

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2010

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

PREPARED BY:

CITY AUDITOR'S OFFICE
JIM STASCHIAK II, CITY AUDITOR

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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INTRODUCTORY SECTION



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JIM STASCHIAK II
CITY AUDITOR

June 28, 2011

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, 2010, 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 2009 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.

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 Rea & Associates Inc. has audited the basic financial statements of the City, and their Auditor's 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, 2010 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

Findlay Ohio was incorporated in 1838 and 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, 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, and airport maintenance and fuel sales. 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. Statutorily, a budget must be completed by end of first quarter; however, Findlay has always started its fiscal year with a finalized budget. 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. 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. See Note 2.F to the basic financial statements for further discussion on the City's budgetary process.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Since the 1980's our community leaders have focused development efforts on diversification. They felt the City's economy should not be dependent on one industry or employment sector. This diversification was a key factor in preventing a much larger down turn as experienced in other parts of Northwest Ohio. The financial health of the City is dependent on the vibrancy and economic growth of our tax base. Unemployment peaked first quarter 2010 at 10.5% and began a steady decline mid-second quarter ending the year at 8.9%. New and existing employers such as Whirlpool, The Right Thing, Home Depot Distribution Center and others added over 600 new jobs in 2010. Additionally, significant capital investments were made by Dow Chemical Company, Nissin Brake Ohio Inc., Rowmark, G.S.W., Cooper Tire & Rubber Company, and Advance Drainage Systems.

Seven miles north of Findlay on I-75, CSX has completed a large portion of a \$175 million intermodal rail yard as part of the National Gateway Project. The National Gateway Project is a series of large infrastructure improvements such as raising bridge heights over railroad tracks so that it is possible to transport double-stacked containers on the railroad. This allows CSX to move freight from East Asia through the Panama Canal to East Coast ports, which then travel by rail to the Midwest. This yard is the western most terminal for the National Gateway Project on CSX and has created a positive impact in the area. It is projected to create significant growth of additional business supporting the operation.

As with the majority of the country, the real estate market and the affiliated businesses had a continued impact on the economy. Residential real estate values decreased 7.5%; however, total values across Residential, Agricultural, Industrial and Commercial decreased only 3.5% within the City Corporation Limits. Permits for new business/commercial construction increased by 2 units and \$1,733,450, permits for business/commercial additions increased by 4 units and \$1,190,000. Permits for new residential construction decreased by 10 units and \$528,350. Permits for residential additions increased by 9 units and \$424,000.

The City continues to get positive reviews, for the third year it was named a 100 Best Communities for Young People by America's Promise – Alliance for Youth, which was founded by Colin Powell. For the 11th consecutive year Findlay, Ohio was ranked as a best micropolitan community in the U.S. for new and expanding facilities by *Site Selection* magazine. In 2010 Findlay was ranked 10th best. The magazine ranked 674 of the nation's micropolitan areas, cities of 10,000 to 50,000 people which cover at least one county.

Relevant Financial Policies

2010 was a year of stabilization of the local economy. In November of 2009, the citizens of Hancock County and the City passed a three year 0.25% municipal income tax increase, a ten year 0.5% County Sales tax (with half allocated to a flood mitigation capital fund) and a 4.4 mil property tax levy for building two new Findlay middle schools. The benefits of the 0.25% income tax increase were seen by the City beginning February 2010. Most notably allowing the City to fund its \$1 million Rainy Day Fund and to fund a \$600,000 flood mitigation commitment for 2010 and allowing the City to maintain its \$3 million minimum unappropriated general fund balance. Additionally, the City has been able to maintain debt limits in line with its Debt Policy adopted in 2008. As of December 2010, income tax receipts, including the three year 0.25% increase, were up 27.4% over 2009.

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 and implementation in 2011 and 2012 are important in making a transition to our historic tax revenue base in 2013. Planning has become a key part of managing our departments and the services they provide to the residents of the City. The City's five year capital improvement plan is annually 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 helps us make decisions on our debt service commitments.

Major Initiatives

The City will be working with the Office of the Auditor of State to do a City-wide performance audit. It is to be completed so that the results can be incorporated into the 2012 budget planning process that will begin the last quarter of 2011. This report will become an important addition to the City's planning process. This initial audit will encompass all departments except Water and Sewer and will likely be followed up with a second audit in 2012 to focus on these areas. This is seen by City Council as a significant tool in preparing for future projected revenue decreases from the State of Ohio.

The City is divided by the Blanchard River and is located on the south edge of what use to be the Great Black Swamp. In the past decade the City has experienced four of its top ten historical flood events. The community understands the need to address this issue for future economic growth.

Flood control efforts have been placed at the front of the City and Hancock County's goals along with economic development efforts. The County Commissioners have taken a lead role and are working closely with the City to lobby for financial support at the State and Federal levels. Lobbying efforts and progressive funding of small projects as well as long-term planning in partnership with the Corps of Engineers is seen as a key factor to securing the City's place and ability to compete in the world economy. The Hancock County Sales tax is projected to raise \$25 million over ten years, the City will contribute another \$3 million, and the State of Ohio has already appropriated \$3 million with the promise of an additional \$6 million in future budget cycles. Together, this is anticipated to fund the majority of the local share of expenses necessary to implement the flood control projects for Hancock County. As of now, the total cost of flood control in Hancock County is estimated to be over \$100 million, but 65% of the funding would come from federal sources.

Along with flood control efforts, a revamping of the local approach for economic development has resulted in an updated organization and reinvigorated efforts to obtain new investment to increase our local base of businesses. 'The Alliance' of Findlay and Hancock County is to become the lead entity and oversee the local Chamber of Commerce, Economic Development, and a Convention and Visitor's Bureau. The City and Hancock County are to hold voting seats on the board of directors of this group. We have seen early positive results with two empty manufacturing sites purchased by foreign investors bringing two new companies into the community in 2011.

AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Findlay for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2009. 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.

The staff of the Auditor's Office is a very talented, knowledgeable group; thank you to Amy Baird, Carolyn Ehrnschwender, Susan Spangler, and Ginger Sampson for their accurate and diligent work during 2010, which created the foundation for these financial reports. Ginger Sampson's knowledge and dedication have been 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,



Jim Staschiak II
City Auditor

CITY OF FINDLAY, OHIO

DECEMBER 31, 2010

ELECTED OFFICIALS

Mayor	Pete Sehnert
Auditor (1)	Robert Cole Sprague
Municipal Court Judge	Jonathan Starn
Municipal Court Judge	Robert Fry
Treasurer (1)	Jim Staschiak II
Law Director	David A. Hackenberg
Council President	Robert E. Schuck
At Large	Randy C. Ward
At Large	John Urbanski
At Large	James P. Slough
First Ward	J. Michael Slough
Second Ward	Randy Van Dyne
Third Ward	K.C. Collette
Fourth Ward	R. Ronald Monday
Fifth Ward	Robert Nichols
Sixth Ward	William J. Schedel, Jr

APPOINTED OFFICIALS

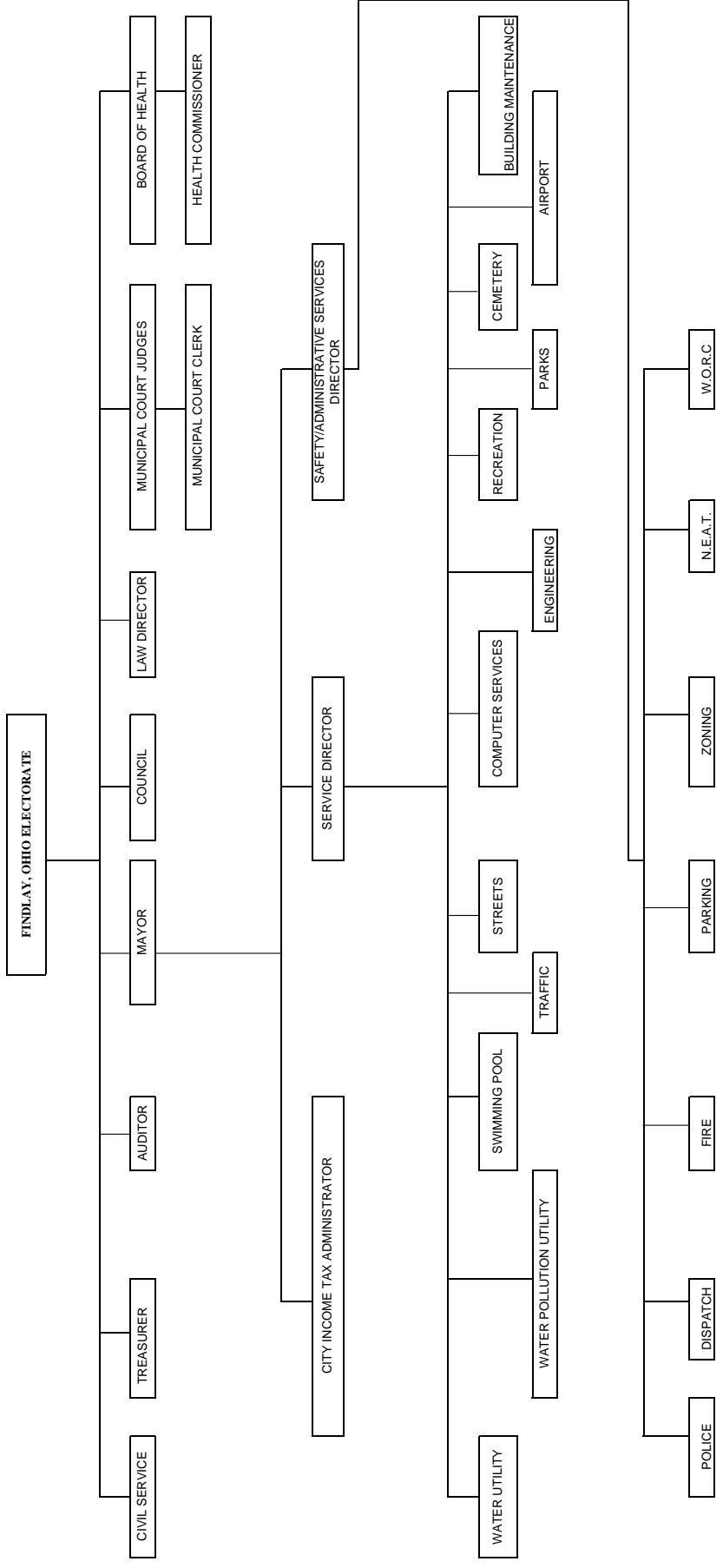
Service Director	Bruce Hardy
Safety/Administrative Services Director	Jim Barker
City Engineer	Brian Hurt, PE
City Income Tax Administrator	Andrew L. Thomas
Municipal Court Clerk	Marsha Okuly

CITY AUDITOR'S OFFICE

City Auditor (1)	Robert Cole Sprague
Deputy City Auditor	Ginger Sampson, CPA
Audit Clerk	Carolyn Ehrnschwender
Audit Clerk	Susan Spangler
Audit Clerk	Amy Baird

- (1) Robert Cole Sprague was City Auditor until February 1, 2011 and Jim Staschiak II was City Treasurer until February 13, 2011. Effective February 14, 2011, Jim Staschiak was named City Auditor and Susan J. Hite replaced him as City Treasurer.

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, 2009

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.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

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FINANCIAL SECTION



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 28, 2011

To the Honorable Mayor and City Council
City of Findlay
Hancock County, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Ohio, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Findlay's management. Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the City of Findlay for the year ended December 31, 2009, were audited by other auditor's whose report dated May 28, 2010, expressed an unqualified opinion on those statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Ohio, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Street Maintenance and Repair Fund, and City Income Tax Administration Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2011, on our consideration of the City of Findlay's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 33 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financials statements that collectively comprise the City of Findlay, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Hea & Associates, Inc.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

The management's discussion and analysis (MD&A) of the City of Findlay's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, 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 2010 are as follows:

- The total net assets of the City increased \$7,189,215 over the prior year. Net assets of governmental activities increased \$5,586,064 or 6.75% from 2009 and net assets of business-type activities increased \$1,603,151 or 1.23% over 2009.
- General revenues accounted for \$25,852,219 or 71.71% of total governmental activities revenue. Program specific revenues accounted for \$10,200,230 or 28.29% of total governmental activities revenue.
- The City had \$30,694,480 in expenses related to governmental activities; \$10,200,230 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$20,494,250 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$25,852,219.
- The general fund had revenues of \$11,740,805 in 2010. This represents a decrease of \$812,291 from 2009 revenues. Transfers-in amounted to \$16,686,577 and the City sold capital assets in the amount of \$10,797 which are reported under other financing sources. The expenditures of the general fund, which totaled \$24,649,572 in 2010, decreased \$1,973,329 from 2009. The City had transfers out to other funds of \$1,707,131. The net increase in fund balance for the general fund was \$2,048,788 or 48.37%.
- The street maintenance and repair fund had revenues and other financing sources of \$3,177,083 in 2010. This represents a decrease of \$1,639,968 from 2009 revenues and other financing sources. The expenditures and other financing uses of the street maintenance and repair fund, which totaled \$2,882,641 in 2010, decreased \$2,885,074 from 2009. The net increase in fund balance for the street maintenance and repair fund was \$299,346 or 27.20%.
- The city income tax administration fund had revenues and other financing sources of \$19,112,789 in 2010. This represents an increase of \$4,193,949 from 2009 revenues and other financing sources. The expenditures and other financing uses of the city income tax administration fund, which totaled \$17,596,176 in 2010, increased \$2,212,091 from 2009. The net increase in fund balance for the city income tax administration fund was \$1,515,567 or 74.38%.
- 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 2010 by \$1,603,151. This increase in net assets was due primarily to adequate charges for services revenue to cover operating expenses coupled with the receipt of approximately \$1.9 million in capital contributions during the year.

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, 2010 (UNAUDITED)

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 2010?" 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.

The City's Statement of Net Assets and Statement of Activities can be found on pages 35-37 of this report.

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 23.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Governmental Funds

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

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

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, street maintenance and repair fund and city income tax administration fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 38-47 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 48-55 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 56-57 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 59-98 of this report.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets at December 31, 2010 and 2009:

	Net Assets					
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2010	2009
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>	<u>Total</u>	<u>Total</u>
<u>Assets</u>						
Current and other assets	\$ 26,365,774	\$ 15,421,304	\$ 20,318,331	\$ 15,350,923	\$ 41,787,078	\$ 35,669,254
Capital assets, net	<u>81,641,678</u>	<u>156,895,563</u>	<u>82,861,639</u>	<u>159,437,319</u>	<u>238,537,241</u>	<u>242,298,958</u>
Total assets	<u>108,007,452</u>	<u>172,316,867</u>	<u>103,179,970</u>	<u>174,788,242</u>	<u>280,324,319</u>	<u>277,968,212</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	14,564,220	38,785,742	14,940,596	42,609,434	53,349,962	57,550,030
Other liabilities	<u>5,105,754</u>	<u>1,792,652</u>	<u>5,487,960</u>	<u>2,043,486</u>	<u>6,898,406</u>	<u>7,531,446</u>
Total liabilities	<u>19,669,974</u>	<u>40,578,394</u>	<u>20,428,556</u>	<u>44,652,920</u>	<u>60,248,368</u>	<u>65,081,476</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	72,061,766	118,932,110	72,632,017	117,699,129	190,993,876	190,331,146
Restricted	11,275,616	8,215,613	8,266,155	8,487,326	19,491,229	16,753,481
Unrestricted	<u>5,000,096</u>	<u>4,590,750</u>	<u>1,853,242</u>	<u>3,948,867</u>	<u>9,590,846</u>	<u>5,802,109</u>
Total net assets	<u>\$ 88,337,478</u>	<u>\$ 131,738,473</u>	<u>\$ 82,751,414</u>	<u>\$ 130,135,322</u>	<u>\$ 220,075,951</u>	<u>\$ 212,886,736</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by \$220,075,951. At year-end, net assets were \$88,337,478 and \$131,738,473 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 85.09% of total assets. Capital assets include land, computer software, buildings and 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, 2010, were \$72,061,766 and \$118,932,110 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, 2010, 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, \$19,491,229 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$9,590,846 may be used to meet the government's ongoing obligations to citizens and creditors.

Current and other assets of the governmental activities increased due to increased cash collected resulting from the passage of the 0.25% additional income tax which became effective January 1, 2010. Long-term liabilities of the business-type activities decreased due to principal payments on long-term debt and no new debt being issued in 2010.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

The table below shows the changes in net assets for fiscal year 2010 and 2009.

	Change in Net Assets					
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	2010 Total	2009 Total
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>	<u>Total</u>	<u>Total</u>
Revenues						
Program revenues:						
Charges for services	\$ 4,563,347	\$ 17,292,968	\$ 4,209,170	\$ 16,890,638	\$ 21,856,315	\$ 21,099,808
Operating grants and contributions	4,782,062	169,814	2,593,576	3,300	4,951,876	2,596,876
Capital grants and contributions	<u>854,821</u>	<u>1,903,706</u>	<u>2,519,999</u>	<u>6,490,318</u>	<u>2,758,527</u>	<u>9,010,317</u>
Total program revenues	<u>10,200,230</u>	<u>19,366,488</u>	<u>9,322,745</u>	<u>23,384,256</u>	<u>29,566,718</u>	<u>32,707,001</u>
General revenues:						
Property taxes	3,239,053	-	3,146,773	-	3,239,053	3,146,773
Income taxes	19,619,390	-	14,707,682	-	19,619,390	14,707,682
Unrestricted grants and entitlements	2,431,879	-	4,506,472	-	2,431,879	4,506,472
Gain on sale of capital assets	11,689	-	-	-	11,689	-
Investment earnings	49,253	42,681	107,613	131,594	91,934	239,207
Increase (decrease) in fair value of investments	(27)	-	(102,525)	-	(27)	(102,525)
Miscellaneous	<u>500,982</u>	<u>51,990</u>	<u>537,215</u>	<u>169,249</u>	<u>552,972</u>	<u>706,464</u>
Total general revenues	<u>25,852,219</u>	<u>94,671</u>	<u>22,903,230</u>	<u>300,843</u>	<u>25,946,890</u>	<u>23,204,073</u>
Total revenues	<u>36,052,449</u>	<u>19,461,159</u>	<u>32,225,975</u>	<u>23,685,099</u>	<u>55,513,608</u>	<u>55,911,074</u>
Expenses:						
General government	6,459,067	-	7,077,400	-	6,459,067	7,077,400
Security of persons and property	15,696,261	-	14,753,558	-	15,696,261	14,753,558
Public health and welfare	1,790,894	-	1,761,611	-	1,790,894	1,761,611
Transportation	4,963,539	-	4,072,078	-	4,963,539	4,072,078
Leisure time activity	1,357,651	-	1,728,505	-	1,357,651	1,728,505
Interest and fiscal charges	427,068	-	466,040	-	427,068	466,040
Water	-	7,379,254	-	5,934,589	7,379,254	5,934,589
Water pollution control	-	8,209,683	-	6,834,280	8,209,683	6,834,280
Airport	-	1,889,699	-	1,577,566	1,889,699	1,577,566
Parking facilities	-	87,485	-	109,874	87,485	109,874
Swimming pool	-	63,792	-	140,867	63,792	140,867
Total expenses	<u>30,694,480</u>	<u>17,629,913</u>	<u>29,859,192</u>	<u>14,597,176</u>	<u>48,324,393</u>	<u>44,456,368</u>
Increase (decrease) in net assets before transfers	5,357,969	1,831,246	2,366,783	9,087,923	7,189,215	11,454,706
Transfers	<u>228,095</u>	<u>(228,095)</u>	<u>(276,247)</u>	<u>276,247</u>	-	-
Increase (decrease) in net assets	5,586,064	1,603,151	2,090,536	9,364,170	7,189,215	11,454,706
Net assets at beginning of year	<u>82,751,414</u>	<u>130,135,322</u>	<u>80,660,878</u>	<u>120,771,152</u>	<u>212,886,736</u>	<u>201,432,030</u>
Net assets at end of year	<u>\$ 88,337,478</u>	<u>\$ 131,738,473</u>	<u>\$ 82,751,414</u>	<u>\$ 130,135,322</u>	<u>\$ 220,075,951</u>	<u>\$ 212,886,736</u>

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Governmental Activities

Governmental activities net assets increased \$5,586,064 in 2010 primarily due to the passage of an additional 0.25% income tax which became effective January 1, 2010. In addition, the City implemented cost cutting measures including the layoff of 16 employees and by not filling nine positions vacated by retirements.

The City's income tax revenue increased \$4,911,708, or 33.40%, from 2009. The City's passage of a 0.25% income tax levy that started to be collected in 2010 resulted in the higher income tax collection.

The City increased total expenses approximately \$0.835 million from 2009. The decrease in expenses related to general government operations and leisure time activities were attributable to cost cutting measures implemented. The increased expenses in the areas of security of persons and property and transportation projects were offset by increased operating grants and contributions in 2010 that were used to offset the increased expenses. The City closely monitored 2010 expenses to keep increases to a minimum and to continue cost-cutting measures.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$15,696,261 of the total expenses of the City. These expenses were partially funded by \$257,994 in direct charges to users of the services. General government expenses totaled \$6,459,067. General government expenses were partially funded by \$2,921,732 in direct charges to users of the services.

The state and federal government contributed to the City a total of \$4,782,062 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, \$2,348,189 subsidized transportation programs. Operating grants and contributions increased from the prior year due to increased funding for hazard mitigation, flood mitigation, health programs through the Ohio Department of Health and police department operations (Justice Assistance Grants).

The City had a total of \$854,821 in capital grants and contributions during 2010. These capital grants and contributions consist primarily of federal and state grant revenues that are restricted for capital acquisition and construction. Of the total capital grants and contributions, \$788,646 subsidized transportation programs. Capital grants and contributions decreased from the prior year as construction projects, primarily the East Melrose Improvement and the radio system upgrade project, received more capital funding in 2009 than in 2010 as the project near completion.

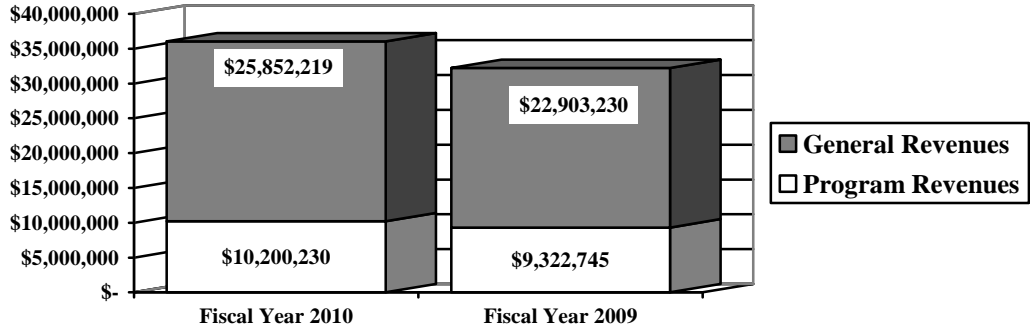
General revenues totaled \$25,852,219, and amounted to 71.71% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$3,239,053 and \$19,619,390, respectively. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$2,431,879. Grants and entitlements not restricted to specific programs decreased as the City received less estate tax revenue in 2010 versus 2009 and the City received more grants that are attributable to particular programs and thus have been classified as "operating grants and contributions" above.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

The graph below compares the City's general revenues (which includes property taxes, income taxes and unrestricted grants and entitlements) and program revenues for fiscal year 2010 and 2009.

Governmental Activities – General and Program Revenues



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.

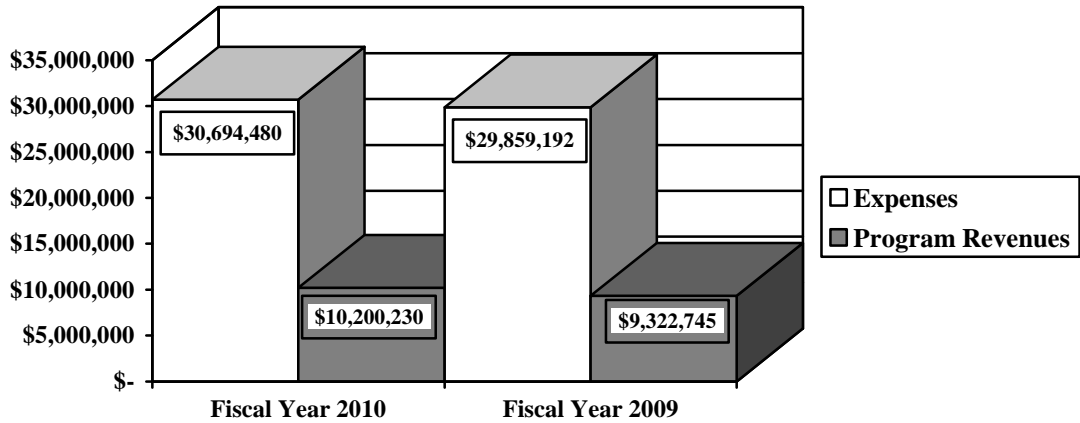
	Governmental Activities			
	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>
Program Expenses:				
General government	\$ 6,459,067	\$ 2,503,968	\$ 7,077,400	\$ 4,542,539
Security of persons and property	15,696,261	14,439,040	14,753,558	13,727,680
Public health and welfare	1,790,894	904,468	1,761,611	879,566
Transportation	4,963,539	1,688,148	4,072,078	215,994
Leisure time activity	1,357,651	738,407	1,728,505	895,880
Interest and fiscal charges	<u>427,068</u>	<u>220,219</u>	<u>466,040</u>	<u>274,788</u>
Total	<u>\$ 30,694,480</u>	<u>\$ 20,494,250</u>	<u>\$ 29,859,192</u>	<u>\$ 20,536,447</u>

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

The dependence upon general revenues for governmental activities is apparent, with 66.77% of expenses supported through taxes and other general revenues.

Governmental Activities – Program Revenues vs. Total Expenses

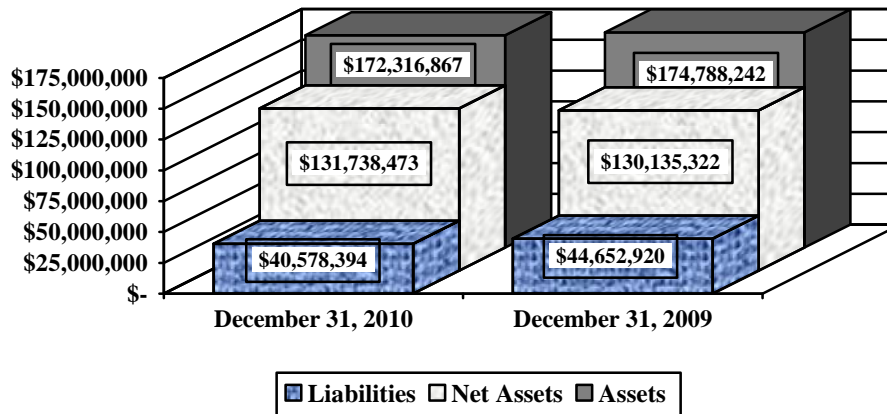


Business-type Activities

The net assets of the business-type activities include the water, water pollution control, airport, parking facilities, and swimming pool enterprise funds. These programs had program revenues of \$19,366,488, general revenues of \$94,671, expenses of \$17,629,913 and transfers out of \$228,095.

