	<u>12/31/05</u>	<u>          </u>	<u>          </u>	<u>12/31/06</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,999,516	\$ 99,476	\$ -	\$ 4,098,992
Construction in progress	<u>1,661,818</u>	<u>4,570,978</u>	<u>(309,032)</u>	<u>5,923,764</u>
Total capital assets, not being depreciated	<u>5,661,334</u>	<u>4,670,454</u>	<u>(309,032)</u>	<u>10,022,756</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	8,601,020	-	-	8,601,020
Improvements other than buildings	481,105	-	-	481,105
Equipment	9,124,390	1,103,538	(182,608)	10,045,320
Infrastructure	<u>76,767,678</u>	<u>3,314,079</u>	<u>(135,059)</u>	<u>79,946,698</u>
Total capital assets, being depreciated	<u>94,974,193</u>	<u>4,417,617</u>	<u>(317,667)</u>	<u>99,074,143</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(3,446,388)	(190,385)	-	(3,636,773)
Improvements other than buildings	(214,887)	(18,503)	-	(233,390)
Equipment	(6,255,670)	(648,929)	159,220	(6,745,379)
Infrastructure	<u>(30,602,564)</u>	<u>(2,389,270)</u>	<u>123,574</u>	<u>(32,868,260)</u>
Total accumulated depreciation	<u>(40,519,509)</u>	<u>(3,247,087)</u>	<u>282,794</u>	<u>(43,483,802)</u>
Total capital assets, being depreciated, net	<u>54,454,684</u>	<u>1,170,530</u>	<u>(34,873)</u>	<u>55,590,341</u>
Governmental activities capital assets, net	<u>\$ 60,116,018</u>	<u>\$ 5,840,984</u>	<u>\$ (343,905)</u>	<u>\$ 65,613,097</u>

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

<b><u>Governmental activities:</u></b>	
General government	\$ 248,600
Security of persons and property	494,503
Transportation	2,364,603
Leisure time activities	111,794
Public health and welfare	<u>27,587</u>
Total	<u>\$ 3,247,087</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - CAPITAL ASSETS - (Continued)**

**B. Business-type activities**

Business-type activities capital assets have been restated due to errors and omissions in the amounts reported in the prior year. The business-type activities capital assets have been restated as follows:

	Balance		Restated
<u>Business-type activities:</u>	<u>12/31/05</u>	<u>Adjustments</u>	<u>Balance</u>
			<u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>			
Land	\$ 4,734,694	\$ -	\$ 4,734,694
Construction in progress	<u>4,106,989</u>	<u>-</u>	<u>4,106,989</u>
Total capital assets, not being depreciated	<u>8,841,683</u>	<u>-</u>	<u>8,841,683</u>
<i>Capital assets, being depreciated:</i>			
Buildings	1,621,489	11,050	1,632,539
Utility plant in service	59,216,071	13,129,867	72,345,938
Utility lines in service	83,815,643	7,513,239	91,328,882
Improvements other than buildings	11,393,072	10,710	11,403,782
Machinery and equipment	<u>7,496,118</u>	<u>(10,150)</u>	<u>7,485,968</u>
Total capital assets, being depreciated	<u>163,542,393</u>	<u>20,654,716</u>	<u>184,197,109</u>
<i>Less: accumulated depreciation:</i>			
Buildings	(981,149)	(6,904)	(988,053)
Utility plant in service	(17,146,330)	(2,628,092)	(19,774,422)
Utility lines in service	(13,247,246)	(350,755)	(13,598,001)
Improvements other than buildings	(4,407,364)	(531)	(4,407,895)
Machinery and equipment	<u>(5,822,917)</u>	<u>10,150</u>	<u>(5,812,767)</u>
Total accumulated depreciation	<u>(41,605,006)</u>	<u>(2,976,132)</u>	<u>(44,581,138)</u>
Total capital assets, being depreciated, net	<u>121,937,387</u>	<u>17,678,584</u>	<u>139,615,971</u>
Business-type activities capital assets, net	<u>\$ 130,779,070</u>	<u>\$ 17,678,584</u>	<u>\$ 148,457,654</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - CAPITAL ASSETS - (Continued)**

Business-type activities capital asset activity for the year ended December 31, 2006, was as follows:

<b><u>Business-type activities:</u></b>	Restated Balance 12/31/05	Additions	Disposals	Balance 12/31/06
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,734,694	\$ -	\$ -	\$ 4,734,694
Construction in progress	<u>4,106,989</u>	<u>4,505,842</u>	<u>(37,856)</u>	<u>8,574,975</u>
Total capital assets, not being depreciated	<u>8,841,683</u>	<u>4,505,842</u>	<u>(37,856)</u>	<u>13,309,669</u>
<i>Capital assets, being depreciated:</i>				
Buildings	1,632,539	-	-	1,632,539
Utility plant in service	72,345,938	-	-	72,345,938
Utility lines in service	91,328,882	1,747,367	-	93,076,249
Improvements other than buildings	11,403,782	134,040	-	11,537,822
Machinery and equipment	<u>7,485,968</u>	<u>75,106</u>	<u>(503,008)</u>	<u>7,058,066</u>
Total capital assets, being depreciated	<u>184,197,109</u>	<u>1,956,513</u>	<u>(503,008)</u>	<u>185,650,614</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(988,053)	(82,173)	-	(1,070,226)
Utility plant in service	(19,774,422)	(1,421,782)	-	(21,196,204)
Utility lines in service	(13,598,001)	(1,110,420)	-	(14,708,421)
Improvements other than buildings	(4,407,895)	(552,609)	-	(4,960,504)
Machinery and equipment	<u>(5,812,767)</u>	<u>(299,595)</u>	<u>503,008</u>	<u>(5,609,354)</u>
Total accumulated depreciation	<u>(44,581,138)</u>	<u>(3,466,579)</u>	<u>503,008</u>	<u>(47,544,709)</u>
Total capital assets, being depreciated, net	<u>139,615,971</u>	<u>(1,510,066)</u>	<u>-</u>	<u>138,105,905</u>
Business-type activities capital assets, net	<u>\$ 148,457,654</u>	<u>\$ 2,995,776</u>	<u>\$ (37,856)</u>	<u>\$ 151,415,574</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to enterprise funds of the City as follows:

**Business-type activities:**

Water	\$ 1,027,188
Water Pollution Control	1,845,799
Airport	557,567
Parking	15,359
Swimming Pool	<u>20,666</u>
Total	<u>\$ 3,466,579</u>

**NOTE 10 - 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. During 2006, the City made the final principal and interest payments on the capital lease obligation in the amounts of \$2,020 and \$70, respectively.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 11 - 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, 2006 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	\$ 1,240,130	\$ -	\$ 1,240,130
<u>Major enterprise funds:</u>			
Water Fund:			
Designated for Capital Improvements to Utility Lines	\$ 653,266	\$ -	\$ 653,266
Designated for Debt Service	565,370	-	565,370
Deferred Bond Costs	-	109,207	109,207
	<u>1,218,636</u>	<u>109,207</u>	<u>1,327,843</u>
Water Pollution Control Fund:			
Improvement and Replacement Fund Account	854,595	-	854,595
Designated for Capital Improvements to Utility Lines	4,097,482	-	4,097,482
Designated for Debt Service	2,016,345	-	2,016,345
Deferred Bond Costs	-	112,028	112,028
	<u>6,968,422</u>	<u>112,028</u>	<u>7,080,450</u>
Airport Fund:			
Designated for Debt Service	34,444	-	34,444
Deferred Bond Costs	-	2,647	2,647
	<u>34,444</u>	<u>2,647</u>	<u>37,091</u>
 Total Enterprise Funds	 <u>\$ 8,221,502</u>	 <u>\$ 223,882</u>	 <u>\$ 8,445,384</u>

Deferred Bond Costs represent the costs associated with the issuance of various bond issues of the water, sewer and airport fund. 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, 2006

**NOTE 12 - LONG-TERM OBLIGATIONS**

**A. Governmental activities**

During fiscal 2006, the following changes occurred in the City's governmental activities long-term obligations:

	Interest	Maturity	Balance			Balance	Amounts
<i>Governmental Activities:</i>	<u>Rate</u>	<u>Date</u>	<u>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/06</u>	<u>Due in</u>
<u>General Obligation Bonds</u>							
Series 1996 Fire Improvement Project	3.85 - 5.875%	2006	\$ 110,000	\$ -	\$ (110,000)	\$ -	\$ -
Series 2004 Fire Improvement Refunding	2.50 - 5.25%	2016	1,590,000	-	(10,000)	1,580,000	125,000
Series 1996 City-wide Radio System	3.85 - 5.875%	2006	125,000	-	(125,000)	-	-
Series 2004 City-wide Radio Refunding	2.50 - 3.75%	2011	785,000	-	(10,000)	775,000	145,000
Series 2003 HRC Land Acquisition	2.00 - 3.60%	2015	830,000	-	(75,000)	755,000	75,000
Total general obligation bonds			<u>3,440,000</u>	<u>-</u>	<u>(330,000)</u>	<u>3,110,000</u>	<u>345,000</u>
<u>Special Assessment Bonds</u>							
Series 1994 Eagle Street Improvements	6.30%	2009	24,000	-	(6,000)	18,000	6,000
Series 1995 Canterbury Court	5.50%	2010	52,500	-	(10,500)	42,000	10,500
Series 1998 West Yates Improvements	3.65 - 4.50%	2008	60,000	-	(20,000)	40,000	20,000
Series 2001 Rockwell Avenue Improvements	4.70%	2011	87,300	-	(14,550)	72,750	14,550
Series 2002 Hunters Creek Swale	5.25%	2012	30,205	-	(4,315)	25,890	4,315
Series 2003 East Melrose Business Park	8.43%	2013	29,240	-	(3,655)	25,585	3,655
Series 2004 Sidewalk Program	3.38%	2006	21,500	-	(21,500)	-	-
Series 2005 Sidewalk Program	4.00%	2007	129,300	-	(64,650)	64,650	64,650
Total special assessment bonds			<u>434,045</u>	<u>-</u>	<u>(145,170)</u>	<u>288,875</u>	<u>123,670</u>
<u>OPWC Loans</u>							
Crystal/Melrose Intersection	0%	2024	133,200	-	(7,200)	126,000	7,200
Howard Street Improvements	0%	2026	-	149,663	(3,742)	145,921	7,483
Total OPWC loans payable			<u>133,200</u>	<u>149,663</u>	<u>(10,942)</u>	<u>271,921</u>	<u>14,683</u>
<u>Other Long-Term Obligations</u>							
Capital Lease Obligation	7.43%	2006	2,020	-	(2,020)	-	-
Police and Fire Past Service Liability	4.30%	2035	1,251,195	-	(21,924)	1,229,271	22,867
Compensated Absences			3,204,171	1,825,691	(1,773,351)	3,256,511	1,510,428
Total other long-term obligations			<u>4,457,386</u>	<u>1,825,691</u>	<u>(1,797,295)</u>	<u>4,485,782</u>	<u>1,533,295</u>
Total governmental activities							
long-term obligations			<u>\$ 8,464,631</u>	<u>\$ 1,975,354</u>	<u>\$ (2,283,407)</u>	8,156,578	<u>\$ 2,016,648</u>
Add: Unamortized premium on bond issue						89,897	
Less: Unamortized deferred charges on refundings						(159,381)	
Total reported on the Statement of Net Assets						<u>\$ 8,087,094</u>	

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

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 12.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, the callable portion (\$1,525,000) of these bonds was advance refunded. During 2006, \$110,000 in principal payments were made on these bonds retiring them in full. 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 12.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, the callable portion (\$745,000) of these bonds was advance refunded. During 2006, \$125,000 in principal payments was made on these bonds retiring then in full. The principal and interest payments were 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 12.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. During 2006, the city made \$75,000 in principal payments on these bonds leaving a liability of \$755,000 at year-end. 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 12.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 State and Local Government Securities (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 balance of the refunded bonds was \$1,525,000 at December 31, 2006.

The refunding issue is comprised of current interest serial bonds, par value \$1,615,000. During 2006, the City made principal payments of \$10,000 on these bonds leaving a liability at year-end of \$1,580,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 12 - 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.

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 12.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 balance of the refunded bonds was \$745,000 at December 31, 2006.

The refunding issue is comprised of current interest serial bonds, par value \$805,000. During 2006, the City made principal payments of \$10,000 on these bonds leaving a liability at year-end of \$775,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

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.

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 10 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 capital lease obligation was retired in full during 2006.

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance Crystal/Melrose intersection improvements and Howard Street improvements. These loans are interest free and have twenty year terms. The OPWC loans are being retired out of the debt service fund (a nonmajor governmental fund).

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - 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 (OP&F) was determined and became a legal obligation to the State at the date the City became a participant in OP&F. 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 on the governmental fund statements.

Compensated Absences

Compensated absences consist of vacation, holi vac 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 general fund and the Street Construction and Repair fund.

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, 2006:

Year	General Obligation Bonds			Special Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 345,000	\$ 116,535	\$ 461,535	\$ 123,670	\$ 14,687	\$ 138,357
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	395,000	83,149	478,149	33,020	3,857	36,877
2011	405,000	69,311	474,311	22,520	2,062	24,582
2012-2016	<u>1,245,000</u>	<u>164,742</u>	<u>1,409,742</u>	<u>11,625</u>	<u>1,151</u>	<u>12,776</u>
Totals	<u>\$ 3,110,000</u>	<u>\$ 635,324</u>	<u>\$ 3,745,324</u>	<u>\$ 288,875</u>	<u>\$ 36,902</u>	<u>\$ 325,777</u>

Year	OPWC Loans		
	Principal	Interest	Total
2007	\$ 14,683	\$ -	\$ 14,683
2008	14,683	-	14,683
2009	14,683	-	14,683
2010	14,683	-	14,683
2011	14,684	-	14,684
2012 - 2016	73,416	-	73,416
2017 - 2021	73,416	-	73,416
2022 - 2026	<u>51,673</u>	<u>-</u>	<u>51,673</u>
Totals	<u>\$ 271,921</u>	<u>\$ -</u>	<u>\$ 271,921</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Business-type activities**

During fiscal 2006, the following changes occurred in the City's business-type activities long-term obligations:

<i>Business-Type Activities:</i>	Interest <u>Rate</u>	Maturity <u>Date</u>	Balance <u>12/31/05</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/06</u>	Due in <u>One Year</u>
<u>General Obligation Bonds:</u>							
Series 2003 Water Refunding	2.25 - 3.375%	2009	\$ 4,790,000	\$ -	\$ (1,160,000)	\$ 3,630,000	\$ 1,185,000
Series 2003 Sewer Refunding	2.00 - 5.00%	2011	3,885,000	-	(610,000)	3,275,000	625,000
Series 2003 Water Refunding	2.00 - 4.00%	2018	3,380,000	-	(220,000)	3,160,000	220,000
Series 1996 Northern Corridor Sewer	3.85 - 5.875%	2006	395,000	-	(395,000)	-	-
Series 2004 Northern Corridor Sewer Refunding	2.50 - 5.25%	2017	6,385,000	-	(15,000)	6,370,000	430,000
Series 1996 Aircraft Fueling System	3.85 - 5.875%	2006	35,000	-	(35,000)	-	-
Series 2004 Aircraft Fueling System Refunding	2.50 - 3.75%	2017	265,000	-	(5,000)	260,000	40,000
Series 1996 Water Pump Station	3.85 - 5.875%	2006	95,000	-	(95,000)	-	-
Series 2004 Water Pump Station Refunding	2.50 - 5.25%	2016	1,365,000	-	(5,000)	1,360,000	110,000
Series 1998 Water Improvement	3.65 - 4.90%	2018	<u>2,645,000</u>	-	<u>(155,000)</u>	<u>2,490,000</u>	<u>160,000</u>
Total general obligation bonds			<u>23,240,000</u>	-	<u>(2,695,000)</u>	<u>20,545,000</u>	<u>2,770,000</u>
<u>OWDA Loans:</u>							
Bright Road Interceptor and Sewer Separation	1.73%	2023	3,212,648	-	(158,661)	3,053,987	161,417
Sewer System Improvements	4.36%	2021	28,005,082	-	(1,241,876)	26,763,206	1,296,611
Sewer Treatment Plant Improvements	4.80%	2011	775,764	-	(114,461)	661,303	120,021
Water Plant Improvements	3.25%		<u>388,331</u>	<u>3,486,678</u>	<u>-</u>	<u>3,875,009</u>	<u>-</u>
Total OWDA loans			<u>32,381,825</u>	<u>3,486,678</u>	<u>(1,514,998)</u>	<u>34,353,505</u>	<u>1,578,049</u>
<u>Other long-term obligations:</u>							
OPWC loans	0%	2019-2025	625,289	-	(36,416)	588,873	36,416
Compensated absences			<u>901,946</u>	<u>297,847</u>	<u>(475,844)</u>	<u>723,949</u>	<u>418,622</u>
Total other long-term obligations			<u>1,527,235</u>	<u>297,847</u>	<u>(512,260)</u>	<u>1,312,822</u>	<u>455,038</u>
Total business-type activities long-term obligations			<u>\$ 57,149,060</u>	<u>\$ 3,784,525</u>	<u>\$ (4,722,258)</u>	56,211,327	<u>\$ 4,803,087</u>
Add: Unamortized premium on bonds						514,810	
Less: Unamortized deferred charges on refundings						<u>(1,172,387)</u>	
Total reported on Statement of Net Assets						<u>\$ 55,553,750</u>	

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - 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 12.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 State and Local Government Securities (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 was 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 balance of the refunded bonds was \$6,085,000 at December 31, 2006; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$6,480,000. During 2006, the City made principal payments of \$15,000 on these bonds leaving a liability at year-end of \$6,370,000. Principal and interest payments are made from the Water Pollution Control fund.

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.

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 12.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 was 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 balance of the refunded bonds was \$250,000 at December 31, 2006; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$270,000. During 2006, the City made principal payments of \$5,000 on these bonds leaving a liability at year-end of \$260,000. Principal and interest payments are made from the Airport fund.

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.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - 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 12.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 was 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 balance of the refunded bonds was \$1,310,000 at December 31, 2006; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$1,390,000. During 2006 the City made principal payments of \$5,000 on these bonds leaving a liability at year-end of \$1,360,000. Principal and interest payments are being made from the Water fund.

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.

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 balance of the refunded bonds was \$4,610,000 at December 31, 2006; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$7,045,000. During 2006, the City made principal payments of \$1,160,000 on these bonds leaving a liability at year-end of \$3,630,000. Principal and interest payments are made from the Water fund.

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.

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 12.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 balance of the refunded bonds was \$3,320,000 at December 31, 2006; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$5,070,000. During 2006, the City made principal payments of \$610,000 on these bonds leaving a liability at year-end of \$3,275,000. Principal and interest payments are made from the Water Pollution Control fund.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - 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.

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 12.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 balance of the refunded bonds was \$3,165,000 at December 31, 2006; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$3,785,000. During 2006, the City made principal payments of \$220,000 on these bonds leaving a liability at year-end of \$3,160,000. Principal and interest payments are made from the Water fund.

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.

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 12.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, the callable portion (\$6,085,000) of these bonds was advance refunded. During 2006, \$395,000 in principal payments was made on these bonds retiring them in full. The principal and interest payments were made from the Water Pollution Control 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 12.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, the callable portion (\$250,000) of these bonds was advance refunded. During 2006, \$35,000 in principal payments was made on these bonds retiring them in full. The principal and interest payments were made from the Airport fund.

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 12.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, the callable portion (\$1,310,000) of these bonds was advance refunded. During 2006, \$95,000 in principal payments was made on these bonds retiring them in full. The principal and interest payments were made from the Water fund.

## CITY OF FINDLAY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

#### NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)

##### 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%. During 2006, the City made principal payments of \$155,000 on these bonds leaving a liability at year-end of \$2,490,000. The principal and interest payments are made from the Water fund.

##### 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. In addition, the City has also borrowed funds through the OWDA (not part of the WPCLFA) to finance water treatment plant improvements.

On July 1, 1993, the City entered into a financing agreement with OWDA under the WPCLFA to borrow \$1,829,711 for sewer treatment plant improvements. This loan bears interest at 4.80% with principal and interest payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 18.5 years. Principal and interest payments are made from the Water Pollution Control fund.