The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets of Business - Type Activities



CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

Net assets of the business-type activities continued to grow despite the economic downturn in the local economy. The City's charges for services program revenues increased \$402,330 or 2.38% from 2009. The City's capital grants and contributions program revenues decreased approximately \$4.587 million due primarily to decreased grant funding for airport runway projects. Expenses increased \$3,032,737 or 20.78% from 2009 as the City contract services and other non-operating expenses increased in 2010. These increases were attributable to the City undertaking various new projects in 2010 including a zebra mussel control project, a waterline corrosion protection project and a sewer lining project. The costs of these projects did not meet the City's criteria for capitalization and therefore were expensed in the current year. Capital assets for the business-type activities increased \$5.798 million; however, \$1.904 million of this increase was due to the receipt of capital contributions. Capital contributions are revenues received that are restricted for capital expenses and may not used to finance the operations of the enterprise 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. 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 38-39) reported a combined fund balance of \$16,261,174 which is \$5,106,321 above last year's total of \$11,154,853. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2010 for all governmental funds.

	<u>Fund Balances</u> <u>12/31/10</u>	<u>Fund Balances</u> <u>12/31/09</u>	<u>Fund Balances</u> <u>12/31/08</u>	<u>Increase</u> <u>2010 - 2009</u>	<u>(Decrease)</u> <u>2009 - 2008</u>
Major funds:					
General	\$ 6,284,570	\$ 4,235,782	\$ 5,863,694	\$ 2,048,788	\$ (1,627,912)
Street maintenance and repair	1,399,865	1,100,519	1,982,861	299,346	(882,342)
City income tax administration	3,553,070	2,037,503	2,502,755	1,515,567	(465,252)
Nonmajor governmental funds	<u>5,023,669</u>	<u>3,781,049</u>	<u>3,799,990</u>	<u>1,242,620</u>	<u>(18,941)</u>
Total	<u>\$ 16,261,174</u>	<u>\$ 11,154,853</u>	<u>\$ 14,149,300</u>	<u>\$ 5,106,321</u>	<u>\$ (2,994,447)</u>

General Fund

The City's general fund balance increased \$2,048,788, primarily due to transfers out to other funds in the amount of \$1,707,131 and an increase in transfers in from the city income tax administration fund of approximately \$3,364,708 from 2009 levels. The increased transfers in from the city income tax administration fund were due to the increased collections related to the passage of the 0.25% income tax which became effective January 1, 2010.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

The table that follows assists in illustrating the revenues of the general fund for 2010, 2009 and 2008:

	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Increase/ (Decrease)</u> <u>2010 - 2009</u>	<u>Increase/ (Decrease)</u> <u>2009 - 2008</u>
<u>Revenues</u>					
Taxes	\$ 2,705,027	\$ 2,621,017	\$ 2,666,772	\$ 84,010	\$ (45,755)
Charges for services	2,159,097	2,419,913	1,962,430	(260,816)	457,483
Licenses and permits	321,919	394,060	335,820	(72,141)	58,240
Fines and forfeitures	1,199,929	1,050,050	1,057,595	149,879	(7,545)
Investment income	46,981	105,481	547,064	(58,500)	(441,583)
Increase (decrease) in fair value of investments	(27)	(102,525)	74,364	102,498	(176,889)
Intergovernmental	4,734,233	5,516,999	4,128,454	(782,766)	1,388,545
Other	<u>573,646</u>	<u>548,101</u>	<u>1,260,840</u>	<u>25,545</u>	<u>(712,739)</u>
Total	<u>\$ 11,740,805</u>	<u>\$ 12,553,096</u>	<u>\$ 12,033,339</u>	<u>\$ (812,291)</u>	<u>\$ 519,757</u>

Tax revenue in the general fund represents property taxes. Tax revenue represents 23.04% 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 increased slightly by 3.21% from prior year. The City's latest revaluation occurred in 2010 and will be reflected in the 2011 collections.

Income taxes are collected in the city income tax administration fund (a major special revenue fund). This fund transferred approximately \$16.687 million in income tax receipts to the general fund during 2010. The transfer of income tax receipts is reported as other financing sources in the general fund and is not included in the revenues listed above. The transfer in from the city income tax administration fund increased approximately \$3.25 million from 2009.

The decrease in investment income is primarily due to a decrease in the interest rate on applicable investments. The fair value of the City's federal agency securities decreased \$27 from the fair value of these securities at December 31, 2009. These securities fluctuate in value depending upon market conditions. The value at year-end is for reporting purposes only, as the City purchases securities with the intention to hold them to maturity.

Intergovernmental revenues decreased as the City received less capital grant funding from the federal government primarily through the American Recovery and Reinvestment Act (ARRA).

Charges for services revenue decreased 10.78% from 2009 primarily due to a decrease in revenues generated in the recreation administration department.

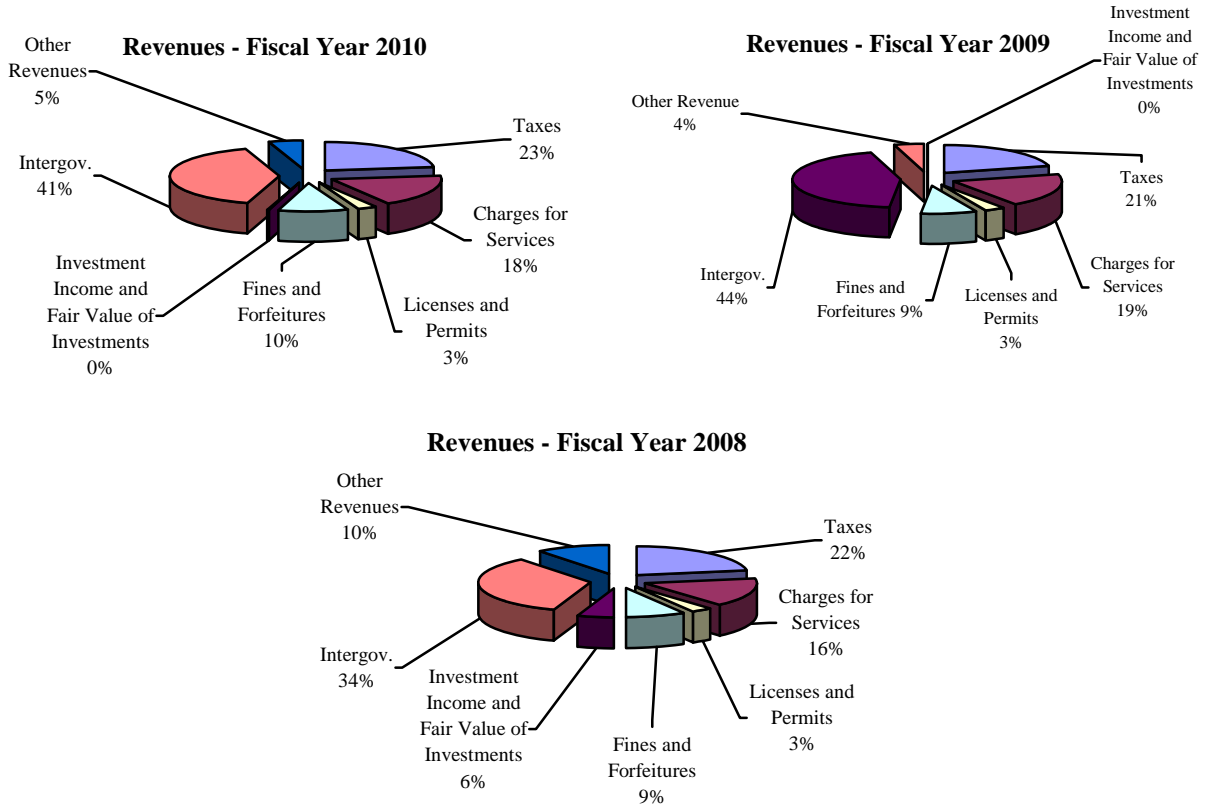
The City received 14.27% more in fines and forfeitures revenue than in 2009 primarily related in increased collections related to the Work Opportunity Rehabilitation Center (WORC) and municipal court operations.

All other revenues of the general fund remained comparable to 2009.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

The graphs below reflect the percentage of revenues, by source, for 2010, 2009 and 2008:



The table that follows assists in illustrating the expenditures of the general fund for 2010, 2009 and 2008.

	2010 <u>Amount</u>	2009 <u>Amount</u>	2008 <u>Amount</u>	Increase/ (Decrease) 2010 - 2009	Increase/ (Decrease) 2009 - 2008
<u>Expenditures</u>					
General government	\$ 5,616,963	\$ 5,723,474	\$ 6,320,296	\$ (106,511)	\$ (596,822)
Security of persons and property	14,732,422	14,416,411	14,453,818	316,011	(37,407)
Public health and welfare	1,724,559	1,669,723	1,622,117	54,836	47,606
Leisure time activity	1,258,449	1,635,959	1,871,879	(377,510)	(235,920)
Capital outlay	1,317,179	3,177,334	4,096,135	(1,860,155)	(918,801)
Debt service	-	-	200,934	-	(200,934)
Total	<u>\$ 24,649,572</u>	<u>\$ 26,622,901</u>	<u>\$ 28,565,179</u>	<u>\$ (1,973,329)</u>	<u>\$ (1,942,278)</u>

General government operations decreased as the City implemented cost-cutting measures as a result of lower revenues for 2010. The City reduced the work force in 2009 which caused 2010 to be lower as a full year of the cost savings was recognized.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

Security of persons and property expenditures relate primarily to police and fire operations. These expenditures increased 2.19%; however, the increase was funded with police grants that offset the increased expenditures.

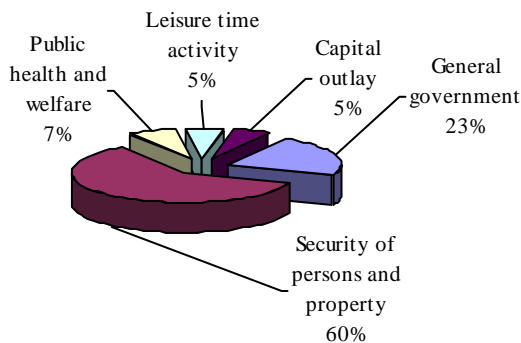
Leisure time activities relate primarily to the operations of parks, recreation and the Hancock Recreation Center rehabilitation (the "Cube"). These operations decreased expenditures as the City reduced spending for these activities.

Capital outlay expenditures decreased as the City completed the 5-Plex Ballfield construction project in 2009. In addition, the City had fewer expenditures related to various improvement projects in 2010 than in 2009. The City performed fewer improvement projects in 2010 due to uncertain economic conditions and the City closely monitored capital outlays to perform only essential improvements.

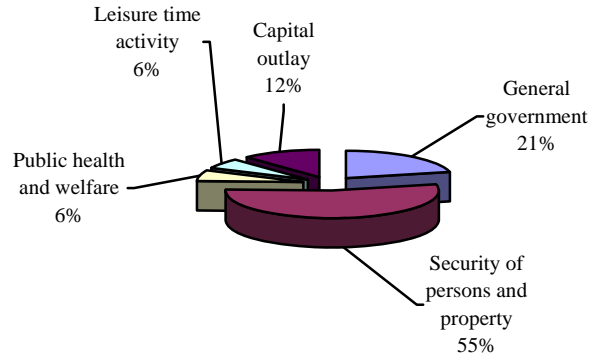
All other expenditures remained comparable to 2009.

The graphs below reflect the percentage of revenues, by source, for 2010, 2009 and 2008:

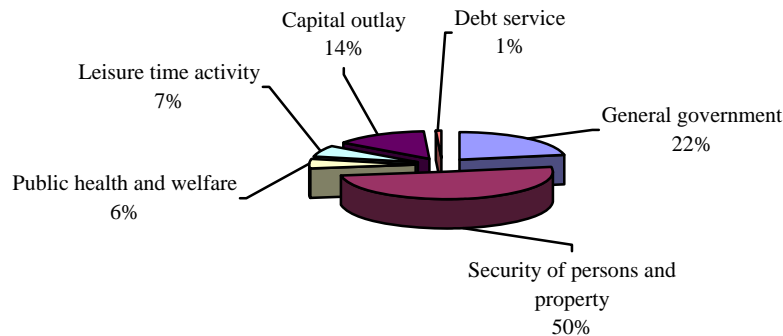
Expenditures - Fiscal Year 2010



Expenditures - Fiscal Year 2009



Expenditures - Fiscal Year 2008



CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

Street Maintenance and Repair Fund

The street maintenance and repair fund had revenues and other financing sources of \$3,177,083 in 2010. This represents a decrease of \$1,639,968 from 2009 revenues and other financing sources. The 2009 other financing sources included transfers in of \$1,235,044 that were decreased to \$497,291 in 2010. The expenditures and other financing uses of the street maintenance and repair fund, which totaled \$2,882,641 in 2010 decreased \$2,885,074 from 2009. The net increase in fund balance for the street maintenance and repair fund was \$299,346 or 27.20%. The street maintenance and repair fund capital outlays was approximately \$1.356 million less in 2010 versus 2009 which accounts for the increase in fund balance. The decrease in expenditures relates to the City only performing essential repairs and improvements in 2010 to closely monitor expenditures.

City Income Tax Administration Fund

The city income tax administration fund had revenues and other financing sources of \$19,112,789 in 2010. This represents an increase of \$4,193,949 from 2009 revenues and other financing sources. Income taxes increased substantially due to the passage of the 0.25% income tax which became effective January 1, 2010. The expenditures and other financing uses of the city income tax administration fund, which totaled \$17,596,176 in 2010 increased \$2,212,091 from 2009. The net increase in fund balance for the city income tax administration fund was \$1,515,567 or 74.38%. In 2010, the City income tax rate was and has been 1.0% since it was imposed on January 1, 1967. Effective January 1, 2010, the income tax rate has been increased to 1.25% for a period of three years. For 2010, the income tax allocation was \$600,000 allocated to capital improvements/flood mitigation with the remainder being disbursed as follows: 92% was transferred to the general fund and 8% was used for general capital improvements. The allocation is determined by ordinance of Council and can be changed by Council at any time, based on need.

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.

For the general fund, the most significant changes were between the original and final budgeted amount in the area of expenditures, which increased \$2,938,680 from \$22,470,025 to \$25,408,705. The primary reason for the increase is that capital outlays of the general fund are budgeted on a multi-year project basis and are not included in the original budget as part of the annual appropriation process. The final budget amounts for these projects represent supplemental appropriations which equal the actual capital outlays incurred during the year. This accounts for \$1,317,179, or 44.82%, of the \$2,938,680 increase from the original budget to the final budget. In addition, the City increased budgeted transfers out from \$325,080 to \$1,707,131 to finance other funds. Actual revenues and other financing sources of \$28,438,179 were higher than final budgeted revenues and other financing sources of \$27,397,707 by \$1,040,472 due to higher property and other local tax receipts and greater transfers in from the city income tax administration fund than in the final budget. In addition, actual expenditures were \$759,133 less than 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.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Water Fund

The 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 306-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.

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 2010 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	137,886	\$469,553	6.80%
Ball Metal	69,005	239,018	3.46%
Cooper Corp	93,549	221,665	3.21%
University of Findlay	41,193	126,079	1.82%
Blanchard Valley Hospital	38,308	95,931	1.39%
Sanoh America (Hisan)	33,451	75,107	1.09%
Findlay City Schools	16,692	57,999	0.84%
Marathon	22,560	57,122	0.83%
Createc	24,279	55,893	0.81%
City Laundry/Kramer Ent.	<u>23,689</u>	<u>55,352</u>	0.80%
 Total Top Ten	 500,612	 1,453,719	 21.04%
All Other Customers	<u>1,714,142</u>	<u>5,455,578</u>	<u>78.96%</u>
Total	<u>2,214,754</u>	<u>\$6,909,297</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	827,805	\$2,502,066	36.21%
Inside City/Commercial	699,987	2,037,345	29.49%
Inside City/Industrial	228,132	546,731	7.91%
Outside City/Residential	154,252	688,692	9.97%
Outside City/Commercial	92,075	400,796	5.80%
Outside City/Industrial	<u>212,503</u>	<u>733,667</u>	<u>10.62%</u>
Total	<u>2,214,754</u>	<u>\$6,909,297</u>	<u>100.00%</u>
 Total Water Customers	 17,381		

* Hundred Cubic Feet

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Water Pollution Control Fund

The City's wastewater treatment facility has been updated and improved to maintain compliance with all EPA discharge permit standards. During the late 1980's, major renovations were made to the Broad Avenue treatment plant and a 6.0 million gallon per day (MGD) oxidation ditch type of treatment plant was constructed on River Road. In 2000, construction began on two additional oxidation ditches, two additional 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 2010 is presented below:

Ten Largest Single Wastewater Customers

<u>Customer</u>	<u>Revenue</u>	Percent of <u>Total</u>
University of Findlay	\$146,862	1.77%
Cooper Corp	136,329	1.65%
Whirlpool Corp	100,512	1.21%
Blanchard Valley Hospital	83,438	1.01%
Ball Metal	70,959	0.86%
Findlay City Schools	67,460	0.81%
Sanoh America (Hisan)	63,861	0.77%
Marathon	56,946	0.69%
Hancock County Government	54,407	0.66%
City Laundry/Kramer Ent	<u>48,819</u>	<u>0.59%</u>
Total Top Ten	\$ 829,593	10.02%
All Other Customers	<u>7,453,155</u>	<u>89.98%</u>
Grand Total	<u>\$8,282,748</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	\$4,001,261	48.31%
Inside City/Commercial	2,290,550	27.65%
Inside City/Industrial	428,850	5.18%
Outside City/Residential	992,771	11.99%
Outside City/Commercial	336,714	4.07%
Outside City/Industrial	<u>232,602</u>	<u>2.81%</u>
Total	<u>\$8,282,748</u>	<u>100.00%</u>
Total Wastewater Customers Inside Corp		14,410
Total Wastewater Customers Outside Corp		2,399

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

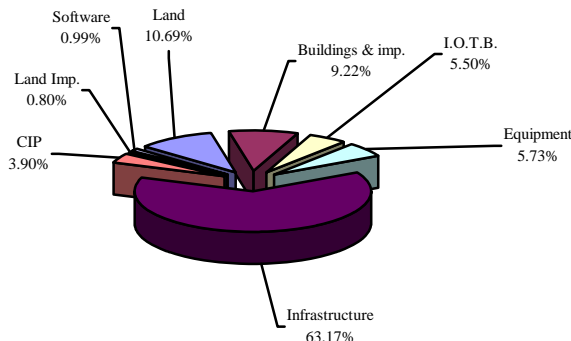
At the end of fiscal year 2010, the City had \$238,537,241 (net of accumulated depreciation) invested in land, software, non-depreciable land improvements, buildings and improvements, improvements other than buildings (I.O.T.B.), machinery and equipment, utility plant in service, utility lines in service, infrastructure and construction in progress (CIP). Of this total, \$81,641,678 was reported in governmental activities and \$156,895,563 was reported in business-type activities. The following table shows fiscal year 2010 balances compared to 2009:

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

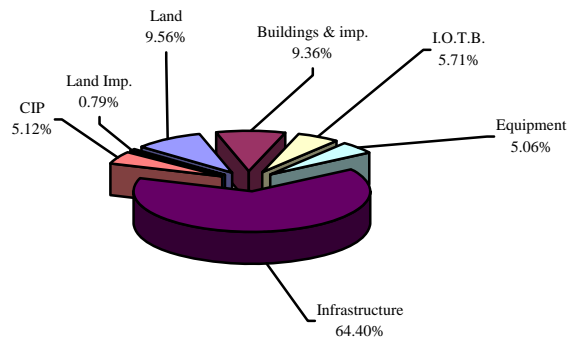
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 8,728,812	\$ 7,919,342	\$ 4,734,694	\$ 4,734,694	\$ 13,463,506	\$ 12,654,036
Land improvements	653,392	653,392	-	-	653,392	653,392
Software	811,585	-	100,272	-	911,857	-
Buildings and improvements	7,523,842	7,757,750	234,022	315,792	7,757,864	8,073,542
I.O.T.B.	4,492,946	4,730,999	14,917,703	10,118,482	19,410,649	14,849,481
Utility plant in service	-	-	50,231,402	51,493,251	50,231,402	51,493,251
Utility lines in service	-	-	81,372,046	81,943,382	81,372,046	81,943,382
Machinery and equipment	4,677,207	4,191,138	1,930,521	1,688,167	6,607,728	5,879,305
Infrastructure	51,570,257	53,365,187	-	-	51,570,257	53,365,187
Construction in progress	3,183,637	4,243,831	3,374,903	9,143,551	6,558,540	13,387,382
Totals	\$ 81,641,678	\$ 82,861,639	\$ 156,895,563	\$ 159,437,319	\$ 238,537,241	\$ 242,298,958

The following graphs show the breakdown of governmental capital assets by category for 2010 and 2009.

Capital Assets - Governmental Activities 2010



Capital Assets - Governmental Activities 2009

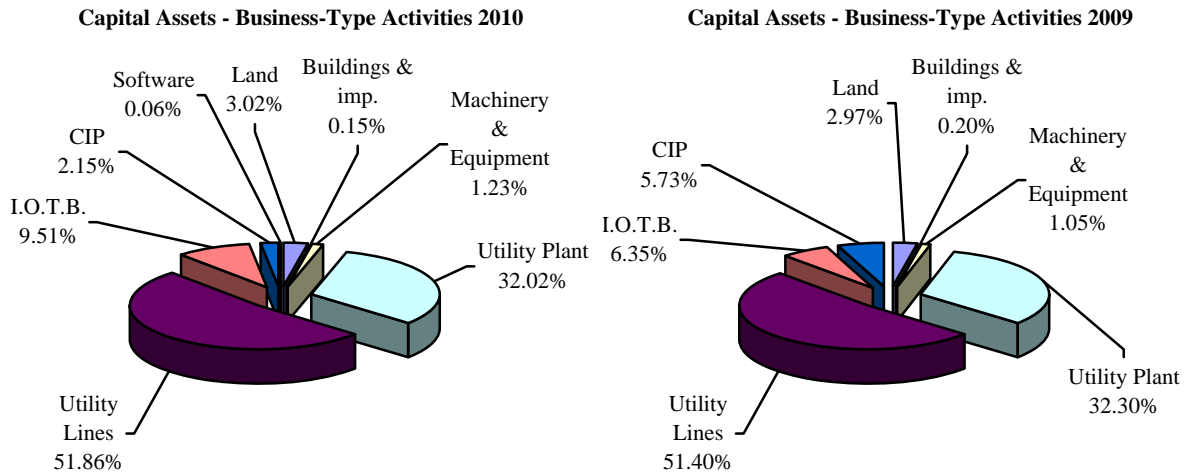


CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

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 63.17% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2010 and 2009.



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 51.86% of the City's total business-type capital assets.

See Note 8 to the basic financial statements for further detail on capital assets.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

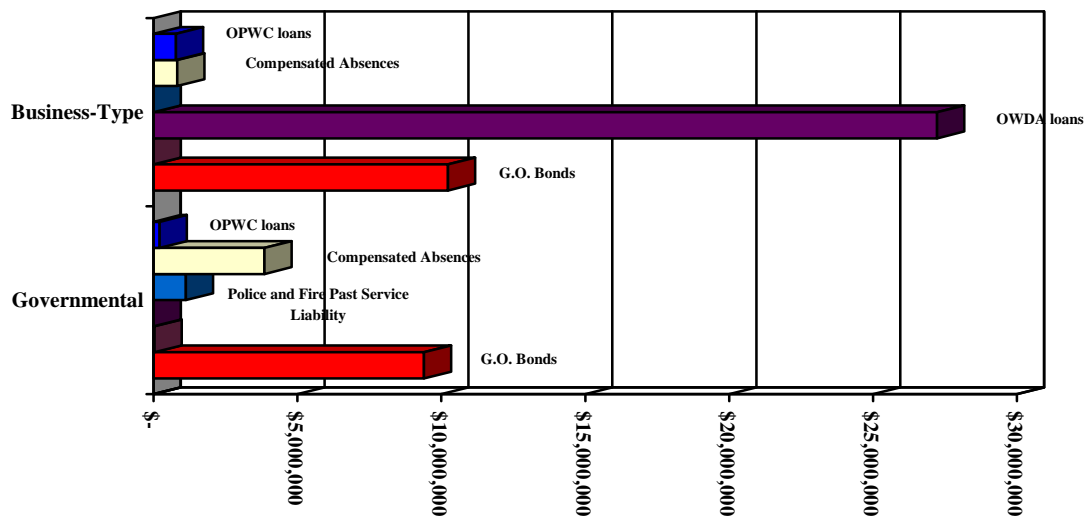
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2010 and 2009:

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Compensated absences	\$ 3,852,567	\$ 3,553,292
Police and Fire past service liability	1,131,741	1,157,682
OPWC loans	213,189	227,872
Special Assessment bonds	34,145	67,165
General Obligation bonds	<u>9,400,000</u>	<u>10,015,000</u>
Total long-term obligations	<u>\$ 14,631,642</u>	<u>\$ 15,021,011</u>
	<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>
General Obligation bonds	\$ 10,230,000	\$ 12,030,000
OPWC loans	783,594	838,933
OWDA loans	27,219,328	29,174,539
Compensated absences	<u>822,289</u>	<u>871,244</u>
Total long-term obligations	<u>\$ 39,055,211</u>	<u>\$ 42,914,716</u>

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

Long-term obligations



CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

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 Aa2 credit rating with Moody's Investors Service and a AA rating from Standard and Poors.

During 2010, the City issued no debt for governmental or business-type activities.

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

Economic Factors and 2011 Budgets and Rates

The impact on the general fund by the national, state, and local economic recession was mitigated by an income tax rate increase approved by the voters in November 2009. The City's voters approved a three year income tax increase from 1.0% to 1.25%. The additional revenue from this increase will continue through 2012.

The 2011 national Gross Domestic Product (GDP) forecast of up to 4% growth for the overall economy is a distinct indication of improvement and was considered for the 2011 income tax revenue projection. The income tax allocation to the capital improvement fund was increased by 8% to 16% for 2011, reducing the general fund portion to 84% of the net income tax receipts from 92% in 2010.

The County's unemployment stands at 7.7% versus 10.5% a year ago. This compares favorably with the State's rate of 9.0% and the national rate of 9.2%.

General fund departmental expenditures are budgeted to increase \$1.7 million in 2011. The largest department increase of \$906,833 was due to the awarding of a 2010 American Reinvestment and Recovery Act (ARRA) Justice Assistance Grant (JAG) that is not available in 2011.

Having used the additional tax dollars to stabilize the budget in 2010, the City's Administration and Council will take the opportunity to fund two 2012 obligations in 2011, \$600,000 in flood mitigation obligation and \$871,000 in anticipated retirement payouts. Budgeted expenditures are expected to remain in line with revenue projections however the 2011 general fund budget was adopted with a \$1,012,538 deficit. This deficit is entirely attributed to the prefunding of the two 2012 obligations. This deficit is a 68.7% reduction in the operational deficit incurred in 2010.