On October 28, 1999, the City entered into a financing agreement with OWDA under the WPCLFA to borrow \$32,470,000 for sewer system improvements. The loan bears interest at 4.36% with principal and interest payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 20 years. Principal and interest payments are made from the Water Pollution Control fund.

On August 30, 2001, the City entered into an additional financing agreement with OWDA under the WPCLFA to borrow \$3,597,546 for Bright Road interceptor and sewer separation. The loan bears interest at 1.73%, with principal and interest payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 20 years. Principal and interest payments are made from the Water Pollution Control fund.

On December 8, 2005, the City entered into a financing agreement with OWDA to borrow up to \$4,103,069 for water treatment plant improvements. The loan bears interest at 3.25% with principal and interest payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 20 years. A total of \$3,875,009 has been borrowed under this agreement as of December 31, 2006. Since this loan is currently open as of year-end (final disbursements have not been made by OWDA) a final amortization schedule is not presented below; however, the City is required to make principal and interest payments on the amounts actually borrowed. Principal and interest payments are made from the Water fund.

##### 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, holi vac 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 Water fund, Water Pollution Control fund, Airport fund and the Parking fund (a nonmajor enterprise fund).

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 12 - 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, 2006:

<u>Year</u>	<u>General Obligation Bonds</u>			<u>OWDA Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 2,770,000	\$ 786,183	\$ 3,556,183	\$ 1,578,049	\$ 1,235,353	\$ 2,813,402
2008	2,840,000	707,796	3,547,796	1,643,832	1,169,571	2,813,403
2009	2,905,000	623,527	3,528,527	1,712,466	1,100,937	2,813,403
2010	1,800,000	518,958	2,318,958	1,784,077	1,029,325	2,813,402
2011	1,880,000	446,985	2,326,985	1,858,792	954,611	2,813,403
2012 - 2016	6,470,000	1,305,445	7,775,445	9,695,144	3,620,171	13,315,315
2017 - 2021	1,880,000	105,200	1,985,200	11,891,265	1,424,050	13,315,315
2022 - 2023	-	-	-	314,871	5,463	320,334
Totals	<u>\$ 20,545,000</u>	<u>\$ 4,494,094</u>	<u>\$ 25,039,094</u>	<u>\$ 30,478,496</u>	<u>\$ 10,539,481</u>	<u>\$ 41,017,977</u>

	<u>OPWC Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 36,416	\$ -	\$ 36,416
2008	36,416	-	36,416
2009	36,416	-	36,416
2010	36,416	-	36,416
2011	36,416	-	36,416
2012 - 2016	182,079	-	182,079
2017 - 2021	166,229	-	166,229
2022 - 2025	58,485	-	58,485
	<u>\$ 588,873</u>	<u>\$ -</u>	<u>\$ 588,873</u>

**NOTE 13 - INTERFUND ASSETS/LIABILITIES**

**A. Due To/From Other Funds**

Individual fund interfund asset and liability balances, as reported on the fund financial statements at December 31, 2006, were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
Water Pollution Control	Water	\$ 408,738

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, 2006

**NOTE 13 - INTERFUND ASSETS/LIABILITIES – (Continued)**

**B. Interfund Loans Receivable/Payable**

Interfund loans receivable/payable consisted of the following at December 31, 2006, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 4,726

The interfund receivable in the general fund represents the balance of an interfund loan made to the Capital Projects fund (a nonmajor governmental fund). The interfund loan balance represents the fiscal year-end balance of special assessment bonds (manuscript bonds) that were issued during fiscal year 2006. These manuscript bonds were purchased from the general fund. This amount is eliminated for reporting on the government-wide financial statements.

**NOTE 14 - RISK MANAGEMENT**

During July, 1987 the City established a Self-Insurance 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 this insurance coverage in any of the past three years. The City is fully insured through premium-based insurance policies for all other types of insurance including building and contents, fleet, worker's compensation, public officials' liability, etc. There has been no significant reduction in coverage from the prior year.

The City's policy for reporting a claims liability is based on the requirements GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. It is the opinion of the City's legal counsel that, as of December 31, 2006, there were no material outstanding claims pending for the Self-Insurance fund. Claims activity for 2006 and 2005 are as follows:

	<u>2006</u>	<u>2005</u>
Claims payable, beginning of the year	\$ -	\$ -
Current year claims and changes in estimates	809	2,225
Claim payments	<u>(809)</u>	<u>(2,225)</u>
Claims payable, end of year	<u>\$ -</u>	<u>\$ -</u>

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 15 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement under the traditional plan, were required to contribute 9.0% of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1% of their annual covered salary. The City's contribution rate for pension benefits for 2006 was 9.20%, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 12.43% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's total contributions to OPERS for the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$1,363,352, \$1,336,521, and \$1,316,553, 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**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. 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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10% of their annual covered salary to OP&F while the City is required to contribute 19.5% for police officers and 24% for firefighters. The portion of the City's total contribution that is used to fund pension obligations is 11.75% for police officers and 16.25% for firefighters. Contributions are authorized by State statute. The City's total contributions to OP&F for the years ended December 31, 2006, 2005 and 2004, were \$1,650,820, \$1,646,196, \$1,541,943, respectively, equal to the required contributions for each year.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit 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 the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.70% of covered payroll (16.93% for public safety and law enforcement); 4.50% of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus an additional factor ranging from .50% to 6.00% for the next nine years. In subsequent years, (10 and beyond) health care costs were assumed to increase at 4.00%.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

The number of active contributing participants in the traditional and combined plans was 369,214 as of December 31, 2006. The City's actual employer contributions for 2006 which were used to fund postemployment benefits were \$447,816. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$11.1 billion. At December 31, 2005 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional fund to be allocated to the health care plan.

**CITY OF FINDLAY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006

**NOTE 16 - POSTRETIREMENT BENEFIT PLANS – (Continued)**

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

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor 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 the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2005 and 2006. 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 City's actual contributions for 2006 that were used to fund postemployment benefits were \$295,560 for police and \$299,092 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005 (the latest information available) was \$108.039 million, which was net of member contributions of \$55.272 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005 (the latest information available), was 13,922 for police and 10,537 for firefighters.

**NOTE 17 - 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 are 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, 2006.

**B. Contracts**

As of December 31, 2006, the City had approximately \$5,120,484 open on outstanding purchase orders and contracts. Of this amount, \$4,523,100 related to ongoing capital projects and the remaining amount of \$597,384 was for various departmental purchase orders outstanding at year-end.

The City had no material operating lease commitments at December 31, 2006.

**CITY OF FINDLAY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 17 – 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.

**NOTE 18 – SIGNIFICANT SUBSEQUENT EVENTS**

On February 28, 2007, the City issued a \$6,025,000 various purpose bond anticipation note to finance improvements to County Road 236 and to construct and improve athletic fields and a perimeter walkway for the Hancock Recreation Center Five Plex Sports Complex. This note bears an interest rate of 4.25% and matures on November 28, 2007.

On March 21, 2007, the City issued a \$4,505,000 various purpose bond anticipation note to retire a portion of the \$4,950,000 various purpose bond anticipation note that was issued on November 11, 2006 (see Note 8). The difference between the note amounts (\$445,000) represents the amount of the old note that was not refinanced but paid off by the City. Private donations in the amount of \$60,000 for the Hancock County Five Plex Complex and \$385,000 from the general fund (to pay off the portion of the note related to the purchase of the Manley property) were used to repay a portion of the previous bond anticipation note. This new note bears an interest rate of 4.00% and matures on November 28, 2007.

**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

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**CITY OF FINDLAY, OHIO**

COMPARATIVE BALANCE SHEET  
GENERAL FUND

DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents. . . . .	\$ 12,605,578	\$ 9,762,570
Cash in segregated accounts. . . . .	10,269	7,269
Cash with escrow agent. . . . .	23,180	-
Receivables (net of allowances of uncollectibles). . . . .	2,977,568	2,648,258
Interfund loan receivable . . . . .	4,729	-
Due from other governments . . . . .	1,419,338	1,107,788
Prepayments . . . . .	70,046	103,736
Total assets. . . . .	<u>\$ 17,110,708</u>	<u>\$ 13,629,621</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 1,140,129	\$ 1,060,954
Accrued wages and benefits . . . . .	455,474	457,399
Retainage payable . . . . .	23,180	-
Due to other governments . . . . .	6,023	9,565
Deposits held and due to others . . . . .	956,622	672,601
Deferred revenue . . . . .	3,386,995	3,183,516
Notes payable . . . . .	4,270,000	-
Total liabilities . . . . .	<u>10,238,423</u>	<u>5,384,035</u>
<b>Fund balance:</b>		
Reserved for encumbrances . . . . .	2,285,385	739,852
Reserved for prepayments . . . . .	70,046	103,736
Unreserved, undesignated . . . . .	4,516,854	7,401,998
Total fund balance. . . . .	<u>6,872,285</u>	<u>8,245,586</u>
Total liabilities and fund balance . . . . .	<u>\$ 17,110,708</u>	<u>\$ 13,629,621</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE BALANCE SHEET  
STREET MAINTENANCE AND REPAIR FUND**

DECEMBER 31, 2006 AND 2005

	<b>2006</b>	<b>2005</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 1,937,480	\$ 949,199
Cash with escrow agent . . . . .	72,760	79,398
Receivables (net of allowances of uncollectibles) . . . . .	13,880	3,249
Due from other governments . . . . .	513,189	508,139
Prepayments . . . . .	12,965	19,156
Materials and supplies inventory . . . . .	245,927	179,883
Total assets. . . . .	\$ 2,796,201	\$ 1,739,024
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 197,664	\$ 216,310
Retainage payable . . . . .	72,760	79,398
Accrued wages and benefits . . . . .	50,195	49,897
Deposits held and due to others . . . . .	124,728	89,927
Deferred revenue . . . . .	383,726	326,430
Notes payable . . . . .	680,000	-
Total liabilities . . . . .	1,509,073	761,962
<b>Fund balance:</b>		
Reserved for encumbrances . . . . .	822,494	243,038
Reserved for prepayments . . . . .	12,965	19,156
Reserved for materials and supplies inventory. . . . .	245,927	179,883
Unreserved, undesignated . . . . .	205,742	534,985
Total fund balance. . . . .	1,287,128	977,062
Total liabilities and fund balance . . . . .	\$ 2,796,201	\$ 1,739,024

**CITY OF FINDLAY, OHIO**

COMPARATIVE BALANCE SHEET  
CITY INCOME TAX ADMINISTRATION FUND

DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 368,232	\$ 554,985
Receivables (net of allowances of uncollectibles) . . . . .	2,727,867	2,304,782
Prepayments . . . . .	1,159	1,674
Restricted assets:		
Equity in pooled cash and cash equivalents . . . . .	<u>1,240,130</u>	<u>1,034,116</u>
Total assets . . . . .	<u>\$ 4,337,388</u>	<u>\$ 3,895,557</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 21,503	\$ 9,183
Accrued wages and benefits . . . . .	6,612	6,317
Deposits held and due to others . . . . .	17,623	12,298
Deferred revenue . . . . .	<u>1,228,860</u>	<u>808,845</u>
Total liabilities . . . . .	<u>1,274,598</u>	<u>836,643</u>
<b>Fund balance:</b>		
Reserved for encumbrances . . . . .	31,872	16,360
Reserved for prepayments . . . . .	1,159	1,674
Reserved for capital improvements . . . . .	1,240,130	1,034,116
Unreserved, undesignated . . . . .	<u>1,789,629</u>	<u>2,006,764</u>
Total fund balance . . . . .	<u>3,062,790</u>	<u>3,058,914</u>
Total liabilities and fund balance . . . . .	<u>\$ 4,337,388</u>	<u>\$ 3,895,557</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 2,456,174	\$ 2,456,174	\$ 2,575,307	\$ 119,133	\$ 2,619,131
Charges for services . . . . .	1,593,300	1,593,300	1,217,693	(375,607)	992,685
Licenses and permits. . . . .	378,500	378,500	326,340	(52,160)	367,854
Fines and forfeitures. . . . .	651,500	651,500	1,170,267	518,767	1,213,004
Intergovernmental . . . . .	3,414,975	3,414,975	3,756,671	341,696	3,520,988
Investment income . . . . .	630,000	630,000	866,093	236,093	483,745
Reimbursements. . . . .	743,200	743,200	835,261	92,061	834,736
Other . . . . .	110,700	110,700	216,480	105,780	177,852
Total revenues . . . . .	<u>9,978,349</u>	<u>9,978,349</u>	<u>10,964,112</u>	<u>985,763</u>	<u>10,209,995</u>
<b>Expenditures:</b>					
General government					
Council . . . . .	218,910	218,910	205,571	13,339	213,061
Mayors office . . . . .	216,050	216,250	174,334	41,916	191,617
Auditor/treasurer . . . . .	473,800	473,800	465,135	8,665	446,392
Law director . . . . .	492,228	497,728	493,971	3,757	475,346
Municipal court. . . . .	1,276,552	1,276,551	1,138,975	137,576	1,174,128
Civil service. . . . .	77,130	77,130	53,403	23,727	53,842
Computer services . . . . .	369,526	400,961	354,576	46,385	337,933
Service and safety directors. . . . .	336,015	320,664	278,415	42,249	392,550
Engineering department . . . . .	906,505	918,505	876,163	42,342	886,849
General miscellaneous operations . . . . .	760,275	832,665	803,191	29,474	742,269
Public building department. . . . .	403,372	403,373	345,564	57,809	360,888
Total general government . . . . .	<u>5,530,363</u>	<u>5,636,537</u>	<u>5,189,298</u>	<u>447,239</u>	<u>5,274,875</u>
Security of persons and property					
Police department. . . . .	7,430,759	7,511,673	7,027,654	484,019	6,889,420
Disaster services . . . . .	28,168	28,168	24,789	3,379	25,915
Fire department. . . . .	5,910,578	6,413,454	6,164,532	248,922	5,776,603
Dispatch . . . . .	756,145	778,160	712,888	65,272	698,443
Total security of persons and property . . . . .	<u>14,125,650</u>	<u>14,731,455</u>	<u>13,929,863</u>	<u>801,592</u>	<u>13,390,381</u>
Public health and welfare					
Planning and zoning . . . . .	115,462	115,462	115,211	251	100,241
Public health department . . . . .	978,596	978,596	960,405	18,191	905,362
Building and zoning department . . . . .	76,972	76,972	74,620	2,352	111,554
Neighborhood Enhancement and Abatement Team (NEAT) . . . . .	115,658	115,659	79,954	35,705	110,130
Cemetery department . . . . .	261,034	261,034	237,271	23,763	234,671
Total public health and welfare. . . . .	<u>1,547,722</u>	<u>1,547,723</u>	<u>1,467,461</u>	<u>80,262</u>	<u>1,461,958</u>

-- Continued

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Leisure time activities					
Park maintenance . . . . .	881,945	856,911	692,779	164,132	605,198
Reservoir recreation . . . . .	14,335	14,335	3,215	11,120	3,132
Hancock Recreation Center . . . . .	407,766	351,766	280,606	71,160	319,912
Recreation department . . . . .	257,094	313,093	291,136	21,957	278,731
Shade tree program. . . . .	-	-	-	-	98,160
<b>Total leisure time activities . . . . .</b>	<b>1,561,140</b>	<b>1,536,105</b>	<b>1,267,736</b>	<b>268,369</b>	<b>1,305,133</b>
Capital outlay					
Security of persons and property. . . . .	-	717,355	717,355	-	68,285
Public health and welfare . . . . .	-	586,853	586,853	-	898,227
Leisure time activities . . . . .	-	2,365,350	2,365,350	-	216,674
General government . . . . .	-	1,633,165	1,633,165	-	70,011
<b>Total capital outlay . . . . .</b>	<b>-</b>	<b>5,302,723</b>	<b>5,302,723</b>	<b>-</b>	<b>1,253,197</b>
<b>Total expenditures . . . . .</b>	<b>22,764,875</b>	<b>28,754,543</b>	<b>27,157,081</b>	<b>1,597,462</b>	<b>22,685,544</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(12,786,526)</u>	<u>(18,776,194)</u>	<u>(16,192,969)</u>	<u>2,583,225</u>	<u>(12,475,549)</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets . . . . .	-	-	-	-	500
Premium on notes sold. . . . .	2,111	-	36,177	36,177	-
Transfers in . . . . .	16,570,269	16,830,269	16,083,361	(746,908)	15,814,311
Transfers out . . . . .	<u>(1,145,417)</u>	<u>(1,794,565)</u>	<u>(1,266,180)</u>	<u>528,385</u>	<u>(1,326,521)</u>
<b>Total other financing sources (uses). . . . .</b>	<b>15,426,963</b>	<b>15,035,704</b>	<b>14,853,358</b>	<b>(182,346)</b>	<b>14,488,290</b>
<b>Net change in fund balance . . . . .</b>	<b>2,640,437</b>	<b>(3,740,490)</b>	<b>(1,339,611)</b>	<b>2,400,879</b>	<b>2,012,741</b>
<b>Fund balance at beginning of year . . . . .</b>	<b>8,245,586</b>	<b>8,245,586</b>	<b>8,245,586</b>	<b>-</b>	<b>6,224,721</b>
<b>Increase (decrease) in reserve for prepaids. . . . .</b>	<b>(33,690)</b>	<b>(33,690)</b>	<b>(33,690)</b>	<b>-</b>	<b>8,124</b>
<b>Fund balance at end of year. . . . .</b>	<b><u>\$ 10,852,333</u></b>	<b><u>\$ 4,471,406</u></b>	<b><u>\$ 6,872,285</u></b>	<b><u>\$ 2,400,879</u></b>	<b><u>\$ 8,245,586</u></b>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Charges for services . . . . .	\$ 10,000	\$ 10,000	\$ 10,454	\$ 454	\$ 17,202
Intergovernmental . . . . .	3,696,000	3,530,000	2,860,102	(669,898)	2,092,402
Investment income . . . . .	-	-	5,867	5,867	-
Other . . . . .	123,285	123,285	132,509	9,224	87,135
<b>Total revenues . . . . .</b>	<b>3,829,285</b>	<b>3,663,285</b>	<b>3,008,932</b>	<b>(654,353)</b>	<b>2,196,739</b>
<b>Expenditures:</b>					
Security of persons and property					
Traffic signs . . . . .	50	50	66	(16)	283,464
<b>Total security of persons and property . . . . .</b>	<b>50</b>	<b>50</b>	<b>66</b>	<b>(16)</b>	<b>283,464</b>
Transportation					
Street department . . . . .	2,279,851	2,294,723	1,941,842	352,881	1,773,637
Traffic signals . . . . .	522,013	519,513	450,696	68,817	490,738
<b>Total transportation . . . . .</b>	<b>2,801,864</b>	<b>2,814,236</b>	<b>2,392,538</b>	<b>421,698</b>	<b>2,264,375</b>
Capital outlay					
Street improvements . . . . .	-	3,431,186	3,431,186	-	2,370,212
Traffic signals . . . . .	-	585,752	585,752	-	68,272
Storm sewers . . . . .	-	72,665	72,665	-	-
<b>Total capital outlay . . . . .</b>	<b>-</b>	<b>4,089,603</b>	<b>4,089,603</b>	<b>-</b>	<b>2,512,924</b>
<b>Total expenditures . . . . .</b>	<b>2,801,914</b>	<b>6,903,889</b>	<b>6,482,207</b>	<b>421,682</b>	<b>5,060,763</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	1,027,371	(3,240,604)	(3,473,275)	(232,671)	(2,864,024)
<b>Other financing sources (uses):</b>					
Premium and accrued interest on notes sold . . . . .	3,889	-	3,080	3,080	-
Issuance of OPWC loans . . . . .	-	-	149,663	149,663	-
Transfers in . . . . .	4,111,220	5,555,767	3,755,365	(1,800,402)	2,202,895
Transfers out . . . . .	(265,097)	(586,491)	(184,620)	401,871	(157,733)
<b>Total other financing sources (uses) . . . . .</b>	<b>3,850,012</b>	<b>4,969,276</b>	<b>3,723,488</b>	<b>(1,245,788)</b>	<b>2,045,162</b>
<b>Net change in fund balance . . . . .</b>	<b>4,877,383</b>	<b>1,728,672</b>	<b>250,213</b>	<b>(1,478,459)</b>	<b>(818,862)</b>
<b>Fund balance at beginning of year . . . . .</b>	<b>977,062</b>	<b>977,062</b>	<b>977,062</b>	<b>-</b>	<b>1,794,258</b>
<b>Increase (decrease) in reserve for inventory . . . . .</b>	<b>66,044</b>	<b>66,044</b>	<b>66,044</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in reserve for prepaids . . . . .</b>	<b>(6,191)</b>	<b>(6,191)</b>	<b>(6,191)</b>	<b>-</b>	<b>1,666</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 5,914,298</b>	<b>\$ 2,765,587</b>	<b>\$ 1,287,128</b>	<b>\$ (1,478,459)</b>	<b>\$ 977,062</b>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Municipal income taxes . . . . .	\$ 17,000,000	\$ 17,000,000	\$ 18,546,064	\$ 1,546,064	\$ 17,323,028
Charges for services . . . . .	-	-	11,624	11,624	16,025
Other . . . . .	-	-	586	586	229
Total revenues . . . . .	<u>17,000,000</u>	<u>17,000,000</u>	<u>18,558,274</u>	<u>1,558,274</u>	<u>17,339,282</u>
<b>Expenditures:</b>					
General government . . . . .	824,913	875,413	821,908	53,505	688,331
Debt service					
Principal retirement . . . . .	2,020	2,020	2,020	-	2,266
Interest and fiscal charges . . . . .	70	70	70	-	242
Total expenditures . . . . .	<u>827,003</u>	<u>877,503</u>	<u>823,998</u>	<u>53,505</u>	<u>690,839</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>16,172,997</u>	<u>16,122,497</u>	<u>17,734,276</u>	<u>1,611,779</u>	<u>16,648,443</u>
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	494,379	494,379	225,326
Transfers out . . . . .	<u>(12,645,000)</u>	<u>(18,224,265)</u>	<u>(18,224,264)</u>	<u>1</u>	<u>(16,921,226)</u>
Total other financing sources (uses) . . . . .	<u>(12,645,000)</u>	<u>(18,224,265)</u>	<u>(17,729,885)</u>	<u>494,380</u>	<u>(16,695,900)</u>
Net change in fund balance . . . . .	3,527,997	(2,101,768)	4,391	2,106,159	(47,457)
<b>Fund balance at beginning of year . . . . .</b>	3,058,914	3,058,914	3,058,914	-	3,105,798
<b>Increase (decrease) in reserve for prepaids . . . .</b>	<u>(515)</u>	<u>(515)</u>	<u>(515)</u>	<u>-</u>	<u>573</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 6,586,396</u>	<u>\$ 956,631</u>	<u>\$ 3,062,790</u>	<u>\$ 2,106,159</u>	<u>\$ 3,058,914</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 Motor Vehicle License (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 monies received for specific court costs that are designated for funding the acquisition and maintenance of computerized equipment or software for courts.

***Legal Research:***

To account for monies received for specific court costs that are designated 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. During 2006, the monies in this fund were transferred and used to pay for renovations at the Hancock Recreation Center. This fund had a zero balance at December 31, 2006 and will be closed in 2007.

### Nonmajor Debt Service Funds

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

#### ***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 transferred out to the general fund to help defray the cost of the Cemetery Department.

**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2006

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents. . . . .	\$ 617,140	\$ 43,124	\$ 820,776	\$ 1,040,735	\$ 2,521,775
Cash in segregated accounts. . . . .	125,759	-	-	-	125,759
Cash with fiduciary agent . . . . .	482,331	-	-	-	482,331
Cash with escrow agent. . . . .	-	34,411	-	-	34,411
Receivables (net of allowances of uncollectibles). . . . .	1,428,700	342,805	-	6,856	1,778,361
Due from other governments . . . . .	62,209	-	-	-	62,209
<b>Total assets . . . . .</b>	<b>\$ 2,716,139</b>	<b>\$ 420,340</b>	<b>\$ 820,776</b>	<b>\$ 1,047,591</b>	<b>\$ 5,004,846</b>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 11,221	\$ -	\$ -	\$ -	\$ 11,221
Interfund payable . . . . .	-	-	4,729	-	4,729
Matured bonds payable . . . . .	-	34,411	-	-	34,411
Deferred revenue . . . . .	608,246	186,759	-	-	795,005
<b>Total liabilities . . . . .</b>	<b>619,467</b>	<b>221,170</b>	<b>4,729</b>	<b>-</b>	<b>845,366</b>
<b>Fund balance:</b>					
Reserved for encumbrances. . . . .	-	-	500	-	500
Reserved for loans receivable. . . . .	870,806	-	-	-	870,806
Reserved for debt service. . . . .	-	199,170	-	-	199,170
Reserved for perpetual care. . . . .	-	-	-	1,040,735	1,040,735
Unreserved, undesignated, reported in:					
Special revenue funds . . . . .	1,225,866	-	-	-	1,225,866
Permanent funds. . . . .	-	-	-	6,856	6,856
Capital projects funds . . . . .	-	-	815,547	-	815,547
<b>Total fund balance. . . . .</b>	<b>2,096,672</b>	<b>199,170</b>	<b>816,047</b>	<b>1,047,591</b>	<b>4,159,480</b>
<b>Total liabilities and fund balance . . . . .</b>	<b>\$ 2,716,139</b>	<b>\$ 420,340</b>	<b>\$ 820,776</b>	<b>\$ 1,047,591</b>	<b>\$ 5,004,846</b>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 513,836	\$ -	\$ -	\$ -	\$ 513,836
Charges for services . . . . .	-	-	-	68,950	68,950
Fines and forfeitures . . . . .	93,287	-	48,512	-	141,799
Intergovernmental . . . . .	584,780	-	-	-	584,780
Special assessments . . . . .	-	170,580	-	-	170,580
Investment income . . . . .	28,125	-	-	49,799	77,924
Total revenues . . . . .	<u>1,220,028</u>	<u>170,580</u>	<u>48,512</u>	<u>118,749</u>	<u>1,557,869</u>
<b>Expenditures:</b>					
Current:					
General government . . . . .	32,779	-	-	-	32,779
Security of persons and property. . . . .	14,975	-	-	-	14,975
Transportation . . . . .	21,471	-	-	-	21,471
Capital outlay . . . . .	-	-	7,222	-	7,222
Debt service:					
Principal retirement . . . . .	-	486,112	-	-	486,112
Interest and fiscal charges. . . . .	-	243,805	-	-	243,805
Total expenditures. . . . .	<u>69,225</u>	<u>729,917</u>	<u>7,222</u>	<u>-</u>	<u>806,364</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>1,150,803</u>	<u>(559,337)</u>	<u>41,290</u>	<u>118,749</u>	<u>751,505</u>
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	439	564,883	7,222	-	572,544
Transfers out . . . . .	<u>(1,225,291)</u>	<u>-</u>	<u>(337)</u>	<u>(45,782)</u>	<u>(1,271,410)</u>
Total other financing sources (uses) . . . . .	<u>(1,224,852)</u>	<u>564,883</u>	<u>6,885</u>	<u>(45,782)</u>	<u>(698,866)</u>
Net change in fund balances . . . . .	(74,049)	5,546	48,175	72,967	52,639
<b>Fund balances at beginning of year . . . . .</b>	<u>2,170,721</u>	<u>193,624</u>	<u>767,872</u>	<u>974,624</u>	<u>4,106,841</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 2,096,672</u>	<u>\$ 199,170</u>	<u>\$ 816,047</u>	<u>\$ 1,047,591</u>	<u>\$ 4,159,480</u>

**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2006  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005)

	<u>State Highway</u>	<u>County Permissive MVL Tax</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 226,608	\$ -	\$ 16,307	\$ 2,561
Cash in segregated accounts . . . . .	-	-	-	-
Cash with fiduciary agent. . . . .	-	482,331	-	-
Receivables (net of allowances of uncollectibles) . . . . .	-	-	-	-
Due from other governments. . . . .	41,845	-	-	-
Total assets . . . . .	<u>\$ 268,453</u>	<u>\$ 482,331</u>	<u>\$ 16,307</u>	<u>\$ 2,561</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 1,041	\$ -	\$ -	\$ -
Deferred revenue . . . . .	29,988	-	-	-
Total liabilities. . . . .	<u>31,029</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance:</b>				
Reserved for loans receivable . . . . .	-	-	-	-
Unreserved, undesignated . . . . .	237,424	482,331	16,307	2,561
Total fund balance . . . . .	<u>237,424</u>	<u>482,331</u>	<u>16,307</u>	<u>2,561</u>
<b>Total liabilities and fund balance . . . . .</b>	<u><b>\$ 268,453</b></u>	<u><b>\$ 482,331</b></u>	<u><b>\$ 16,307</b></u>	<u><b>\$ 2,561</b></u>

<b>Indigent Drivers Alcohol Treatment</b>	<b>METRICH Drug Law Enforcement Trust</b>	<b>Enforcement and Education</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Revolving Loan</b>	<b>Court Computerization</b>
\$ 114,176	\$ 2,863	\$ 56,510	\$ -	\$ -	\$ -	\$ 36,180
-	-	-	-	-	125,759	-
-	-	-	-	-	-	-
-	-	-	278,947	278,947	870,806	-
-	-	-	10,182	10,182	-	-
<u>\$ 114,176</u>	<u>\$ 2,863</u>	<u>\$ 56,510</u>	<u>\$ 289,129</u>	<u>\$ 289,129</u>	<u>\$ 996,565</u>	<u>\$ 36,180</u>
\$ 180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
-	-	-	289,129	289,129	-	-
<u>180</u>	<u>-</u>	<u>-</u>	<u>289,129</u>	<u>289,129</u>	<u>-</u>	<u>10,000</u>
-	-	-	-	-	870,806	-
113,996	2,863	56,510	-	-	125,759	26,180
<u>113,996</u>	<u>2,863</u>	<u>56,510</u>	<u>-</u>	<u>-</u>	<u>996,565</u>	<u>26,180</u>
<u>\$ 114,176</u>	<u>\$ 2,863</u>	<u>\$ 56,510</u>	<u>\$ 289,129</u>	<u>\$ 289,129</u>	<u>\$ 996,565</u>	<u>\$ 36,180</u>

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**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2006  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005)

	<b>Legal Research</b>	<b>Mediation Services</b>	<b>Totals</b>	
			<b>2006</b>	<b>2005</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 87,380	\$ 74,555	\$ 617,140	\$ 740,460
Cash in segregated accounts . . . . .	-	-	125,759	172,225
Cash with fiduciary agent. . . . .	-	-	482,331	645,239
Receivables (net of allowances of uncollectibles) . .	-	-	1,428,700	1,145,601
Due from other governments. . . . .	-	-	62,209	58,286
Total assets . . . . .	<u>\$ 87,380</u>	<u>\$ 74,555</u>	<u>\$ 2,716,139</u>	<u>\$ 2,761,811</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ -	\$ 11,221	\$ 1,374
Deferred revenue . . . . .	-	-	608,246	589,716
Total liabilities. . . . .	<u>-</u>	<u>-</u>	<u>619,467</u>	<u>591,090</u>
<b>Fund balance:</b>				
Reserved for loans receivable . . . . .	-	-	870,806	602,313
Unreserved, undesignated . . . . .	87,380	74,555	1,225,866	1,568,408
Total fund balance . . . . .	<u>87,380</u>	<u>74,555</u>	<u>2,096,672</u>	<u>2,170,721</u>
Total liabilities and fund balance . . . . .	<u>\$ 87,380</u>	<u>\$ 74,555</u>	<u>\$ 2,716,139</u>	<u>\$ 2,761,811</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, 2006  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>State Highway</u>	<u>County Permissive MVL Tax</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
<b>Revenues:</b>				
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures . . . . .	-	-	8,724	-
Intergovernmental . . . . .	148,665	191,553	-	-
Investment income . . . . .	-	-	-	-
Total revenues . . . . .	<u>148,665</u>	<u>191,553</u>	<u>8,724</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government . . . . .	-	-	-	-
Security of persons and property . . . . .	-	-	5,009	532
Transportation . . . . .	<u>21,471</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures . . . . .	<u>21,471</u>	<u>-</u>	<u>5,009</u>	<u>532</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>127,194</u>	<u>191,553</u>	<u>3,715</u>	<u>(532)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	439	-	-
Transfers out . . . . .	<u>(172,610)</u>	<u>(391,500)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) . . . . .	<u>(172,610)</u>	<u>(391,061)</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	(45,416)	(199,508)	3,715	(532)
<b>Fund balances, January 1 . . . . .</b>	<u>282,840</u>	<u>681,839</u>	<u>12,592</u>	<u>3,093</u>
<b>Fund balances, December 31. . . . .</b>	<u>\$ 237,424</u>	<u>\$ 482,331</u>	<u>\$ 16,307</u>	<u>\$ 2,561</u>

<b>Indigent Drivers Alcohol Treatment</b>	<b>METRICH Drug Law Enforcement Trust</b>	<b>Enforcement and Education</b>	<b>Police Pension</b>	<b>Fire Pension</b>	<b>Revolving Loan</b>	<b>Court Computerization</b>
\$ -	\$ -	\$ -	\$ 256,918	\$ 256,918	\$ -	\$ -
31,713	-	7,146	-	-	-	31,631
-	-	-	22,281	22,281	200,000	-
-	-	-	-	-	28,125	-
<u>31,713</u>	<u>-</u>	<u>7,146</u>	<u>279,199</u>	<u>279,199</u>	<u>228,125</u>	<u>31,631</u>
5,781	-	-	-	-	6,098	20,900
-	-	-	4,717	4,717	-	-
-	-	-	-	-	-	-
<u>5,781</u>	<u>-</u>	<u>-</u>	<u>4,717</u>	<u>4,717</u>	<u>6,098</u>	<u>20,900</u>
25,932	-	7,146	274,482	274,482	222,027	10,731
-	-	-	-	-	-	-
-	-	-	(274,482)	(274,482)	-	-
-	-	-	(274,482)	(274,482)	-	-
25,932	-	7,146	-	-	222,027	10,731
88,064	2,863	49,364	-	-	774,538	15,449
<u>\$ 113,996</u>	<u>\$ 2,863</u>	<u>\$ 56,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 996,565</u>	<u>\$ 26,180</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, 2006  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005)

	Legal Research	Mediation Services	HRC Capital Trust	Totals	
				2006	2005
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ -	\$ -	\$ -	\$ 513,836	\$ 537,426
Fines and forfeitures . . . . .	7,009	7,064	-	93,287	89,465
Intergovernmental . . . . .	-	-	-	584,780	614,348
Investment income . . . . .	-	-	-	28,125	23,425
<b>Total revenues . . . . .</b>	<b>7,009</b>	<b>7,064</b>	<b>-</b>	<b>1,220,028</b>	<b>1,264,664</b>
<b>Expenditures:</b>					
Current:					
General government . . . . .	-	-	-	32,779	114,479
Security of persons and property . . . . .	-	-	-	14,975	14,945
Transportation . . . . .	-	-	-	21,471	23,384
<b>Total expenditures . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,225</b>	<b>152,808</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	7,009	7,064	-	1,150,803	1,111,856
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	-	-	-	439	-
Transfers out . . . . .	-	-	(112,217)	(1,225,291)	(558,301)
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>-</b>	<b>(112,217)</b>	<b>(1,224,852)</b>	<b>(558,301)</b>
<b>Net change in fund balances . . . . .</b>	<b>7,009</b>	<b>7,064</b>	<b>(112,217)</b>	<b>(74,049)</b>	<b>553,555</b>
<b>Fund balances, January 1 . . . . .</b>	<b>80,371</b>	<b>67,491</b>	<b>112,217</b>	<b>2,170,721</b>	<b>1,617,166</b>
<b>Fund balances, December 31. . . . .</b>	<b>\$ 87,380</b>	<b>\$ 74,555</b>	<b>\$ -</b>	<b>\$ 2,096,672</b>	<b>\$ 2,170,721</b>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Intergovernmental . . . . .	\$ 146,000	\$ 146,000	\$ 148,665	\$ 2,665	\$ 139,216
Total revenues . . . . .	146,000	146,000	148,665	2,665	139,216
<b>Expenditures:</b>					
Transportation					
Street department. . . . .	19,347	25,347	21,471	3,876	23,384
Total expenditures . . . . .	19,347	25,347	21,471	3,876	23,384
Excess (deficiency) of revenues over (under) expenditures . . . . .	126,653	120,653	127,194	6,541	115,832
<b>Other financing sources (uses):</b>					
Transfers out . . . . .	-	(172,610)	(172,610)	-	(20,295)
Total other financing sources (uses). . . . .	-	(172,610)	(172,610)	-	(20,295)
Net change in fund balance . . . . .	126,653	(51,957)	(45,416)	6,541	95,537
<b>Fund balance at beginning of year. . . . .</b>	<b>282,840</b>	<b>282,840</b>	<b>282,840</b>	<b>-</b>	<b>187,303</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 409,493</b>	<b>\$ 230,883</b>	<b>\$ 237,424</b>	<b>\$ 6,541</b>	<b>\$ 282,840</b>