City Council and the City Service Director have authorized water and sewer rate increases for 2011 which is expected to improve the health of both of these funds, respectively.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, 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. Jim Staschiak II, 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, 2010

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 14,050,669	\$ 3,956,653	\$ 18,007,322
Cash in segregated accounts	161,434	-	161,434
Cash with fiduciary agent	96,435	-	96,435
Cash with escrow agent	54,604	-	54,604
Receivables (net of allowances for uncollectibles).	7,946,404	1,974,672	9,921,076
Internal balance	(352,769)	352,769	-
Due from other governments.	2,023,749	-	2,023,749
Prepayments	72,661	56,543	129,204
Materials and supplies inventory.	447,935	740,953	1,188,888
Deferred bond costs	126,068	-	126,068
Restricted assets:			
Equity in pooled cash and investments	1,738,584	8,215,613	9,954,197
Deferred bond costs	-	124,101	124,101
Capital assets:			
Land and construction in progress.	13,377,426	8,209,869	21,587,295
Depreciable capital assets, net.	68,264,252	148,685,694	216,949,946
Total capital assets, net.	<u>81,641,678</u>	<u>156,895,563</u>	<u>238,537,241</u>
Total assets	<u>108,007,452</u>	<u>172,316,867</u>	<u>280,324,319</u>
Liabilities:			
Accounts payable.	1,201,897	276,116	1,478,013
Contracts payable.	84,929	94,206	179,135
Retainage payable	21,104	-	21,104
Accrued wages and benefits payable	250,626	68,381	319,007
Insurance deposits payable	350,944	91,219	442,163
Workers' compensation payable	498,802	-	498,802
Deferred revenue	-	2,122	2,122
Unearned revenue	2,444,437	-	2,444,437
Deposits held and due to others	-	530,850	530,850
Matured bonds payable.	33,500	-	33,500
Accrued interest payable	219,515	729,758	949,273
Long-term liabilities:			
Due within one year	2,341,025	4,378,502	6,719,527
Due in more than one year.	12,223,195	34,407,240	46,630,435
Total liabilities	<u>19,669,974</u>	<u>40,578,394</u>	<u>60,248,368</u>
Net assets:			
Invested in capital assets, net of related debt	72,061,766	118,932,110	190,993,876
Restricted for:			
Capital projects	675,260	4,843,032	5,518,292
Debt service	131,860	3,372,581	3,504,441
Security of persons and property programs .	82,350	-	82,350
General government operations	488,391	-	488,391
Permanent fund nonexpendable	26,052	-	26,052
Transportation improvement projects	1,761,398	-	1,761,398
Income tax distribution	5,841,548	-	5,841,548
Economic development programs.	949,173	-	949,173
Perpetual care:			
Expendable	121	-	121
Nonexpendable	1,176,477	-	1,176,477
Other purposes.	142,986	-	142,986
Unrestricted	<u>5,000,096</u>	<u>4,590,750</u>	<u>9,590,846</u>
Total net assets	<u>\$ 88,337,478</u>	<u>\$ 131,738,473</u>	<u>\$ 220,075,951</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government.	\$ 6,459,067	\$ 2,921,732	\$ 1,033,367	\$ -
Security of persons and property	15,696,261	257,994	948,052	51,175
Public health and welfare	1,790,894	578,972	307,454	-
Transportation.	4,963,539	138,556	2,348,189	788,646
Leisure time activity.	1,357,651	604,244	-	15,000
Interest and fiscal charges.	427,068	61,849	145,000	-
Total governmental activities	<u>30,694,480</u>	<u>4,563,347</u>	<u>4,782,062</u>	<u>854,821</u>
Business-type activities:				
Water	7,379,254	7,330,609	59,203	425,318
Water pollution control	8,209,683	9,068,861	85,649	1,000,044
Airport.	1,889,699	836,474	24,962	478,344
Parking facilities.	87,485	56,875	-	-
Swimming pool	63,792	149	-	-
Total business-type activities	<u>17,629,913</u>	<u>17,292,968</u>	<u>169,814</u>	<u>1,903,706</u>
Totals	<u>\$ 48,324,393</u>	<u>\$ 21,856,315</u>	<u>\$ 4,951,876</u>	<u>\$ 2,758,527</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	
Gain on sale of capital assets	
Investment earnings	
(Decrease) in fair value of investments.	
Miscellaneous	
 Total general revenues	
 Transfers	
 Change in net assets	
 Net assets at beginning of year	
 Net assets at end of year.	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (2,503,968)	\$ -	\$ (2,503,968)
(14,439,040)	-	(14,439,040)
(904,468)	-	(904,468)
(1,688,148)	-	(1,688,148)
(738,407)	-	(738,407)
(220,219)	-	(220,219)
(20,494,250)	-	(20,494,250)
-	435,876	435,876
-	1,944,871	1,944,871
-	(549,919)	(549,919)
-	(30,610)	(30,610)
-	(63,643)	(63,643)
-	1,736,575	1,736,575
(20,494,250)	1,736,575	(18,757,675)
2,705,027	-	2,705,027
534,026	-	534,026
19,619,390	-	19,619,390
2,431,879	-	2,431,879
11,689	-	11,689
49,253	42,681	91,934
(27)	-	(27)
500,982	51,990	552,972
25,852,219	94,671	25,946,890
228,095	(228,095)	-
5,586,064	1,603,151	7,189,215
82,751,414	130,135,322	212,886,736
\$ 88,337,478	\$ 131,738,473	\$ 220,075,951

CITY OF FINDLAY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
Assets:			
Equity in pooled cash and investments	\$ 7,169,736	\$ 903,640	\$ 154,773
Cash in segregated accounts	9,931	-	-
Cash with fiduciary agent.	-	-	-
Cash with escrow agent.	-	4,273	-
Receivables (net of allowance for uncollectibles).	2,170,892	8,337	4,313,395
Due from other governments.	1,213,492	740,870	-
Prepayments	45,131	14,781	-
Materials and supplies inventory.	-	436,145	-
Restricted assets:			
Equity in pooled cash and investments.	-	-	1,738,584
Total assets	<u>\$ 10,609,182</u>	<u>\$ 2,108,046</u>	<u>\$ 6,206,752</u>
Liabilities:			
Accounts payable.	\$ 777,873	\$ 51,543	\$ 350,050
Contracts payable.	56,615	25,814	-
Retainage payable	-	4,273	-
Accrued wages and benefits payable	226,431	19,660	2,974
Insurance deposits payable	316,238	26,875	3,979
Compensated absences payable	16,434	-	-
Due to other governments	-	-	-
Interfund loans payable.	-	-	-
Matured bonds payable.	-	-	-
Deferred revenue	1,091,630	580,016	2,296,679
Unearned revenue	1,839,391	-	-
Total liabilities	<u>4,324,612</u>	<u>708,181</u>	<u>2,653,682</u>
Fund balances:			
Reserved for encumbrances	566,767	603,148	22,016
Reserved for prepayments	45,131	14,781	-
Reserved for materials and supplies inventory	-	436,145	-
Reserved for loans receivable.	-	-	-
Reserved for debt service.	-	-	-
Reserved for perpetual care	-	-	-
Reserved for capital improvements	-	-	1,738,584
Unreserved:			
Designated for termination benefits	-	-	-
Designated for budget stabilization	1,000,000	-	-
Undesignated, reported in:			
General fund.	4,672,672	-	-
Special revenue funds	-	345,791	1,792,470
Permanent fund	-	-	-
Capital projects funds	-	-	-
Total fund balances.	<u>6,284,570</u>	<u>1,399,865</u>	<u>3,553,070</u>
Total liabilities and fund balances	<u>\$ 10,609,182</u>	<u>\$ 2,108,046</u>	<u>\$ 6,206,752</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds 2010	Total Governmental Funds 2009
\$ 4,311,357	\$ 12,539,506	\$ 8,167,480
151,503	161,434	51,254
96,435	96,435	228,515
50,331	54,604	120,711
1,453,680	7,946,304	6,825,114
69,387	2,023,749	2,778,583
-	59,912	91,999
-	436,145	432,895
-	1,738,584	391,577
<u>\$ 6,132,693</u>	<u>\$ 25,056,673</u>	<u>\$ 19,088,128</u>
\$ 21,649	\$ 1,201,115	\$ 1,150,168
2,500	84,929	88,606
16,831	21,104	87,228
1,561	250,626	203,334
3,852	350,944	578,152
-	16,434	585
-	-	25,997
353,200	353,200	-
33,500	33,500	33,483
70,885	4,039,210	2,676,849
605,046	2,444,437	3,088,873
<u>1,109,024</u>	<u>8,795,499</u>	<u>7,933,275</u>
9,980	1,201,911	1,780,655
-	59,912	91,999
-	436,145	432,895
797,670	797,670	912,574
118,776	118,776	69,337
1,176,477	1,176,477	1,153,077
-	1,738,584	391,577
1,309,907	1,309,907	-
-	1,000,000	-
-	4,672,672	3,122,306
981,894	3,120,155	2,408,755
121	121	99
628,844	628,844	791,579
<u>5,023,669</u>	<u>16,261,174</u>	<u>11,154,853</u>
<u>\$ 6,132,693</u>	<u>\$ 25,056,673</u>	<u>\$ 19,088,128</u>

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CITY OF FINDLAY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2010

Total governmental fund balances		\$ 16,261,174
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		81,641,678
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Income taxes receivable	\$ 2,296,679	
Accounts receivable	242,817	
Intergovernmental receivable	1,486,630	
Special assessments receivable	13,084	
Total		4,039,210
Unamortized balances of bond related transactions are not recorded in the funds.		
Unamortized premiums on bonds issued	(46,264)	
Unamortized discounts on bonds issued	42,400	
Unamortized deferred charges on refundings	71,286	
Unamortized bond issue costs	126,068	
Total		193,490
Internal service funds are used by management to charge the costs of self-insurance, workers' compensation and central stores operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net assets. The net assets of the internal service funds, including internal balances of \$431, are:		1,036,649
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	(219,515)	
Special assessment bonds payable	(34,145)	
General obligation bonds payable	(9,400,000)	
OPWC loans payable	(213,189)	
Police and fire past service liability payable	(1,131,741)	
Compensated absences payable	(3,836,133)	
Total		(14,834,723)
Net assets of governmental activities		\$ 88,337,478

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (WITH COMPARATIVE TOTALS FOR 2009)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
Revenues:			
Municipal income taxes	\$ -	\$ -	\$ 18,562,751
Property and other local taxes	2,705,027	739	-
Charges for services	2,159,097	26,008	11,697
Licenses and permits	321,919	-	-
Fines and forfeitures	1,199,929	-	-
Intergovernmental	4,734,233	2,539,650	-
Special assessments	-	-	-
Investment income	46,981	2,457	-
Increase (decrease) in fair value of investments	(27)	-	-
Rental income	70,314	-	-
Contributions and donations	3,089	-	-
Reimbursements	479,822	69,227	68,967
Tax increment financing	-	-	-
Other	20,421	40,721	-
Total revenues	<u>11,740,805</u>	<u>2,678,802</u>	<u>18,643,415</u>
Expenditures:			
Current:			
General government	5,616,963	-	364,964
Security of persons and property	14,732,422	-	-
Public health and welfare	1,724,559	-	-
Transportation	-	2,091,248	-
Leisure time activity	1,258,449	-	-
Capital outlay	1,317,179	765,240	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>24,649,572</u>	<u>2,856,488</u>	<u>364,964</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,908,767)</u>	<u>(177,686)</u>	<u>18,278,451</u>
Other financing sources (uses):			
Sale of capital assets	10,797	990	-
Transfers in	16,686,577	497,291	469,374
Transfers (out)	(1,707,131)	(26,153)	(17,231,212)
Total other financing sources (uses)	<u>14,990,243</u>	<u>472,128</u>	<u>(16,761,838)</u>
Net change in fund balances	2,081,476	294,442	1,516,613
Fund balances at beginning of year	4,235,782	1,100,519	2,037,503
Increase in reserve for inventory	-	3,250	-
Increase (decrease) in reserve for prepaids	(32,688)	1,654	(1,046)
Fund balances at end of year	<u>\$ 6,284,570</u>	<u>\$ 1,399,865</u>	<u>\$ 3,553,070</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds 2010	Total Governmental Funds 2009
\$ -	\$ 18,562,751	\$ 14,623,811
534,026	3,239,792	3,146,983
177,321	2,374,123	2,632,388
-	321,919	394,060
169,256	1,369,185	1,132,362
427,264	7,701,147	9,424,101
24,223	24,223	36,385
26,549	75,987	126,352
-	(27)	(102,525)
-	70,314	65,948
145,000	148,089	157,531
-	618,016	469,885
61,735	61,735	45,943
-	61,142	71,631
<u>1,565,374</u>	<u>34,628,396</u>	<u>32,224,855</u>
165,087	6,147,014	6,800,513
11,060	14,743,482	14,430,340
2,756	1,727,315	1,674,041
99,269	2,190,517	2,298,037
-	1,258,449	1,635,959
504,961	2,587,380	7,126,312
662,703	662,703	648,703
416,260	416,260	417,799
<u>1,862,096</u>	<u>29,733,120</u>	<u>35,031,704</u>
<u>(296,722)</u>	<u>4,895,276</u>	<u>(2,806,849)</u>
-	11,787	11,394
2,825,169	20,478,411	15,713,810
(1,285,820)	(20,250,316)	(15,990,057)
<u>1,539,349</u>	<u>239,882</u>	<u>(264,853)</u>
1,242,627	5,135,158	(3,071,702)
3,781,049	11,154,853	14,149,300
-	3,250	71,985
(7)	(32,087)	5,270
<u>\$ 5,023,669</u>	<u>\$ 16,261,174</u>	<u>\$ 11,154,853</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, 2010**

Net change in fund balances - total governmental funds	\$	5,135,158
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period (net of internal service fund activity):		
Capital outlays	\$ 2,624,629	
Depreciation expense	<u>(3,892,040)</u>	
Total		(1,267,411)
Contributed infrastructure from outside developers is not recorded in the governmental funds; however, the contribution is recorded as revenue in the statement of activities.		47,731
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and impairments) is to decrease net assets.		(98)
Governmental funds report expenditures for prepaids and consumable inventories when purchased. However, in the statement of activities, they are reported as an expense when consumed.		(28,837)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	1,056,639	
Charges for services	187,042	
Special assessments	(24,109)	
Intergovernmental	<u>142,789</u>	
Total		1,362,361
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 contributed to additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	11,476	
Amortization of bond premiums	10,908	
Amortization of bond discounts	(1,877)	
Amortization of deferred charges on refundings	(22,024)	
Amortization of bond issue costs	<u>(9,291)</u>	
Total		(10,808)
Repayments of bonds, loans 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.		688,644
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.		(283,426)
Internal service funds are used by management to charge the costs of self-insurance, workers' compensation and central stores operations to individual funds are not reported in the City-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 \$153, is allocated among the governmental activities.		<u>(57,250)</u>
Change in net assets of governmental activities	\$	<u>5,586,064</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes.	\$ 2,270,897	\$ 2,286,728	\$ 2,705,027	\$ 418,299
Charges for services.	1,488,967	2,106,892	2,159,097	52,205
Licenses and permits	222,003	314,135	321,919	7,784
Fines and forfeitures	827,501	1,170,916	1,199,929	29,013
Intergovernmental.	3,264,846	4,619,764	4,734,233	114,469
Investment income.	32,399	45,845	46,981	1,136
(Decrease) in fair market value of investments	-	-	(27)	(27)
Rental income	48,490	68,614	70,314	1,700
Contributions and donations.	2,130	3,014	3,089	75
Reimbursements.	330,897	468,220	479,822	11,602
Other	14,083	19,927	20,421	494
Total revenues	<u>8,502,213</u>	<u>11,104,055</u>	<u>11,740,805</u>	<u>636,750</u>
Expenditures:				
Current:				
General government	5,770,094	5,888,251	5,616,963	271,288
Security of persons and property	13,929,036	15,057,227	14,732,422	324,805
Public health and welfare.	1,533,864	1,806,000	1,724,559	81,441
Leisure time activity	1,237,031	1,340,048	1,258,449	81,599
Capital outlay	-	1,317,179	1,317,179	-
Total expenditures	<u>22,470,025</u>	<u>25,408,705</u>	<u>24,649,572</u>	<u>759,133</u>
Excess of expenditures over revenues	<u>(13,967,812)</u>	<u>(14,304,650)</u>	<u>(12,908,767)</u>	<u>1,395,883</u>
Other financing sources (uses):				
Sale of capital assets.	7,446	10,537	10,797	260
Transfers in	11,507,482	16,283,115	16,686,577	403,462
Transfers (out).	<u>(325,080)</u>	<u>(1,707,131)</u>	<u>(1,707,131)</u>	<u>-</u>
Total other financing sources (uses)	<u>11,189,848</u>	<u>14,586,521</u>	<u>14,990,243</u>	<u>403,722</u>
Net change in fund balances	(2,777,964)	281,871	2,081,476	1,799,605
Fund balances at beginning of year	4,235,782	4,235,782	4,235,782	-
(Decrease) in reserve for prepaids	<u>(32,688)</u>	<u>(32,688)</u>	<u>(32,688)</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,425,130</u>	<u>\$ 4,484,965</u>	<u>\$ 6,284,570</u>	<u>\$ 1,799,605</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other local taxes.	\$ 682	\$ 611	\$ 739	\$ 128
Charges for services.	24,012	21,516	26,008	4,492
Intergovernmental.	2,344,743	2,101,012	2,539,650	438,638
Investment income.	2,268	2,033	2,457	424
Reimbursements.	63,914	57,270	69,227	11,957
Other	37,596	33,688	40,721	7,033
Total revenues	<u>2,473,215</u>	<u>2,216,130</u>	<u>2,678,802</u>	<u>462,672</u>
Expenditures:				
Current:				
Transportation	2,210,617	2,224,230	2,091,248	132,982
Capital outlay	-	765,240	765,240	-
Total expenditures	<u>2,210,617</u>	<u>2,989,470</u>	<u>2,856,488</u>	<u>132,982</u>
Excess of expenditures over revenues	<u>262,598</u>	<u>(773,340)</u>	<u>(177,686)</u>	<u>595,654</u>
Other financing sources (uses):				
Sale of capital assets.	914	819	990	171
Transfers in	459,127	411,401	497,291	85,890
Transfers (out).	-	(26,153)	(26,153)	-
Total other financing sources (uses)	<u>460,041</u>	<u>386,067</u>	<u>472,128</u>	<u>86,061</u>
Net change in fund balances	722,639	(387,273)	294,442	681,715
Fund balances at beginning of year	1,100,519	1,100,519	1,100,519	-
Increase in reserve for inventory.	3,250	3,250	3,250	-
Increase in reserve for prepaids	1,654	1,654	1,654	-
Fund balance at end of year	<u>\$ 1,828,062</u>	<u>\$ 718,150</u>	<u>\$ 1,399,865</u>	<u>\$ 681,715</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 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 20,201,407	\$ 18,833,068	\$ 18,562,751	\$ (270,317)
Charges for services.	12,730	11,867	11,697	(170)
Reimbursements.	75,055	69,971	68,967	(1,004)
Total revenues	<u>20,289,192</u>	<u>18,914,906</u>	<u>18,643,415</u>	<u>(271,491)</u>
Expenditures:				
Current:				
General government	939,223	789,223	364,964	424,259
Total expenditures	<u>939,223</u>	<u>789,223</u>	<u>364,964</u>	<u>424,259</u>
Excess of revenues over expenditures	<u>19,349,969</u>	<u>18,125,683</u>	<u>18,278,451</u>	<u>152,768</u>
Other financing sources (uses):				
Transfers in	510,808	476,210	469,374	(6,836)
Transfers (out).	(14,385,041)	(17,392,977)	(17,231,212)	161,765
Total other financing sources (uses)	<u>(13,874,233)</u>	<u>(16,916,767)</u>	<u>(16,761,838)</u>	<u>154,929</u>
Net change in fund balances	5,475,736	1,208,916	1,516,613	307,697
Fund balances at beginning of year	2,037,503	2,037,503	2,037,503	-
(Decrease) in reserve for prepaids	(1,046)	(1,046)	(1,046)	-
Fund balance at end of year	<u>\$ 7,512,193</u>	<u>\$ 3,245,373</u>	<u>\$ 3,553,070</u>	<u>\$ 307,697</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

Business-type Activities - Enterprise Funds

	<u>Water</u>	<u>Water Pollution Control</u>	<u>Airport</u>	<u>Nonmajor Enterprise Funds</u>
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 3,883,678	\$ 19,110	\$ 42,848	\$ 11,017
Cash with escrow agent	-	-	-	-
Receivables (net of allowances for uncollectibles).	1,508,635	432,254	33,783	-
Interfund loans.	-	353,200	-	-
Due from other funds	-	396,928	-	-
Prepayments	27,063	18,253	10,839	388
Materials and supplies inventory.	611,902	46,593	82,458	-
Total current assets	<u>6,031,278</u>	<u>1,266,338</u>	<u>169,928</u>	<u>11,405</u>
Noncurrent assets:				
Restricted assets:				
Equity in pooled cash and investments.	1,102,859	7,077,185	35,569	-
Deferred bond costs	52,877	70,502	722	-
Capital assets:				
Nondepreciable capital assets	3,018,368	1,579,592	3,515,947	95,962
Depreciable capital assets, net.	49,468,315	85,350,508	13,377,407	489,464
Total noncurrent assets	<u>53,642,419</u>	<u>94,077,787</u>	<u>16,929,645</u>	<u>585,426</u>
Total assets	<u>59,673,697</u>	<u>95,344,125</u>	<u>17,099,573</u>	<u>596,831</u>
Liabilities:				
Current liabilities:				
Accounts payable.	89,248	158,970	27,303	595
Contracts payable.	94,206	-	-	-
Retainage payable	-	-	-	-
Accrued wages and benefits payable	35,040	28,278	4,096	967
Insurance deposits payable	40,028	44,918	4,986	1,287
Workers' compensation payable	-	-	-	-
Compensated absences payable - current.	235,280	141,972	26,359	4,365
Due to other funds	396,928	-	-	-
Deposits held and due to others	530,850	-	-	-
Deferred revenue	904	1,218	-	-
Accrued interest payable	125,277	602,662	1,819	-
Current portion of loans payable	231,734	1,858,792	-	-
Current portion of bonds payable.	570,000	1,265,000	45,000	-
Total current liabilities	<u>2,349,495</u>	<u>4,101,810</u>	<u>109,563</u>	<u>7,214</u>
Long-term liabilities:				
General obligation bonds payable	4,316,779	3,717,973	45,779	-
Compensated absences payable	160,697	200,955	52,661	-
Loans payable	4,011,116	21,901,280	-	-
Total long-term liabilities	<u>8,488,592</u>	<u>25,820,208</u>	<u>98,440</u>	<u>-</u>
Total liabilities	<u>10,838,087</u>	<u>29,922,018</u>	<u>208,003</u>	<u>7,214</u>
Net assets:				
Invested in capital assets, net of related debt	43,357,054	58,187,055	16,802,575	585,426
Restricted for capital projects.	717,301	4,125,731	-	-
Restricted for debt service	385,558	2,951,454	35,569	-
Unrestricted	4,375,697	157,867	53,426	4,191
Total net assets	<u>\$ 48,835,610</u>	<u>\$ 65,422,107</u>	<u>\$ 16,891,570</u>	<u>\$ 589,617</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

2010 Enterprise Funds Total	2009 Enterprise Funds Total	2010 Governmental Activities - Internal Service Funds	2009 Governmental Activities - Internal Service Funds
\$ 3,956,653	\$ 3,767,859	\$ 1,511,163	\$ 1,064,190
-	238,378	-	-
1,974,672	1,983,234	100	87
353,200	-	-	-
396,928	401,453	-	-
56,543	53,177	12,749	25,482
740,953	678,819	11,790	4,807
<u>7,478,949</u>	<u>7,122,920</u>	<u>1,535,802</u>	<u>1,094,566</u>
8,215,613	8,487,326	-	-
124,101	142,408	-	-
8,209,869	13,878,245	-	-
148,685,694	145,559,074	-	183
<u>165,235,277</u>	<u>168,067,053</u>	<u>-</u>	<u>183</u>
<u>172,714,226</u>	<u>175,189,973</u>	<u>1,535,802</u>	<u>1,094,749</u>
276,116	284,546	782	1,128
94,206	14,384	-	-
-	238,378	-	-
68,381	55,927	-	-
91,219	186,011	-	-
-	-	498,802	-
407,976	342,721	-	-
396,928	401,453	-	-
530,850	455,157	-	-
2,122	7,105	-	-
729,758	801,978	-	-
2,090,526	2,010,550	-	-
1,880,000	1,800,000	-	-
<u>6,568,082</u>	<u>6,598,210</u>	<u>499,584</u>	<u>1,128</u>
8,080,531	9,924,718	-	-
414,313	528,523	-	-
25,912,396	28,002,922	-	-
<u>34,407,240</u>	<u>38,456,163</u>	<u>-</u>	<u>-</u>
<u>40,975,322</u>	<u>45,054,373</u>	<u>499,584</u>	<u>1,128</u>
118,932,110	117,699,129	-	183
4,843,032	5,149,454	-	-
3,372,581	3,337,872	-	-
4,591,181	3,949,145	1,036,218	1,093,438
<u>131,738,904</u>	<u>130,135,600</u>	<u>\$ 1,036,218</u>	<u>\$ 1,093,621</u>
(431)	(278)		
<u>\$ 131,738,473</u>	<u>\$ 130,135,322</u>		

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR 2009)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 7,330,609	\$ 9,068,861	\$ 836,474	\$ 56,736
Other operating revenues	28,732	23,258	-	288
Total operating revenues.	<u>7,359,341</u>	<u>9,092,119</u>	<u>836,474</u>	<u>57,024</u>
Operating expenses:				
Personal services	2,706,008	2,261,759	306,243	87,825
Contract services.	1,245,392	1,217,356	94,316	5,824
Materials and supplies.	975,733	284,268	512,746	22,091
Utilities	330,428	457,867	15,227	6,679
Depreciation.	1,203,201	1,938,540	953,572	28,858
Total operating expenses.	<u>6,460,762</u>	<u>6,159,790</u>	<u>1,882,104</u>	<u>151,277</u>
Operating income (loss)	<u>898,579</u>	<u>2,932,329</u>	<u>(1,045,630)</u>	<u>(94,253)</u>
Nonoperating revenues (expenses):				
Intergovernmental	59,203	85,649	24,962	-
Interest income.	18,521	24,160	-	-
Loss on disposal of capital assets	(1,051)	-	-	-
Interest and fiscal charges	(356,519)	(1,281,065)	(7,582)	-
Other nonoperating revenues	-	-	-	-
Other nonoperating expenses	(560,813)	(768,797)	-	-
Total nonoperating revenues (expenses).	<u>(840,659)</u>	<u>(1,940,053)</u>	<u>17,380</u>	<u>-</u>
Income (loss) before contributions and transfers	57,920	992,276	(1,028,250)	(94,253)
Capital contributions.	425,318	1,000,044	478,344	-
Transfer in	-	-	161,567	55,972
Transfer out	<u>(127,234)</u>	<u>(317,700)</u>	<u>(700)</u>	<u>-</u>
Change in net assets	356,004	1,674,620	(389,039)	(38,281)
Net assets at beginning of year	<u>48,479,606</u>	<u>63,747,487</u>	<u>17,280,609</u>	<u>627,898</u>
Net assets at end of year	<u>\$ 48,835,610</u>	<u>\$ 65,422,107</u>	<u>\$ 16,891,570</u>	<u>\$ 589,617</u>