**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, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Intergovernmental . . . . .	\$ -	\$ -	\$ 191,553	\$ 191,553	\$ 243,712
Total revenues . . . . .	-	-	191,553	191,553	243,712
<b>Other financing uses:</b>					
Transfers in . . . . .	-	-	439	439	-
Transfers out . . . . .	-	(391,500)	(391,500)	-	(10,000)
Total other financing uses . . . . .	-	(391,500)	(391,061)	439	(10,000)
Net change in fund balance. . . . .	-	(391,500)	(199,508)	191,992	233,712
<b>Fund balance at beginning of year. . . . .</b>	<u>681,839</u>	<u>681,839</u>	<u>681,839</u>	<u>-</u>	<u>448,127</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 681,839</u>	<u>\$ 290,339</u>	<u>\$ 482,331</u>	<u>\$ 191,992</u>	<u>\$ 681,839</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ -	\$ -	\$ 8,724	\$ 8,724	\$ 7,500
Total revenues . . . . .	-	-	8,724	8,724	7,500
<b>Expenditures:</b>					
Security of persons and property . . . . .	5,092	5,092	5,009	83	4,360
Total expenditures . . . . .	5,092	5,092	5,009	83	4,360
Net change in fund balance . . . . .	(5,092)	(5,092)	3,715	8,807	3,140
<b>Fund balance at beginning of year . . . . .</b>	<u>12,592</u>	<u>12,592</u>	<u>12,592</u>	<u>-</u>	<u>9,452</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 16,307</u>	<u>\$ 8,807</u>	<u>\$ 12,592</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, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Expenditures:</b>					
Security of persons and property . . . . .	\$ 3,093	\$ 3,093	\$ 532	\$ 2,561	\$ 1,165
Total expenditures . . . . .	3,093	3,093	532	2,561	1,165
Net change in fund balance . . . . .	(3,093)	(3,093)	(532)	2,561	(1,165)
<b>Fund balance at beginning of year . . . . .</b>	<u>3,093</u>	<u>3,093</u>	<u>3,093</u>	<u>-</u>	<u>4,258</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,561</u>	<u>\$ 2,561</u>	<u>\$ 3,093</u>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 26,000	\$ 26,000	\$ 31,713	\$ 5,713	\$ 27,676
Total revenues . . . . .	26,000	26,000	31,713	5,713	27,676
<b>Expenditures:</b>					
General government . . . . .	46,000	46,000	5,781	40,219	7,886
Total expenditures . . . . .	46,000	46,000	5,781	40,219	7,886
Net change in fund balance . . . . .	(20,000)	(20,000)	25,932	45,932	19,790
<b>Fund balance at beginning of year . . . . .</b>	<u>88,064</u>	<u>88,064</u>	<u>88,064</u>	<u>-</u>	<u>68,274</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 68,064</u>	<u>\$ 68,064</u>	<u>\$ 113,996</u>	<u>\$ 45,932</u>	<u>\$ 88,064</u>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Expenditures:</b>					
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	-
<b>Fund balance at beginning of year. . . . .</b>	<u>2,863</u>	<u>2,863</u>	<u>2,863</u>	<u>-</u>	<u>2,863</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,863</u>	<u>\$ 2,863</u>	<u>\$ 2,863</u>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 4,000	\$ 4,000	\$ 7,146	\$ 3,146	\$ 6,272
Total revenues . . . . .	4,000	4,000	7,146	3,146	6,272
<b>Expenditures:</b>					
General government . . . . .	52,153	52,153	-	52,153	-
Total expenditures . . . . .	52,153	52,153	-	52,153	-
Net change in fund balance . . . . .	(48,153)	(48,153)	7,146	55,299	6,272
<b>Fund balance at beginning of year . . . . .</b>	49,364	49,364	49,364	-	43,092
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,211</u>	<u>\$ 1,211</u>	<u>\$ 56,510</u>	<u>\$ 55,299</u>	<u>\$ 49,364</u>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 266,244	\$ 266,244	\$ 256,918	\$ (9,326)	\$ 268,713
Intergovernmental . . . . .	-	-	22,281	22,281	-
Total revenues . . . . .	<u>266,244</u>	<u>266,244</u>	<u>279,199</u>	<u>12,955</u>	<u>268,713</u>
<b>Expenditures:</b>					
Security of persons and property . . . . .	<u>5,005</u>	<u>4,717</u>	<u>4,717</u>	<u>-</u>	<u>4,710</u>
Total expenditures . . . . .	<u>5,005</u>	<u>4,717</u>	<u>4,717</u>	<u>-</u>	<u>4,710</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>261,239</u>	<u>261,527</u>	<u>274,482</u>	<u>12,955</u>	<u>264,003</u>
<b>Other financing uses:</b>					
Transfers out . . . . .	<u>(264,650)</u>	<u>(274,482)</u>	<u>(274,482)</u>	<u>-</u>	<u>(264,003)</u>
Total other financing uses . . . . .	<u>(264,650)</u>	<u>(274,482)</u>	<u>(274,482)</u>	<u>-</u>	<u>(264,003)</u>
Net change in fund balance . . . . .	(3,411)	(12,955)	-	12,955	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ (3,411)</u>	<u>\$ (12,955)</u>	<u>\$ -</u>	<u>\$ 12,955</u>	<u>\$ -</u>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Property and other local taxes . . . . .	\$ 266,244	\$ 266,244	\$ 256,918	\$ (9,326)	\$ 268,713
Intergovernmental . . . . .	-	-	22,281	22,281	-
Total revenues . . . . .	<u>266,244</u>	<u>266,244</u>	<u>279,199</u>	<u>12,955</u>	<u>268,713</u>
<b>Expenditures:</b>					
Security of persons and property . . . . .	<u>5,005</u>	<u>4,717</u>	<u>4,717</u>	<u>-</u>	<u>4,710</u>
Total expenditures . . . . .	<u>5,005</u>	<u>4,717</u>	<u>4,717</u>	<u>-</u>	<u>4,710</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>261,239</u>	<u>261,527</u>	<u>274,482</u>	<u>12,955</u>	<u>264,003</u>
<b>Other financing uses:</b>					
Transfers out . . . . .	<u>(264,650)</u>	<u>(274,482)</u>	<u>(274,482)</u>	<u>-</u>	<u>(264,003)</u>
Total other financing uses . . . . .	<u>(264,650)</u>	<u>(274,482)</u>	<u>(274,482)</u>	<u>-</u>	<u>(264,003)</u>
Net change in fund balance . . . . .	(3,411)	(12,955)	-	12,955	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ (3,411)</u>	<u>\$ (12,955)</u>	<u>\$ -</u>	<u>\$ 12,955</u>	<u>\$ -</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 33,600	\$ 33,600	\$ 31,631	\$ (1,969)	\$ 33,067
Total revenues . . . . .	33,600	33,600	31,631	(1,969)	33,067
<b>Expenditures:</b>					
General government . . . . .	43,365	43,365	20,900	22,465	105,249
Total expenditures . . . . .	43,365	43,365	20,900	22,465	105,249
Net change in fund balance . . . . .	(9,765)	(9,765)	10,731	20,496	(72,182)
<b>Fund balance at beginning of year. . . . .</b>	15,449	15,449	15,449	-	87,631
<b>Fund balance at end of year . . . . .</b>	<u>\$ 5,684</u>	<u>\$ 5,684</u>	<u>\$ 26,180</u>	<u>\$ 20,496</u>	<u>\$ 15,449</u>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 7,400	\$ 7,400	\$ 7,009	\$ (391)	\$ 7,663
Total revenues . . . . .	7,400	7,400	7,009	(391)	7,663
<b>Expenditures:</b>					
General government . . . . .	20,000	20,000	-	20,000	-
Total general government . . . . .	-	-	-	-	-
Net change in fund balance . . . . .	(12,600)	(12,600)	7,009	19,609	7,663
<b>Fund balance at beginning of year . . . . .</b>	<u>80,371</u>	<u>80,371</u>	<u>80,371</u>	<u>-</u>	<u>72,708</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 67,771</u>	<u>\$ 67,771</u>	<u>\$ 87,380</u>	<u>\$ 19,609</u>	<u>\$ 80,371</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 7,300	\$ 7,300	\$ 7,064	\$ (236)	\$ 7,287
Total revenues . . . . .	7,300	7,300	7,064	(236)	7,287
<b>Expenditures:</b>					
General government . . . . .	16,000	16,000	-	16,000	1,344
Total expenditures . . . . .	16,000	16,000	-	16,000	1,344
Net change in fund balance . . . . .	(8,700)	(8,700)	7,064	15,764	5,943
<b>Fund balance at beginning of year . . . . .</b>	<u>67,491</u>	<u>67,491</u>	<u>67,491</u>	<u>-</u>	<u>61,548</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 58,791</u>	<u>\$ 58,791</u>	<u>\$ 74,555</u>	<u>\$ 15,764</u>	<u>\$ 67,491</u>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Other financing sources (uses):</b>					
Transfers out . . . . .	\$ -	\$ (112,217)	\$ (112,217)	\$ -	\$ -
Net change in fund balance . . . . .	-	(112,217)	(112,217)	-	-
<b>Fund balance at beginning of year. . . . .</b>	<u>112,217</u>	<u>112,217</u>	<u>112,217</u>	<u>-</u>	<u>112,217</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 112,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,217</u>

**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2006  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005)

	<b>Debt Service</b>	<b>Totals</b>	
		<b>2006</b>	<b>2005</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 43,124	\$ 43,124	\$ 16,002
Cash with escrow agent. . . . .	34,411	34,411	33,209
Receivables (net of allowances of uncollectibles). . .	342,805	342,805	498,837
<b>Total assets.</b> . . . .	<u>\$ 420,340</u>	<u>\$ 420,340</u>	<u>\$ 548,048</u>
<b>Liabilities:</b>			
Matured bonds payable . . . . .	\$ 34,411	\$ 34,411	\$ 33,209
Deferred revenue. . . . .	186,759	186,759	321,215
<b>Total liabilities.</b> . . . .	<u>221,170</u>	<u>221,170</u>	<u>354,424</u>
<b>Fund balance:</b>			
Reserved for debt service. . . . .	199,170	199,170	193,624
<b>Total fund balance.</b> . . . .	<u>199,170</u>	<u>199,170</u>	<u>193,624</u>
<b>Total liabilities and fund balance.</b> . . . . .	<u>\$ 420,340</u>	<u>\$ 420,340</u>	<u>\$ 548,048</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, 2006  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<b>Debt Service</b>	<b>Totals</b>	
		<b>2006</b>	<b>2005</b>
<b>Revenues:</b>			
Special assessments . . . . .	\$ 170,580	\$ 170,580	\$ 139,736
Total revenues . . . . .	<u>170,580</u>	<u>170,580</u>	<u>139,736</u>
<b>Expenditures:</b>			
Current:			
Debt service:			
Principal retirement . . . . .	486,112	486,112	427,220
Interest and fiscal charges . . . . .	<u>243,805</u>	<u>243,805</u>	<u>137,625</u>
Total expenditures . . . . .	<u>729,917</u>	<u>729,917</u>	<u>564,845</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(559,337)</u>	<u>(559,337)</u>	<u>(425,109)</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	564,883	564,883	464,885
Transfers out . . . . .	<u>-</u>	<u>-</u>	<u>(27,697)</u>
Total other financing sources (uses) . . . . .	<u>564,883</u>	<u>564,883</u>	<u>437,188</u>
Net change in fund balances . . . . .	5,546	5,546	12,079
<b>Fund balances, January 1 . . . . .</b>	<u>193,624</u>	<u>193,624</u>	<u>181,545</u>
<b>Fund balances, December 31. . . . .</b>	<u>\$ 199,170</u>	<u>\$ 199,170</u>	<u>\$ 193,624</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Special assessments . . . . .	\$ 168,386	\$ 168,386	\$ 170,580	\$ 2,194	\$ 112,039
Total revenues . . . . .	168,386	168,386	170,580	2,194	112,039
<b>Expenditures:</b>					
Debt service:					
Principal retirement . . . . .	433,930	489,645	486,112	3,533	427,220
Interest and fiscal charges . . . . .	208,978	245,048	243,805	1,243	137,625
Total debt service . . . . .	642,908	734,693	729,917	4,776	564,845
Total expenditures . . . . .	642,908	734,693	729,917	4,776	564,845
Excess (deficiency) of revenues over (under) expenditures . . . . .	(474,522)	(566,307)	(559,337)	6,970	(452,806)
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	567,476	567,476	564,883	(2,593)	464,885
Total other financing sources (uses) . . . . .	567,476	567,476	564,883	(2,593)	464,885
Net change in fund balance. . . . .	92,954	1,169	5,546	4,377	12,079
<b>Fund balance at beginning of year. . . . .</b>	<b>193,624</b>	<b>193,624</b>	<b>193,624</b>	<b>-</b>	<b>181,545</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 286,578</b>	<b>\$ 194,793</b>	<b>\$ 199,170</b>	<b>\$ 4,377</b>	<b>\$ 193,624</b>

**CITY OF FINDLAY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2006  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005)

	<b>Municipal Court Improvements</b>	<b>Capital Improvement Projects</b>	<b>Totals</b>	
			<b>2006</b>	<b>2005</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 758,339	\$ 62,437	\$ 820,776	\$ 777,872
Total assets. . . . .	<u>\$ 758,339</u>	<u>\$ 62,437</u>	<u>\$ 820,776</u>	<u>\$ 777,872</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ -	\$ -	\$ 10,000
Interfund loan payable. . . . .	-	4,729	4,729	-
Total liabilities. . . . .	<u>-</u>	<u>4,729</u>	<u>4,729</u>	<u>10,000</u>
<b>Fund balance:</b>				
Reserved for encumbrances. . . . .	500	-	500	-
Unreserved, undesignated. . . . .	757,839	57,708	815,547	767,872
Total fund balance. . . . .	<u>758,339</u>	<u>57,708</u>	<u>816,047</u>	<u>767,872</u>
<b>Total liabilities and fund equity. . . . .</b>	<u>\$ 758,339</u>	<u>\$ 62,437</u>	<u>\$ 820,776</u>	<u>\$ 777,872</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, 2006  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<b>Municipal Court Improvements</b>	<b>Capital Improvement Projects</b>	<b>Totals</b>	
			<b>2006</b>	<b>2005</b>
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 48,512	\$ -	\$ 48,512	\$ 68,492
Special assessments . . . . .	-	-	-	148,818
Total revenues . . . . .	<u>48,512</u>	<u>-</u>	<u>48,512</u>	<u>217,310</u>
<b>Expenditures:</b>				
Current:				
Capital outlay . . . . .	-	7,222	7,222	237,846
Total expenditures . . . . .	<u>-</u>	<u>7,222</u>	<u>7,222</u>	<u>237,846</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>48,512</u>	<u>(7,222)</u>	<u>41,290</u>	<u>(20,536)</u>
<b>Other financing sources (uses):</b>				
Issuance of bonds . . . . .	-	-	-	129,300
Transfers in . . . . .	-	7,222	7,222	251,000
Transfers out . . . . .	-	(337)	(337)	(303,571)
Total other financing sources (uses) . . . . .	<u>-</u>	<u>6,885</u>	<u>6,885</u>	<u>76,729</u>
Net change in fund balances . . . . .	48,512	(337)	48,175	56,193
<b>Fund balances, January 1 . . . . .</b>	<u>709,827</u>	<u>58,045</u>	<u>767,872</u>	<u>711,679</u>
<b>Fund balances, December 31. . . . .</b>	<u>\$ 758,339</u>	<u>\$ 57,708</u>	<u>\$ 816,047</u>	<u>\$ 767,872</u>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Special assessments . . . . .	\$ -	\$ -	\$ -	\$ -	\$ 148,818
Total revenues . . . . .	-	-	-	-	148,818
<b>Expenditures:</b>					
Capital outlay . . . . .	7,223	7,223	7,222	1	209,839
Total expenditures . . . . .	7,223	7,223	7,222	1	209,839
Excess (deficiency) of revenues over (under) expenditures . . . . .	(7,223)	(7,223)	(7,222)	1	(61,021)
<b>Other financing sources (uses):</b>					
Issuance of bonds . . . . .	-	-	-	-	129,300
Transfers in . . . . .	7,223	7,223	7,222	(1)	251,000
Transfers out . . . . .	-	(337)	(337)	-	(303,571)
Total other financing sources (uses) . . . . .	7,223	6,886	6,885	(1)	76,729
Net change in fund balance . . . . .	-	(337)	(337)	-	15,708
<b>Fund balance at beginning of year . . . . .</b>	<b>58,045</b>	<b>58,045</b>	<b>58,045</b>	<b>-</b>	<b>42,337</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 58,045</b>	<b>\$ 57,708</b>	<b>\$ 57,708</b>	<b>\$ -</b>	<b>\$ 58,045</b>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Fines and forfeitures . . . . .	\$ 70,000	\$ 70,000	\$ 48,512	\$ (21,488)	\$ 68,492
Total revenues . . . . .	70,000	70,000	48,512	(21,488)	68,492
<b>Expenditures:</b>					
Capital outlay . . . . .	222,500	222,500	-	222,500	28,007
Total expenditures . . . . .	222,500	222,500	-	222,500	28,007
Net change in fund balance . . . . .	(152,500)	(152,500)	48,512	201,012	40,485
<b>Fund balance at beginning of year. . . . .</b>	<u>709,827</u>	<u>709,827</u>	<u>709,827</u>	<u>-</u>	<u>669,342</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 557,327</u>	<u>\$ 557,327</u>	<u>\$ 758,339</u>	<u>\$ 201,012</u>	<u>\$ 709,827</u>

**CITY OF FINDLAY, OHIO**

COMPARATIVE BALANCE SHEET  
NONMAJOR CEMETERY TRUST PERMANENT FUND

DECEMBER 31, 2006

	<b>2006</b>		<b>2005</b>
	<b>Nonmajor</b>		<b>Nonmajor</b>
	<b>Permanent</b>		<b>Permanent</b>
	<b>Fund</b>		<b>Fund</b>
	<u>          </u>		<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 1,040,735		\$ 971,777
Accrued interest receivable . . . . .	6,856		2,847
	<u>          </u>		<u>          </u>
Total assets . . . . .	<u>\$ 1,047,591</u>		<u>\$ 974,624</u>
<b>Fund balance:</b>			
Reserved for perpetual care. . . . .	1,040,735		971,777
Unreserved, undesignated . . . . .	6,856		2,847
	<u>          </u>		<u>          </u>
<b>Total fund balance.</b> . . . .	<u>\$ 1,047,591</u>		<u>\$ 974,624</u>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2005)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2005</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
<b>Revenues:</b>					
Charges for services . . . . .	\$ 25,000	\$ 25,000	\$ 68,950	\$ 43,950	\$ 25,600
Investment income . . . . .	45,000	45,000	49,799	4,799	30,686
Total revenues . . . . .	<u>70,000</u>	<u>70,000</u>	<u>118,749</u>	<u>48,749</u>	<u>56,286</u>
<b>Expenditures:</b>					
Public health and welfare . . . . .	-	-	-	-	21,367
Total expenditures . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,367</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>70,000</u>	<u>70,000</u>	<u>118,749</u>	<u>48,749</u>	<u>34,919</u>
<b>Other financing uses:</b>					
Transfers out . . . . .	<u>(45,757)</u>	<u>(45,757)</u>	<u>(45,782)</u>	<u>(25)</u>	<u>(29,679)</u>
Total other financing uses . . . . .	<u>(45,757)</u>	<u>(45,757)</u>	<u>(45,782)</u>	<u>(25)</u>	<u>(29,679)</u>
Net change in fund balance . . . . .	24,243	24,243	72,967	48,724	5,240
<b>Fund balance at beginning of year . . . . .</b>	<u>974,624</u>	<u>974,624</u>	<u>974,624</u>	<u>-</u>	<u>969,384</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 998,867</u>	<u>\$ 998,867</u>	<u>\$ 1,047,591</u>	<u>\$ 48,724</u>	<u>\$ 974,624</u>

## CITY OF FINDLAY, OHIO

### 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.

The City has the following major enterprise funds:

***Water Fund***

***Water Pollution Control Fund***

***Airport Fund***

These major enterprise funds are described on page 59 of the financial statements.

The City has the following nonmajor enterprise funds:

***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, fine revenue, and the monitoring of all on-street and off-street parking zones.