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

Change in net assets of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2010 Enterprise Funds Total	2009 Enterprise Funds Total	2010 Governmental Activities - Internal Service Funds	2009 Governmental Activities - Internal Service Funds
\$ 17,292,680	\$ 16,184,989	\$ 15,602	\$ 20,420
52,278	705,649	-	-
<u>17,344,958</u>	<u>16,890,638</u>	<u>15,602</u>	<u>20,420</u>
5,361,835	5,406,754	-	-
2,562,888	1,338,056	59,310	40,157
1,794,838	1,235,486	15,784	19,960
810,201	747,480	-	-
4,124,171	3,965,873	183	2,191
<u>14,653,933</u>	<u>12,693,649</u>	<u>75,277</u>	<u>62,308</u>
2,691,025	4,196,989	(59,675)	(41,888)
169,814	3,300	-	-
42,681	131,594	2,272	2,132
(1,051)	(508)	-	-
(1,645,166)	(1,904,181)	-	-
-	169,249	-	-
(1,329,610)	-	-	-
<u>(2,763,332)</u>	<u>(1,600,546)</u>	<u>2,272</u>	<u>2,132</u>
(72,307)	2,596,443	(57,403)	(39,756)
1,903,706	6,490,318	-	-
217,539	298,380	-	-
<u>(445,634)</u>	<u>(22,133)</u>	<u>-</u>	<u>-</u>
1,603,304	9,363,008	(57,403)	(39,756)
		<u>1,093,621</u>	<u>1,133,377</u>
		<u>\$ 1,036,218</u>	<u>\$ 1,093,621</u>
<u>(153)</u>	<u>1,162</u>		
<u>\$ 1,603,151</u>	<u>\$ 9,364,170</u>		

CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (WITH COMPARATIVE TOTALS FOR 2009)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash received from customers	\$ 7,321,088	\$ 9,074,442	\$ 839,437	\$ 56,736
Cash received from other operations	28,732	23,258	-	288
Cash payments for personal services	(2,879,345)	(2,222,028)	(303,866)	(87,889)
Cash payments for contract services.	(1,207,661)	(1,244,656)	(93,529)	(3,828)
Cash payments for materials and supplies	(1,011,699)	(266,737)	(741,149)	(25,082)
Cash payments for utilities	(334,953)	(457,867)	(15,227)	(6,679)
Net cash provided by (used in) operating activities	<u>1,916,162</u>	<u>4,906,412</u>	<u>(314,334)</u>	<u>(66,454)</u>
Cash flows from noncapital financing activities:				
Other non-capital revenues	-	-	-	-
Grants and contributions	59,203	85,649	24,962	-
Advances out	-	(353,200)	-	-
Transfers in	-	-	161,567	55,972
Transfers out.	(127,234)	(317,700)	(700)	-
Net cash provided by (used in) noncapital financing activities.	<u>(68,031)</u>	<u>(585,251)</u>	<u>185,829</u>	<u>55,972</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(377,104)	(975,426)	(488,293)	-
Capital contributions	-	432,930	478,344	-
Principal paid on bonds	(545,000)	(1,215,000)	(40,000)	-
Interest paid on bonds	(234,520)	(279,501)	(4,936)	-
Proceeds of loans.	-	-	-	-
Principal paid on loans.	(226,473)	(1,784,077)	-	-
Interest paid on loans	(114,982)	(1,029,326)	-	-
Net cash used in capital and related financing activities.	<u>(1,498,079)</u>	<u>(4,850,400)</u>	<u>(54,885)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received	22,208	29,554	-	-
Net cash provided by investing activities	<u>22,208</u>	<u>29,554</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	372,260	(499,685)	(183,390)	(10,482)
Cash and cash equivalents at beginning of year	4,614,277	7,595,980	261,807	21,499
Cash and cash equivalents at end of year	<u>\$ 4,986,537</u>	<u>\$ 7,096,295</u>	<u>\$ 78,417</u>	<u>\$ 11,017</u>

2010 Enterprise Funds Total	2009 Enterprise Funds Total	2010 Governmental Activities - Internal Service Funds	2009 Governmental Activities - Internal Service Funds
\$ 17,291,703	\$ 16,062,931	\$ 514,404	\$ 20,420
52,278	692,285	-	-
(5,493,128)	(5,369,780)	-	-
(2,549,674)	(1,197,965)	(46,577)	(66,358)
(2,044,667)	(1,343,372)	(23,113)	(20,688)
(814,726)	(727,959)	-	-
<u>6,441,786</u>	<u>8,116,140</u>	<u>444,714</u>	<u>(66,626)</u>
-	169,249	-	-
169,814	3,300	-	-
(353,200)	-	-	-
217,539	298,380	-	-
(445,634)	(22,133)	-	-
<u>(411,481)</u>	<u>448,796</u>	<u>-</u>	<u>-</u>
(1,840,823)	(8,582,599)	-	-
911,274	4,886,764	-	-
(1,800,000)	(2,905,000)	-	-
(518,957)	(623,527)	-	-
-	61,871	-	-
(2,010,550)	(1,908,638)	-	-
(1,144,308)	(1,221,015)	-	-
<u>(6,403,364)</u>	<u>(10,292,144)</u>	<u>-</u>	<u>-</u>
<u>51,762</u>	<u>199,162</u>	<u>2,259</u>	<u>3,283</u>
<u>51,762</u>	<u>199,162</u>	<u>2,259</u>	<u>3,283</u>
(321,297)	(1,528,046)	446,973	(63,343)
12,493,563	14,021,609	1,064,190	1,127,533
<u>\$ 12,172,266</u>	<u>\$ 12,493,563</u>	<u>\$ 1,511,163</u>	<u>\$ 1,064,190</u>

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CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (WITH COMPARATIVE TOTALS FOR 2009)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 898,579	\$ 2,932,329	\$ (1,045,630)	\$ (94,253)
Adjustments:				
Depreciation	1,203,201	1,938,540	953,572	28,858
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(4,253)	771	2,963	-
(Increase) decrease in due from other funds	-	4,525	-	-
(Increase) decrease in materials and supplies inventory	11,566	(37,479)	(36,221)	-
(Increase) decrease in prepayments	(2,519)	(3,630)	787	1,996
Increase (decrease) in accounts payable	(47,532)	55,010	(12,917)	(2,991)
(Decrease) in claims payable	-	-	-	-
Increase (decrease) in accrued wages and benefits	6,488	4,996	753	217
Increase (decrease) in compensated absences payable	(115,606)	59,154	7,403	94
Increase (decrease) in insurance deposits payable	(64,219)	(24,419)	(5,779)	(375)
Increase in deposits held and due to others	75,693	-	-	-
Increase (decrease) in deferred revenue	(5,268)	285	-	-
Increase in workers' compensation payable	-	-	-	-
Increase (decrease) in retainage payable	(35,443)	(23,670)	(179,265)	-
Increase (decrease) in due to other funds	(4,525)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 1,916,162</u>	<u>\$ 4,906,412</u>	<u>\$ (314,334)</u>	<u>\$ (66,454)</u>

Non-cash Transactions:

During 2010, the Water Pollution Control fund received \$565,865 in capital contributions of donated sewer lines from private developers. During 2010, the Water fund received \$425,318 in capital contributions of donated water lines from private developers. At December 31, 2010 and 2009, the Water fund purchased \$94,206 and \$14,384, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2010 Enterprise Funds Total	2009 Enterprise Funds Total	2010 Governmental Activities - Internal Service Funds	2009 Governmental Activities - Internal Service Funds
\$ 2,691,025	\$ 4,196,989	\$ (59,675)	\$ (41,888)
4,124,171	3,965,873	183	2,191
(519)	(113,475)	-	-
4,525	(19,521)	-	-
(62,134)	(204,280)	(6,983)	(671)
(3,366)	9,558	12,733	(25,482)
(8,430)	(82,871)	(346)	(57)
-	-	-	(719)
12,454	(133,890)	-	-
(48,955)	81,240	-	-
(94,792)	89,624	-	-
75,693	97,990	-	-
(4,983)	(2,426)	-	-
-	-	498,802	-
(238,378)	211,808	-	-
(4,525)	19,521	-	-
<u>\$ 6,441,786</u>	<u>\$ 8,116,140</u>	<u>\$ 444,714</u>	<u>\$ (66,626)</u>

CITY OF FINDLAY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	<u>Private-Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and investments	\$ 167,235	\$ 131,626
Cash in segregated accounts	-	27,412
Receivables:		
Accrued interest.	12	-
	<u>167,247</u>	<u>159,038</u>
Total assets	<u>167,247</u>	<u>\$ 159,038</u>
Liabilities:		
Accounts payable	-	\$ 20,372
Deposits held and due to others.	-	138,666
	<u>-</u>	<u>159,038</u>
Total liabilities.	<u>-</u>	<u>\$ 159,038</u>
Net assets:		
Held in trust for private cemetery care	<u>167,247</u>	
Total net assets.	<u>\$ 167,247</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Private-Purpose Trust
Additions:	
Investment income	\$ 276
Other	200
Total additions	476
 Deductions:	
Cemetery care	2,864
Total deductions	2,864
 Change in net assets	 (2,388)
 Net assets at beginning of year	 <u>169,635</u>
 Net assets at end of year	 <u><u>\$ 167,247</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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, airport, municipal court, work release facility 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) guidance 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 guidance 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 this FASB guidance. 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 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 operational activity of the City's Municipal Court is reflected in the general fund of the City. The operational activity of the Court is included in the City's reporting entity because of the significance of its operational and financial relationships with the City. The amount of fines and forfeitures collected by the Court that are disbursed to various State and local governments is reflected in an agency fund.

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 detailed level of financial information.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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.

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 OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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 income tax administration - This fund accounts for the receipts from the assessment of a 1.25% income tax and the cost of operating the collection department. The use of this money is determined by Council. For 2010, \$600,000 is allocated to capital improvements/flood mitigation with the remainder being disbursed as follows: 92% is transferred to the general fund and 8% is used for general capital improvements. For 2011, \$1,200,000 will be allocated to capital improvements/flood mitigation with the remainder being disbursed as follows: 84% will be transferred to the general fund and 16% will be used for general capital improvements. The 2011 allocation is determined by ordinance of Council and can be changed by Council at any time.

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

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.

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 enforcement 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, a liability self-insurance program and a workers' compensation self-insurance program.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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

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 for monies in trusts to benefit specific cemetery lots as directed by the contributor and agency funds used to account for deposits held for the satisfactory completion of various projects, to account for the funds maintained by the Municipal Court that are due to other State and local governments, 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.

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 funds include claims and administrative expenses for the self-insurance program and contracted services and materials and supplies expenses for the central stores operations. 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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 Nonexchange 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 following year end.

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.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, 2010, but which were levied to finance year 2011 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as unearned revenue in the governmental funds. Income taxes and special assessments not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2010, are recorded as deferred revenue in the governmental funds.

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

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 "personal services" and "other" objects within each department within each fund. All changes in departmental appropriations or changes between the "personal services" and "other" objects within a department require action by the City Council. Capital outlays are budgeted on a multi-year project basis over the life of the project. Only supplemental appropriations for capital outlays incurred during the year are included in the budgetary comparison statements/schedules.

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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

At the end of the 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 Investments

To improve cash management, cash received by the City is pooled and invested in authorized investments (See Note 4). 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 investments" on the financial statements.

During 2010, investments were limited to STAR Ohio, Federal Home Loan Bank (FHLB) securities, Federal National Mortgage Association (FNMA) 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 can experience fluctuations in the fair value of FHLB and FNMA securities. The changes in the fair value of these investments are reported separate from investment income on the face of the financial statements. The City purchases securities with the intention of holding them to maturity.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2010. 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 shares price which is the price the investment could be sold for on December 31, 2010.

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 2010 amounted to \$46,891, which includes \$25,415 assigned from other City funds as not all funds of the City receive interest earnings.

For purposes of the statement of cash flows, investments with an original maturity of three months or less are considered to be cash equivalents. In addition, all cash and investments of the cash management pool are considered to be cash equivalents because they are sufficiently liquid to permit withdrawal by the proprietary funds on demand. Investments with maturities greater than three months that are not part of the cash management pool are not considered to be cash equivalents.

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

H. Inventories of Materials and Supplies

On government-wide financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded 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. Prepays

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2011 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.

During 2010, the City implemented GASB Statement 51, "Accounting and Financial Reporting for Intangible Assets" (see Note 3). GASB Statement 51 provides guidance on the reporting of intangible assets, including internally generated computer software. The City's intangible assets include only purchased computer software. This asset class is reported separately from other capital assets classes reported in the capital asset schedule in Note 8. The City considers computer software (both purchased and internally generated) to be a non-depreciable capital asset. It is the City's policy that as long as annual maintenance and upgrades are purchased for the software, the software will be used indefinitely.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

All reported capital assets are depreciated except for land, certain land improvements, computer software and construction in progress. Non-depreciable land improvements are improvements that are permanent and are not considered part of a structure and do not deteriorate over time. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Improvements other than buildings	20 - 50 years	20 - 50 years
Machinery and equipment	3 - 20 years	3 - 20 years
Utility plant in service	-	50 - 99 years
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 is 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

Sick leave accumulates at the rate of 4.6 hours of sick leave for 80 hours of work completed. For non-contract employees, 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 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 the value of all accrued sick leave credit in excess of 960 hours. Individuals with accumulated sick leave greater than 1,920 hours receive cash at the rate of one-half the total hours accumulated. Sick leave for individuals leaving the employment of the City prior to retirement or at retirement with less than 10 years of service remains with the City; however, this amount is not eligible to be paid out as part of an accumulated sick leave settlement. Contract employees are paid for their sick time based upon their current contracts.

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

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, compensated absences 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.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

N. Fund Balance Reserves and Designations

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. Designated fund balance indicates that portion of fund equity that is designated for a specific use by City Council.

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.

The City has designated \$1,000,000 to re-establish a budget stabilization “rainy day” reserve in the general fund in 2010. This reserve was established to allow for potential fluctuations in revenues of the City may experience in future years. The City has also reported designated fund balance in the amount of \$1,309,907 for termination benefits in the nonmajor governmental funds. The City established a separate special revenue fund to account for the pay-out of termination benefits. Both designations were established by resolution and can be reversed by City Council.

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.

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements and for the governmental activities 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 and on the statement of activities.

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 solely of permissive motor vehicle license tax.

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

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

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

On government-wide financial statements and in the enterprise funds, issuance costs are deferred and amortized over the term of the bonds using the straight line method. Issuance costs are recorded as deferred charges on the statement of net assets.

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and enterprise 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 and discounts are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 11.

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". At year end, the City had \$353,200 in interfund loans receivable/payable related internal borrowings (manuscript bonds) between a nonmajor governmental fund and the water pollution enterprise fund. 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.

T. Reimbursements

Reimbursements received from external sources outside of the City are reported as reimbursement revenue. Interfund activity is recorded as described in Note 2.M.

U. Comparative Information

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. The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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

V. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2010.

NOTE 3 - ACCOUNTABILITY

A. Change in Accounting Principles

For 2010, the City has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, internally generated computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did have a significant effect on the financial statements of the City; however, the City has reported intangible assets (computer software) on a separate line item in the schedule of capital assets in Note 8.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the City.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the City.

B. Deficit Fund Balance

Fund balance at December 31, 2010 included the following individual fund deficit:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Capital Improvement Projects	\$ 40,214

This fund complied with Ohio State law, which does not permit a cash basis deficit at year end. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit balance in the capital improvement projects fund is the result of recording a fund liability for manuscript bonds (See Note 5.C).

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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 items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

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 Treasurer 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 \$96,435 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, 2010. This amount is not included in the City's depository balance below.

Cash with Escrow Agent: At year end, the City had \$54,604 on deposit with financial institutions for retainage escrow accounts and bond and coupon payments. These amounts are included in the City's depository balance below.

Cash in Segregated Accounts: At year end, the City had \$188,846 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 special drug operations. These amounts are included in the City's depository balance below.

A. Deposits with Financial Institutions

At December 31, 2010, the carrying amount of all City deposits was \$19,198,687 and the bank balance of all City deposits was \$19,869,460. Of the bank balance, \$14,620,083 was covered by pledged collateral held by the Federal Reserve Bank of Boston in the name of the City, \$3,503,000 was exposed to custodial risk as discussed below and \$1,746,377 was covered by the FDIC.

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, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2010, 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>
FHLB	\$ 6,018,570	\$ -	\$ 5,011,770	\$ 1,006,800
FNMA	1,018,600	-	-	1,018,600
STAR Ohio	<u>2,267,973</u>	<u>2,267,973</u>	-	-
Total	<u>\$ 9,305,143</u>	<u>\$ 2,267,973</u>	<u>\$ 5,011,770</u>	<u>\$ 2,025,400</u>

The weighted average length to maturity of investment is .73 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 rating service. The City's investments in FHLB and FNMA securities carry a rating of AAA by Standard & Poor's and Aaa by Moody's. The City's investment policy does not specifically address credit risk beyond requiring the City to only invest in securities authorized by State statute.

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 FHLB and FNMA 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 City Auditor 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. The following table includes the percentage of each investment type held by the City at December 31, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 6,018,570	64.68
FNMA	1,018,600	10.95
STAR Ohio	<u>2,267,973</u>	<u>24.37</u>
Total	<u>\$ 9,305,143</u>	<u>100.00</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of December 31, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 19,198,687
Investments	9,305,143
Cash with fiduciary agent	<u>96,435</u>
Total	<u>\$ 28,600,265</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 16,101,726
Business-type activities	12,172,266
Fiduciary funds	<u>326,273</u>
Total	<u>\$ 28,600,265</u>

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Transfers

Interfund transfers for the year ended December 31, 2010, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>							<u>Total</u>
	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>	<u>Nonmajor Governmental</u>	<u>Water</u>	<u>Water Pollution Control</u>	<u>Airport</u>	
General	\$ -	\$ -	\$ 16,015,271	\$ 671,306	\$ -	\$ -	\$ -	\$ 16,686,577
City Income Tax Administration	1,248	26,153	-	348,539	92,734	-	700	469,374
Street Maintenance and Repair	183,430	-	166,861	-	34,500	112,500	-	497,291
Nonmajor Governmental	1,311,907	-	1,042,087	265,975	-	205,200	-	2,825,169
Airport	154,574	-	6,993	-	-	-	-	161,567
Nonmajor Enterprise	<u>55,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,972</u>
Total	<u>\$ 1,707,131</u>	<u>\$ 26,153</u>	<u>\$ 17,231,212</u>	<u>\$ 1,285,820</u>	<u>\$ 127,234</u>	<u>\$ 317,700</u>	<u>\$ 700</u>	<u>\$ 20,695,950</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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 5 – INTERFUND TRANSACTIONS – (Continued)

Transfers from general fund, water fund, street maintenance and repair fund, airport fund and nonmajor governmental funds to the city income tax administration fund represents the return of the unused portion of capital monies for completed projects.

Transfers from the water fund and the water pollution control fund to the street maintenance and repair fund represents project costs for the water and sewer line portions of the projects.

Transfers from the nonmajor governmental funds to the general fund are to move resources collected in the police pension fund and the fire pension fund to general fund for payment of police and fire pension obligations and to transfer resources related to special assessments that were previously reported in the debt service fund that should have been reported in the general fund.

Transfers from nonmajor governmental funds to nonmajor governmental funds include the movement of resources collected in the county permissive motor vehicle license tax fund to the debt service fund for payment of principal and interest on the Series 2008 CR 236 bonds and to transfer resources related to special assessment projects that were previously reported in the capital improvement projects fund that should have been reported in the debt service fund.

The transfer from the water pollution control fund to the nonmajor governmental funds relates to the City’s share of a storm sewer special assessment project which includes a sewer line portion. The City has also issued manuscript debt related to this project which is reported as an interfund loan receivable/payable (see Note 5.C).

B. Due To/From Other Funds

Amounts due to/from other funds reported at December 31, 2010 consisted of the following, as reported in the fund financial statements:

<u>Due To</u>	<u>Due From</u>
	<u>Water</u>
Water Pollution Control	\$ 396,928

All service receivables are carried in the water fund with a liability being recognized for the portion of the billing related to the water pollution control fund. This due to/from other funds is eliminated for reporting on the government-wide financial statements.

C. Interfund Loans Receivable/Payable

Interfund loans consisted of the following at December 31, 2010, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Pollution Control	Nonmajor Governmental Funds	\$ 353,200

The interfund receivable in the water pollution control fund represents the balance of an interfund loan made to the capital improvement projects fund (a nonmajor governmental fund). The interfund loan balance represents the fiscal year-end balance of manuscript bonds that were issued during 2010. Interfund loan balances are eliminated for reporting on the government-wide financial statements. The balance between governmental activities and business-type activities is recorded as a component of the internal balance reported on the statement of net assets.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - TAXES

A. Property Tax

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. The City's last revaluation occurred in 2010. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

Beginning in calendar year 2009 tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property tax collections in calendar year 2009 represent delinquent collections.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar year 2010, the City was fully reimbursed for the lost revenue. Current legislation calls for the reimbursements to be phased out in calendar years 2011-2017; however, this phase out period may be accelerated and end in 2012 if proposed legislation is approved by the State of Ohio Senate.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Findlay. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes has been offset by deferred revenue since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 6 - TAXES - (Continued)

The tax rate applicable to the 2010 operations was 3.2 mills. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real property	\$ 808,518,430
Tangible personal property	1,332,890
Real and personal public utility	<u>20,949,860</u>
Total assessed value	<u>\$ 830,801,180</u>

B. City Income Tax

The City levies an income tax of 1.25% 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. The City also requires certain employers to remit withholding taxes on a monthly basis as opposed to a quarterly basis. In the November 2009 election, voters approved a 0.25% increase to the income tax for a period of three years (effectively increasing the income tax from 1.00% to 1.25%). The 0.25% increase became effective January 1, 2010 and expires December 31, 2012.

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. For 2010, \$600,000 was allocated to capital improvements/flood mitigation with the remainder being disbursed as follows: 92% was transferred to the general fund and 8% was used for general capital improvements. For 2011, \$1,200,000 will be allocated to capital improvements/flood mitigation with the remainder being disbursed as follows: 84% will be transferred to the general fund and 16% will be used for general capital improvements. The 2011 allocation is determined by ordinance of Council and can be changed by Council at any time.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 7 - RECEIVABLES

A. Governmental Funds

The City's receivables from outside parties at December 31, 2010, by fund, are shown as follows:

	<u>Major Funds</u>				
		City	Street	Nonmajor	Total
	<u>General</u>	<u>Income Tax Administration</u>	<u>Maintenance and Repair</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Income taxes	\$ -	\$ 4,313,395	\$ -	\$ -	\$ 4,313,395
Property taxes	1,839,391	-	-	426,236	2,265,627
Hotel/motel taxes	75,023	-	-	-	75,023
Economic development loans	-	-	-	797,670	797,670
Special assessments	-	-	-	50,686	50,686
Tax increment financing payments	-	-	-	178,810	178,810
Miscellaneous	234,967	-	-	-	234,967
Accrued interest - unrestricted	21,511	-	8,337	278	30,126
Total receivables, net of allowances	<u>\$ 2,170,892</u>	<u>\$ 4,313,395</u>	<u>\$ 8,337</u>	<u>\$ 1,453,680</u>	<u>\$ 7,946,304</u>
Due from other governments:					
Property tax rollbacks	\$ 112,758	\$ -	\$ -	\$ 26,052	\$ 138,810
Estate taxes	360,923	-	-	-	360,923
Local government funds	380,362	-	-	-	380,362
State tax	106,193	-	-	-	106,193
Tiffin avenue signal ARRA grant	-	-	24,814	-	24,814
Logan street CDBG grant	-	-	1,000	-	1,000
ARRA JAG grant	207,303	-	-	-	207,303
Brownfields assessment grant	45,953	-	-	-	45,953
Fuel tax	-	-	692,016	41,467	733,483
Motor vehicle license fees	-	-	23,040	1,868	24,908
Total due from other governments	<u>\$ 1,213,492</u>	<u>\$ -</u>	<u>\$ 740,870</u>	<u>\$ 69,387</u>	<u>\$ 2,023,749</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, 2010 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, 2010 represent the City's portion of 2011 taxes to be collected by the Hancock County Treasurer during 2011 based on the assessed value of property described in Note 6.A.

Hotel/Motel taxes accrued at December 31, 2010 represent 2010 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, 2010 reported in the Revolving Loan Fund (a nonmajor governmental fund) represent loans to qualified businesses for the purpose of economic development. These loans are being repaid over a number of years.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 7 - RECEIVABLES - (Continued)

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.

Tax increment financing payments accrued at December 31, 2010 represent 2010 service payments in lieu of taxes for improvement projects performed benefitting specific real estate parcels.

Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2010.

Due from other governments in the general fund represents 2010 State taxes, local government monies and property tax rollbacks (intergovernmental) anticipated to be received by the City from January 1, 2011 through June 30, 2011 and estate taxes due at December 31, 2010. In addition, the portion of an American Reinvestment and Recovery Act (ARRA) Justice Assistance Grant (JAG) grant and a Brownfields Assessment Program grant that related to 2010 have been accrued at December 31, 2010.

Due from other governments in the special revenue funds represents 2010 motor vehicle license fees, gasoline excise taxes, and property tax rollbacks anticipated to be received by the City from January 1, 2011 to June 30, 2011. In addition, the portion of a Logan Street Community Development Block Grant (CDBG) and a Tiffin Avenue Signal grant that related to 2010 have been accrued at December 31, 2010.

The only receivables for the governmental funds that are 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.

B. Proprietary Funds

The City's receivables from outside parties at December 31, 2010, by fund, are shown as follows:

	Major Funds			Internal Service Funds	Total Proprietary Funds
	Water	Water Pollution Control	Airport		
	Water	Control	Airport		
Billed and unbilled charges for services	\$ 1,502,953	\$ 424,971	\$ 33,783	\$ -	\$ 1,961,707
Accrued interest - unrestricted	5,682	7,283	-	100	13,065
Total receivables, net of allowances	\$ 1,508,635	\$ 432,254	\$ 33,783	\$ 100	\$ 1,974,772
Total due from outside parties	\$ 1,508,635	\$ 432,254	\$ 33,783	\$ 100	\$ 1,974,772

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. Unbilled service receivables are accrued based upon the consumption for the applicable area of the City during the related period.

Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2010.

All receivables for the proprietary funds are expected to be collected within the subsequent year.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 8 - CAPITAL ASSETS

A. Governmental activities

Governmental activities capital asset activity for the year ended December 31, 2010, was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>12/31/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 7,919,342	\$ 809,470	\$ -	\$ 8,728,812
Nondepreciable land improvements	653,392	-	-	653,392
Computer software	-	811,585	-	811,585
Construction in progress	4,243,831	299,330	(1,359,524)	3,183,637
Total capital assets, not being depreciated	<u>12,816,565</u>	<u>1,920,385</u>	<u>(1,359,524)</u>	<u>13,377,426</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	12,095,382	-	(40,603)	12,054,779
Improvements other than buildings	5,171,815	14,750	-	5,186,565
Equipment	12,222,765	1,315,954	(207,720)	13,330,999
Infrastructure	92,461,014	780,795	-	93,241,809
Total capital assets, being depreciated	<u>121,950,976</u>	<u>2,111,499</u>	<u>(248,323)</u>	<u>123,814,152</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(4,337,632)	(233,908)	40,603	(4,530,937)
Improvements other than buildings	(440,816)	(252,803)	-	(693,619)
Equipment	(8,031,627)	(829,787)	207,622	(8,653,792)
Infrastructure	(39,095,827)	(2,575,725)	-	(41,671,552)
Total accumulated depreciation	<u>(51,905,902)</u>	<u>(3,892,223)</u>	<u>248,225</u>	<u>(55,549,900)</u>
Total capital assets, being depreciated, net	<u>70,045,074</u>	<u>(1,780,724)</u>	<u>(98)</u>	<u>68,264,252</u>
Governmental activities capital assets, net	<u>\$ 82,861,639</u>	<u>\$ 139,661</u>	<u>\$ (1,359,622)</u>	<u>\$ 81,641,678</u>

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

<u>Governmental activities:</u>	
General government	\$ 310,411
Security of persons and property	744,512
Transportation	2,686,341
Leisure time activities	63,550
Public health and welfare	87,226
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>183</u>
Total depreciation expense	<u>\$ 3,892,223</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 8 - CAPITAL ASSETS - (Continued)

B. Business-type activities

Business-type activities capital asset activity for the year ended December 31, 2010, was as follows:

<u>Business-type activities:</u>	<u>Balance</u> <u>12/31/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/10</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,734,694	\$ -	\$ -	\$ 4,734,694
Computer software	-	100,272	-	100,272
Construction in progress	<u>9,143,551</u>	<u>569,451</u>	<u>(6,338,099)</u>	<u>3,374,903</u>
Total capital assets, not being depreciated	<u>13,878,245</u>	<u>669,723</u>	<u>(6,338,099)</u>	<u>8,209,869</u>
<i>Capital assets, being depreciated:</i>				
Buildings	1,632,539	-		1,632,539
Utility plant in service	77,097,345	254,962		77,352,307
Utility lines in service	100,084,802	623,619	(2,300)	100,706,121
Improvements other than buildings	16,933,363	5,607,118		22,540,481
Machinery and equipment	<u>7,871,073</u>	<u>775,675</u>	<u>(344,176)</u>	<u>8,302,572</u>
Total capital assets, being depreciated	<u>203,619,122</u>	<u>7,261,374</u>	<u>(346,476)</u>	<u>210,534,020</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(1,316,747)	(81,770)	-	(1,398,517)
Utility plant in service	(25,604,094)	(1,516,811)	-	(27,120,905)
Utility lines in service	(18,141,420)	(1,192,655)	-	(19,334,075)
Improvements other than buildings	(6,814,881)	(807,897)	-	(7,622,778)
Machinery and equipment	<u>(6,182,906)</u>	<u>(534,570)</u>	<u>345,425</u>	<u>(6,372,051)</u>
Total accumulated depreciation	<u>(58,060,048)</u>	<u>(4,133,703)</u>	<u>345,425</u>	<u>(61,848,326)</u>
Total capital assets, being depreciated, net	<u>145,559,074</u>	<u>3,127,671</u>	<u>(1,051)</u>	<u>148,685,694</u>
Business-type activities capital assets, net	<u>\$ 159,437,319</u>	<u>\$ 3,797,394</u>	<u>\$ (6,339,150)</u>	<u>\$ 156,895,563</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 8 - CAPITAL ASSETS - (Continued)

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

Business-type activities:

Water	\$ 1,203,201
Water pollution control	1,938,540
Airport	953,572
Parking	3,351
Swimming pool	<u>25,507</u>
Total depreciation expense	4,124,171
Accumulated depreciation on capital assets transferred to enterprise fund in 2010	<u>9,532</u>
Total change in accumulated depreciation	<u>\$ 4,133,703</u>

NOTE 9 - 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, 2010, there were no material outstanding claims pending for the Self-Insurance fund. Claims activity for 2010 and 2009 are as follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2010	\$ -	\$ 14,432	\$ (14,432)	\$ -
2009	719	10,000	(10,719)	-

During 2010, the City began participating in the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Plan (the Plan). The alternative rating program requires the City to pay only administrative charges to the Bureau, and in turn the City assumes the responsibility of paying all claims incurred during the policy period for up to ten years. After the tenth year, the Bureau will assume any existing claim for its duration. The City will be charged an actuarial amount for the claims transferred to the Bureau. The City's stop-loss coverage through the Plan is limited to \$300,000 per claim with a stop-loss annual coverage aggregate of 200% of the experience premium if the City would not have participated in the Plan.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 9 - RISK MANAGEMENT - (Continued)

The City's Workers' Compensation program is accounted for in an internal service fund which will pay for all claims, claim reserves and administrative costs of the program. The internal service fund generates revenues by charging each fund a percentage rate determined by the Bureau for the payroll during the reporting period. At December 31, 2010, the entire amount collected by the internal service fund is offset by a liability for future claims, claims reserves and administrative costs.

The City is partially self-insured for medical, dental, vision and prescription drug benefits (the Program). The Program is administered through by third party administrator who manages and pays the claims. The City makes required payments to the third party administrator to reimburse them for the claim payments. The City's stop-loss coverage through the Program is limited to \$100,000 per claim with a stop-loss annual coverage aggregate that varies based upon the number of contracts in the Program. The City has reported a liability in the financial statements amounting to \$442,163 that will be used for future claims payments. This liability has been reported as "insurance deposits payable" in the financial statements. Changes in the insurance deposits payable liability in 2010 and 2009 follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2010	\$ 764,163	\$ 4,242,185	\$ (4,564,185)	\$ 442,163
2009	362,396	5,081,540	(4,679,773)	764,163

NOTE 10 - RESTRICTED ASSETS

Restricted assets at December 31, 2010 are comprised of the following:

	<u>Cash and Investments</u>	<u>Deferred Bond Costs</u>	<u>Total</u>
<u>Major governmental funds:</u>			
City income tax administration fund:			
Restricted for capital improvements	\$ 1,738,584	\$ -	\$ 1,738,584
<u>Major business-type funds:</u>			
Water fund:			
Restricted for capital improvements to utility lines	\$ 717,301	\$ -	\$ 717,301
Restricted for debt service	385,558	-	385,558
Deferred bond costs	-	52,877	52,877
	<u>1,102,859</u>	<u>52,877</u>	<u>1,155,736</u>
Water pollution control fund:			
Restricted for capital improvements to utility lines	4,125,731	-	4,125,731
Restricted for debt service	2,951,454	-	2,951,454
Deferred bond costs	-	70,502	70,502
	<u>7,077,185</u>	<u>70,502</u>	<u>7,147,687</u>
Airport fund:			
Restricted for debt service	35,569	-	35,569
Deferred bond costs	-	722	722
	<u>35,569</u>	<u>722</u>	<u>36,291</u>
Total business-type activities	\$ <u>8,215,613</u>	\$ <u>124,101</u>	\$ <u>8,339,714</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 10 - RESTRICTED ASSETS - (Continued)

Deferred Bond Costs represent the costs associated with the issuance of various bond issues of the water, water pollution control and airport fund. These costs are being amortized on a straight-line basis over life of the bond issues. Restricted cash and investments in the governmental funds are equally offset by a fund balance reserve.

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental activities

In 2010, the following changes occurred in the City's governmental activities long-term obligations:

Governmental activities:	Interest Rate	Maturity Date	Balance 12/31/09	Additions	Disposals	Balance 12/31/10	Amounts Due in One Year
<u>General obligation bonds</u>							
Series 2004 fire improvement refunding	2.50- 5.25%	2016	\$ 1,195,000	\$ -	\$ (155,000)	\$ 1,040,000	\$ 155,000
Series 2004 city-wide radio refunding	2.50 - 3.75%	2011	325,000	-	(160,000)	165,000	165,000
Series 2003 HRC land acquisition	2.00 - 3.60%	2015	525,000	-	(80,000)	445,000	85,000
Series 2008 HRC rehab	3.25 - 4.50%	2033	2,310,000	-	(25,000)	2,285,000	25,000
Series 2008 CR 236 land acquisition	3.25 - 4.50%	2033	690,000	-	(10,000)	680,000	10,000
Series 2008 CR 236 widening	3.25 - 4.50%	2028	3,320,000	-	(25,000)	3,295,000	25,000
Series 2008 five plex (ball diamonds)	3.25 - 4.00%	2018	<u>1,650,000</u>	<u>-</u>	<u>(160,000)</u>	<u>1,490,000</u>	<u>165,000</u>
Total general obligation bonds			<u>10,015,000</u>	<u>-</u>	<u>(615,000)</u>	<u>9,400,000</u>	<u>630,000</u>
<u>Special assessment bonds</u>							
Series 1995 Canterbury Court	5.50%	2010	10,500	-	(10,500)	-	-
Series 2001 Rockwell Avenue improvements	4.70%	2011	29,100	-	(14,550)	14,550	14,550
Series 2002 Hunters Creek swale	5.25%	2012	12,945	-	(4,315)	8,630	4,315
Series 2003 East Melrose business park	8.43%	2013	<u>14,620</u>	<u>-</u>	<u>(3,655)</u>	<u>10,965</u>	<u>3,655</u>
Total special assessment bonds			<u>67,165</u>	<u>-</u>	<u>(33,020)</u>	<u>34,145</u>	<u>22,520</u>
<u>OPWC loans</u>							
Crystal/Melrose intersection	0%	2024	104,400	-	(7,200)	97,200	7,200
Howard Street improvements	0%	2026	<u>123,472</u>	<u>-</u>	<u>(7,483)</u>	<u>115,989</u>	<u>7,484</u>
Total OPWC loans payable			<u>227,872</u>	<u>-</u>	<u>(14,683)</u>	<u>213,189</u>	<u>14,684</u>
<u>Other long-term obligations</u>							
Police and fire past service liability	4.30%	2035	1,157,682	-	(25,941)	1,131,741	27,055
Compensated absences			<u>3,553,292</u>	<u>1,852,072</u>	<u>(1,552,797)</u>	<u>3,852,567</u>	<u>1,646,766</u>
Total other long-term obligations			<u>4,710,974</u>	<u>1,852,072</u>	<u>(1,578,738)</u>	<u>4,984,308</u>	<u>1,673,821</u>
Total governmental activities							
long-term obligations			15,021,011	<u>\$ 1,852,072</u>	<u>\$ (2,241,441)</u>	14,631,642	<u>\$ 2,341,025</u>
Add: Unamortized premium on bond issue			57,172			46,264	
Less: Unamortized discount on bond issue			(44,277)			(42,400)	
Less: Unamortized deferred charges on refundings			<u>(93,310)</u>			<u>(71,286)</u>	
Total reported on the statement of net assets			<u>\$ 14,940,596</u>			<u>\$ 14,564,220</u>	

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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 11.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 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 \$1,015,000 at December 31, 2010.

The refunding issue is comprised of current interest serial bonds, par value \$1,615,000. During 2010, the City made \$155,000 in principal payments on these bonds leaving a liability of \$1,040,000 at year end. 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.

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 11.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 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 \$165,000 at December 31, 2010.

The refunding issue is comprised of current interest serial bonds, par value \$805,000. During 2010, the City made principal payments of \$160,000 on these bonds leaving a liability at year end of \$165,000. 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, 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 (HRC/CUBE Land Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (also see Note 11.B). A portion of the proceeds, \$956,500, was used to reimburse the general fund for the purchase of land adjacent to the Hancock Recreation Center (HRC/CUBE). During 2010, the City made \$80,000 in principal payments on these bonds leaving a liability of \$445,000 at year end. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2015. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 2008 Various Purpose Bonds (HRC/CUBE Rehab Portion)

On July 23, 2008, the City issued \$8,200,000 in various purpose general obligation bonds to fund various projects. A portion of the proceeds, \$2,340,000, was issued for the purpose of renovating, constructing, reconstructing, and expanding the HRC/CUBE, including acquisition of approximately 5.5 acres of land and interests in land adjacent to the HRC/CUBE, furnishing and equipping same; and all appurtenances relating thereto.

During 2010, the City made \$25,000 in principal payments on these bonds leaving a liability of \$2,285,000 at year end. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2033. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

Series 2008 Various Purpose Bonds (County Road 236 Land Acquisition Portion)

On July 23, 2008, the City issued \$8,200,000 in various purpose general obligation bonds to fund various projects. A portion of the proceeds, \$700,000, was issued for the purpose of acquiring right-of-way along County Road 236 between U.S. Rt. 224 and State Route 12 to be used for the County Road 236 widening project.

During 2010, the City made \$10,000 in principal payments on these bonds leaving a liability of \$680,000 at year end. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2033. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

Series 2008 Various Purpose Bonds (County Road 236 Widening Portion)

On July 23, 2008, the City issued \$8,200,000 in various purpose general obligation bonds to fund various projects. A portion of the proceeds, \$3,355,000, was issued for the purpose of improving County Road 236 by widening, constructing, reconstructing, grading, repaving and constructing drainage improvements and related infrastructure with landscaping, traffic control devices, lighting, and other appurtenances relating thereto.

During 2010, the City made \$25,000 in principal payments on these bonds leaving a liability of \$3,295,000 at year end. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2028. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

Series 2008 Various Purpose Bonds (5-Plex Portion)

On July 23, 2008, the City issued \$8,200,000 in various purpose general obligation bonds to fund various projects. A portion of the proceeds, \$1,805,000, were issued for the purpose of improving athletic field and a perimeter walkway for the HRC/CUBE 5-Plex (ball diamonds) Sports Complex (the "5-Plex"), including grading, landscaping, irrigation, paving, fencing, lighting, signage, and all other improvements and appurtenances thereto.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

During 2010, the City made \$160,000 in principal payments on these bonds leaving a liability of \$1,490,000 at year end. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2018. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

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).

Special Assessment Bonds

The City has three 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 is payable semiannually at stated interest rates. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

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 compensatory time and floating holiday balances 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 severance payout reserve fund (a nonmajor governmental fund), the general fund and the street maintenance and repair fund.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

The following is a schedule of future principal and interest payments to retire the governmental activities bonds and loans and police and fire past service liability outstanding at December 31, 2010:

Year Ending December 31,	General Obligation Bonds			Special Assessment Bonds			OPWC Loans
	Principal	Interest	Total	Principal	Interest	Total	Principal
2011	\$ 630,000	\$ 390,866	\$ 1,020,866	\$ 22,520	\$ 2,062	\$ 24,582	\$ 14,684
2012	485,000	366,741	851,741	7,970	842	8,812	14,683
2013	505,000	349,311	854,311	3,655	308	3,963	14,683
2014	510,000	331,102	841,102	-	-	-	14,683
2015	540,000	311,501	851,501	-	-	-	14,683
2016 - 2020	1,650,000	1,296,297	2,946,297	-	-	-	73,416
2021 - 2025	1,780,000	965,658	2,745,658	-	-	-	62,616
2026 - 2030	2,010,000	556,835	2,566,835	-	-	-	3,741
2031 - 2033	1,290,000	117,900	1,407,900	-	-	-	-
Totals	<u>\$ 9,400,000</u>	<u>\$ 4,686,211</u>	<u>\$ 14,086,211</u>	<u>\$ 34,145</u>	<u>\$ 3,212</u>	<u>\$ 37,357</u>	<u>\$ 213,189</u>

Year Ending December 31,	Police and Fire Past Service Liability		
	Principal	Interest	Total
2011	\$ 27,055	\$ 47,815	\$ 74,870
2012	28,218	46,652	74,870
2013	29,430	45,440	74,870
2014	30,693	44,177	74,870
2015	32,012	42,858	74,870
2016 - 2020	181,906	192,444	374,350
2021 - 2025	224,473	149,877	374,350
2026 - 2030	277,003	97,347	374,350
2031 - 2035	300,951	32,597	333,548
Totals	<u>\$ 1,131,741</u>	<u>\$ 699,207</u>	<u>\$ 1,830,948</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

During 2010, the following changes occurred in the City's business-type activities long-term obligations:

Business-type activities:	<u>Interest</u>	<u>Maturity</u>	<u>Balance</u>			<u>Balance</u>	<u>Due in</u>
	<u>Rate</u>	<u>Date</u>	<u>12/31/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/10</u>	<u>One Year</u>
<u>General obligation bonds:</u>							
Series 2003 sewer refunding	2.00 - 5.00%	2011	\$ 1,365,000	\$ -	\$ (670,000)	\$ 695,000	\$ 695,000
Series 2003 water refunding	2.00 - 4.00%	2018	2,485,000	-	(235,000)	2,250,000	245,000
Series 2004 northern corridor sewer refunding	2.50 - 5.25%	2017	5,035,000	-	(545,000)	4,490,000	570,000
Series 2004 aircraft fueling system refunding	2.50 - 3.75%	2012	135,000	-	(40,000)	95,000	45,000
Series 2004 water pump station refunding	2.50 - 5.25%	2016	1,025,000	-	(130,000)	895,000	135,000
Series 1998 water improvement	3.65 - 4.90%	2018	<u>1,985,000</u>	<u>-</u>	<u>(180,000)</u>	<u>1,805,000</u>	<u>190,000</u>
Total general obligation bonds			<u>12,030,000</u>	<u>-</u>	<u>(1,800,000)</u>	<u>10,230,000</u>	<u>1,880,000</u>
<u>OWDA loans:</u>							
Bright Road interceptor and sewer separation	1.73%	2023	2,561,273	-	(169,978)	2,391,295	172,932
Sewer system improvements	4.36%	2021	22,699,408	-	(1,475,724)	21,223,684	1,540,767
Sewer treatment plant improvements	4.80%	2011	283,468	-	(138,375)	145,093	145,093
Water plant improvements	3.25%	2026	3,577,719	-	(160,600)	3,417,119	165,862
Water treatment plant clearwell repair	0.00%	2015	<u>52,671</u>	<u>-</u>	<u>(10,534)</u>	<u>42,137</u>	<u>10,534</u>
Total OWDA loans			<u>29,174,539</u>	<u>-</u>	<u>(1,955,211)</u>	<u>27,219,328</u>	<u>2,035,188</u>
<u>Other long-term obligations:</u>							
OPWC loans	0%	2019-2025	838,933	-	(55,339)	783,594	55,338
Compensated absences			<u>871,244</u>	<u>483,369</u>	<u>(532,324)</u>	<u>822,289</u>	<u>407,976</u>
Total other long-term obligations			<u>1,710,177</u>	<u>483,369</u>	<u>(587,663)</u>	<u>1,605,883</u>	<u>463,314</u>
Total business-type activities long-term obligations			42,914,716	<u>\$ 483,369</u>	<u>\$ (4,342,874)</u>	39,055,211	<u>\$ 4,378,502</u>
Add: Unamortized premium on bonds			277,711			215,718	
Less: Unamortized deferred charges on refundings			<u>(582,993)</u>			<u>(485,187)</u>	
Total reported on statement of net assets			<u>\$ 42,609,434</u>			<u>\$ 38,785,742</u>	

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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 11.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 \$740,000 at December 31, 2010; however, this amount is not reported as 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 2010, the City made principal payments of \$670,000 on these bonds leaving a liability of \$695,000 at year end. Principal and interest payments are made from the water pollution control fund. 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 11.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 \$2,325,000 at December 31, 2010; however, this amount is not reported as 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 2010, the City made principal payments of \$235,000 on these bonds leaving a liability of \$2,250,000 at year end. 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 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 11.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 \$4,290,000 at December 31, 2010; however, this amount is not reported as an obligation of the City as it was in-substance defeased as a result of the advance refunding.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The refunding issue is comprised of current interest serial bonds, par value \$6,480,000. During 2010, the City made principal payments of \$545,000 on these bonds leaving a liability of \$4,490,000 at year end. 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 11.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 \$95,000 at December 31, 2010; however, this amount is not reported as 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 2010, the City made principal payments of \$40,000 on these bonds leaving a liability of \$95,000 at year end. 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.

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 11.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 \$875,000 at December 31, 2010; however, this amount is not reported as 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 2010, the City made principal payments of \$130,000 on these bonds leaving a liability of \$895,000. 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - 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 2010, the City made principal payments of \$180,000 on these bonds leaving a liability of \$1,805,000 at year end. 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 \$4,029,589 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. Principal and interest payments are made from the Water fund.

On November 16, 2009, the City entered into a financing agreement with OWDA to borrow \$52,671 for water treatment plant clearwell repairs. This loan was part of the American Recovery and Reinvestment Act (ARRA). The loan is an interest free loan with principal payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 5 years. Principal payments began in January 2010 and were 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. All OPWC loans are interest free and have twenty year terms. The OPWC loans are being retired out of the water fund.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences

Compensated absences consist of vacation, holivac, compensatory time and floating holiday balances 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).

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, 2010:

Year Ending December 31,	General Obligation Bonds			OWDA Loans			OPWC Loans
	Principal	Interest	Total	Principal	Interest	Total	Principal
2011	\$ 1,880,000	\$ 446,985	\$ 2,326,985	\$ 2,035,188	\$ 1,064,331	\$ 3,099,519	\$ 55,338
2012	1,230,000	363,215	1,593,215	1,966,443	982,735	2,949,178	55,338
2013	1,225,000	315,489	1,540,489	2,046,015	903,162	2,949,177	55,338
2014	1,280,000	267,710	1,547,710	2,128,951	820,230	2,949,181	55,338
2015	1,335,000	211,805	1,546,805	2,204,857	733,788	2,938,645	55,339
2016 - 2020	3,280,000	252,426	3,532,426	12,454,575	2,238,647	14,693,222	268,766
2021 - 2025	-	-	-	4,114,293	248,009	4,362,302	181,588
2026 - 2028	-	-	-	269,006	6,575	275,581	56,549
Totals	<u>\$ 10,230,000</u>	<u>\$ 1,857,630</u>	<u>\$ 12,087,630</u>	<u>\$ 27,219,328</u>	<u>\$ 6,997,477</u>	<u>\$ 34,216,805</u>	<u>\$ 783,594</u>

NOTE 12 - PENSION PLANS

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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 Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 12 - PENSION PLANS – (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the 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, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For 2010, member and contribution rates were consistent across all three plans. While members in the State and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan. The 2010 member contribution rates were 10.00% for members in State and local classifications. Public safety and law enforcement members contributed 10.5% and 11.1%, respectively (the City's police and fire departments contribute to the Ohio Police and Fire Pension Fund described in Note 12.B). The City's contribution rate for 2010 was 14.00%, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87% of covered payroll.

The City's contribution rate for pension benefits for members in the Traditional Plan for 2010 was 8.50% from January 1 through February 28, 2010 and 9.00% from March 1 through December 31, 2010. The City's contribution rate for pension benefits for members in the Combined Plan for 2010 was 9.27% from January 1 through February 28, 2010 and 9.77% from March 1 through December 31, 2010. For those plan members in law enforcement and public safety pension contributions were 12.37% from January 1 through February 28, 2010 and 12.87% from March 1 through December 31, 2010. The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$835,749, \$813,299, and \$759,020, respectively; equal to the required employer contribution which is the amount billed by OPERS. Contributions to the member-directed plan for 2010 were \$43,017 made by the City and \$30,726 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.00% for police officers and firefighters, respectively. Contribution rates are established by State statute. For 2010, the portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions for pension obligations to OP&F for police officers and firefighters were \$470,011 and \$758,063, respectively, for the year ended December 31, 2010, \$481,420 and \$706,056, respectively, for the year ended December 31, 2009, and \$525,904 and \$708,094, respectively, for the year ended December 31, 2008. The amounts contributed equal the required employer contribution for the respective year which is 100% of the dollar amount billed by OP&F.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 13 - POST-EMPLOYMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administrated in accordance with, Internal Revenue Code section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010, local government employers contributed 14.00% of covered payroll (17.87% for public safety and law enforcement - the City's police and fire departments contribute to the Ohio Police and Fire Pension Fund described in Note 13.B). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2010 was 5.50% from January 1 through February 28, 2010 and 5.00% from March 1 through December 31, 2010. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2010 was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$472,323, \$588,077, and \$759,020, respectively; equal to the required employer contribution which is 100% of the dollar amount billed by OPERS.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 13 - POST-EMPLOYMENT BENEFIT PLANS - (Continued)

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the OP&F Pension Fund sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-employment 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.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is 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 OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an Internal Revenue Code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTE 13 - POST-EMPLOYMENT BENEFIT PLANS - (Continued)

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers and firefighters were \$248,830 and \$296,634, respectively, for the year ended December 31, 2010, \$254,869 and \$276,283, respectively, for the year ended December 31, 2009, and \$278,420 and \$277,080, respectively, for the year ended December 31, 2008. The amounts contributed equal the required employer contribution for the respective year which is 100% of the dollar amount billed by OP&F.

NOTE 14 - 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, 2010.

B. Contracts

As of December 31, 2010, the City had approximately \$2,198,848 open on outstanding purchase orders and contracts. Of this amount, \$1,869,835 related to ongoing capital projects and the remaining amount of \$329,013 was for various departmental purchase orders outstanding at year end.

The City had no material operating lease commitments at December 31, 2010.