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF NET ASSETS  
WATER FUND**

DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>Restated 2005</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 3,842,420	\$ 2,888,858
Cash with escrow agent. . . . .	26,208	25,818
Receivables (net of allowances of uncollectibles) . . .	1,561,856	1,495,507
Materials and supplies inventory . . . . .	466,177	431,706
Prepayments . . . . .	<u>24,556</u>	<u>33,746</u>
Total current assets . . . . .	<u>5,921,217</u>	<u>4,875,635</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents . . . . .	1,218,636	1,090,928
Deferred bond costs . . . . .	109,207	126,609
Capital assets:		
Land and construction in progress . . . . .	5,774,921	2,035,909
Depreciable capital assets, net . . . . .	<u>44,288,205</u>	<u>44,323,517</u>
Total noncurrent assets . . . . .	<u>51,390,969</u>	<u>47,576,963</u>
Total assets . . . . .	<u>57,312,186</u>	<u>52,452,598</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	123,810	115,290
Retainage payable . . . . .	26,208	25,818
Accrued wages and benefits . . . . .	70,354	75,882
Compensated absences payable. . . . .	240,566	195,346
Due to other funds . . . . .	408,738	357,221
Deposits held and due to others . . . . .	184,061	138,933
Deferred revenue. . . . .	9,961	-
Current portion of loans payable . . . . .	36,416	36,416
Current portion of bonds . . . . .	1,675,000	1,635,000
Accrued interest payable . . . . .	<u>180,222</u>	<u>123,710</u>
Total current liabilities . . . . .	<u>2,955,336</u>	<u>2,703,616</u>
Long term liabilities:		
Loans payable . . . . .	4,427,466	977,204
Compensated absences payable. . . . .	149,882	382,624
General obligation bonds . . . . .	<u>8,615,926</u>	<u>10,194,256</u>
Total liabilities. . . . .	<u>16,148,610</u>	<u>14,257,700</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	35,417,525	33,516,550
Restricted for:		
Capital projects . . . . .	653,266	602,219
Debt service. . . . .	565,370	488,709
Unrestricted . . . . .	<u>4,527,415</u>	<u>3,587,420</u>
Total net assets . . . . .	<u>\$ 41,163,576</u>	<u>\$ 38,194,898</u>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 7,085,719	\$ 7,032,585
Other . . . . .	84,060	68,034
Total operating revenues . . . . .	<u>7,169,779</u>	<u>7,100,619</u>
<b>Operating expenses:</b>		
Personal services . . . . .	2,645,666	2,721,080
Contract services . . . . .	274,904	234,088
Materials and supplies. . . . .	731,960	769,172
Utilities . . . . .	307,702	303,646
Depreciation. . . . .	1,027,188	1,039,621
Other. . . . .	65,992	159,561
Total operating expenses . . . . .	<u>5,053,412</u>	<u>5,227,168</u>
Operating income. . . . .	<u>2,116,367</u>	<u>1,873,451</u>
<b>Nonoperating revenues (expenses):</b>		
Other nonoperating revenues. . . . .	72,154	214,173
Interest income . . . . .	239,490	122,691
Loss on disposal of capital assets. . . . .	-	(99,740)
Intergovernmental. . . . .	-	168,365
Interest expense and fiscal charges . . . . .	(613,739)	(589,272)
Total nonoperating revenues (expenses) . . . . .	<u>(302,095)</u>	<u>(183,783)</u>
Income before contributions and transfers . . . . .	1,814,272	1,689,668
Capital contributions. . . . .	912,772	1,342,257
Transfers in . . . . .	551,145	320,861
Transfers out . . . . .	(309,511)	(249,717)
Change in net assets. . . . .	2,968,678	3,103,069
<b>Net assets, January 1 (restated) . . . . .</b>	<u>38,194,898</u>	<u>35,091,829</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 41,163,576</u>	<u>\$ 38,194,898</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF CASH FLOWS  
WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<b>2006</b>	<b>2005</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 7,092,513	\$ 6,921,267
Cash received from other operations . . . . .	84,060	68,034
Cash payments for personal services . . . . .	(2,838,716)	(2,704,144)
Cash payments for contract services. . . . .	(220,586)	(235,994)
Cash payments for materials and supplies. . . . .	(757,911)	(896,508)
Cash payments for utilities. . . . .	(256,185)	(300,162)
Cash payments for other operating expenses . . . . .	(65,992)	(170,945)
Net cash provided by operating activities. . . . .	3,037,183	2,681,548
<b>Cash flows from noncapital financing activities:</b>		
Other non-capital revenues . . . . .	72,543	72,986
Grants and contributions . . . . .	-	168,365
Transfers in . . . . .	551,145	320,861
Transfers out . . . . .	(309,511)	(249,717)
Net cash provided by noncapital financing activities . . . . .	314,177	312,495
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets . . . . .	(3,799,822)	(2,848,013)
Capital contributions . . . . .	-	1,342,257
Principal paid on bonds . . . . .	(1,635,000)	(1,625,000)
Interest paid on bonds. . . . .	(443,154)	(468,007)
Proceeds of loans . . . . .	3,468,384	388,331
Principal paid on loans . . . . .	(36,416)	(31,416)
Net cash used in capital and related financing activities . . . . .	(2,446,008)	(3,241,848)
<b>Cash flows from investing activities:</b>		
Interest received. . . . .	176,308	114,802
Net cash provided by investing activities . . . . .	176,308	114,802
Net increase (decrease) in cash and cash equivalents . .	1,081,660	(133,003)
<b>Cash and cash equivalents at beginning of year . .</b>	<b>4,005,604</b>	<b>4,138,607</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b>\$ 5,087,264</b>	<b>\$ 4,005,604</b>

- - continued

**CITY OF FINDLAY, OHIO**

COMPARATIVE STATEMENT OF CASH FLOWS  
WATER FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income . . . . .	\$ 2,116,367	\$ 1,873,451
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation . . . . .	1,027,188	1,039,621
Changes in assets and liabilities:		
(Increase) in accounts receivable. . . . .	(3,167)	(111,318)
Decrease in due from other funds . . . . .	51,517	-
(Increase) in materials and supplies inventory. . . . .	(34,471)	(33,364)
Decrease (increase) in prepayments . . . . .	9,190	(1,906)
Increase (decrease) in accounts payable . . . . .	8,520	(93,972)
(Decrease) in accrued wages and benefits. . . . .	(5,528)	(5,919)
Increase (decrease) in compensated absences payable. . . . .	(187,522)	22,855
Increase (decrease) in deposits held and due to others. . . . .	45,128	(11,384)
Increase in due to other funds. . . . .	-	3,484
Increase in deferred revenue . . . . .	9,961	-
Net cash provided by operating activities . . . . .	<u>\$ 3,037,183</u>	<u>\$ 2,681,548</u>

**Non-cash Transactions:**

During 2006, the Water fund received \$912,772 in capital contributions primarily donated water lines from private developers.

During 2006, the Water fund had \$18,294 in capitalized interest on OWDA loan proceeds.

**CITY OF FINDLAY, OHIO**

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

DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>Restated 2005</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 1,456,512	\$ 931,947
Cash with escrow agent. . . . .	129,134	-
Receivables (net of allowances of uncollectibles) . .	510,439	439,917
Due from other funds. . . . .	408,738	357,221
Prepayments . . . . .	16,382	22,255
Materials and supplies inventory . . . . .	12,276	10,068
Total current assets . . . . .	<u>2,533,481</u>	<u>1,761,408</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents . . .	6,968,422	6,544,059
Deferred bond costs . . . . .	112,028	122,410
Capital assets:		
Land and construction in progress . . . . .	311,375	311,375
Depreciable capital assets, net . . . . .	87,362,075	88,365,519
Total noncurrent assets . . . . .	<u>94,753,900</u>	<u>95,343,363</u>
Total assets . . . . .	<u>97,287,381</u>	<u>97,104,771</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	61,086	76,809
Retainage payable . . . . .	129,134	-
Accrued wages and benefits . . . . .	55,306	50,835
Compensated absences payable. . . . .	154,399	164,554
Deposits held and due to others . . . . .	135,588	98,332
Deferred revenue. . . . .	275	-
Current portion of loans payable . . . . .	1,578,049	1,514,998
Current portion of bonds . . . . .	1,055,000	1,020,000
Accrued interest payable . . . . .	815,370	863,317
Total current liabilities . . . . .	<u>3,984,207</u>	<u>3,788,845</u>
Long term liabilities:		
Loans payable . . . . .	28,900,447	30,478,496
Compensated absences payable. . . . .	119,732	112,219
General obligation bonds payable . . . . .	8,296,974	9,329,224
Total liabilities. . . . .	<u>41,301,360</u>	<u>43,708,784</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	47,955,008	46,334,176
Restricted for:		
Capital projects . . . . .	4,952,077	4,424,709
Debt service. . . . .	2,016,345	2,119,350
Unrestricted . . . . .	1,062,591	517,752
Total net assets . . . . .	<u>\$ 55,986,021</u>	<u>\$ 53,395,987</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, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 8,505,966	\$ 8,602,089
Other . . . . .	15,198	7,624
Total operating revenues . . . . .	<u>8,521,164</u>	<u>8,609,713</u>
<b>Operating expenses:</b>		
Personal services . . . . .	1,935,170	1,867,212
Contract services . . . . .	185,763	225,137
Materials and supplies. . . . .	311,451	260,134
Utilities . . . . .	373,912	365,654
Depreciation. . . . .	1,845,799	1,493,038
Other. . . . .	6,640	129,495
Total operating expenses . . . . .	<u>4,658,735</u>	<u>4,340,670</u>
Operating income . . . . .	<u>3,862,429</u>	<u>4,269,043</u>
<b>Nonoperating revenues (expenses):</b>		
Other nonoperating revenues. . . . .	94,825	112,235
Interest income . . . . .	338,854	202,392
Loss on disposal of capital assets. . . . .	-	(42,688)
Interest expense and fiscal charges . . . . .	(1,696,388)	(1,791,862)
Total nonoperating revenues (expenses). . . . .	<u>(1,262,709)</u>	<u>(1,519,923)</u>
Income before contributions and transfers . . . . .	2,599,720	2,749,120
Capital contributions. . . . .	530,783	1,147,946
Transfers in . . . . .	1,171	-
Transfers out . . . . .	(541,640)	(519,343)
Change in net assets. . . . .	2,590,034	3,377,723
<b>Net assets, January 1 (restated) . . . . .</b>	<u>53,395,987</u>	<u>50,018,264</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 55,986,021</u>	<u>\$ 53,395,987</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF CASH FLOWS  
WATER POLLUTION CONTROL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<b>2006</b>	<b>2005</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 8,469,497	\$ 8,567,353
Cash received from other operations . . . . .	15,198	7,624
Cash payments for personal services . . . . .	(1,933,341)	(1,916,386)
Cash payments for contract services. . . . .	(142,634)	(225,040)
Cash payments for materials and supplies. . . . .	(329,382)	(230,674)
Cash payments for utilities. . . . .	(373,912)	(365,654)
Cash payments for other operating expenses . . . . .	(6,640)	(138,129)
Net cash provided by operating activities. . . . .	5,698,786	5,699,094
<b>Cash flows from noncapital financing activities:</b>		
Other non-capital revenues . . . . .	224,684	112,234
Transfers in . . . . .	1,171	-
Transfers out . . . . .	(541,640)	(519,343)
Net cash (used in) noncapital financing activities . . . . .	(315,785)	(407,109)
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets . . . . .	(311,572)	(1,224,651)
Capital contributions. . . . .	-	1,147,946
Principal paid on bonds. . . . .	(1,020,000)	(1,075,000)
Interest paid on bonds. . . . .	(412,798)	(368,164)
Principal paid on loans . . . . .	(1,514,998)	(1,459,781)
Interest paid on loans . . . . .	(1,299,130)	(1,362,503)
Net cash (used in) capital and related financing activities . . . . .	(4,558,498)	(4,342,153)
<b>Cash flows from investing activities:</b>		
Interest received. . . . .	253,559	177,885
Net cash provided by investing activities . . . . .	253,559	177,885
Net increase in cash and cash equivalents. . . . .	1,078,062	1,127,717
<b>Cash and cash equivalents at beginning of year . .</b>	<b>7,476,006</b>	<b>6,348,289</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b>\$ 8,554,068</b>	<b>\$ 7,476,006</b>

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**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income . . . . .	\$ 3,862,429	\$ 4,269,043
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation . . . . .	1,845,799	1,493,038
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable . . . . .	14,773	(31,252)
(Increase) in due from other funds . . . . .	-	(3,484)
(Increase) decrease in materials and supplies inventory.	(2,208)	601
Decrease in prepayments . . . . .	5,873	97
Increase (decrease) in accounts payable . . . . .	(15,723)	28,859
Increase (decrease) in accrued wages and benefits . . . . .	4,471	(5,940)
(Decrease) in compensated absences payable. . . . .	(2,642)	(43,234)
Increase (decrease) in deposits held and due to others.	37,256	(8,634)
Increase in deferred revenue . . . . .	275	-
(Decrease) in due to other funds. . . . .	(51,517)	-
Net cash provided by operating activities . . . . .	\$ 5,698,786	\$ 5,699,094

**Non-cash Transactions:**

During 2006, the Water Pollution Control fund received \$530,783 in capital contributions primarily donated sewer lines from private developers.

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF NET ASSETS  
AIRPORT FUND**

DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>Restated 2005</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 348,650	\$ 152,897
Receivables (net of allowances of uncollectibles):	55,985	77,513
Due from other governments . . . . .	329,960	1,065,457
Materials and supplies inventory . . . . .	54,372	47,065
Prepayments . . . . .	12,683	14,570
Total current assets . . . . .	<u>801,650</u>	<u>1,357,502</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents. . . . .	34,444	24,184
Deferred bond costs . . . . .	2,647	3,129
Capital assets:		
Land and construction in progress . . . . .	7,127,411	6,360,581
Depreciable capital assets, net . . . . .	5,849,479	6,407,046
Total noncurrent assets . . . . .	<u>13,013,981</u>	<u>12,794,940</u>
Total assets . . . . .	<u>13,815,631</u>	<u>14,152,442</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	393,880	1,973,860
Accrued wages and benefits . . . . .	7,798	7,541
Compensated absences payable. . . . .	16,527	16,760
Accrued interest payable . . . . .	4,444	5,434
Deposits held and due to others . . . . .	18,084	14,354
Current portion of bonds . . . . .	40,000	40,000
Total current liabilities . . . . .	<u>480,733</u>	<u>2,057,949</u>
Long term liabilities:		
General obligation bonds . . . . .	204,523	241,709
Compensated absences payable. . . . .	24,801	12,961
Total liabilities. . . . .	<u>710,057</u>	<u>2,312,619</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	12,735,014	12,485,918
Restricted for:		
Debt service. . . . .	34,444	24,184
Unrestricted (deficit) . . . . .	336,116	(670,279)
Total net assets . . . . .	<u>\$ 13,105,574</u>	<u>\$ 11,839,823</u>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 26,371	\$ 23,308
Other . . . . .	1,015,723	923,150
Total operating revenues . . . . .	<u>1,042,094</u>	<u>946,458</u>
<b>Operating expenses:</b>		
Personal services . . . . .	280,224	267,991
Contract services . . . . .	126,536	114,162
Materials and supplies. . . . .	674,571	639,859
Utilities . . . . .	20,976	23,689
Depreciation. . . . .	557,567	581,460
Total operating expenses . . . . .	<u>1,659,874</u>	<u>1,627,161</u>
Operating loss. . . . .	<u>(617,780)</u>	<u>(680,703)</u>
<b>Nonoperating revenues (expenses):</b>		
Interest expense and fiscal charges . . . . .	(13,173)	(15,137)
Other nonoperating revenues. . . . .	51,348	47,158
Intergovernmental . . . . .	1,572,006	1,899,031
Total nonoperating revenues (expenses) . . . . .	<u>1,610,181</u>	<u>1,931,052</u>
Income (loss) before transfers. . . . .	992,401	1,250,349
Transfers in . . . . .	273,350	291,150
Transfers out . . . . .	-	(6,640)
Change in net assets. . . . .	1,265,751	1,534,859
<b>Net assets, January 1 (restated) . . . . .</b>	<u>11,839,823</u>	<u>10,304,964</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 13,105,574</u>	<u>\$ 11,839,823</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF CASH FLOWS  
AIRPORT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<b>2006</b>	<b>2005</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 26,371	\$ 23,308
Cash received from other operations . . . . .	1,037,251	936,827
Cash payments for personal services . . . . .	(268,360)	(269,745)
Cash payments for contract services. . . . .	(120,919)	(114,531)
Cash payments for materials and supplies. . . . .	(666,913)	(662,484)
Cash payments for utilities. . . . .	(20,976)	(23,689)
Cash payments for other operating expenses . . . . .	-	(937)
Net cash (used in) operating activities. . . . .	(13,546)	(111,251)
<b>Cash flows from noncapital financing activities:</b>		
Other non-capital revenues . . . . .	51,348	47,158
Grants and contributions . . . . .	2,307,503	853,018
Transfers in . . . . .	273,350	291,150
Transfers out . . . . .	-	(6,640)
Net cash provided by noncapital financing activities . . . . .	2,632,201	1,184,686
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets . . . . .	(2,361,775)	(942,657)
Principal paid on bonds . . . . .	(40,000)	(40,000)
Interest paid on bonds . . . . .	(10,867)	(10,047)
Net cash (used in) capital and related financing activities . . . . .	(2,412,642)	(992,704)
Net (decrease) in cash and cash equivalents . . . . .	206,013	80,731
<b>Cash and cash equivalents at beginning of year . . .</b>	<b>177,081</b>	<b>96,350</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b>\$ 383,094</b>	<b>\$ 177,081</b>
<b>Reconciliation of operating loss to net cash (used in) operating activities:</b>		
Operating (loss). . . . .	\$ (617,780)	\$ (680,703)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation . . . . .	557,567	581,460
Changes in assets and liabilities:		
Decrease in accounts receivable . . . . .	21,528	13,677
(Increase) in materials and supplies inventory. . . . .	(7,307)	(10,770)
(Increase) decrease in prepayments . . . . .	1,887	(369)
Increase (decrease) in accounts payable . . . . .	14,965	(11,855)
Increase (decrease) in accrued wages and benefits . .	257	(436)
Increase (decrease) in compensated absences payable.	11,607	(1,318)
Increase (decrease) in deposits held and due to others.	3,730	(937)
Net cash (used in) operating activities . . . . .	<b>\$ (13,546)</b>	<b>\$ (111,251)</b>

**Non-cash Transactions:**

At December 31, 2006 and 2005, the Airport fund purchased \$1,942,270 and \$347,325, respectively, in capital assets on account.

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2006

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
<b>Assets:</b>			
Current assets:			
Equity in pooled cash and cash equivalents . . . . .	\$ 7,018	\$ 43,698	\$ 50,716
Prepayments . . . . .	1,325	1,631	2,956
Noncurrent assets:			
Capital assets:			
Land and construction in progress . . . . .	1,631	94,331	95,962
Depreciable capital assets, net . . . . .	<u>562,594</u>	<u>43,552</u>	<u>606,146</u>
Total noncurrent assets . . . . .	<u>564,225</u>	<u>137,883</u>	<u>702,108</u>
Total assets. . . . .	<u>572,568</u>	<u>183,212</u>	<u>755,780</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable. . . . .	1,971	2,542	4,513
Accrued wages and benefits . . . . .	-	3,254	3,254
Compensated absences payable. . . . .	-	7,130	7,130
Deposits held and due to others . . . . .	-	5,936	5,936
Long-term liabilities:			
Compensated absences payable. . . . .	<u>-</u>	<u>10,912</u>	<u>10,912</u>
Total liabilities. . . . .	<u>1,971</u>	<u>29,774</u>	<u>31,745</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt . . . . .	564,225	137,883	702,108
Unrestricted . . . . .	<u>6,372</u>	<u>15,555</u>	<u>21,927</u>
Total net assets . . . . .	<u>\$ 570,597</u>	<u>\$ 153,438</u>	<u>\$ 724,035</u>

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>Swimming Pool</b>	<b>Parking Facilities</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 64,620	\$ 66,901	\$ 131,521
Other . . . . .	4,193	278	4,471
<b>Total operating revenues . . . . .</b>	<b>68,813</b>	<b>67,179</b>	<b>135,992</b>
<b>Operating expenses:</b>			
Personal services . . . . .	95,788	116,407	212,195
Contract services . . . . .	4,969	5,347	10,316
Materials and supplies. . . . .	28,770	2,754	31,524
Utilities . . . . .	4,467	369	4,836
Depreciation. . . . .	20,666	15,359	36,025
Other. . . . .	-	3,900	3,900
<b>Total operating expenses . . . . .</b>	<b>154,660</b>	<b>144,136</b>	<b>298,796</b>
<b>Operating loss . . . . .</b>	<b>(85,847)</b>	<b>(76,957)</b>	<b>(162,804)</b>
Transfers in . . . . .	71,000	-	71,000
Transfers out . . . . .	(4,690)	-	(4,690)
<b>Change in net assets. . . . .</b>	<b>(19,537)</b>	<b>(76,957)</b>	<b>(96,494)</b>
<b>Net assets, January 1 . . . . .</b>	<b>590,134</b>	<b>230,395</b>	<b>820,529</b>
<b>Net assets, December 31 . . . . .</b>	<b>\$ 570,597</b>	<b>\$ 153,438</b>	<b>\$ 724,035</b>

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>Swimming Pool</b>	<b>Parking Facilities</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ 64,620	\$ 66,901	\$ 131,521
Cash received from other operations . . . . .	4,193	278	4,471
Cash payments for personal services . . . . .	(95,788)	(115,729)	(211,517)
Cash payments for contract services. . . . .	(4,869)	(3,090)	(7,959)
Cash payments for materials and supplies. . . . .	(28,449)	(2,423)	(30,872)
Cash payments for utilities. . . . .	(4,467)	(369)	(4,836)
Cash payments for other operating expenses . . . . .	-	(3,900)	(3,900)
	(64,760)	(58,332)	(123,092)
<b>Net cash (used in) operating activities.</b>			
<b>Cash flows from noncapital financing activities:</b>			
Transfers in . . . . .	71,000	-	71,000
Transfers out to other funds. . . . .	(4,690)	-	(4,690)
<b>Net cash provided by noncapital financing activities . . . . .</b>	<b>66,310</b>	<b>-</b>	<b>66,310</b>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets . . . . .	(102,065)	(16,752)	(118,817)
<b>Net cash (used in) capital and related financing activities . . . . .</b>	<b>(102,065)</b>	<b>(16,752)</b>	<b>(118,817)</b>
<b>Net increase (decrease) in cash and cash equivalents . . . . .</b>	<b>(100,515)</b>	<b>(75,084)</b>	<b>(175,599)</b>
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<b>107,533</b>	<b>118,782</b>	<b>226,315</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b>\$ 7,018</b>	<b>\$ 43,698</b>	<b>\$ 50,716</b>
<b>Reconciliation of operating loss to net cash (used in) operating activities:</b>			
Operating loss . . . . .	\$ (85,847)	\$ (76,957)	\$ (162,804)
Adjustments to reconcile operating loss to net cash (used in) operating activities:			
Depreciation . . . . .	20,666	15,359	36,025
Changes in assets and liabilities:			
Decrease in prepaids. . . . .	100	260	360
Increase in accrued wages and benefits . . . . .	-	118	118
Increase in compensated absences payable . . . . .	-	560	560
Increase in deposits held and due to others . . . . .	-	1,997	1,997
Increase in accounts payable . . . . .	321	331	652
<b>Net cash (used in) operating activities . . . . .</b>	<b>\$ (64,760)</b>	<b>\$ (58,332)</b>	<b>\$ (123,092)</b>

**Non-cash Transactions:**

At December 31, 2006 and 2005, the Swimming Pool fund purchased \$0 and \$34,391, respectively, in capital assets on account.

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF NET ASSETS  
SWIMMING POOL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 7,018	\$ 107,533
Prepayments . . . . .	1,325	1,425
Noncurrent assets:		
Capital assets:		
Land and construction in progress . . . . .	1,631	39,487
Depreciable capital assets, net . . . . .	562,594	477,730
Total noncurrent assets . . . . .	<u>564,225</u>	<u>517,217</u>
Total assets . . . . .	<u>572,568</u>	<u>626,175</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	<u>1,971</u>	<u>36,041</u>
Total liabilities. . . . .	<u>1,971</u>	<u>36,041</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	564,225	517,217
Unrestricted . . . . .	<u>6,372</u>	<u>72,917</u>
Total net assets . . . . .	<u>\$ 570,597</u>	<u>\$ 590,134</u>

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 64,620	\$ 54,029
Other . . . . .	4,193	3,995
Total operating revenues . . . . .	<u>68,813</u>	<u>58,024</u>
<b>Operating expenses:</b>		
Personal services . . . . .	95,788	80,217
Contract services . . . . .	4,969	3,926
Materials and supplies. . . . .	28,770	16,195
Utilities . . . . .	4,467	4,032
Depreciation. . . . .	20,666	18,037
Total operating expenses . . . . .	<u>154,660</u>	<u>122,407</u>
Operating loss. . . . .	<u>(85,847)</u>	<u>(64,383)</u>
<b>Nonoperating revenues:</b>		
Intergovernmental. . . . .	-	10,000
Total nonoperating revenues . . . . .	<u>-</u>	<u>10,000</u>
Loss before transfers . . . . .	(85,847)	(54,383)
Transfers in . . . . .	71,000	130,000
Transfers out . . . . .	<u>(4,690)</u>	<u>-</u>
Change in net assets. . . . .	(19,537)	75,617
<b>Net assets, January 1 . . . . .</b>	<u>590,134</u>	<u>514,517</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 570,597</u>	<u>\$ 590,134</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF CASH FLOWS  
SWIMMING POOL FUND**

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<b>2006</b>	<b>2005</b>	
<b>Cash flows from operating activities:</b>			
Cash received from customers . . . . .	\$ 64,620	\$ 54,029	
Cash received from other operations . . . . .	4,193	3,995	
Cash payments for personal services . . . . .	(95,788)	(80,217)	
Cash payments for contract services. . . . .	(4,869)	(4,481)	
Cash payments for materials and supplies. . . . .	(28,449)	(15,517)	
Cash payments for utilities. . . . .	(4,467)	(4,032)	
	<u>(64,760)</u>	<u>(46,223)</u>	
Net cash (used in) operating activities. . . . .			
<b>Cash flows from noncapital financing activities:</b>			
Grants and contributions . . . . .	-	10,000	
Transfers in . . . . .	71,000	130,000	
Transfers out . . . . .	(4,690)	-	
	<u>66,310</u>	<u>140,000</u>	
Net cash provided by noncapital financing activities . . . . .			
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets . . . . .	(102,065)	(3,465)	
	<u>(102,065)</u>	<u>(3,465)</u>	
Net cash (used in) capital and related financing activities. . . . .			
Net increase (decrease) in cash and cash equivalents . . . . .	(100,515)	90,312	
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>107,533</u>	<u>17,221</u>	
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 7,018</u>	<u>\$ 107,533</u>	
<b>Reconciliation of operating loss to net cash (used in) operating activities:</b>			
Operating loss . . . . .	\$ (85,847)	\$ (64,383)	
Adjustments to reconcile operating loss to net cash (used in) operating activities:			
Depreciation . . . . .	20,666	18,037	
Changes in assets and liabilities:			
(Increase) decrease in prepaids. . . . .	100	(555)	
Increase in accounts payable . . . . .	321	678	
	<u>(64,760)</u>	<u>(46,223)</u>	
Net cash (used in) operating activities . . . . .	<u>\$ (64,760)</u>	<u>\$ (46,223)</u>	

**Non-cash Transactions:**

At December 31, 2006 and 2005, the Swimming Pool fund purchased \$0 and \$34,391, respectively, in capital assets on account.

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF NET ASSETS  
PARKING FACILITIES FUND**

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<b>2006</b>	<b>2005</b>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents. . . . .	\$ 43,698	\$ 118,782
Prepayments . . . . .	1,631	1,891
Noncurrent assets:		
Capital assets:		
Land and construction in progress . . . . .	94,331	94,331
Depreciable capital assets, net . . . . .	43,552	42,159
Total noncurrent assets . . . . .	137,883	136,490
Total assets . . . . .	183,212	257,163
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable. . . . .	2,542	2,211
Accrued wages and benefits . . . . .	3,254	3,136
Compensated absences payable. . . . .	7,130	6,667
Deposits held and due to others . . . . .	5,936	3,939
Long term liabilities:		
Compensated absences payable. . . . .	10,912	10,815
Total liabilities. . . . .	29,774	26,768
<b>Net assets:</b>		
Invested in capital assets, net of related debt . . . . .	137,883	136,490
Unrestricted . . . . .	15,555	93,905
Total net assets . . . . .	\$ 153,438	\$ 230,395

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<b>Operating revenues:</b>		
Charges for services . . . . .	\$ 66,901	\$ 90,498
Other . . . . .	278	95
Total operating revenues . . . . .	<u>67,179</u>	<u>90,593</u>
<b>Operating expenses:</b>		
Personal services . . . . .	116,407	106,955
Contract services . . . . .	5,347	4,948
Materials and supplies. . . . .	2,754	2,945
Utilities . . . . .	369	378
Depreciation. . . . .	15,359	13,896
Other. . . . .	3,900	9,986
Total operating expenses . . . . .	<u>144,136</u>	<u>139,108</u>
Change in net assets. . . . .	(76,957)	(48,515)
<b>Net assets, January 1 . . . . .</b>	<u>230,395</u>	<u>278,910</u>
<b>Net assets, December 31 . . . . .</b>	<u>\$ 153,438</u>	<u>\$ 230,395</u>

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF CASH FLOWS  
PARKING FACILITIES FUND**

FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005

	<b>2006</b>	<b>2005</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers . . . . .	\$ 66,901	\$ 90,498
Cash received from other operations . . . . .	278	95
Cash payments for personal services . . . . .	(115,729)	(104,540)
Cash payments for contract services. . . . .	(3,090)	(5,568)
Cash payments for materials and supplies. . . . .	(2,423)	(2,135)
Cash payments for utilities. . . . .	(369)	(378)
Cash payments for other operating expenses . . . . .	(3,900)	(10,397)
Net cash (used in) operating activities. . . . .	(58,332)	(32,425)
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets . . . . .	(16,752)	-
Net cash (used in) capital and related financing activities . . . . .	(16,752)	-
Net (decrease) in cash and cash equivalents . . . . .	(75,084)	(32,425)
<b>Cash and cash equivalents at beginning of year . . .</b>	118,782	151,207
<b>Cash and cash equivalents at end of year. . . . .</b>	\$ 43,698	\$ 118,782
<b>Reconciliation of operating loss to net cash (used in) operating activities:</b>		
Operating (loss) . . . . .	\$ (76,957)	\$ (48,515)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation . . . . .	15,359	13,896
Changes in assets and liabilities:		
(Increase) decrease in prepaids. . . . .	260	(620)
Increase in accrued wages and benefits. . . . .	118	1,059
Increase in accounts payable . . . . .	331	810
Increase (decrease) in deposits held and due to others . . . . .	1,997	(411)
Increase in compensated absences payable . . . . .	560	1,356
Net cash (used in) operating activities . . . . .	\$ (58,332)	\$ (32,425)

## CITY OF FINDLAY, OHIO

The internal service funds account for the financing of goods or services provided by one department 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, 2006  
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2005)

	Central Stores	Self-Insurance	Totals	
			2006	2005
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents. . . . .	\$ 51,821	\$ 1,045,988	\$ 1,097,809	\$ 1,058,508
Receivables (net of allowances of uncollectibles) . . .	-	354	354	441
Materials and supplies inventory . . . . .	4,680	-	4,680	4,700
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net . . . . .	6,754	-	6,754	8,945
Total noncurrent assets . . . . .	6,754	-	6,754	8,945
Total assets. . . . .	63,255	1,046,342	1,109,597	1,072,594
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable. . . . .	1,217	-	1,217	970
Total liabilities. . . . .	1,217	-	1,217	970
<b>Net assets:</b>				
Invested in capital assets, net of related debt . . . . .	6,754	-	6,754	8,945
Unrestricted . . . . .	55,284	1,046,342	1,101,626	1,062,679
Total net assets. . . . .	\$ 62,038	\$ 1,046,342	\$ 1,108,380	\$ 1,071,624

**CITY OF FINDLAY, OHIO**

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

FOR THE YEAR ENDED DECEMBER 31, 2006  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005)

	Central Stores	Self-Insurance	Totals	
			2006	2005
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 26,527	\$ -	\$ 26,527	\$ 22,747
Total operating revenues . . . . .	26,527	-	26,527	22,747
<b>Operating expenses:</b>				
Contract services . . . . .	2,438	13,774	16,212	25,590
Materials and supplies. . . . .	19,435	-	19,435	17,914
Depreciation. . . . .	2,191	-	2,191	1,837
Other. . . . .	-	-	-	1,683
Total operating expenses . . . . .	24,064	13,774	37,838	47,024
Operating income (loss) . . . . .	2,463	(13,774)	(11,311)	(24,277)
<b>Nonoperating revenues:</b>				
Interest revenue . . . . .	-	48,067	48,067	19,012
Total nonoperating revenues . . . . .	-	48,067	48,067	19,012
Income (loss) before transfers . . . . .	2,463	34,293	36,756	(5,265)
Transfers in . . . . .	-	-	-	400,000
Change in net assets . . . . .	2,463	34,293	36,756	394,735
<b>Net assets, January 1. . . . .</b>	<u>59,575</u>	<u>1,012,049</u>	<u>1,071,624</u>	<u>676,889</u>
<b>Net assets, December 31. . . . .</b>	<u>\$ 62,038</u>	<u>\$ 1,046,342</u>	<u>\$ 1,108,380</u>	<u>\$ 1,071,624</u>

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005)

	Central Stores	Self-Insurance	Totals	
			2006	2005
<b>Cash flows from operating activities:</b>				
Cash received from customers . . . . .	\$ 26,527	\$ -	\$ 26,527	\$ 22,747
Cash payments for contract services. . . . .	(2,438)	(13,774)	(16,212)	(10,065)
Cash payments for materials and supplies. . . . .	(19,168)	-	(19,168)	(17,078)
Cash payments for other operating expenses . . . . .	-	-	-	(1,683)
Net cash provided by (used in) operating activities. . . . .	4,921	(13,774)	(8,853)	(6,079)
<b>Cash flows from noncapital financing activities:</b>				
Transfers in. . . . .	-	-	-	400,000
Net cash provided by noncapital financing activities . . . . .	-	-	-	400,000
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets . . . . .	-	-	-	(10,782)
Net cash used in capital and related financing activities . . . . .	-	-	-	(10,782)
<b>Cash flows from investing activities:</b>				
Interest received. . . . .	-	48,154	48,154	19,506
Net cash provided by investing activities . . . . .	-	48,154	48,154	19,506
Net increase in cash and cash equivalents . . . . .	4,921	34,380	39,301	402,645
<b>Cash and cash equivalents at beginning of year . . . . .</b>	46,900	1,011,608	1,058,508	655,863
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 51,821</u>	<u>\$ 1,045,988</u>	<u>\$ 1,097,809</u>	<u>\$ 1,058,508</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ 2,463	\$ (13,774)	\$ (11,311)	\$ (24,277)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation . . . . .	2,191	-	2,191	1,837
Changes in assets and liabilities:				
(Increase) decrease in materials and supplies inventory. . . . .	20	-	20	(134)
Decrease in prepaids . . . . .	-	-	-	15,525
Increase in accounts payable . . . . .	247	-	247	970
Net cash provided by (used in) operating activities. . . . .	<u>\$ 4,921</u>	<u>\$ (13,774)</u>	<u>\$ (8,853)</u>	<u>\$ (6,079)</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 income taxes collected on-behalf of the Village of Arlington.

**CITY OF FINDLAY, OHIO**

**COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS  
PRIVATE-PURPOSE TRUST FUND  
DECEMBER 31, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 158,897	\$ 155,012
Receivables:		
Accrued interest. . . . .	<u>718</u>	<u>374</u>
Total assets. . . . .	<u>159,615</u>	<u>155,386</u>
<b>Net Assets:</b>		
Held in trust for private cemetery care . . . . .	<u>159,615</u>	<u>155,386</u>
Total net assets . . . . .	<u>\$ 159,615</u>	<u>\$ 155,386</u>

**CITY OF FINDLAY, OHIO**

COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE-PURPOSE TRUST FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006 AND 2005

	<b>2006</b>	<b>2005</b>
<b>Additions:</b>		
Interest . . . . .	\$ 5,493	\$ 3,365
Gifts and contributions. . . . .	1,984	363
Total Additions. . . . .	7,477	3,728
<b>Deductions:</b>		
Cemetery care . . . . .	3,248	3,084
Changes in net assets . . . . .	4,229	644
Net assets at the beginning of the year. . . . .	155,386	154,742
Net assets at the end of the year . . . . .	\$ 159,615	\$ 155,386

**CITY OF FINDLAY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>Balance 12/31/05</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/06</b>
<b>Guaranteed Deposits</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 271,720	\$ 237,079	\$ 271,720	\$ 237,079
Total assets . . . . .	\$ 271,720	\$ 237,079	\$ 271,720	\$ 237,079
<b>Liabilities:</b>				
Deposits held and due to others. . . . .	\$ 271,720	\$ 237,079	\$ 271,720	\$ 237,079
Total liabilities. . . . .	\$ 271,720	\$ 237,079	\$ 271,720	\$ 237,079
<b>Municipal Court</b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 55,122	\$ 3,412,731	\$ 3,372,417	\$ 95,436
Total assets . . . . .	\$ 55,122	\$ 3,412,731	\$ 3,372,417	\$ 95,436
<b>Liabilities:</b>				
Deposits held and due to others. . . . .	\$ 55,122	\$ 3,412,731	\$ 3,372,417	\$ 95,436
Total liabilities. . . . .	\$ 55,122	\$ 3,412,731	\$ 3,372,417	\$ 95,436
<b>Tax Collection</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 2,226	\$ 4,374	\$ 2,226	\$ 4,374
Total assets . . . . .	\$ 2,226	\$ 4,374	\$ 2,226	\$ 4,374
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 2,226	\$ 4,374	\$ 2,226	\$ 4,374
Total liabilities. . . . .	\$ 2,226	\$ 4,374	\$ 2,226	\$ 4,374
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 273,946	\$ 241,453	\$ 273,946	\$ 241,453
Cash in segregated accounts . . . . .	55,122	3,412,731	3,372,417	95,436
Total assets . . . . .	\$ 329,068	\$ 3,654,184	\$ 3,646,363	\$ 336,889
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 2,226	\$ 4,374	\$ 2,226	\$ 4,374
Deposits held and due to others. . . . .	326,842	3,649,810	3,644,137	332,515
Total liabilities. . . . .	\$ 329,068	\$ 3,654,184	\$ 3,646,363	\$ 336,889

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## STATISTICAL SECTION

**CITY OF FINDLAY, OHIO**  
**STATISTICAL SECTION**

This part of the City of Findlay's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>171-177</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	<b>178-187</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>188-192</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	<b>193-195</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	<b>196-201</b>

**Sources:** Sources are noted on the individual schedules. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

## CITY OF FINDLAY, OHIO

NET ASSETS BY COMPONENT  
LAST FOUR YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 57,094,162	\$ 57,382,919	\$ 55,017,907	\$ 53,250,549
Restricted for:				
Capital projects	816,047	767,872	711,679	2,160,578
Debt service	300,417	421,034	392,125	607,989
Transportation projects	1,682,254	1,321,291	2,176,368	1,707,388
Income tax distribution	4,284,626	3,858,862	-	-
Economic development programs	774,538	774,538	-	-
Perpetual care:				
Expendable	9,621	2,847	1,840	1,157
Nonexpendable	1,037,970	971,777	967,544	936,540
Other projects	883,047	1,133,567	5,422,036	3,390,659
Unrestricted	9,477,214	5,874,745	3,572,979	4,066,854
Total governmental activities net assets	<u>\$ 76,359,896</u>	<u>\$ 72,509,452</u>	<u>\$ 68,262,478</u>	<u>\$ 66,121,714</u>
<b>Business-type Activities</b>				
Invested in capital assets, net of related debt (1)	\$ 96,809,655	\$ 92,990,351	\$ 85,421,338	\$ 81,980,224
Capital projects	5,605,343	5,026,928	3,228,686	2,582,786
Debt service	2,616,159	2,632,243	2,547,188	2,897,822
Unrestricted	5,948,282	3,601,853	5,011,751	5,189,611
Total business-type activities net assets	<u>\$ 110,979,439</u>	<u>\$ 104,251,375</u>	<u>\$ 96,208,963</u>	<u>\$ 92,650,443</u>
<b>Total Primary Government</b>				
Invested in capital assets, net of related debt	\$ 153,903,817	\$ 150,373,270	\$ 140,439,245	\$ 135,230,773
Restricted for:				
Capital projects	6,421,390	5,794,800	3,940,365	4,743,364
Debt service	2,916,576	3,053,277	2,939,313	3,505,811
Transportation projects	1,682,254	1,321,291	2,176,368	1,707,388
Income tax distribution	4,284,626	3,858,862	-	-
Economic development programs	774,538	774,538	-	-
Perpetual care:				
Expendable	9,621	2,847	1,840	1,157
Nonexpendable	1,037,970	971,777	967,544	936,540
Other projects	883,047	1,133,567	5,422,036	3,390,659
Unrestricted	15,425,496	9,476,598	8,584,730	9,256,465
Total primary government net assets	<u>\$ 187,339,335</u>	<u>\$ 176,760,827</u>	<u>\$ 164,471,441</u>	<u>\$ 158,772,157</u>

**Note:** 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

- (1) The Business-type Activities Invested in capital assets, net of related debt for the years 2003 - 2005 are different from prior CAFR's due to a prior period restatement of capital assets.