C. Litigation

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

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Equity in pooled cash and investments	\$ 7,169,736	\$ 4,570,766
Cash in segregated accounts.	9,931	14,400
Receivables (net of allowances of uncollectibles).	2,170,892	2,640,650
Due from other governments	1,213,492	2,172,502
Prepayments	45,131	77,819
Total assets.	<u>\$ 10,609,182</u>	<u>\$ 9,476,137</u>
Liabilities:		
Accounts payable	\$ 777,873	\$ 1,005,485
Contracts payable	56,615	61,297
Accrued wages and benefits	226,431	182,546
Insurance deposits payable.	316,238	513,606
Compensated absences payable	16,434	585
Due to other governments	-	25,997
Deferred revenue	1,091,630	941,970
Unearned revenue.	1,839,391	2,508,869
Total liabilities	<u>4,324,612</u>	<u>5,240,355</u>
Fund balance:		
Reserved for encumbrances	566,767	1,035,657
Reserved for prepayments	45,131	77,819
Reserved for materials and supplies inventory	-	-
Reserved for prepayments	-	-
Unreserved:		
Designated for budget stabilization	1,000,000	-
Undesignated	4,672,672	3,122,306
Total fund balance.	<u>6,284,570</u>	<u>4,235,782</u>
Total liabilities and fund balance	<u>\$ 10,609,182</u>	<u>\$ 9,476,137</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
STREET MAINTENANCE AND REPAIR FUND

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Equity in pooled cash and investments	\$ 903,640	\$ 739,458
Cash with escrow agent	4,273	87,228
Receivables (net of allowances of uncollectibles)	8,337	5,250
Due from other governments	740,870	535,166
Prepayments	14,781	13,127
Materials and supplies inventory	436,145	432,895
Total assets.	<u>\$ 2,108,046</u>	<u>\$ 1,813,124</u>
Liabilities:		
Accounts payable	\$ 51,543	\$ 125,917
Contracts payable	25,814	27,309
Retainage payable	4,273	87,228
Accrued wages and benefits	19,660	18,502
Insurance deposits payable.	26,875	55,392
Deferred revenue	580,016	398,257
Total liabilities	<u>708,181</u>	<u>712,605</u>
Fund balance:		
Reserved for encumbrances	603,148	706,219
Reserved for prepayments	14,781	13,127
Reserved for materials and supplies inventory.	436,145	432,895
Unreserved, undesignated (deficit)	345,791	(51,722)
Total fund balance	<u>1,399,865</u>	<u>1,100,519</u>
Total liabilities and fund balance	<u>\$ 2,108,046</u>	<u>\$ 1,813,124</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
CITY INCOME TAX ADMINISTRATION FUND

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Equity in pooled cash and investments	\$ 154,773	\$ 310,235
Receivables (net of allowances of uncollectibles)	4,313,395	2,600,468
Prepayments	-	1,046
Restricted assets:		
Equity in pooled cash and investments.	<u>1,738,584</u>	<u>391,577</u>
Total assets	<u>\$ 6,206,752</u>	<u>\$ 3,303,326</u>
Liabilities:		
Accounts payable	\$ 350,050	\$ 14,597
Accrued wages and benefits	2,974	2,286
Insurance deposits payable	3,979	8,900
Deferred revenue	<u>2,296,679</u>	<u>1,240,040</u>
Total liabilities	<u>2,653,682</u>	<u>1,265,823</u>
Fund balance:		
Reserved for encumbrances	22,016	34,189
Reserved for prepayments	-	1,046
Reserved for capital improvements	1,738,584	391,577
Unreserved, undesignated	<u>1,792,470</u>	<u>1,610,691</u>
Total fund balance.	<u>3,553,070</u>	<u>2,037,503</u>
Total liabilities and fund balance	<u>\$ 6,206,752</u>	<u>\$ 3,303,326</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 2,270,897	\$ 2,286,728	\$ 2,705,027	\$ 418,299	\$ 2,621,017
Charges for services	1,488,967	2,106,892	2,159,097	52,205	2,419,913
Licenses and permits.	222,003	314,135	321,919	7,784	394,060
Fines and forfeitures.	827,501	1,170,916	1,199,929	29,013	1,050,050
Intergovernmental	3,264,846	4,619,764	4,734,233	114,469	5,516,999
Investment income	32,399	45,845	46,981	1,136	105,481
(Decrease) in fair market value of investments	-	-	(27)	(27)	(102,525)
Rental income.	48,490	68,614	70,314	1,700	65,948
Contributions and donations	2,130	3,014	3,089	75	12,531
Reimbursements.	330,897	468,220	479,822	11,602	451,996
Other	14,083	19,927	20,421	494	17,626
Total revenues	<u>8,502,213</u>	<u>11,104,055</u>	<u>11,740,805</u>	<u>636,750</u>	<u>12,553,096</u>
Expenditures:					
General government					
Council					
Personal services	118,403	106,403	106,134	269	173,397
Other	24,854	24,854	21,303	3,551	26,115
Mayors office					
Personal services	155,132	153,271	152,320	951	141,686
Other	12,036	13,897	12,208	1,689	14,799
Auditor/treasurer					
Personal services	378,786	376,086	374,455	1,631	368,298
Other	68,948	71,648	70,020	1,628	67,163
Law director					
Personal services	428,756	400,736	393,408	7,328	419,055
Other	106,824	151,844	113,490	38,354	172,734
Municipal court					
Personal services	1,082,322	1,082,700	1,067,966	14,734	1,161,159
Other	184,660	189,282	158,036	31,246	146,962
Civil service					
Personal services	56,572	56,572	56,486	86	59,615
Other	20,923	28,278	17,445	10,833	11,550
Computer services					
Personal services	251,350	254,950	254,829	121	248,830
Other	60,580	61,580	60,154	1,426	61,661
Service director					
Personal services	100,759	100,759	100,718	41	102,505
Other	11,502	11,502	9,549	1,953	13,457
Engineering department					
Personal services	695,358	692,382	682,578	9,804	809,831
Other	69,552	63,506	53,113	10,393	47,907
General miscellaneous operations					
Other	1,610,866	1,683,407	1,586,390	97,017	1,347,036
Public building department					
Personal services	114,024	148,549	129,521	19,028	116,854
Other	217,887	216,045	196,840	19,205	212,860
Total general government	<u>5,770,094</u>	<u>5,888,251</u>	<u>5,616,963</u>	<u>271,288</u>	<u>5,723,474</u>

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Security of persons and property					
Police department					
Personal services	5,184,754	5,912,086	5,831,511	80,575	6,015,572
Other	411,476	508,220	401,031	107,189	476,716
Disaster services					
Other	20,502	20,570	20,369	201	21,697
Fire department					
Personal services	6,664,833	6,949,561	6,876,958	72,603	6,599,551
Other	346,944	343,915	310,006	33,909	255,973
Safety director					
Personal services	153,859	153,859	149,519	4,340	153,814
Other	13,388	23,388	19,453	3,935	18,042
Dispatch					
Personal services	635,049	681,549	673,021	8,528	633,645
Other	100,629	101,077	98,277	2,800	106,830
Work Opportunity Rehabilitation Center (WORC)					
Personal services	51,350	51,350	51,320	30	49,653
Other	346,252	311,652	300,957	10,695	84,918
Total security of persons and property	<u>13,929,036</u>	<u>15,057,227</u>	<u>14,732,422</u>	<u>324,805</u>	<u>14,416,411</u>
Public health and welfare					
Planning and zoning					
Personal services	1,096	1,096	1,093	3	1,059
Other	101,014	101,014	100,589	425	105,221
Public health department					
Personal services	767,129	1,038,638	1,033,231	5,407	774,464
Other	192,676	178,693	146,343	32,350	325,112
Zoning department					
Personal services	136,973	137,123	137,010	113	137,158
Other	7,129	7,614	7,454	160	9,212
Neighborhood Enhancement and Abatement Team (NEAT)					
Personal services	50,058	50,058	50,048	10	48,694
Other	16,067	21,248	16,032	5,216	26,077
Cemetery department					
Personal services	111,893	123,132	116,480	6,652	193,052
Other	149,829	147,384	116,279	31,105	49,674
Total public health and welfare	<u>1,533,864</u>	<u>1,806,000</u>	<u>1,724,559</u>	<u>81,441</u>	<u>1,669,723</u>
Leisure time activities					
Park maintenance					
Personal services	426,792	427,889	418,394	9,495	523,486
Other	141,747	122,208	94,468	27,740	80,230
Reservoir recreation					
Other	3,639	3,639	2,606	1,033	2,800
CUBE					
Personal services	167,375	187,175	179,578	7,597	65,774
Other	141,647	234,389	212,626	21,763	214,044
Recreation department					
Personal services	64,762	73,596	72,232	1,364	371,204
Other	53,426	45,109	39,733	5,376	169,607
5-PLEX					
Personal services	160,296	158,296	154,742	3,554	34,712
Other	77,347	87,747	84,070	3,677	174,102
Total leisure time activities	<u>1,237,031</u>	<u>1,340,048</u>	<u>1,258,449</u>	<u>81,599</u>	<u>1,635,959</u>

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Capital outlay					
Security of persons and property	-	783,927	783,927	-	1,376,123
Public health and welfare	-	362,082	362,082	-	142,519
Leisure time activities	-	24,631	24,631	-	143,633
General government	-	146,539	146,539	-	1,515,059
Total capital outlay	-	1,317,179	1,317,179	-	3,177,334
Total expenditures	22,470,025	25,408,705	24,649,572	759,133	26,622,901
Excess of expenditures over revenues	(13,967,812)	(14,304,650)	(12,908,767)	1,395,883	(14,069,805)
Other financing sources (uses):					
Sale of capital assets	7,446	10,537	10,797	260	11,394
Transfers in	11,507,482	16,283,115	16,686,577	403,462	13,321,869
Transfers out	(325,080)	(1,707,131)	(1,707,131)	-	(900,303)
Total other financing sources (uses).	11,189,848	14,586,521	14,990,243	403,722	12,432,960
Net change in fund balance	(2,777,964)	281,871	2,081,476	1,799,605	(1,636,845)
Fund balance, January 1	4,235,782	4,235,782	4,235,782	-	5,863,694
Increase (decrease) in reserve for prepaids.	(32,688)	(32,688)	(32,688)	-	8,933
Fund balance, December 31	<u>\$ 1,425,130</u>	<u>\$ 4,484,965</u>	<u>\$ 6,284,570</u>	<u>\$ 1,799,605</u>	<u>\$ 4,235,782</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 682	\$ 611	\$ 739	\$ 128	\$ 210
Charges for services	24,012	21,516	26,008	4,492	17,487
Intergovernmental	2,344,743	2,101,012	2,539,650	438,638	3,497,506
Investment income	2,268	2,033	2,457	424	-
Reimbursements.	63,914	57,270	69,227	11,957	12,799
Other	37,596	33,688	40,721	7,033	54,005
Total revenues	2,473,215	2,216,130	2,678,802	462,672	3,582,007
Expenditures:					
Current:					
Transportation					
Street department					
Personal services	1,328,899	1,329,714	1,321,945	7,769	1,638,042
Other	608,132	617,449	544,846	72,603	344,400
Traffic signals					
Personal services	162,171	164,775	159,204	5,571	219,692
Other	111,415	112,292	65,253	47,039	68,956
Total transportation.	2,210,617	2,224,230	2,091,248	132,982	2,271,090
Capital outlay					
Street improvements	-	456,066	456,066	-	2,878,599
Traffic signals	-	230,503	230,503	-	191,485
Storm sewers.	-	78,671	78,671	-	376,472
Total capital outlay	-	765,240	765,240	-	3,446,556
Total expenditures	2,210,617	2,989,470	2,856,488	132,982	5,717,646
Excess (deficiency) of revenues over (under) expenditures	262,598	(773,340)	(177,686)	595,654	(2,135,639)
Other financing sources (uses):					
Sale of capital assets	914	819	990	171	-
Transfers in	459,127	411,401	497,291	85,890	1,235,044
Transfers out	-	(26,153)	(26,153)	-	(50,069)
Total other financing sources (uses)	460,041	386,067	472,128	86,061	1,184,975
Net change in fund balance	722,639	(387,273)	294,442	681,715	(950,664)
Fund balance, January 1	1,100,519	1,100,519	1,100,519	-	1,982,861
Increase in reserve for inventory.	3,250	3,250	3,250	-	71,985
Increase (decrease) in reserve for prepaids.	1,654	1,654	1,654	-	(3,663)
Fund balance, December 31	\$ 1,828,062	\$ 718,150	\$ 1,399,865	\$ 681,715	\$ 1,100,519

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Municipal income taxes	\$ 20,201,407	\$ 18,833,068	\$ 18,562,751	\$ (270,317)	\$ 14,623,811
Charges for services	12,730	11,867	11,697	(170)	13,056
Reimbursements	75,055	69,971	68,967	(1,004)	579
Total revenues	<u>20,289,192</u>	<u>18,914,906</u>	<u>18,643,415</u>	<u>(271,491)</u>	<u>14,637,446</u>
Expenditures:					
Current:					
General government					
Personal services	218,659	218,659	218,478	181	219,437
Other	720,564	570,564	146,486	424,078	719,137
Total expenditures	<u>939,223</u>	<u>789,223</u>	<u>364,964</u>	<u>424,259</u>	<u>938,574</u>
Excess of revenues over expenditures	<u>19,349,969</u>	<u>18,125,683</u>	<u>18,278,451</u>	<u>152,768</u>	<u>13,698,872</u>
Other financing sources (uses):					
Transfers in	510,808	476,210	469,374	(6,836)	281,394
Transfers out	(14,385,041)	(17,392,977)	(17,231,212)	161,765	(14,445,511)
Total other financing sources (uses)	<u>(13,874,233)</u>	<u>(16,916,767)</u>	<u>(16,761,838)</u>	<u>154,929</u>	<u>(14,164,117)</u>
Net change in fund balance	5,475,736	1,208,916	1,516,613	307,697	(465,245)
Fund balance, January 1	<u>2,037,503</u>	<u>2,037,503</u>	<u>2,037,503</u>	<u>-</u>	<u>2,502,755</u>
(Decrease) in reserve for prepaids	<u>(1,046)</u>	<u>(1,046)</u>	<u>(1,046)</u>	<u>-</u>	<u>(7)</u>
Fund balance, December 31	<u>\$ 7,512,193</u>	<u>\$ 3,245,373</u>	<u>\$ 3,553,070</u>	<u>\$ 307,697</u>	<u>\$ 2,037,503</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:

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.

State Highway:

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

Law Enforcement Trust:

To account for monies collected from the sale of contraband.

Drug Law Enforcement:

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

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.

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.

Court Special Projects:

To account for monies received for specific court costs that are designated for funding the acquisition and maintenance of special projects for courts. This fund started in 2009.

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.

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.

Alcohol Monitoring:

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. This fund started in 2008.

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.

Electronic Imaging:

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. This fund started in 2008.

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.

CITY OF FINDLAY, OHIO

Nonmajor Special Revenue Funds (Continued)

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.

Severance Payout Reserve:

To account for monies reserved by the City for termination benefits.

Nonmajor Debt Service Fund

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:

Capital Improvement Projects:

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

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.

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 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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 2,063,846	\$ 81,174	\$ 989,860	\$ 1,176,477	\$ 4,311,357
Cash in segregated accounts.	151,503	-	-	-	151,503
Cash with fiduciary agent	96,435	-	-	-	96,435
Cash with escrow agent.	-	33,500	16,831	-	50,331
Receivables (net of allowances of uncollectibles).	1,224,063	229,496	-	121	1,453,680
Due from other governments	69,387	-	-	-	69,387
Total assets	\$ 3,605,234	\$ 344,170	\$ 1,006,691	\$ 1,176,598	\$ 6,132,693
Liabilities:					
Accounts payable	\$ 20,859	\$ -	\$ 790	\$ -	\$ 21,649
Contracts payable	-	-	2,500	-	2,500
Retainage payable	-	-	16,831	-	16,831
Accrued wages and benefits	1,561	-	-	-	1,561
Insurance deposits payable.	3,852	-	-	-	3,852
Interfund payable	-	-	353,200	-	353,200
Matured bonds payable	-	33,500	-	-	33,500
Deferred revenue	57,801	13,084	-	-	70,885
Unearned revenue	426,236	178,810	-	-	605,046
Total liabilities	510,309	225,394	373,321	-	1,109,024
Fund balance:					
Reserved for encumbrances.	5,454	-	4,526	-	9,980
Reserved for loans receivable.	797,670	-	-	-	797,670
Reserved for debt service.	-	118,776	-	-	118,776
Reserved for perpetual care.	-	-	-	1,176,477	1,176,477
Unreserved, designated, reported in:					
Designated for termination benefits.	1,309,907	-	-	-	1,309,907
Undesignated, reported in:					
Special revenue funds	981,894	-	-	-	981,894
Permanent funds.	-	-	-	121	121
Capital projects funds	-	-	628,844	-	628,844
Total fund balance.	3,094,925	118,776	633,370	1,176,598	5,023,669
Total liabilities and fund balance	\$ 3,605,234	\$ 344,170	\$ 1,006,691	\$ 1,176,598	\$ 6,132,693

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and other local taxes	\$ 534,026	\$ -	\$ -	\$ -	\$ 534,026
Charges for services	153,921	-	-	23,400	177,321
Fines and forfeitures	121,857	-	47,399	-	169,256
Intergovernmental	427,264	-	-	-	427,264
Special assessments	-	24,223	-	-	24,223
Investment income	23,771	-	-	2,778	26,549
Contributions and donations	-	145,000	-	-	145,000
Tax increment financing	-	61,735	-	-	61,735
Total revenues	1,260,839	230,958	47,399	26,178	1,565,374
Expenditures:					
Current:					
General government	165,087	-	-	-	165,087
Security of persons and property.	11,060	-	-	-	11,060
Public health and welfare.	-	-	-	2,756	2,756
Transportation	99,269	-	-	-	99,269
Capital outlay	150,000	-	354,961	-	504,961
Debt service:					
Principal retirement	-	662,703	-	-	662,703
Interest and fiscal charges.	-	416,260	-	-	416,260
Total expenditures.	425,416	1,078,963	354,961	2,756	1,862,096
Excess (deficiency) of revenues over (under) expenditures.	835,423	(848,005)	(307,562)	23,422	(296,722)
Other financing sources (uses):					
Transfers in	1,309,907	1,308,062	207,200	-	2,825,169
Transfers out	(812,765)	(410,618)	(62,437)	-	(1,285,820)
Total other financing sources (uses)	497,142	897,444	144,763	-	1,539,349
Net change in fund balances	1,332,565	49,439	(162,799)	23,422	1,242,627
Fund balances, January 1	1,762,367	69,337	796,169	1,153,176	3,781,049
(Decrease) in reserve for prepaids	(7)	-	-	-	(7)
Fund balances, December 31	\$ 3,094,925	\$ 118,776	\$ 633,370	\$ 1,176,598	\$ 5,023,669

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	<u>County Permissive MVL Tax</u>	<u>State Highway</u>	<u>Law Enforcement Trust</u>	<u>Drug Law Enforcement</u>
Assets:				
Equity in pooled cash and investments	\$ 14,802	\$ 155,330	\$ 889	\$ 8,077
Cash in segregated accounts	-	-	-	-
Cash with fiduciary agent.	96,435	-	-	-
Receivables (net of allowances of uncollectibles) . .	-	157	-	-
Due from other governments	-	43,335	-	-
Prepayments.	-	-	-	-
Total assets	<u>\$ 111,237</u>	<u>\$ 198,822</u>	<u>\$ 889</u>	<u>\$ 8,077</u>
Liabilities:				
Accounts payable.	\$ -	\$ 20,056	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Insurance deposits payable.	-	-	-	-
Deferred revenue	-	31,749	-	-
Unearned revenue	-	-	-	-
Total liabilities.	<u>-</u>	<u>51,805</u>	<u>-</u>	<u>-</u>
Fund balance:				
Reserved for encumbrances	-	-	-	3,300
Reserved for prepayments	-	-	-	-
Reserved for loans receivable	-	-	-	-
Unreserved:				
Designated for termination benefits	-	-	-	-
Unreserved, undesignated.	111,237	147,017	889	4,777
Total fund balance	<u>111,237</u>	<u>147,017</u>	<u>889</u>	<u>8,077</u>
Total liabilities and fund balance	<u>\$ 111,237</u>	<u>\$ 198,822</u>	<u>\$ 889</u>	<u>\$ 8,077</u>

Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Special Projects	Court Computerization	METRICH Drug Law Enforcement Trust	Alcohol Monitoring	Mediation Services	Electronic Imaging
\$ 183,332	\$ 52,669	\$ 103,024	\$ 71,475	\$ 2,863	\$ 27,967	\$ 64,175	\$ 49,272
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 183,332</u>	<u>\$ 52,669</u>	<u>\$ 103,024</u>	<u>\$ 71,475</u>	<u>\$ 2,863</u>	<u>\$ 27,967</u>	<u>\$ 64,175</u>	<u>\$ 49,272</u>
\$ 113	\$ -	\$ 539	\$ -	\$ -	\$ -	\$ 50	\$ 101
-	-	1,001	-	-	-	-	560
-	-	1,926	-	-	-	-	1,926
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>113</u>	<u>-</u>	<u>3,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>2,587</u>
-	-	-	-	-	2,154	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
183,219	52,669	99,558	71,475	2,863	25,813	64,125	46,685
<u>183,219</u>	<u>52,669</u>	<u>99,558</u>	<u>71,475</u>	<u>2,863</u>	<u>27,967</u>	<u>64,125</u>	<u>46,685</u>
<u>\$ 183,332</u>	<u>\$ 52,669</u>	<u>\$ 103,024</u>	<u>\$ 71,475</u>	<u>\$ 2,863</u>	<u>\$ 27,967</u>	<u>\$ 64,175</u>	<u>\$ 49,272</u>

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CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	<u>Legal Research</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Revolving Loan</u>
Assets:				
Equity in pooled cash and investments	\$ 20,064	\$ -	\$ -	\$ -
Cash in segregated accounts	-	-	-	151,503
Cash with fiduciary agent.	-	-	-	-
Receivables (net of allowances of uncollectibles) . .	-	213,118	213,118	797,670
Due from other governments	-	13,026	13,026	-
Prepayments.	-	-	-	-
Total assets	<u>\$ 20,064</u>	<u>\$ 226,144</u>	<u>\$ 226,144</u>	<u>\$ 949,173</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Insurance deposits payable.	-	-	-	-
Deferred revenue	-	13,026	13,026	-
Unearned revenue	-	213,118	213,118	-
Total liabilities.	<u>-</u>	<u>226,144</u>	<u>226,144</u>	<u>-</u>
Fund balance:				
Reserved for encumbrances	-	-	-	-
Reserved for prepayments	-	-	-	-
Reserved for loans receivable	-	-	-	797,670
Unreserved:				
Designated for termination benefits	-	-	-	-
Unreserved, undesignated.	20,064	-	-	151,503
Total fund balance	<u>20,064</u>	<u>-</u>	<u>-</u>	<u>949,173</u>
Total liabilities and fund balance	<u>\$ 20,064</u>	<u>\$ 226,144</u>	<u>\$ 226,144</u>	<u>\$ 949,173</u>

Severance Payout Reserve	Totals	
	2010	2009
\$ 1,309,907	\$ 2,063,846	\$ 575,450
-	151,503	36,854
-	96,435	228,515
-	1,224,063	1,492,578
-	69,387	70,915
-	-	7
<u>\$ 1,309,907</u>	<u>\$ 3,605,234</u>	<u>\$ 2,404,319</u>
\$ -	\$ 20,859	\$ 2,305
-	1,561	-
-	3,852	254
-	57,801	59,389
-	426,236	580,004
-	510,309	641,952
-	5,454	-
-	-	7
-	797,670	912,574
1,309,907	1,309,907	-
-	981,894	849,786
<u>1,309,907</u>	<u>3,094,925</u>	<u>1,762,367</u>
<u>\$ 1,309,907</u>	<u>\$ 3,605,234</u>	<u>\$ 2,404,319</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	County Permissive MVL Tax	State Highway	Law Enforcement Trust	Drug Law Enforcement
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	221,459	145,903	-	-
Investment income	-	592	-	-
Reimbursements	-	-	-	-
Total revenues	221,459	146,495	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	1,297	1,615
Transportation	-	99,269	-	-
Capital outlay	150,000	-	-	-
Total expenditures	150,000	99,269	1,297	1,615
Excess (deficiency) of revenues over (under) expenditures	71,459	47,226	(1,297)	(1,615)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(203,539)	-	-	-
Total other financing sources (uses)	(203,539)	-	-	-
Net change in fund balances	(132,080)	47,226	(1,297)	(1,615)
Fund balances, January 1	243,317	99,791	2,186	9,692
Increase (decrease) in reserve for prepaids.	-	-	-	-
Fund balances, December 31.	\$ 111,237	\$ 147,017	\$ 889	\$ 8,077

Indigent Drivers Alcohol Treatment	Enforcement and Education	Court Special Projects	Court Computerization	METRICH Drug Law Enforcement Trust	Alcohol Monitoring	Mediation Services	Electronic Imaging
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	105,243	48,678	-	-	-	-
32,210	3,941	-	-	-	21,495	16,126	47,825
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>32,210</u>	<u>3,941</u>	<u>105,243</u>	<u>48,678</u>	<u>-</u>	<u>21,495</u>	<u>16,126</u>	<u>47,825</u>
13,415	-	70,892	347	-	5,346	2,842	48,811
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>13,415</u>	<u>-</u>	<u>70,892</u>	<u>347</u>	<u>-</u>	<u>5,346</u>	<u>2,842</u>	<u>48,811</u>
18,795	3,941	34,351	48,331	-	16,149	13,284	(986)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>18,795</u>	<u>3,941</u>	<u>34,351</u>	<u>48,331</u>	<u>-</u>	<u>16,149</u>	<u>13,284</u>	<u>(986)</u>
164,424	48,728	65,210	23,144	2,863	11,818	50,841	47,675
-	-	(3)	-	-	-	-	(4)
<u>\$ 183,219</u>	<u>\$ 52,669</u>	<u>\$ 99,558</u>	<u>\$ 71,475</u>	<u>\$ 2,863</u>	<u>\$ 27,967</u>	<u>\$ 64,125</u>	<u>\$ 46,685</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, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Legal Research</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Revolving Loan</u>
Revenues:				
Property and other local taxes	\$ -	\$ 267,013	\$ 267,013	\$ -
Charges for services	-	-	-	-
Fines and forfeitures	260	-	-	-
Intergovernmental	-	29,951	29,951	-
Investment income	-	-	-	23,179
Reimbursements	-	-	-	-
Total revenues	<u>260</u>	<u>296,964</u>	<u>296,964</u>	<u>23,179</u>
Expenditures:				
Current:				
General government	-	-	-	23,434
Security of persons and property	-	4,074	4,074	-
Transportation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>4,074</u>	<u>4,074</u>	<u>23,434</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>260</u>	<u>292,890</u>	<u>292,890</u>	<u>(255)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(304,613)	(304,613)	-
Total other financing sources (uses)	<u>-</u>	<u>(304,613)</u>	<u>(304,613)</u>	<u>-</u>
Net change in fund balances	260	(11,723)	(11,723)	(255)
Fund balances, January 1	19,804	11,723	11,723	949,428
Increase (decrease) in reserve for prepaids. .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, December 31.	<u>\$ 20,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 949,173</u>

Severance Payout Reserve	Totals	
	2010	2009
\$ -	\$ 534,026	\$ 525,756
-	153,921	135,382
-	121,857	38,111
-	427,264	409,596
-	23,771	17,797
-	-	4,511
-	<u>1,260,839</u>	<u>1,131,153</u>
-	165,087	138,465
-	11,060	13,929
-	99,269	26,947
-	<u>150,000</u>	<u>446,877</u>
-	<u>425,416</u>	<u>626,218</u>
-	<u>835,423</u>	<u>504,935</u>
1,309,907	1,309,907	45,000
-	<u>(812,765)</u>	<u>(594,174)</u>
<u>1,309,907</u>	<u>497,142</u>	<u>(549,174)</u>
1,309,907	1,332,565	(44,239)
-	1,762,367	1,806,599
-	<u>(7)</u>	<u>7</u>
<u>\$ 1,309,907</u>	<u>\$ 3,094,925</u>	<u>\$ 1,762,367</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ -	\$ 353,539	\$ 221,459	\$ (132,080)	\$ 206,560
Total revenues	-	353,539	221,459	(132,080)	206,560
Expenditures:					
Capital outlay					
Street improvements	-	150,000	150,000	-	70,198
Total expenditures	-	150,000	150,000	-	70,198
Excess of revenues over expenditures	-	203,539	71,459	(132,080)	136,362
Other financing uses:					
Transfers out	-	(203,539)	(203,539)	-	-
Total other financing uses	-	(203,539)	(203,539)	-	-
Net change in fund balance.	-	-	(132,080)	(132,080)	136,362
Fund balance, January 1	243,317	243,317	243,317	-	106,955
Fund balance, December 31.	\$ 243,317	\$ 243,317	\$ 111,237	\$ (132,080)	\$ 243,317

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ -	\$ 328,500	\$ 145,903	\$ (182,597)	\$ 146,858
Investment income	-	-	592	592	-
Reimbursements.	-	-	-	-	4,511
Total revenues	-	328,500	146,495	(182,005)	151,369
Expenditures:					
Current:					
Transportation					
Other	109,052	109,052	99,269	9,783	26,947
Capital outlay					
Street improvements	-	-	-	-	376,679
Total expenditures	109,052	109,052	99,269	9,783	403,626
Net change in fund balance	(109,052)	219,448	47,226	(172,222)	(252,257)
Fund balance, January 1	99,791	99,791	99,791	-	352,048
Fund balance (deficit), December 31.	\$ (9,261)	\$ 319,239	\$ 147,017	\$ (172,222)	\$ 99,791