**CITY OF FINDLAY, OHIO**  
**CHANGES IN NET ASSETS**  
**LAST FOUR YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Program Revenues:</b>				
Governmental activities				
Charges for services:				
General government	\$ 1,795,902	\$ 1,923,294	\$ 1,933,403	\$ 1,177,697
Security of persons & property	96,414	53,312	41,100	1,564,861
Public health services	662,752	607,457	441,186	-
Transportation	10,454	17,202	5,458	2,219
Leisure time activities	381,605	337,880	332,417	66,340
Interest and fiscal charges	36,124	111,908	159,118	186,366
Operating grants & contributions	3,250,769	2,608,882	4,092,055	2,641,376
Capital grants & contributions	-	1,512,583	-	412,249
Total governmental activities program revenues	<u>6,234,020</u>	<u>7,172,518</u>	<u>7,004,737</u>	<u>6,051,108</u>
Business-type activities:				
Charges for services:				
Water	7,085,719	7,100,619	6,632,486	6,854,205
Water pollution control	8,505,966	8,609,713	8,179,779	7,540,853
Airport	1,042,094	946,458	776,427	677,746
Parking facilities	66,901	90,498	92,131	105,518
Swimming pool	64,620	54,029	45,346	50,070
Capital grants & contributions	3,015,561	4,567,599	1,591,936	2,678,509
Total business-type activities program revenues	<u>19,780,861</u>	<u>21,368,916</u>	<u>17,318,105</u>	<u>17,906,901</u>
Total primary government	<u>\$ 26,014,881</u>	<u>\$ 28,541,434</u>	<u>\$ 24,322,842</u>	<u>\$ 23,958,009</u>
<b>Expenses:</b>				
Governmental Activities				
General government	\$ 6,498,805	\$ 6,387,634	\$ 6,774,481	\$ 5,695,708
Security of persons & property	15,299,486	14,919,051	13,676,481	12,866,966
Public health services	1,540,983	1,515,801	1,336,638	1,347,065
Transportation	4,338,516	4,194,626	3,188,310	1,106,317
Leisure time activities	1,370,659	1,413,227	1,372,531	1,337,577
Other	-	-	-	1,807
Interest and fiscal charges	211,810	108,694	241,547	201,871
Total governmental activities expenses	<u>29,260,259</u>	<u>28,539,033</u>	<u>26,589,988</u>	<u>22,557,311</u>
Business-type activities:				
Water	5,667,066	5,916,358	6,258,906	6,398,700
Water pollution control	6,355,113	6,175,336	5,996,566	6,843,341
Airport	1,673,047	1,642,345	1,898,137	1,306,254
Parking facilities	144,136	139,108	112,840	138,441
Swimming pool	154,660	122,407	105,840	129,661
Total business-type activities expenses	<u>13,994,022</u>	<u>13,995,554</u>	<u>14,372,289</u>	<u>14,816,397</u>
Total primary government	<u>\$ 43,254,281</u>	<u>\$ 42,534,587</u>	<u>\$ 40,962,277</u>	<u>\$ 37,373,708</u>

- - Continued

**CITY OF FINDLAY, OHIO**  
**CHANGES IN NET ASSETS (CONTINUED)**  
**LAST FOUR YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (23,026,239)	\$ (21,366,515)	\$ (19,585,251)	\$ (16,506,203)
Business-type activities	5,786,839	7,373,362	2,945,816	3,090,504
Total primary government net expense	<u>\$ (17,239,400)</u>	<u>\$ (13,993,153)</u>	<u>\$ (16,639,435)</u>	<u>\$ (13,415,699)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities				
Taxes:				
Property & other local taxes levied for:				
General purposes	\$ 2,575,307	\$ 2,619,131	\$ 2,432,883	\$ 2,348,596
Police and fire pensions	513,836	537,426	496,728	478,210
Municipal income taxes levied for:				
General purposes	18,966,079	17,260,892	15,364,985	14,095,110
Grants and entitlements				
not restricted to specific programs	3,903,190	3,505,531	2,286,209	2,818,716
Investment earnings	969,826	556,868	179,647	278,548
Miscellaneous	1,184,836	1,099,952	1,109,329	1,000,037
Transfers	(40,825)	33,689	(143,766)	96,932
Total governmental activities	<u>28,072,249</u>	<u>25,613,489</u>	<u>21,726,015</u>	<u>21,116,149</u>
Business-type activities				
Investment earnings	578,344	325,083	142,889	213,697
Miscellaneous	322,056	377,656	326,049	711,210
Transfers	40,825	(33,689)	143,766	(96,932)
Total business-type activities	<u>941,225</u>	<u>669,050</u>	<u>612,704</u>	<u>827,975</u>
Total primary government	<u>\$ 29,013,474</u>	<u>\$ 26,282,539</u>	<u>\$ 22,338,719</u>	<u>\$ 21,944,124</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 5,046,010	\$ 4,246,974	\$ 2,140,764	\$ 4,609,946
Business-type activities	6,728,064	8,042,412	3,558,520	3,918,479
Total primary government	<u>\$ 11,774,074</u>	<u>\$ 12,289,386</u>	<u>\$ 5,699,284</u>	<u>\$ 8,528,425</u>

**Note:** 2003 was the first year the City implemented GASB Statement No. 34, so comparative information before that date is not available.

**CITY OF FINDLAY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund				
Reserved	\$ 2,355,431	\$ 843,588	\$ 370,547	\$ 335,338
Unreserved	<u>4,516,854</u>	<u>7,401,998</u>	<u>5,854,174</u>	<u>6,395,355</u>
Total general fund	<u>\$ 6,872,285</u>	<u>\$ 8,245,586</u>	<u>\$ 6,224,721</u>	<u>\$ 6,730,693</u>
All Other Governmental Funds				
Reserved	\$ 3,995,330	\$ 3,068,317	\$ 3,112,149	\$ 3,200,811
Unreserved, reported in:				
Special revenue funds	3,267,703	4,110,157	4,553,636	3,669,248
Permanent fund	9,621	2,847	1,840	1,157
Capital projects funds	815,547	767,872	530,660	414,919
Debt service funds	<u>199,170</u>	<u>193,624</u>	<u>181,545</u>	<u>257,291</u>
Total all other governmental funds	<u>\$ 8,287,371</u>	<u>\$ 8,142,817</u>	<u>\$ 8,379,830</u>	<u>\$ 7,543,426</u>

TABLE 3

<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
\$ 603,616	\$ 1,487,585	\$ 579,666	\$ 767,908	\$ 936,364	\$ 853,080
4,681,068	5,888,284	6,864,161	6,095,743	5,428,293	4,047,291
<u>\$ 5,284,684</u>	<u>\$ 7,375,869</u>	<u>\$ 7,443,827</u>	<u>\$ 6,863,651</u>	<u>\$ 6,364,657</u>	<u>\$ 4,900,371</u>
\$ 2,146,876	\$ 1,799,881	\$ 2,213,845	\$ 1,858,580	\$ 1,471,753	\$ 1,467,811
3,290,213	4,209,368	2,435,732	2,581,670	3,078,315	2,564,696
-	-	-	-	-	-
505,253	389,121	157,425	349,347	267,466	5,517
180,130	103,121	101,450	76,550	129,570	140,785
<u>\$ 6,122,472</u>	<u>\$ 6,501,491</u>	<u>\$ 4,908,452</u>	<u>\$ 4,866,147</u>	<u>\$ 4,947,104</u>	<u>\$ 4,178,809</u>

**CITY OF FINDLAY, OHIO**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Revenues</b>				
Municipal income taxes	\$ 18,546,064	\$ 17,323,028	\$ 15,385,918	\$ 14,002,165
Property and other taxes	3,089,143	3,156,557	2,929,611	2,826,806
Charges for services	1,308,721	1,051,512	983,651	916,668
Licenses and permits	326,340	367,854	361,509	319,748
Fines and forfeitures	1,312,066	1,370,961	1,377,006	1,538,397
Intergovernmental	7,001,553	6,227,738	6,206,496	5,396,980
Special assessments	170,580	288,554	279,704	592,222
Investment income	921,759	537,856	185,586	269,067
Contributions and donations	-	-	-	139,511
Reimbursements	835,261	834,736	725,093	677,682
Other	349,575	265,216	384,236	322,566
<b>Total revenues</b>	<u>33,861,062</u>	<u>31,424,012</u>	<u>28,818,810</u>	<u>27,001,812</u>
<b>Expenditures</b>				
Current:				
Instruction:				
General government	6,037,887	6,077,685	5,777,002	5,542,145
Security of persons and property	14,395,600	14,179,528	13,433,081	12,659,590
Public health and welfare	1,467,461	1,483,325	1,368,300	1,334,612
Transportation	1,963,313	1,797,021	1,636,349	1,618,551
Leisure time activity	1,267,736	1,305,133	1,373,950	1,305,622
Other	-	-	-	1,807
Capital outlay	9,399,548	4,003,967	4,241,071	4,913,419
Debt service:				
Principal retirement	488,132	429,486	467,574	385,169
Interest and fiscal charges	243,875	137,867	227,576	209,146
Bond issuance cost	-	-	33,490	9,397
<b>Total expenditures</b>	<u>35,263,552</u>	<u>29,414,012</u>	<u>28,558,393</u>	<u>27,979,458</u>
Excess of revenues over (under) expenditures	(1,402,490)	2,010,000	260,417	(977,646)
<b>Other Financing Sources (Uses)</b>				
Transfers in	20,905,649	18,958,417	17,122,675	16,467,546
Transfers (out)	(20,946,474)	(19,324,728)	(17,266,441)	(16,370,614)
Payment to refunding bond escrow agent	-	-	(2,477,100)	-
Premium on notes/bonds	39,257	-	89,570	26,956
Capital lease financing	-	-	-	-
Sale of capital assets	-	500	-	-
Bonds issued	-	129,300	2,463,000	1,001,550
OPWC loans issued	149,663	-	144,000	-
<b>Total other financing sources (uses)</b>	<u>148,095</u>	<u>(236,511)</u>	<u>75,704</u>	<u>1,125,438</u>
Increase (decrease) in reserve for inventory	66,044	-	(3,353)	(9,484)
Increase (decrease) in prepaids	(40,396)	10,363	(2,336)	9,398
<b>Net change in fund balances</b>	<u>\$ (1,228,747)</u>	<u>\$ 1,783,852</u>	<u>\$ 330,432</u>	<u>\$ 147,706</u>
Debt service as a percentage of noncapital expenditures	2.08%	1.93%	2.43%	2.12%

TABLE 4

	2002	2001	2000	1999	1998	1997
\$	14,447,353	\$ 15,287,570	\$ 13,653,787	\$ 13,483,300	\$ 14,393,187	\$ 10,612,877
	2,864,133	2,395,171	2,228,256	2,226,806	-	2,286,406
	572,362	528,138	528,254	466,650	523,498	470,116
	294,599	256,264	104,710	96,613	110,535	102,034
	1,518,046	1,458,975	1,531,249	1,530,985	1,488,997	1,263,007
	4,146,327	4,489,752	4,086,594	4,387,084	4,009,104	3,642,035
	383,256	405,244	290,126	250,094	311,907	-
	417,326	834,236	1,080,238	664,448	586,105	725,230
	-	-	-	-	-	-
	707,314	823,052	554,348	576,679	-	-
	213,694	307,859	426,914	327,370	1,245,780	954,200
	25,564,410	26,786,261	24,484,476	24,010,029	22,669,113	20,055,905
	5,810,189	5,710,231	4,998,973	4,613,512	4,489,092	4,336,992
	12,560,392	11,601,542	10,805,889	10,387,007	9,817,349	9,501,196
	1,345,087	1,264,665	1,114,922	1,128,912	1,030,722	1,014,831
	1,708,562	1,563,537	1,499,571	1,379,006	1,221,917	1,288,336
	888,587	820,908	674,902	696,805	654,402	661,609
	-	-	-	-	-	-
	4,918,956	3,977,394	3,391,275	2,981,243	2,171,824	4,937,050
	401,322	541,000	571,000	1,940,960	810,960	-
	371,465	241,995	268,718	394,562	440,549	-
	-	-	-	-	-	-
	28,004,560	25,721,272	23,325,250	23,522,007	20,636,815	21,740,014
	(2,440,150)	1,064,989	1,159,226	488,022	2,032,298	(1,684,109)
	16,659,895	16,939,295	15,421,014	15,570,137	13,708,957	11,662,624
	(16,871,989)	(16,725,857)	(15,914,105)	(15,656,806)	(13,787,833)	(12,711,681)
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,116	-	-	-	-	-
	-	-	-	-	-	-
	119,850	145,500	-	-	255,000	-
	-	-	-	-	-	-
	(83,128)	358,938	(493,091)	(86,669)	176,124	(1,049,057)
	37,824	15,423	(55,095)	7,849	24,980	64,082
	17,105	(75,235)	11,441	8,835	4,759	5,183
\$	(2,468,349)	\$ 1,364,115	\$ 622,481	\$ 418,037	\$ 2,238,161	\$ (2,663,901)
	2.76%	3.04%	3.60%	9.93%	6.06%	0.00%

**CITY OF FINDLAY, OHIO**

ASSESSSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS

Calander Year (1)	Real Property (a)		Real and Personal Public Utility (b)		Tangible Personal Property (c)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2007	\$ 750,904,400	\$ 2,145,441,143	\$ 20,951,930	\$ 23,809,011	\$ 78,664,222	\$ 469,637,144
2006	731,113,130	2,088,894,657	20,830,810	23,671,375	110,179,715	440,718,860
2005 (2)	718,179,890	2,051,942,543	21,185,600	24,074,545	148,117,214	592,468,856
2004	645,430,870	1,844,088,200	20,894,840	23,744,136	144,017,614	576,070,456
2003	626,960,430	1,791,315,514	20,705,880	23,529,409	172,457,599	689,830,396
2002	611,410,130	1,746,886,086	20,339,970	23,113,602	191,586,739	766,346,956
2001	574,141,030	1,640,402,943	26,603,490	30,231,239	151,916,904	607,667,616
2000	564,268,950	1,612,197,000	25,705,800	29,211,136	164,997,670	659,990,680
1999 (2)	551,462,520	1,575,607,200	28,395,260	32,267,341	156,889,861	627,559,444
1998	472,667,350	1,350,478,143	28,093,070	31,923,943	153,103,629	612,414,516

**Source:** Hancock County, Ohio; Auditor

(1) Valuations are amounts for collection year.

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

- (a) Real property is assessed at thirty-five percent of actual value. Real property taxes collected in a calander year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.
- (b) Public utility is assessed at eighty-eight percent of actual value. Public utility real and tangible 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.
- (c) Tangible personal is assessed at twenty-five percent of true value for capital assets and 18.75 percent of true value for inventory included in tangible personal property. The amount of 2006 and 2007 tangible personal property taxes has been reduced by 25% and 33%, respectively, in compliance with Ohio House Bill 66 which mandated a reduction in personal property tax. The original value prior to the reduction for 2006 and 2007 were \$146,906,286 and \$117,409,286, respectively. See Note 6 to the financial statements for more information on Ohio House Bill 66 and tangible personal property taxes.

TABLE 5

<b>Total</b>		
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>
\$ 850,520,552	\$ 2,638,887,298	32.23%
862,123,655	2,553,284,892	33.77%
887,482,704	2,668,485,944	33.26%
810,343,324	2,443,902,792	33.16%
820,123,909	2,504,675,319	32.74%
823,336,839	2,536,346,644	32.46%
752,661,424	2,278,301,797	33.04%
754,972,420	2,301,398,816	32.80%
736,747,641	2,235,433,985	32.96%
653,864,049	1,994,816,602	32.78%

## CITY OF FINDLAY, OHIO

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(RATE PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS

<b>City Direct Rates (1)</b>							
<b>Collection Year (1)</b>			<b>General Rate</b>			<b>Total Direct Rate</b>	
2007	\$		3.20	\$		3.20	
2006			3.20			3.20	
2005			3.20			3.20	
2004			3.20			3.20	
2003			3.20			3.20	
2002			3.20			3.20	
2001			3.20			3.20	
2000			3.20			3.20	
1999			3.20			3.20	
1998			3.20			3.20	
<b>Overlapping Rates (1)</b>							
<b>Collection Year (1)</b>	<b>Hancock County</b>		<b>Hancock County Park District</b>		<b>Findlay City School District</b>		<b>Total</b>
2007	\$	7.30	\$	0.80	\$	60.75	\$ 72.05
2006		7.30		0.80		58.25	69.55
2005		5.40		0.80		58.25	67.65
2004		5.40		0.80		53.35	62.75
2003		5.12		0.80		53.35	62.47
2002		5.12		0.80		53.35	62.47
2001		5.14		0.80		53.35	62.49
2000		5.15		0.80		53.35	62.50
1999		5.14		0.80		53.35	62.49
1998		5.18		0.80		53.35	62.53

Source: Hancock County Auditor's Office

**CITY OF FINDLAY, OHIO**  
**PRINCIPAL TAXPAYERS**  
**REAL PROPERTY TAX**  
**CURRENT YEAR AND NINE YEARS AGO**

<b>December 31, 2006</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Marathon/Ashland Petroleum Company	\$ 11,236,010	1	1.50%
Cooper Tire & Rubber Company	8,958,440	2	1.19%
Findlay Shopping Center, Inc.	5,873,060	3	0.78%
Kohl's Department Stores, Inc. - Distribution Center	5,250,000	4	0.70%
Logistics Solutions of Ohio	3,837,870	5	0.51%
Meijer Stores	2,831,990	6	0.38%
Best Buy Distribution Center	2,775,400	7	0.37%
RG Findlay LTD	2,773,700	8	0.37%
Owens Illinois/Brockway Plastics Co.	2,457,650	9	0.33%
L P Investment Company	2,282,670	10	0.30%
Total, Top Ten Principal Real Property Taxpayers	<u>\$ 48,276,790</u>		<u>\$ 750,904,400</u>

<b>December 31, 1997 (1)</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Marathon/Ashland Petroleum Company	\$ 11,083,400	1	2.34%
Cooper Tire & Rubber Company	7,852,890	2	1.66%
Findlay Shopping Center, Inc.	5,830,950	3	1.23%
Randall L. Gunlock (Wal-Mart/Flag City Station)	2,906,360	4	0.61%
GE Subsidiary, Inc. (Harris Corp)	2,351,200	5	0.50%
L P Investment Company	2,323,330	6	0.49%
B B Findlay Partnership (Best Buy)	2,275,040	7	0.48%
Total, Top Seven Principal Real Property Taxpayers	<u>\$ 34,623,170</u>		<u>\$ 472,667,350</u>

**Source:** Hancock County Auditor

(1) For December 31, 1997, only the top seven real property taxpayer information was available.

## CITY OF FINDLAY, OHIO

 PRINCIPAL TAXPAYERS  
 TANGIBLE PERSONAL PROPERTY TAX  
 CURRENT YEAR AND NINE YEARS AGO

<b>December 31, 2006</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Cooper Tire & Rubber	\$ 15,090,620	1	19.18%
Nissan Brake Ohio	9,832,020	2	12.50%
Best Buy Stores LP	8,755,220	3	11.13%
Graham Packaging	4,994,630	4	6.35%
Filtech Inc.	3,320,740	5	4.22%
SANHO	2,945,200	6	3.74%
Findlay Products	2,494,870	7	3.17%
Kohls	2,189,440	8	2.78%
Findlay Ford Lincoln Mercury	2,168,770	9	2.76%
Bridgestone APM Company	2,153,380	10	2.74%
Total, Top Ten Principal Personal Property Taxpayers	<u>\$ 53,944,890</u>		<u>\$ 78,664,222</u>

<b>December 31, 1997</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Cooper Tire & Rubber	\$ 22,052,130	1	14.40%
Harris Corporation	13,383,730	2	8.74%
Findlex	7,110,580	3	4.64%
Owens Illinois	7,046,780	4	4.60%
Dow Chemical Company	5,376,010	5	3.51%
Findlay Products	4,977,800	6	3.25%
Findlay Ford Lincoln Mercury	4,505,120	7	2.94%
Findlay Industries	3,005,720	8	1.96%
Filtech	2,492,030	9	1.63%
P & A Industries	2,281,890	10	1.49%
Total, Top Ten Principal Personal Property Taxpayers	<u>\$ 72,231,790</u>		<u>\$ 153,103,629</u>

**Source:** Hancock County Auditor

## CITY OF FINDLAY, OHIO

PRINCIPAL TAXPAYERS  
PUBLIC UTILITY PROPERTY TAX  
CURRENT YEAR AND NINE YEARS AGO

<b>December 31, 2006</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Ohio Power Company	\$ 14,357,120	1	68.52%
Ohio Bell Telephone	3,383,390	2	16.15%
Columbia Gas of Ohio, Inc.	2,004,540	3	9.57%
Norfolk Southern Combined	241,690	4	1.15%
CSX Transportation Inc.	167,210	5	0.80%
Total, Top Five Principal Public Utility Taxpayers	<u>\$ 20,153,950</u>		<u>\$ 20,951,930</u>
<b>December 31, 1997 (1)</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Ohio Power Company	\$ 13,358,360	1	47.55%
Ohio Bell Telephone	8,796,260	2	31.31%
Total, Top Two Principal Public Utility Taxpayers	<u>\$ 22,154,620</u>		<u>\$ 28,093,070</u>

**Source:** Hancock County Auditor

(1) For December 31, 1997, only the top two public utility property taxpayer information was available.

**CITY OF FINDLAY, OHIO**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN YEARS**

<b>Collection Year</b>	<b>Current Levy (1)</b>	<b>Delinquent Levy</b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Percent of Current Levy Collected</b>
2006	\$ 2,398,800	\$ 107,212	\$ 2,506,012	\$ 2,329,710	97.12%
2005	2,358,522	97,574	2,456,096	2,288,109	97.01%
2004	2,138,332	109,230	2,247,562	2,046,887	95.72%
2003	2,073,019	60,713	2,133,732	1,995,917	96.28%
2002	2,021,591	68,473	2,090,064	1,969,658	97.43%
2001	1,922,516	69,966	1,992,482	1,875,468	97.55%
2000	1,894,571	55,023	1,949,594	1,884,103	99.45%
1999	1,855,535	41,173	1,896,708	1,813,980	97.76%
1998	1,602,445	32,111	1,634,556	1,576,159	98.36%
1997	1,566,029	42,970	1,608,999	1,537,918	98.20%

**Source:** Hancock County Auditor

(1) includes rollbacks reimbursed by the State.

TABLE 10

<b>Delinquent Collection</b>	<b>Total Collection</b>	<b>Total Collection as a Percent of Total Levy</b>
\$ 64,333	\$ 2,394,043	95.53%
63,527	2,351,636	95.75%
79,183	2,126,070	94.59%
55,691	2,051,608	96.15%
47,316	2,016,974	96.50%
56,894	1,932,362	96.98%
46,077	1,930,180	99.00%
27,723	1,841,703	97.10%
22,727	1,598,886	97.82%
27,999	1,565,917	97.32%

**CITY OF FINDLAY, OHIO**

**INCOME TAX REVENUE BASE AND COLLECTIONS  
LAST TEN YEARS**

<b>Year</b>	<b>Tax Rate</b>	<b>Total Tax Collected</b>	<b>Taxes from Withholding</b>	<b>Percentage of Taxes from Withholding</b>	<b>Taxes From Net Profits</b>
2006	1.00%	\$ 18,542,994	\$ 12,266,198	66.15%	\$ 4,714,847
2005	1.00%	17,331,772	12,004,951	69.27%	3,865,817
2004	1.00%	15,265,818	11,487,766	75.25%	2,424,514
2003	1.00%	14,278,805	11,168,674	78.22%	1,844,709
2002	1.00%	14,930,706	11,086,396	74.25%	2,468,483
2001	1.00%	14,318,131	10,824,788	75.60%	2,409,620
2000	1.00%	13,052,856	10,349,064	79.29%	1,579,556
1999	1.00%	13,084,314	9,898,733	75.65%	1,984,944
1998	1.00%	11,695,212	9,072,423	77.57%	1,570,678
1997	1.00%	10,483,063	8,428,257	80.40%	1,114,185

**Source:** City income tax department.

TABLE 11

<b>Percentage of Taxes from Net Profits</b>	<b>Taxes from Individuals</b>	<b>Percentage of Taxes from Individuals</b>
25.43%	\$ 1,561,949	8.42%
22.30%	1,461,004	8.43%
15.88%	1,353,538	8.87%
12.92%	1,265,422	8.86%
16.53%	1,375,827	9.21%
16.83%	1,083,723	7.57%
12.10%	1,124,236	8.61%
15.17%	1,200,637	9.18%
13.43%	1,052,111	9.00%
10.63%	940,621	8.97%

**CITY OF FINDLAY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS**

<b>Governmental Activities</b>							
<b>Year</b>	<b>General Obligation Bonds</b>	<b>Special Assessment Bonds</b>	<b>Notes Payable</b>	<b>Capital Leases</b>	<b>OPWC Loans</b>	<b>Police and Fire Past Service</b>	
2006	\$ 3,110,000	\$ 288,875	\$ -	\$ -	\$ 271,921	\$ 1,229,271	
2005	3,440,000	434,045	-	2,020	133,200	1,251,195	
2004	3,780,000	384,765	-	4,286	140,400	1,272,217	
2003	3,990,000	443,635	-	6,390	-	1,292,373	
2002	3,305,000	510,300	-	8,344	-	1,311,699	
2001	3,645,000	504,000	-	-	-	1,330,230	
2000	4,140,000	561,500	-	-	-	1,347,997	
1999	4,665,000	397,500	-	-	-	1,365,032	
1998	6,550,000	453,460	995,000	-	-	1,381,366	
1997	7,335,000	224,420	319,450	-	-	1,397,027	

**Sources:**

(a) See notes to the financial statements regarding the City's outstanding debt information.

(b) See Schedule " Demographic and Economic Statistics - Last Ten Years" for personal income and population.

<b>Business-Type Activities</b>									
<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>OWDA Loans</b>	<b>OPWC Loans</b>	<b>(a) Total Primary Government</b>	<b>(b) Total Personal Income</b>	<b>Percentage of Personal Income</b>	<b>(b) Population</b>	<b>Per Capita</b>	
\$ 20,545,000	\$ -	\$ 34,353,505	\$ 588,873	\$ 60,387,445	\$1,034,451,756	5.84%	40,372	\$ 1,496	
23,240,000	-	32,381,825	625,289	61,507,574	999,682,580	6.15%	40,135	1,533	
25,980,000	-	33,453,275	656,705	65,671,648	965,423,638	6.80%	40,114	1,637	
27,975,000	-	34,849,100	483,121	69,039,619	951,319,134	7.26%	39,906	1,730	
22,050,000	9,377,072	34,916,575	1,088,303	72,567,293	910,148,810	7.97%	39,670	1,829	
23,325,000	10,465,302	31,478,900	1,182,983	71,931,415	960,563,170	7.49%	39,319	1,829	
24,555,000	11,503,532	17,334,483	1,273,277	60,715,789	868,106,826	6.99%	38,967	1,558	
25,740,000	12,491,762	8,724	1,359,387	46,027,405	827,014,528	5.57%	38,776	1,187	
26,875,000	13,434,992	-	1,441,508	51,131,326	794,212,154	6.44%	38,483	1,329	
24,350,000	14,343,222	-	1,519,825	49,488,944	744,580,494	6.65%	38,166	1,297	

## CITY OF FINDLAY, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN YEARS

<b>Year</b>	<b>General Obligation Bonds</b>	<b>Special Assessment Bonds</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2006	\$ 3,110,000	\$ 288,875	\$ 3,398,875	0.13%	\$ 84
2005	3,440,000	434,045	3,874,045	0.15%	97
2004	3,780,000	384,765	4,164,765	0.16%	104
2003	3,990,000	443,635	4,433,635	0.18%	111
2002	3,305,000	510,300	3,815,300	0.15%	96
2001	3,645,000	504,000	4,149,000	0.16%	106
2000	4,140,000	561,500	4,701,500	0.21%	121
1999	4,665,000	397,500	5,062,500	0.22%	131
1998	6,550,000	453,460	7,003,460	0.31%	182
1997	7,335,000	224,420	7,559,420	0.38%	198

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

## CITY OF FINDLAY, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
City of Findlay	\$ -	100.00% (1)	\$ -
Findlay City School District	-	92.73%	-
Liberty-Benton Local School District	3,078,427	18.87%	580,899
Van Buren Local School District	9,390,000	29.29%	2,750,331
<b>Overlapping debt:</b>			
Hancock County	12,625,000	54.70%	6,905,875
Hancock County Park District	-	54.70%	-
Total direct and overlapping debt	<u>\$ 25,093,427</u>		<u>\$ 10,237,105</u>

**Source:** Ohio Municipal Advisory Council

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

## CITY OF FINDLAY, OHIO

LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Debt Service Available Balance</b>	<b>Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2006	\$ 89,304,658	\$ 3,110,000	\$ 199,170	\$ 86,393,828	3.48%
2005	90,522,984	3,440,000	193,624	87,276,608	3.80%
2004	93,185,684	3,780,000	181,545	89,587,229	4.06%
2003	85,086,049	3,990,000	257,291	81,353,340	4.69%
2002	86,113,010	3,305,000	146,493	82,954,503	3.84%
2001	86,450,368	3,645,000	103,115	82,908,483	4.22%
2000	79,029,450	4,140,000	101,449	74,990,899	5.24%
1999	79,272,104	4,665,000	76,550	74,683,654	5.88%
1998	77,358,502	6,550,000	129,570	70,938,072	8.47%
1997	68,655,725	7,335,000	140,785	61,461,510	10.68%

**Source:** City financial records.

**Note:** Ohio Bond Law sets a limit of 10.5% for voted debt and 5.5% for unvoted debt.

## CITY OF FINDLAY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rates (3)		
				Hancock County	Ohio	United States
2006	40,372	\$ 1,034,451,756	\$ 25,623	4.4%	5.5%	4.6%
2005	40,135	999,682,580	24,908	4.9%	5.9%	5.1%
2004	40,114	965,423,638	24,067	5.1%	6.2%	5.5%
2003	39,906	951,319,134	23,839	5.2%	6.2%	6.0%
2002	39,670	910,148,810	22,943	4.4%	5.7%	5.8%
2001	39,319	960,563,170	24,430	3.7%	4.4%	4.7%
2000	38,967	868,106,826	22,278	3.3%	4.0%	4.0%
1999	38,776	827,014,528	21,328	2.8%	5.0%	4.8%
1998	38,483	794,212,154	20,638	3.2%	4.3%	4.5%
1997	38,166	744,580,494	19,509	3.5%	4.6%	4.9%

**Sources:**

- (1) Calculated as a percentage of total County population based upon 2002 census data.
- (2) Information obtained through Bureau of Economic Analysis and U.S. Department of Commerce
- (3) Information obtained through Ohio Job & Family Services, Office of Workforce Development

## CITY OF FINDLAY, OHIO

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO

Employer	December 31, 2006		
	Employees	Rank	Percentage of Total City Employment
Whirlpool	2,100	1	13.39%
Cooper Tire	2,065	2	13.17%
Blanchard Valley Regional Health Center	1,862	3	11.87%
Marathon/Ashland Petroleum	1,383	4	8.82%
Findlay City Schools	916	5	5.84%
Lowe's Distribution Center	911	6	5.81%
Nissin Brake	750	7	4.78%
Sanoh America Inc.	719	8	4.59%
Hancock County	615	9	3.92%
University of Findlay	507	10	3.23%
Total	11,828		75.43%
Total City Employment	15,681		
Employer	December 31, 1996		
	Employees	Rank	Percentage of Total
Cooper Tire & Rubber Company	2,100	1	19.20%
Whirlpool Corporation	1,750	2	16.00%
Marathon Oil Company	1,384	3	12.65%
Blanchard Valley Hospital	1,192	4	10.90%
Findlay City Schools	938	5	8.57%
Findlay Industries	865	6	7.91%
Harris Corporation	780	7	7.13%
Kohl's Distribution Center	700	8	6.40%
Hancock County	640	9	5.85%
OHM Corporation	590	10	5.39%
Total	10,939		100.00%

Source: City Auditor's Office Contacted Businesses

## CITY OF FINDLAY, OHIO

FULL-TIME-EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN YEARS

Function/Program	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Government										
Mayor	2	3	4	3	3	3	3	3	3	3
Council	11	11	11	11	11	11	11	11	11	11
Civil Service	4	4	4	4	4	4	4	4	4	4
Safety Director	2	2	2	1	1	1	1	1	1	1
Building Maintenance	1	1	2	2	2	2	2	1	1	2
Service Director	0	2	1	2	2	2	2	2	2	2
Auditor	5	6	5	5	4	4	4	4	4	4
Treasurer	1	1	1	1	1	1	1	1	1	1
Computer Services	3	3	4	4	4	4	4	3	3	3
City Income Tax	5	5	5	4	4	5	4	4	4	4
Law Director	6	6	6	5	5	5	5	5	5	5
Municipal Court	17	18	16	18	17	18	18	18	18	15
Cemetery	2	4	4	4	5	6	7	5	5	7
Security of Persons and Property										
Police	70	73	74	70	74	73	70	68	64	64
Fire	71	74	73	72	73	74	74	72	73	72
School Police	4	4	4	6	7	12	11	8	12	10
Fire Clerks	1	1	1	1	1	1	1	1	1	1
Police Clerks	7	6	6	5	5	6	6	6	7	7
Dispatch	10	11	9	10	11	11	9	8	8	9
Parking	2	2	1	2	2	2	2	2	2	1
Community Environment										
Engineering	13	14	12	12	12	15	17	15	16	15
Zoning	1	1	2	3	4	3	3	3	3	3
Health	14	13	13	13	13	12	10	9	11	12
Streets	25	25	24	24	28	27	29	25	29	26
Lights	5	5	5	5	5	5	5	5	5	5
NEAT	1	1	0	0	0	0	0	0	0	0
Leisure Time Activity										
Parks	11	9	9	9	8	10	8	7	8	9
Hancock Recreation Center	6	9	15	13	0	0	0	0	0	0
Recreation	4	2	3	3	3	3	3	8	8	8
Pool	10	13	12	11	12	12	10	11	13	10
Utility Services										
Sewer Maintenance	14	14	14	13	14	14	12	12	12	12
Water Pollution Control	17	16	18	19	17	19	21	20	21	21
Water Treatment	18	19	20	19	15	21	22	20	20	21
Water Distribution	15	15	15	16	16	15	16	16	16	16
Utility Billing	8	10	9	9	9	9	9	9	9	9
Service Department	1	2	2	2	1	2	2	2	2	2
Airport	5	5	5	6	6	6	6	6	6	6
Total	392	410	411	407	399	418	412	395	408	401

**Source:** City of Findlay records

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

**CITY OF FINDLAY, OHIO**

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS

<b>Function/Program</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>General Government</b>				
<b>Auditor's Office</b>				
Purchase orders issued	3,949	4,039	3,948	3,971
Checks issued	7,609	7,891	7,839	7,912
<b>Computer Services</b>				
Computers maintained	258	247	237	235
City website hits	263,781	188,533	140,620	45,752
<b>Cemetery</b>				
Number of internments	216	213	235	224
Graves sold	336	125	148	136
<b>Safety Services</b>				
<b>Municipal Court</b>				
Cases filed	18,791	18,396	17,661	23,021
Arraignments	14,326	14,553	14,366	23,063
Jury trials	95	55	27	82
<b>Police</b>				
Charges from arrests	2,961	2,590	3,301	3,178
Parking violations	6,914	10,835	9,748	11,099
Traffic violations	4,478	3,403	4,885	5,112
<b>Fire</b>				
Emergency responses/calls answered	1,734	1,628	1,437	1,028
Fires extinguished	160	192	218	177
Inspections conducted	752	558	581	667
<b>Community Environment</b>				
<b>Health Department</b>				
Food service licenses issued	415	414	376	363
Vaccinations given - Clinic	7,129	7,732	7,793	7,628
Births	1,082	1,084	1,019	981
Deaths	487	396	453	455
Plumbing inspection permits issued	586	692	726	678
<b>Zoning</b>				
New commercial permits issued	9	2	10	13
New residential permits issued	127	82	99	147
New industrial permits issued	1	1	0	0
Inspections conducted	1,032	812	3,779	3,136
<b>Street</b>				
Miles of street maintained	192.85	189.24	188.05	182.63
Pot holes repaired	76	151	199	N/A
Limbs removed	53	232	253	N/A
Visibility complaints received	11	11	19	N/A
Repairs to concrete	65	84	79	N/A

TABLE 19

2002	2001	2000	1999	1998	1997
4,129	3,999	3,913	3,591	3,493	3,799
7,737	7,967	7,795	7,249	6,958	7,568
228	208	188	161	161	159
39,167	25,697	14,973	5,175	0	0
170	201	217	212	211	212
150	136	343	184	180	153
25,545	26,388	23,946	23,715	25,722	24,510
26,617	26,857	23,711	23,855	23,115	20,443
58	62	54	96	72	61
3,170	6,021	6,245	8,599	8,592	8,028
11,840	10,645	8,776	11,345	15,481	13,426
4,430	5,847	4,860	5,886	6,268	5,727
902	799	721	776	777	776
252	149	158	191	175	160
654	512	725	507	743	685
380	409	536	525	456	305
7,430	8,177	7,813	8,593	8,380	8,261
1,000	1,020	1,036	1,055	1,117	1,088
421	473	471	490	506	491
791	788	712	812	891	1,117
10	4	8	10	13	16
139	122	132	128	156	159
0	1	6	5	4	1
3,095	2,465	2,737	2,578	2,844	3,133
179.77	179.29	177.40	176.60	175.40	174.36
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

(continued)

**CITY OF FINDLAY, OHIO**

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)  
LAST TEN YEARS

<b>Function/Program</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>Leisure Time Activities</b>				
<b>Shade Tree</b>				
Trees planted	132	155	188	182
Trees removed	265	260	266	256
<b>Utility Services</b>				
<b>Water</b>				
New connections	234	271	275	242
Water main breaks	69	89	71	74
Avg. daily consumption (MGD)	6.0150	6.3825	6.0820	6.1000
<b>Sewer Maintenance</b>				
Sewer calls	111	106	100	100
Feet of sanitary sewer cleaned	153,872	170,817	173,954	173,954
Catch basin repair	78	78	99	99
<b>Airport</b>				
Fuel sales - Jet A (in gallons)	249,610	243,063	246,298	231,357
Fuel sales - Octane (in gallons)	27,250.9	31,905.6	26,736.9	27,939.3
Landing fees charged	181	173	2,684	2,905

Source: City of Findlay Department Directors

TABLE 19

2002	2001	2000	1999	1998	1997
171	183	N/A	N/A	N/A	N/A
199	245	N/A	N/A	N/A	N/A
316	293	403	360	346	285
108	79	86	103	54	77
6.5267	6.4023	6.5356	6.7393	5.9914	6.7310
122	151	176	152	127	128
115,925	129,423	175,697	162,307	132,104	117,054
95	112	88	96	111	80
248,177	291,715	346,796	339,471	335,648	357,955
33,040.7	26,655.5	31,455.6	30,587.4	35,189.1	44,709.3
2,455	3,244	3,809	9,445	10,099	9,682

**CITY OF FINDLAY, OHIO**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN YEARS

<b>Function/Program</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
<b>Safety Services</b>						
<b>Police</b>						
Stations	1	1	1	1	1	1
Patrol units	44	42	43	44	41	37
<b>Fire</b>						
Fire stations	4	4	4	4	4	4
Fire trucks	71	16	16	14	12	12
<b>Community Environment</b>						
<b>Street</b>						
Miles of street maintained	192.85	189.24	188.05	182.63	179.77	179.29
Traffic signals	45	94	93	85	85	77
<b>Leisure Time Activities</b>						
<b>Parks and Recreation</b>						
Number of parks	19	19	19	19	17	17
Number of ballfields	37	37	37	37	33	28
Number of soccer fields	25	25	25	25	23	26
Swimming pool	1	1	1	1	1	1
Ice Rink	1	1	1	1	0	0
<b>Utility Services</b>						
<b>Water</b>						
Water mains (miles)	289.2	285.19	288.36	285.19	280.91	277.09
Number of hydrants	2,279	2,180	2,142	2,052	1,994	1,946
Storage capacity (BG)	6.4	6.4	6.4	6.4	6.4	6.4
Water treatment plants	1	1	1	1	1	1
<b>Sewer Maintenance</b>						
Sanitary sewers (miles)	299.64	276.71	279.03	276.71	268.93	265.64
Sewage treatment plants	1	1	1	1	1	1
<b>Airport</b>						
Number of runways	2	2	2	2	2	2

Source: City of Findlay Department Directors

TABLE 20

<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
1	1	1	1
34	34	34	34
4	4	4	4
11	11	10	10
177.40	176.60	175.40	174.36
72	71	66	63
17	17	17	18
28	28	28	27
21	21	21	21
1	1	1	1
0	0	0	0
266.85	259.16	255.11	249.64
1,888	N/A	1,734	1,677
6.4	6.4	6.4	6.4
1	1	1	1
261.41	257.46	249.07	247.44
1	1	1	1
2	2	2	2

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**Mary Taylor, CPA**  
Auditor of State

**CITY OF FINDLAY**

**HANCOCK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 23, 2007**