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Current:					
Security of persons and property					
Other	\$ 2,186	\$ 2,186	\$ 1,297	\$ 889	\$ 125
Total expenditures	2,186	2,186	1,297	889	125
Net change in fund balance	(2,186)	(2,186)	(1,297)	889	(125)
Fund balance, January 1	<u>2,186</u>	<u>2,186</u>	<u>2,186</u>	<u>-</u>	<u>2,311</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ 889</u>	<u>\$ 2,186</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ 695
Total revenues	-	-	-	-	695
Expenditures:					
Current:					
Security of persons and property					
Other	6,850	6,850	1,615	5,235	4,490
Total expenditures	6,850	6,850	1,615	5,235	4,490
Net change in fund balance	(6,850)	(6,850)	(1,615)	5,235	(3,795)
Fund balance, January 1	<u>9,692</u>	<u>9,692</u>	<u>9,692</u>	<u>-</u>	<u>13,487</u>
Fund balance, December 31	<u>\$ 2,842</u>	<u>\$ 2,842</u>	<u>\$ 8,077</u>	<u>\$ 5,235</u>	<u>\$ 9,692</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 27,000	\$ 28,000	\$ 32,210	\$ 4,210	\$ 33,115
Total revenues	27,000	28,000	32,210	4,210	33,115
Expenditures:					
Current:					
General government					
Other	120,000	120,000	13,415	106,585	23,958
Total expenditures	120,000	120,000	13,415	106,585	23,958
Net change in fund balance	(93,000)	(92,000)	18,795	110,795	9,157
Fund balance, January 1	164,424	164,424	164,424	-	155,267
Fund balance, December 31	<u>\$ 71,424</u>	<u>\$ 72,424</u>	<u>\$ 183,219</u>	<u>\$ 110,795</u>	<u>\$ 164,424</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 6,500	\$ 4,000	\$ 3,941	\$ (59)	\$ 4,301
Total revenues	6,500	4,000	3,941	(59)	4,301
Expenditures:					
Current:					
General government					
Other	51,236	51,236	-	51,236	-
Total expenditures	51,236	51,236	-	51,236	-
Net change in fund balance	(44,736)	(47,236)	3,941	51,177	4,301
Fund balance, January 1	48,728	48,728	48,728	-	44,427
Fund balance, December 31	\$ 3,992	\$ 1,492	\$ 52,669	\$ 51,177	\$ 48,728

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ -	\$ 70,000	\$ 105,243	\$ 35,243	\$ 20,210
Total revenues	-	70,000	105,243	35,243	20,210
Expenditures:					
Current:					
General government					
Other	70,000	71,000	70,892	108	3
Total expenditures	70,000	71,000	70,892	108	3
Excess (deficiency) of revenues over (under) expenditures	(70,000)	(1,000)	34,351	35,351	20,207
Other financing sources:					
Transfers in	-	-	-	-	45,000
Total other financing sources	-	-	-	-	45,000
Net change in fund balance	(70,000)	(1,000)	34,351	35,351	65,207
Fund balance, January 1	65,210	65,210	65,210	-	-
Increase in reserve for prepaids	(3)	(3)	(3)	-	3
Fund balance (deficit), December 31	<u>\$ (4,793)</u>	<u>\$ 64,207</u>	<u>\$ 99,558</u>	<u>\$ 35,351</u>	<u>\$ 65,210</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 30,000	\$ 25,000	\$ 48,678	\$ 23,678	\$ 45,469
Total revenues	30,000	25,000	48,678	23,678	45,469
Expenditures:					
Current:					
General government					
Other	40,590	36,000	347	35,653	40,695
Total expenditures	40,590	36,000	347	35,653	40,695
Net change in fund balance	(10,590)	(11,000)	48,331	59,331	4,774
Fund balance, January 1	<u>23,144</u>	<u>23,144</u>	<u>23,144</u>	<u>-</u>	<u>18,370</u>
Fund balance, December 31	<u>\$ 12,554</u>	<u>\$ 12,144</u>	<u>\$ 71,475</u>	<u>\$ 59,331</u>	<u>\$ 23,144</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, 2010
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Current:					
Security of persons and property					
Other	\$ 2,863	\$ 2,863	\$ -	\$ 2,863	\$ -
Total expenditures	2,863	2,863	-	2,863	-
Net change in fund balance	(2,863)	(2,863)	-	2,863	-
Fund balance, January 1	<u>2,863</u>	<u>2,863</u>	<u>2,863</u>	<u>-</u>	<u>2,863</u>
Fund balance, December 31	<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
ALCOHOL MONITORING FUND

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ 10,000	\$ 21,495	\$ 11,495	\$ 11,368
Total revenues	-	10,000	21,495	11,495	11,368
Expenditures:					
Current:					
General government					
Other	18,000	18,000	5,346	12,654	-
Total expenditures	18,000	18,000	5,346	12,654	-
Net change in fund balance	(18,000)	(8,000)	16,149	24,149	11,368
Fund balance, January 1	11,818	11,818	11,818	-	450
Fund balance (deficit), December 31	\$ (6,182)	\$ 3,818	\$ 27,967	\$ 24,149	\$ 11,818

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 6,000	\$ 6,500	\$ 16,126	\$ 9,626	\$ 14,910
Total revenues	6,000	6,500	16,126	9,626	14,910
Expenditures:					
Current:					
General government					
Other	6,500	6,500	2,842	3,658	2,551
Total expenditures	6,500	6,500	2,842	3,658	2,551
Excess (deficiency) of revenues over (under) expenditures	(500)	-	13,284	13,284	12,359
Other financing uses:					
Transfers out	-	-	-	-	(45,000)
Total other financing uses	-	-	-	-	(45,000)
Net change in fund balance	(500)	-	13,284	13,284	(32,641)
Fund balance, January 1	50,841	50,841	50,841	-	83,482
Fund balance, December 31	\$ 50,341	\$ 50,841	\$ 64,125	\$ 13,284	\$ 50,841

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ 30,000	\$ 47,825	\$ 17,825	\$ 42,748
Total revenues	-	30,000	47,825	17,825	42,748
Expenditures:					
Current:					
General government					
Other	60,000	60,000	48,811	11,189	4
Total expenditures	60,000	60,000	48,811	11,189	4
Net change in fund balance	(60,000)	(30,000)	(986)	29,014	42,744
Fund balance, January 1	47,675	47,675	47,675	-	4,927
Increase in reserve for prepaids.	(4)	(4)	(4)	-	4
Fund balance (deficit), December 31	<u>\$ (12,329)</u>	<u>\$ 17,671</u>	<u>\$ 46,685</u>	<u>\$ 29,014</u>	<u>\$ 47,675</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 4,400	\$ -	\$ 260	\$ 260	\$ 677
Total revenues	4,400	-	260	260	677
Expenditures:					
Current:					
General government					
Other	-	-	-	-	45,883
Total expenditures	-	-	-	-	45,883
Net change in fund balance	4,400	-	260	260	(45,206)
Fund balance, January 1	<u>19,804</u>	<u>19,804</u>	<u>19,804</u>	<u>-</u>	<u>65,010</u>
Fund balance, December 31	<u>\$ 24,204</u>	<u>\$ 19,804</u>	<u>\$ 20,064</u>	<u>\$ 260</u>	<u>\$ 19,804</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 260,753	\$ 267,013	\$ 267,013	\$ -	\$ 262,878
Intergovernmental	29,249	29,951	29,951	-	28,089
Total revenues	<u>290,002</u>	<u>296,964</u>	<u>296,964</u>	<u>-</u>	<u>290,967</u>
Expenditures:					
Current:					
Security of persons and property					
Other	<u>5,510</u>	<u>4,074</u>	<u>4,074</u>	<u>-</u>	<u>4,657</u>
Total expenditures	<u>5,510</u>	<u>4,074</u>	<u>4,074</u>	<u>-</u>	<u>4,657</u>
Excess of revenues over expenditures	<u>284,492</u>	<u>292,890</u>	<u>292,890</u>	<u>-</u>	<u>286,310</u>
Other financing uses:					
Transfers out	<u>(286,188)</u>	<u>(304,613)</u>	<u>(304,613)</u>	<u>-</u>	<u>(274,587)</u>
Total other financing uses	<u>(286,188)</u>	<u>(304,613)</u>	<u>(304,613)</u>	<u>-</u>	<u>(274,587)</u>
Net change in fund balance	(1,696)	(11,723)	(11,723)	-	11,723
Fund balance, January 1	<u>11,723</u>	<u>11,723</u>	<u>11,723</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ 10,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,723</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 260,753	\$ 267,013	\$ 267,013	\$ -	\$ 262,878
Intergovernmental	29,249	29,951	29,951	-	28,089
Total revenues	<u>290,002</u>	<u>296,964</u>	<u>296,964</u>	<u>-</u>	<u>290,967</u>
Expenditures:					
Current:					
Security of persons and property					
Other	5,510	4,074	4,074	-	4,657
Total expenditures	<u>5,510</u>	<u>4,074</u>	<u>4,074</u>	<u>-</u>	<u>4,657</u>
Excess of revenues over expenditures	<u>284,492</u>	<u>292,890</u>	<u>292,890</u>	<u>-</u>	<u>286,310</u>
Other financing uses:					
Transfers out	(286,188)	(304,613)	(304,613)	-	(274,587)
Total other financing uses	<u>(286,188)</u>	<u>(304,613)</u>	<u>(304,613)</u>	<u>-</u>	<u>(274,587)</u>
Net change in fund balance	(1,696)	(11,723)	(11,723)	-	11,723
Fund balance, January 1	<u>11,723</u>	<u>11,723</u>	<u>11,723</u>	<u>-</u>	<u>-</u>
Fund balance, December 31	<u>\$ 10,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,723</u>

CITY OF FINDLAY, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
SEVERANCE PAYOUT RESERVE FUND**

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Other financing sources:					
Transfers in	\$ -	\$ 1,309,907	\$ 1,309,907	\$ -	\$ -
Total other financing sources	-	1,309,907	1,309,907	-	-
Net change in fund balance	-	1,309,907	1,309,907	-	-
Fund balance, January 1	-	-	-	-	-
Fund balance, December 31	<u>\$ -</u>	<u>\$ 1,309,907</u>	<u>\$ 1,309,907</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
NONMAJOR DEBT SERVICE FUND

DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	<u>2010</u>	<u>2009</u>
Assets:		
Equity in pooled cash and investments.	\$ 81,174	\$ 20,461
Cash with escrow agent.	33,500	33,483
Receivables (net of allowances of uncollectibles). . .	<u>229,496</u>	<u>86,069</u>
Total assets.	<u>\$ 344,170</u>	<u>\$ 140,013</u>
Liabilities:		
Matured bonds payable	\$ 33,500	\$ 33,483
Deferred revenue.	13,084	37,193
Unearned revenue.	<u>178,810</u>	<u>-</u>
Total liabilities.	<u>225,394</u>	<u>70,676</u>
Fund balance:		
Reserved for debt service.	<u>118,776</u>	<u>69,337</u>
Total fund balance	<u>118,776</u>	<u>69,337</u>
Total liabilities and fund balance	<u>\$ 344,170</u>	<u>\$ 140,013</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>2010</u>	<u>2009</u>
Revenues:		
Special assessments	\$ 24,223	\$ 36,385
Contributions and donations	145,000	145,000
Tax increment financing	<u>61,735</u>	<u>45,943</u>
Total revenues	<u>230,958</u>	<u>227,328</u>
Expenditures:		
Debt service:		
Principal retirement	662,703	648,703
Interest and fiscal charges	<u>416,260</u>	<u>417,799</u>
Total expenditures	<u>1,078,963</u>	<u>1,066,502</u>
Excess of expenditures over revenues	<u>(848,005)</u>	<u>(839,174)</u>
Other financing sources (uses):		
Transfers in	1,308,062	830,503
Transfers out	<u>(410,618)</u>	<u>-</u>
Total other financing sources (uses)	<u>897,444</u>	<u>830,503</u>
Net change in fund balances	49,439	(8,671)
Fund balance, January 1	<u>69,337</u>	<u>78,008</u>
Fund balance, December 31	<u>\$ 118,776</u>	<u>\$ 69,337</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Special assessments	\$ 18,037	\$ 22,802	\$ 24,223	\$ 1,421	\$ 36,385
Contributions and donations	107,968	136,494	145,000	8,506	145,000
Tax increment financing.	15,000	41,000	61,735	20,735	45,943
Total revenues	141,005	200,296	230,958	30,662	227,328
Expenditures:					
Debt service:					
Principal retirement	629,684	662,703	662,703	-	648,703
Interest and fiscal charges	412,404	416,260	416,260	-	417,799
Total debt service	1,042,088	1,078,963	1,078,963	-	1,066,502
Total expenditures	1,042,088	1,078,963	1,078,963	-	1,066,502
Excess of expenditures over revenues	(901,083)	(878,667)	(848,005)	30,662	(839,174)
Other financing sources (uses):					
Transfers in	973,995	1,231,330	1,308,062	76,732	830,503
Transfers out	-	(410,618)	(410,618)	-	-
Total other financing sources (uses)	973,995	820,712	897,444	76,732	830,503
Net change in fund balance.	72,912	(57,955)	49,439	107,394	(8,671)
Fund balance, January 1	69,337	69,337	69,337	-	78,008
Fund balance, December 31	\$ 142,249	\$ 11,382	\$ 118,776	\$ 107,394	\$ 69,337

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	Capital Improvement Projects	Municipal Court Improvements	Totals	
			2010	2009
Assets:				
Equity in pooled cash and investments	\$ 315,486	\$ 674,374	\$ 989,860	\$ 798,033
Cash and cash equivalents with fiscal agent	16,831	-	16,831	-
Total assets.	<u>\$ 332,317</u>	<u>\$ 674,374</u>	<u>\$ 1,006,691</u>	<u>\$ 798,033</u>
Liabilities:				
Accounts payable.	\$ -	\$ 790	\$ 790	\$ 1,864
Contracts payable.	2,500	-	2,500	-
Retainage payable	16,831	-	16,831	-
Interfund loans payable	353,200	-	353,200	-
Total liabilities.	<u>372,531</u>	<u>790</u>	<u>373,321</u>	<u>1,864</u>
Fund balance:				
Reserved for encumbrances.	-	4,526	4,526	4,590
Unreserved, undesignated.	(40,214)	669,058	628,844	791,579
Total fund balance	<u>(40,214)</u>	<u>673,584</u>	<u>633,370</u>	<u>796,169</u>
Total liabilities and fund equity.	<u>\$ 332,317</u>	<u>\$ 674,374</u>	<u>\$ 1,006,691</u>	<u>\$ 798,033</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, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	Capital Improvement Projects	Municipal Court Improvements	Totals	
			2010	2009
Revenues:				
Fines and forfeitures	\$ -	\$ 47,399	\$ 47,399	\$ 44,201
Total revenues	<u>-</u>	<u>47,399</u>	<u>47,399</u>	<u>44,201</u>
Expenditures:				
Capital outlay	247,414	107,547	354,961	55,545
Total expenditures	<u>247,414</u>	<u>107,547</u>	<u>354,961</u>	<u>55,545</u>
Excess of expenditures over revenues	<u>(247,414)</u>	<u>(60,148)</u>	<u>(307,562)</u>	<u>(11,344)</u>
Other financing sources (uses):				
Transfers in	207,200	-	207,200	-
Transfers out	<u>(62,437)</u>	-	<u>(62,437)</u>	-
Total other financing sources (uses)	<u>144,763</u>	<u>-</u>	<u>144,763</u>	<u>-</u>
Net change in fund balances	(102,651)	(60,148)	(162,799)	(11,344)
Fund balances, January 1	<u>62,437</u>	<u>733,732</u>	<u>796,169</u>	<u>807,513</u>
Fund balances (deficit), December 31.	<u>\$ (40,214)</u>	<u>\$ 673,584</u>	<u>\$ 633,370</u>	<u>\$ 796,169</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Capital outlay					
Other	\$ -	\$ 247,414	\$ 247,414	\$ -	\$ -
Total expenditures	-	247,414	247,414	-	-
Excess of expenditures over revenues	-	(247,414)	(247,414)	-	-
Other financing sources (uses):					
Advance in	-	353,200	-	(353,200)	-
Transfers in	71,950	243,783	207,200	(36,583)	-
Transfers out	-	(62,437)	(62,437)	-	-
Total other financing sources (uses)	71,950	534,546	144,763	(389,783)	-
Net change in fund balance	-	287,132	(102,651)	(389,783)	-
Fund balance, January 1	<u>62,437</u>	<u>62,437</u>	<u>62,437</u>	<u>-</u>	<u>62,437</u>
Fund balance (deficit), December 31	<u>\$ 62,437</u>	<u>\$ 349,569</u>	<u>\$ (40,214)</u>	<u>\$ (389,783)</u>	<u>\$ 62,437</u>

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 35,000	\$ 35,000	\$ 47,399	\$ 12,399	\$ 44,201
Total revenues	35,000	35,000	47,399	12,399	44,201
Expenditures:					
Capital outlay					
Other	375,455	380,045	107,547	272,498	55,545
Total expenditures	375,455	380,045	107,547	272,498	55,545
Net change in fund balance	(340,455)	(345,045)	(60,148)	284,897	(11,344)
Fund balance, January 1	<u>733,732</u>	<u>733,732</u>	<u>733,732</u>	<u>-</u>	<u>745,076</u>
Fund balance, December 31.	<u>\$ 393,277</u>	<u>\$ 388,687</u>	<u>\$ 673,584</u>	<u>\$ 284,897</u>	<u>\$ 733,732</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
NONMAJOR CEMETERY TRUST PERMANENT FUND

DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	2010	2009
Assets:		
Equity in pooled cash and investments	\$ 1,176,477	\$ 1,153,077
Receivables (net of allowances of uncollectibles).	121	99
Total assets	\$ 1,176,598	\$ 1,153,176
Fund balance:		
Reserved for perpetual care.	\$ 1,176,477	\$ 1,153,077
Unreserved, undesignated	121	99
Total fund balance.	1,176,598	1,153,176
Total liabilities and fund balance	\$ 1,176,598	\$ 1,153,176

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CEMETERY TRUST PERMANENT FUND

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>2010</u>	<u>2009</u>
Revenues:		
Charges for services	\$ 23,400	\$ 46,550
Investment income	<u>2,778</u>	<u>3,074</u>
Total revenues	<u>26,178</u>	<u>49,624</u>
Expenditures:		
Current:		
Public health and welfare.	<u>2,756</u>	<u>4,318</u>
Total expenditures	<u>2,756</u>	<u>4,318</u>
Net change in fund balance	23,422	45,306
Fund balance, January 1	<u>1,153,176</u>	<u>1,107,870</u>
Fund balance, December 31.	<u>\$ 1,176,598</u>	<u>\$ 1,153,176</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2009</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 8,000	\$ 35,000	\$ 23,400	\$ (11,600)	\$ 46,550
Investment income	-	5,000	2,778	(2,222)	3,074
Total revenues	<u>8,000</u>	<u>40,000</u>	<u>26,178</u>	<u>(13,822)</u>	<u>49,624</u>
Expenditures:					
Current:					
Public health and welfare					
Other	<u>3,000</u>	<u>3,000</u>	<u>2,756</u>	<u>244</u>	<u>4,318</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,756</u>	<u>244</u>	<u>4,318</u>
Net change in fund balance	5,000	37,000	23,422	(13,578)	45,306
Fund balance, January 1	<u>1,153,176</u>	<u>1,153,176</u>	<u>1,153,176</u>	<u>-</u>	<u>1,107,870</u>
Fund balance, December 31.	<u>\$ 1,158,176</u>	<u>\$ 1,190,176</u>	<u>\$ 1,176,598</u>	<u>\$ (13,578)</u>	<u>\$ 1,153,176</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 61 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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 3,883,678	\$ 3,482,272
Cash with escrow agent.	-	35,443
Receivables (net of allowances of uncollectibles)	1,508,635	1,508,069
Prepayments	27,063	24,544
Materials and supplies inventory	<u>611,902</u>	<u>623,468</u>
Total current assets	<u>6,031,278</u>	<u>5,673,796</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and investments	1,102,859	1,096,562
Deferred bond costs	52,877	60,321
Capital assets:		
Nondepreciable capital assets.	3,018,368	3,146,557
Depreciable capital assets, net	<u>49,468,315</u>	<u>50,222,948</u>
Total noncurrent assets	<u>53,642,419</u>	<u>54,526,388</u>
Total assets	<u>59,673,697</u>	<u>60,200,184</u>
Liabilities:		
Current liabilities:		
Accounts payable.	89,248	136,780
Contracts payable.	94,206	14,384
Retainage payable	-	35,443
Accrued wages and benefits	35,040	28,552
Insurance deposits payable	40,028	104,247
Compensated absences payable.	235,280	180,049
Due to other funds	396,928	401,453
Deposits held and due to others	530,850	455,157
Deferred revenue.	904	6,172
Accrued interest payable	125,277	135,954
Current portion of loans payable	231,734	226,473
Current portion of bonds	<u>570,000</u>	<u>545,000</u>
Total current liabilities	<u>2,349,495</u>	<u>2,269,664</u>
Long-term liabilities:		
General obligation bonds payable.	4,316,779	4,876,530
Compensated absences payable.	160,697	331,534
Loans payable	<u>4,011,116</u>	<u>4,242,850</u>
Total liabilities.	<u>10,838,087</u>	<u>11,720,578</u>
Net assets:		
Invested in capital assets, net of related debt	43,357,054	43,478,652
Restricted for:		
Capital projects	717,301	710,041
Debt service.	385,558	386,521
Unrestricted	<u>4,375,697</u>	<u>3,904,392</u>
Total net assets	<u>\$ 48,835,610</u>	<u>\$ 48,479,606</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Charges for services	\$ 7,330,609	\$ 7,190,263
Other	28,732	44,567
Total operating revenues	<u>7,359,341</u>	<u>7,234,830</u>
Operating expenses:		
Personal services	2,706,008	2,834,642
Contract services	1,245,392	491,908
Materials and supplies.	975,733	570,610
Utilities	330,428	305,027
Depreciation.	1,203,201	1,236,059
Total operating expenses	<u>6,460,762</u>	<u>5,438,246</u>
Operating income.	<u>898,579</u>	<u>1,796,584</u>
Nonoperating revenues (expenses):		
Intergovernmental.	59,203	-
Interest revenue.	18,521	63,258
Loss on disposal of capital assets.	(1,051)	(508)
Other nonoperating revenues.	-	55,347
Interest expense and fiscal charges	(356,519)	(496,679)
Other nonoperating expenses.	(560,813)	-
Total nonoperating revenues (expenses)	<u>(840,659)</u>	<u>(378,582)</u>
Income before contributions and transfers	57,920	1,418,002
Capital contributions.	425,318	893,130
Transfers in	-	150,000
Transfers out	(127,234)	-
Change in net assets.	356,004	2,461,132
Net assets, January 1	<u>48,479,606</u>	<u>46,018,474</u>
Net assets, December 31	<u>\$ 48,835,610</u>	<u>\$ 48,479,606</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash received from customers	\$ 7,321,088	\$ 7,137,605
Cash received from other operations	28,732	44,567
Cash payments for personal services	(2,879,345)	(2,781,324)
Cash payments for contract services.	(1,207,661)	(380,851)
Cash payments for materials and supplies.	(1,011,699)	(813,346)
Cash payments for utilities.	<u>(334,953)</u>	<u>(285,506)</u>
Net cash provided by operating activities.	<u>1,916,162</u>	<u>2,921,145</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	-	55,347
Grants and contributions	59,203	-
Transfers in	-	150,000
Transfers out	<u>(127,234)</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(68,031)</u>	<u>205,347</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(377,104)	(1,840,640)
Capital contributions	-	192,992
Principal paid on bonds	(545,000)	(1,755,000)
Interest paid on bonds.	(234,520)	(296,839)
Proceeds of loans	-	61,871
Principal paid on loans	(226,473)	(196,171)
Interest paid on loans	<u>(114,982)</u>	<u>(120,077)</u>
Net cash used in capital and related financing activities	<u>(1,498,079)</u>	<u>(3,953,864)</u>
Cash flows from investing activities:		
Interest received.	22,208	93,494
Net cash provided by investing activities	<u>22,208</u>	<u>93,494</u>
Net increase (decrease) in cash and cash equivalents . .	372,260	(733,878)
Cash and cash equivalents at beginning of year . .	<u>4,614,277</u>	<u>5,348,155</u>
Cash and cash equivalents at end of year.	<u>\$ 4,986,537</u>	<u>\$ 4,614,277</u>

- - continued

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 898,579	\$ 1,796,584
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,203,201	1,236,059
Changes in assets and liabilities:		
(Increase) in accounts receivable.	(4,253)	(52,583)
(Increase) decrease in materials and supplies inventory	11,566	(210,589)
(Increase) decrease in prepayments.	(2,519)	4,194
(Decrease) in accounts payable	(47,532)	(32,147)
Increase (decrease) in accrued wages and benefits.	6,488	(69,956)
Increase (decrease) in compensated absences payable.	(115,606)	77,227
Increase (decrease) in insurance deposits payable	(64,219)	46,047
Increase in deposits held and due to others	75,693	97,990
(Decrease) in deferred revenue	(5,268)	(75)
Increase (decrease) in retainage payable	(35,443)	8,873
Increase (decrease) in due to other funds	(4,525)	19,521
Net cash provided by operating activities	<u>\$ 1,916,162</u>	<u>\$ 2,921,145</u>

Non-cash Transactions:

During 2010, the Water fund received \$425,318 in capital contributions of donated water lines from private developers.

At December 31, 2010 and 2009, the Water fund purchased \$94,206 and \$14,384, respectively, in capital assets on account.

During 2009, the Water fund received \$700,138 in capital contributions of donated water lines from private developers.

At December 31, 2009 and 2008, the Water fund purchased \$14,384 and \$20,922, respectively, in capital assets on account.

CITY OF FINDLAY, OHIO

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

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 19,110	\$ 214,015
Cash with escrow agent	-	23,670
Receivables (net of allowances of uncollectibles) . .	432,254	438,419
Interfund loan receivable	353,200	-
Due from other funds	396,928	401,453
Prepayments	18,253	14,623
Materials and supplies inventory	46,593	9,114
Total current assets	<u>1,266,338</u>	<u>1,101,294</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and investments	7,077,185	7,358,295
Deferred bond costs	70,502	80,883
Capital assets:		
Nondepreciable capital assets	1,579,592	2,536,219
Depreciable capital assets, net	85,350,508	85,558,678
Total noncurrent assets	<u>94,077,787</u>	<u>95,534,075</u>
Total assets	<u>95,344,125</u>	<u>96,635,369</u>
Liabilities:		
Current liabilities:		
Accounts payable	158,970	103,960
Retainage payable	-	23,670
Accrued wages and benefits	28,278	23,282
Insurance deposits payable	44,918	69,337
Compensated absences payable	141,972	136,926
Deferred revenue	1,218	933
Accrued interest payable	602,662	663,555
Current portion of loans payable	1,858,792	1,784,077
Current portion of bonds	1,265,000	1,215,000
Total current liabilities	<u>4,101,810</u>	<u>4,020,740</u>
Long term liabilities:		
General obligation bonds payable	3,717,973	4,960,223
Compensated absences payable	200,955	146,847
Loans payable	21,901,280	23,760,072
Total liabilities	<u>29,922,018</u>	<u>32,887,882</u>
Net assets:		
Invested in capital assets, net of related debt	58,187,055	56,375,525
Restricted for:		
Capital projects	4,125,731	4,439,413
Debt service	2,951,454	2,918,882
Unrestricted	157,867	13,667
Total net assets	<u>\$ 65,422,107</u>	<u>\$ 63,747,487</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Charges for services	\$ 9,068,861	\$ 8,878,741
Other	23,258	10,878
Total operating revenues	<u>9,092,119</u>	<u>8,889,619</u>
Operating expenses:		
Personal services	2,261,759	2,119,067
Contract services	1,217,356	707,408
Materials and supplies.	284,268	265,902
Utilities	457,867	421,938
Depreciation.	1,938,540	1,921,664
Total operating expenses	<u>6,159,790</u>	<u>5,435,979</u>
Operating income	<u>2,932,329</u>	<u>3,453,640</u>
Nonoperating revenues (expenses):		
Intergovernmental	85,649	-
Interest revenue.	24,160	68,336
Interest expense and fiscal charges	(1,281,065)	(1,398,619)
Other nonoperating revenues.	-	82,446
Other nonoperating expenses.	(768,797)	-
Total nonoperating revenues (expenses).	<u>(1,940,053)</u>	<u>(1,247,837)</u>
Income before contributions and transfers	992,276	2,205,803
Capital contributions.	1,000,044	903,416
Transfers out	<u>(317,700)</u>	-
Change in net assets	1,674,620	3,109,219
Net assets, January 1	<u>63,747,487</u>	<u>60,638,268</u>
Net assets, December 31	<u>\$ 65,422,107</u>	<u>\$ 63,747,487</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2009 AND 2008

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash received from customers	\$ 9,074,442	\$ 8,809,341
Cash received from other operations	23,258	10,878
Cash payments for personal services	(2,222,028)	(2,142,227)
Cash payments for contract services.	(1,244,656)	(679,840)
Cash payments for materials and supplies.	(266,737)	(328,996)
Cash payments for utilities.	(457,867)	(421,938)
Net cash provided by operating activities.	<u>4,906,412</u>	<u>5,247,218</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	-	82,446
Grants and contributions	85,649	-
Advances out to other funds	(353,200)	-
Transfers in	(317,700)	-
Net cash provided by (used in) noncapital financing activities	<u>(585,251)</u>	<u>82,446</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(975,426)	(2,029,721)
Capital contributions	432,930	-
Principal paid on bonds.	(1,215,000)	(1,110,000)
Interest paid on bonds.	(279,501)	(320,450)
Principal paid on loans	(1,784,077)	(1,712,467)
Interest paid on loans	(1,029,326)	(1,100,938)
Net cash used in capital and related financing activities	<u>(4,850,400)</u>	<u>(6,273,576)</u>
Cash flows from investing activities:		
Interest received.	29,554	105,668
Net cash provided by investing activities	<u>29,554</u>	<u>105,668</u>
Net decrease in cash and cash equivalents.	(499,685)	(838,244)
Cash and cash equivalents at beginning of year . .	<u>7,595,980</u>	<u>8,434,224</u>
Cash and cash equivalents at end of year.	<u><u>\$ 7,096,295</u></u>	<u><u>\$ 7,595,980</u></u>

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CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,932,329	\$ 3,453,640
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,938,540	1,921,664
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	771	(50,502)
Decrease (increase) in due from other funds	4,525	(19,521)
Decrease (increase) in materials and supplies inventory	(37,479)	1,804
Decrease (increase) in prepayments	(3,630)	3,898
Increase (decrease) in accounts payable	55,010	(64,898)
Increase (decrease) in accrued wages and benefits	4,996	(54,483)
Increase (decrease) in compensated absences payable	59,154	(6,843)
Increase (decrease) in insurance deposits payable	(24,419)	38,166
Increase in deferred revenue	285	623
Increase (decrease) in retainage payable	(23,670)	23,670
Net cash provided by operating activities	<u>\$ 4,906,412</u>	<u>\$ 5,247,218</u>

Non-cash Transactions:

During 2010, the Water Pollution Control fund received \$565,865 in capital contributions of donated sewer lines from private developers.

During 2009, the Water Pollution Control fund received \$903,416 in capital contributions of donated sewer lines from private developers.

At December 31, 2009 and 2008, the Water Pollution Control fund purchased \$0 and \$7,220, respectively, in capital assets on account.

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF NET ASSETS
AIRPORT FUND**

DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 42,848	\$ 50,073
Cash with escrow agent	-	179,265
Receivables (net of allowances of uncollectibles) . . .	33,783	36,746
Prepayments	10,839	11,626
Materials and supplies inventory	<u>82,458</u>	<u>46,237</u>
Total current assets	<u>169,928</u>	<u>323,947</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and investments	35,569	32,469
Deferred bond costs	722	1,204
Capital assets:		
Nondepreciable capital assets	3,515,947	8,099,507
Depreciable capital assets, net	<u>13,377,407</u>	<u>9,259,126</u>
Total noncurrent assets	<u>16,929,645</u>	<u>17,392,306</u>
Total assets	<u>17,099,573</u>	<u>17,716,253</u>
Liabilities:		
Current liabilities:		
Accounts payable	27,303	40,220
Retainage payable	-	179,265
Accrued wages and benefits	4,096	3,343
Insurance deposits payable	4,986	10,765
Compensated absences payable	26,359	21,475
Accrued interest payable	1,819	2,469
Current portion of bonds	<u>45,000</u>	<u>40,000</u>
Total current liabilities	<u>109,563</u>	<u>297,537</u>
Long term liabilities:		
General obligation bonds payable	45,779	87,965
Compensated absences payable	<u>52,661</u>	<u>50,142</u>
Total liabilities	<u>208,003</u>	<u>435,644</u>
Net assets:		
Invested in capital assets, net of related debt	16,802,575	17,230,668
Restricted for:		
Debt service	35,569	32,469
Unrestricted	<u>53,426</u>	<u>17,472</u>
Total net assets	<u>\$ 16,891,570</u>	<u>\$ 17,280,609</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Charges for services	\$ 836,474	\$ 22,602
Other	-	636,945
Total operating revenues	<u>836,474</u>	<u>659,547</u>
Operating expenses:		
Personal services	306,243	321,481
Contract services	94,316	91,484
Materials and supplies.	512,746	364,877
Utilities	15,227	15,472
Depreciation.	<u>953,572</u>	<u>775,369</u>
Total operating expenses	<u>1,882,104</u>	<u>1,568,683</u>
Operating loss.	<u>(1,045,630)</u>	<u>(909,136)</u>
Nonoperating revenues (expenses):		
Other nonoperating revenues.	-	31,346
Intergovernmental	24,962	-
Interest expense and fiscal charges	<u>(7,582)</u>	<u>(8,883)</u>
Total nonoperating revenues (expenses)	<u>17,380</u>	<u>22,463</u>
Loss before contributions and transfers.	(1,028,250)	(886,673)
Capital contributions.	478,344	4,693,772
Transfers in	161,567	69,924
Transfers out	<u>(700)</u>	<u>(22,133)</u>
Change in net assets.	(389,039)	3,854,890
Net assets, January 1	<u>17,280,609</u>	<u>13,425,719</u>
Net assets, December 31	<u>\$ 16,891,570</u>	<u>\$ 17,280,609</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
AIRPORT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Cash received from customers	\$ 839,437	\$ 22,602
Cash received from other operations	-	623,581
Cash payments for personal services	(303,866)	(297,630)
Cash payments for contract services.	(93,529)	(90,185)
Cash payments for materials and supplies.	(741,149)	(166,472)
Cash payments for utilities.	(15,227)	(15,472)
Net cash provided by (used in) operating activities . .	<u>(314,334)</u>	<u>76,424</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	-	31,346
Grants and contributions	24,962	-
Transfers in	161,567	69,924
Transfers out	(700)	(22,133)
Net cash provided by noncapital financing activities	<u>185,829</u>	<u>79,137</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(488,293)	(4,703,277)
Capital contributions	478,344	4,693,772
Principal paid on bonds	(40,000)	(40,000)
Interest paid on bonds	(4,936)	(6,238)
Net cash used in capital and related financing activities	<u>(54,885)</u>	<u>(55,743)</u>
Net increase (decrease) in cash and cash equivalents . .	(183,390)	99,818
Cash and cash equivalents at beginning of year . . .	<u>261,807</u>	<u>161,989</u>
Cash and cash equivalents at end of year.	<u>\$ 78,417</u>	<u>\$ 261,807</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:		
Operating loss.	\$ (1,045,630)	\$ (909,136)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	953,572	775,369
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	2,963	(13,364)
(Increase) decrease in materials and supplies inventory .	(36,221)	4,505
Decrease in prepayments	787	1,299
Increase (decrease) in accounts payable	(12,917)	14,635
Increase (decrease) in accrued wages and benefits . . .	753	(7,307)
Increase in compensated absences payable	7,403	26,819
Increase (decrease) in insurance deposits payable. . . .	(5,779)	4,339
Increase (decrease) in retainage payable	(179,265)	179,265
Net cash provided by (used in) operating activities . . .	<u>\$ (314,334)</u>	<u>\$ 76,424</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2010

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 2,797	\$ 8,220	\$ 11,017
Prepayments	188	200	388
Total current assets	<u>2,985</u>	<u>8,420</u>	<u>11,405</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable capital assets	1,631	94,331	95,962
Depreciable capital assets, net	489,464	-	489,464
Total noncurrent assets	<u>491,095</u>	<u>94,331</u>	<u>585,426</u>
Total assets.	<u>494,080</u>	<u>102,751</u>	<u>596,831</u>
Liabilities:			
Current liabilities:			
Accounts payable.	141	454	595
Accrued wages and benefits	-	967	967
Insurance deposits payable	-	1,287	1,287
Compensated absences payable.	-	4,365	4,365
Total liabilities.	<u>141</u>	<u>7,073</u>	<u>7,214</u>
Net assets:			
Invested in capital assets, net of related debt	491,095	94,331	585,426
Unrestricted	2,844	1,347	4,191
Total net assets	<u>\$ 493,939</u>	<u>\$ 95,678</u>	<u>\$ 589,617</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Swimming Pool	Parking Facilities	Total
Operating revenues:			
Charges for services	\$ -	\$ 56,736	\$ 56,736
Other	149	139	288
Total operating revenues	149	56,875	57,024
Operating expenses:			
Personal services	18,008	69,817	87,825
Contract services	1,907	3,917	5,824
Materials and supplies.	12,188	9,903	22,091
Utilities	6,182	497	6,679
Depreciation.	25,507	3,351	28,858
Total operating expenses	63,792	87,485	151,277
Operating loss	(63,643)	(30,610)	(94,253)
Transfers in	30,894	25,078	55,972
Change in net assets.	(32,749)	(5,532)	(38,281)
Net assets, January 1	526,688	101,210	627,898
Net assets, December 31	\$ 493,939	\$ 95,678	\$ 589,617

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Swimming Pool	Parking Facilities	Total
Cash flows from operating activities:			
Cash received from customers	\$ -	\$ 56,736	\$ 56,736
Cash received from other operations	149	139	288
Cash payments for personal services	(18,008)	(69,881)	(87,889)
Cash payments for contract services.	(887)	(2,941)	(3,828)
Cash payments for materials and supplies.	(13,309)	(11,773)	(25,082)
Cash payments for utilities.	(6,182)	(497)	(6,679)
	(38,237)	(28,217)	(66,454)
Net cash used in operating activities.	(38,237)	(28,217)	(66,454)
Cash flows from noncapital financing activities:			
Transfers in	30,894	25,078	55,972
Net cash provided by noncapital financing activities	30,894	25,078	55,972
Net decrease in cash and cash equivalents	(7,343)	(3,139)	(10,482)
Cash and cash equivalents at beginning of year . . .	10,140	11,359	21,499
Cash and cash equivalents at end of year.	\$ 2,797	\$ 8,220	\$ 11,017
 Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (63,643)	\$ (30,610)	\$ (94,253)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	25,507	3,351	28,858
Changes in assets and liabilities:			
Decrease in prepayments	1,020	976	1,996
(Decrease) in accounts payable.	(1,121)	(1,870)	(2,991)
Increase in accrued wages and benefits	-	217	217
Increase in compensated absences payable	-	94	94
(Decrease) in insurance deposits payable	-	(375)	(375)
Net cash used in operating activities	\$ (38,237)	\$ (28,217)	\$ (66,454)

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 2,797	\$ 10,140
Prepayments	188	1,208
Total current assets	2,985	11,348
Noncurrent assets:		
Capital assets:		
Nondepreciable capital assets	1,631	1,631
Depreciable capital assets, net	489,464	514,971
Total noncurrent assets	491,095	516,602
Total assets	494,080	527,950
Liabilities:		
Current liabilities:		
Accounts payable	141	1,262
Total liabilities	141	1,262
Net assets:		
Invested in capital assets, net of related debt	491,095	516,602
Unrestricted	2,844	10,086
Total net assets	\$ 493,939	\$ 526,688

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Charges for services	\$ -	\$ 32,147
Other	149	13,064
Total operating revenues	<u>149</u>	<u>45,211</u>
Operating expenses:		
Personal services	18,008	42,516
Contract services	1,907	42,660
Materials and supplies.	12,188	26,031
Utilities	6,182	4,606
Depreciation.	25,507	25,054
Total operating expenses	<u>63,792</u>	<u>140,867</u>
Operating loss.	<u>(63,643)</u>	<u>(95,656)</u>
Nonoperating revenues:		
Other nonoperating revenues.	-	110
Intergovernmental.	-	3,300
Total nonoperating revenues	<u>-</u>	<u>3,410</u>
Loss before transfers	(63,643)	(92,246)
Transfers in	<u>30,894</u>	<u>11,024</u>
Change in net assets.	(32,749)	(81,222)
Net assets, January 1	<u>526,688</u>	<u>607,910</u>
Net assets, December 31	<u>\$ 493,939</u>	<u>\$ 526,688</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Cash received from customers	\$ -	\$ 32,147
Cash received from other operations	149	13,064
Cash payments for personal services	(18,008)	(42,516)
Cash payments for contract services.	(887)	(42,638)
Cash payments for materials and supplies.	(13,309)	(26,445)
Cash payments for utilities.	(6,182)	(4,606)
	(38,237)	(70,994)
Cash flows from noncapital financing activities:		
Other non-capital revenues	-	110
Grants and contributions	-	3,300
Transfers in	30,894	11,024
Net cash provided by noncapital financing activities	30,894	14,434
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(8,961)
Net cash used in capital and related financing activities.	-	(8,961)
Net decrease in cash and cash equivalents	(7,343)	(65,521)
Cash and cash equivalents at beginning of year . . .	10,140	75,661
Cash and cash equivalents at end of year.	\$ 2,797	\$ 10,140
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (63,643)	\$ (95,656)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	25,507	25,054
Changes in assets and liabilities:		
Decrease in accounts receivable.	-	2,974
Decrease in prepayments	1,020	22
(Decrease) in accounts payable	(1,121)	(414)
(Decrease) in deferred revenue.	-	(2,974)
Net cash used in operating activities	\$ (38,237)	\$ (70,994)

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	2010		2009
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 8,220	\$	11,359
Prepayments	200		1,176
Total current assets	8,420		12,535
Noncurrent assets:			
Capital assets:			
Nondepreciable capital assets	94,331		94,331
Depreciable capital assets, net	-		3,351
Total noncurrent assets	94,331		97,682
Total assets	102,751		110,217
Liabilities:			
Current liabilities:			
Accounts payable.	454		2,324
Accrued wages and benefits	967		750
Insurance deposits payable.	1,287		1,662
Compensated absences payable.	4,365		4,271
Total liabilities.	7,073		9,007
Net assets:			
Invested in capital assets, net of related debt	94,331		97,682
Unrestricted	1,347		3,528
Total net assets	\$ 95,678	\$	101,210

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating revenues:		
Charges for services	\$ 56,736	\$ 61,236
Other	139	195
Total operating revenues	<u>56,875</u>	<u>61,431</u>
Operating expenses:		
Personal services	69,817	89,048
Contract services	3,917	4,596
Materials and supplies.	9,903	8,066
Utilities	497	437
Depreciation.	<u>3,351</u>	<u>7,727</u>
Total operating expenses	<u>87,485</u>	<u>109,874</u>
Loss before transfers.	(30,610)	(48,443)
Transfers in	<u>25,078</u>	<u>67,432</u>
Change in net assets.	(5,532)	18,989
Net assets, January 1	<u>101,210</u>	<u>82,221</u>
Net assets, December 31	<u>\$ 95,678</u>	<u>\$ 101,210</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Cash received from customers	\$ 56,736	\$ 61,236
Cash received from other operations	139	195
Cash payments for personal services	(69,881)	(106,083)
Cash payments for contract services.	(2,941)	(4,451)
Cash payments for materials and supplies.	(11,773)	(8,113)
Cash payments for utilities.	(497)	(437)
	(28,217)	(57,653)
Cash flows from noncapital financing activities:		
Transfers in	25,078	67,432
Net cash provided by noncapital financing activities	25,078	67,432
Net increase (decrease) in cash and cash equivalents . .	(3,139)	9,779
Cash and cash equivalents at beginning of year . . .	11,359	1,580
Cash and cash equivalents at end of year.	\$ 8,220	\$ 11,359
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (30,610)	\$ (48,443)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	3,351	7,727
Changes in assets and liabilities:		
Decrease in prepayments	976	145
(Decrease) in accounts payable.	(1,870)	(47)
Increase (decrease) in accrued wages and benefits. . .	217	(2,144)
Increase (decrease) in compensated absences payable .	94	(15,963)
Increase (decrease) in insurance deposits payable . . .	(375)	1,072
Net cash used in operating activities	\$ (28,217)	\$ (57,653)

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.

Workers' Compensation

To account for the collection of premiums and payments of claims related to a workers' compensation retrospective rating plan.

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	Central Stores	Self-Insurance	Workers' Compensation	Totals	
				2010	2009
Assets:					
Current assets:					
Equity in pooled cash and investments	\$ 34,557	\$ 977,804	\$ 498,802	\$ 1,511,163	\$ 1,064,190
Receivables (net of allowances of uncollectibles)	-	100	-	100	87
Prepayments.	-	12,749	-	12,749	25,482
Materials and supplies inventory	11,790	-	-	11,790	4,807
Total current assets	46,347	990,653	498,802	1,535,802	1,094,566
Noncurrent assets:					
Capital assets:					
Depreciable capital assets, net	-	-	-	-	183
.	-	-	-	-	183
Total assets.	46,347	990,653	997,604	1,535,802	1,094,749
Liabilities:					
Current liabilities:					
Accounts payable.	782	-	-	782	1,128
Workers' Compensation payable.	-	-	498,802	498,802	-
Total liabilities.	782	-	498,802	499,584	1,128
Net assets:					
Invested in capital assets	-	-	-	-	183
Unrestricted	45,565	990,653	-	1,036,218	1,093,438
Total net assets.	\$ 45,565	\$ 990,653	\$ -	\$ 1,036,218	\$ 1,093,621

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	Central Stores	Self-Insurance	Workers' Compensation	Totals	
				2010	2009
Operating revenues:					
Charges for services	\$ 15,602	\$ -	\$ -	\$ 15,602	\$ 20,420
Total operating revenues	15,602	-	-	15,602	20,420
Operating expenses:					
Contract services	994	58,316	-	59,310	40,157
Materials and supplies.	15,784	-	-	15,784	19,960
Depreciation.	183	-	-	183	2,191
Total operating expenses	16,961	58,316	-	75,277	62,308
Operating loss	(1,359)	(58,316)	-	(59,675)	(41,888)
Nonoperating revenues:					
Interest revenue	-	2,272	-	2,272	2,132
Total nonoperating revenues	-	2,272	-	2,272	2,132
Change in net assets	(1,359)	(56,044)	-	(57,403)	39,756
Net assets, January 1.	46,924	1,046,697	-	1,093,621	1,133,377
Net assets, December 31	\$ 45,565	\$ 990,653	\$ -	\$ 1,036,218	\$ 1,093,621

CITY OF FINDLAY, OHIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2009)

	Central Stores	Self-Insurance	Workers' Compensation	Totals	
				2010	2009
Cash flows from operating activities:					
Cash received from customers	\$ 15,602	\$ -	\$ 498,802	\$ 514,404	\$ 20,420
Cash payments for contract services.	(994)	(45,583)	-	(46,577)	(66,358)
Cash payments for materials and supplies.	(23,113)	-	-	(23,113)	(20,688)
Net cash provided by (used in) operating activities. . .	<u>(8,505)</u>	<u>(45,583)</u>	<u>498,802</u>	<u>444,714</u>	<u>(66,626)</u>
Cash flows from investing activities:					
Interest received.	-	2,259	-	2,259	3,283
Net cash provided by investing activities	<u>-</u>	<u>2,259</u>	<u>-</u>	<u>2,259</u>	<u>3,283</u>
Net increase (decrease) in cash and cash equivalents . . .	(8,505)	(43,324)	498,802	446,973	(63,343)
Cash and cash equivalents at beginning of year	<u>43,062</u>	<u>1,021,128</u>	<u>-</u>	<u>1,064,190</u>	<u>1,127,533</u>
Cash and cash equivalents at end of year.	<u>\$ 34,557</u>	<u>\$ 977,804</u>	<u>\$ 498,802</u>	<u>\$ 1,511,163</u>	<u>\$ 1,064,190</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:					
Operating loss	\$ (1,359)	\$ (58,316)	\$ -	\$ (59,675)	\$ (41,888)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	183	-	-	183	2,191
Changes in assets and liabilities:					
(Increase) in materials and supplies inventory.	(6,983)	-	-	(6,983)	(671)
(Increase) decrease in prepayments	-	12,733	-	12,733	(25,482)
(Decrease) in accounts payable	(346)	-	-	(346)	(57)
Increase in workers' compensation payable	-	-	498,802	498,802	-
(Decrease) claims payable	-	-	-	-	(719)
Net cash provided by (used in) operating activities. . .	<u>\$ (8,505)</u>	<u>\$ (45,583)</u>	<u>\$ 498,802</u>	<u>\$ 444,714</u>	<u>\$ (66,626)</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 fines and forfeitures collected by the Court for distribution to various State and local governments.

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, 2010 AND 2009

	2010	2009
Assets:		
Equity in pooled cash and investments	\$ 167,235	\$ 169,625
Receivables:		
Accrued interest.	12	10
Total assets.	167,247	169,635
 Net Assets:		
Held in trust for private cemetery care	167,247	169,635
Total net assets	\$ 167,247	\$ 169,635

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Additions:		
Interest	\$ 276	\$ 322
Other	200	-
	476	322
Deductions:		
Cemetery care	2,864	3,317
Changes in net assets	(2,388)	(2,995)
Net assets, January 1.	169,635	172,630
Net assets, December 31.	\$ 167,247	\$ 169,635

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance 12/31/09	Additions	Reductions	Balance 12/31/10
Guaranteed Deposits				
Assets:				
Equity in pooled cash and investments	\$ 101,617	\$ 111,254	\$ (101,617)	\$ 111,254
Total assets	\$ 101,617	\$ 111,254	\$ (101,617)	\$ 111,254
Liabilities:				
Deposits held and due to others.	\$ 101,617	\$ 111,254	\$ (101,617)	\$ 111,254
Total liabilities.	\$ 101,617	\$ 111,254	\$ (101,617)	\$ 111,254
Municipal Court				
Assets:				
Cash in segregated accounts	\$ 34,100	\$ 27,412	\$ (34,100)	\$ 27,412
Total assets	\$ 34,100	\$ 27,412	\$ (34,100)	\$ 27,412
Liabilities:				
Deposits held and due to others.	\$ 34,100	\$ 27,412	\$ (34,100)	\$ 27,412
Total liabilities.	\$ 34,100	\$ 27,412	\$ (34,100)	\$ 27,412
Tax Collection				
Assets:				
Equity in pooled cash and investments	\$ 8,898	\$ 20,372	\$ (8,898)	\$ 20,372
Total assets	\$ 8,898	\$ 20,372	\$ (8,898)	\$ 20,372
Liabilities:				
Accounts payable.	\$ 8,898	\$ 20,372	\$ (8,898)	\$ 20,372
Total liabilities.	\$ 8,898	\$ 20,372	\$ (8,898)	\$ 20,372
Total Agency Funds				
Assets:				
Equity in pooled cash and investments	\$ 110,515	\$ 131,626	\$ (110,515)	\$ 131,626
Cash in segregated accounts	34,100	27,412	(34,100)	27,412
Total assets	\$ 144,615	\$ 159,038	\$ (144,615)	\$ 159,038
Liabilities:				
Accounts payable.	\$ 8,898	\$ 20,372	\$ (8,898)	\$ 20,372
Deposits held and due to others.	135,717	138,666	(135,717)	138,666
Total liabilities.	\$ 144,615	\$ 159,038	\$ (144,615)	\$ 159,038

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	176-185
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	186-195
Debt Capacity 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.	196-200
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	201-203
Operating Information 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.	204-209

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 EIGHT YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$ 72,061,766	\$ 72,632,017	\$ 67,497,148	\$ 60,888,257
Restricted for:				
Capital projects	675,260	796,169	807,513	833,059
Debt service	131,860	-	-	198,994
Security of persons and property programs	82,350	120,155	46,058	-
General government operations	488,391	377,200	371,730	-
Permanent fund nonexpendable	26,052	-	-	-
Transportation improvement projects	1,761,398	1,356,482	2,556,627	382,853
Income tax distribution	5,841,548	3,270,228	3,653,954	4,397,516
Economic development programs	949,173	949,428	957,002	995,811
Perpetual care:				
Expendable	121	99	1,343	10,642
Nonexpendable	1,176,477	1,153,077	1,106,527	1,082,017
Other purposes	142,986	243,317	106,955	1,102,364
Unrestricted	5,000,096	1,853,242	3,556,021	11,665,195
Total governmental activities net assets	<u>\$ 88,337,478</u>	<u>\$ 82,751,414</u>	<u>\$ 80,660,878</u>	<u>\$ 81,556,708</u>
Business-type Activities				
Invested in capital assets, net of related debt	\$ 118,932,110	\$ 117,699,129	\$ 107,016,529	\$ 100,827,108
Capital projects	4,843,032	5,149,454	5,144,813	5,291,559
Debt service	3,372,581	3,337,872	3,499,499	2,609,489
Unrestricted	4,590,750	3,948,867	5,110,311	7,081,406
Total business-type activities net assets	<u>\$ 131,738,473</u>	<u>\$ 130,135,322</u>	<u>\$ 120,771,152</u>	<u>\$ 115,809,562</u>
Total Primary Government				
Invested in capital assets, net of related debt	\$ 190,993,876	\$ 190,331,146	\$ 174,513,677	\$ 161,715,365
Restricted for:				
Capital projects	5,518,292	5,945,623	5,952,326	6,124,618
Debt service	3,504,441	3,337,872	3,499,499	2,808,483
Security of persons and property programs	82,350	120,155	46,058	-
General government operations	488,391	377,200	371,730	-
Permanent fund nonexpendable	26,052	-	-	-
Transportation projects	1,761,398	1,356,482	2,556,627	382,853
Income tax distribution	5,841,548	3,270,228	3,653,954	4,397,516
Economic development programs	949,173	949,428	957,002	995,811
Perpetual care:				
Expendable	121	99	1,343	10,642
Nonexpendable	1,176,477	1,153,077	1,106,527	1,082,017
Other projects	142,986	243,317	106,955	1,102,364
Unrestricted	9,590,846	5,802,109	8,666,332	18,746,601
Total primary government net assets	<u>\$ 220,075,951</u>	<u>\$ 212,886,736</u>	<u>\$ 201,432,030</u>	<u>\$ 197,366,270</u>

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

TABLE 1

2006	2005	2004	2003
\$ 57,094,162	\$ 57,382,919	\$ 55,017,907	\$ 53,250,549
816,047	767,872	711,679	2,160,578
300,417	421,034	392,125	607,989
-	-	-	-
-	-	-	-
-	-	-	-
1,682,254	1,321,291	2,176,368	1,707,388
4,284,626	3,858,862	-	-
996,565	774,538	-	-
6,856	2,847	1,840	1,157
1,040,735	971,777	967,544	936,540
883,047	1,133,567	5,422,036	3,390,659
9,477,214	5,874,745	3,572,979	4,066,854
<u>\$ 76,581,923</u>	<u>\$ 72,509,452</u>	<u>\$ 68,262,478</u>	<u>\$ 66,121,714</u>
\$ 96,111,991	\$ 92,990,351	\$ 85,421,338	\$ 81,980,224
5,605,343	5,026,928	3,228,686	2,582,786
2,616,159	2,632,243	2,547,188	2,897,822
5,948,282	3,601,853	5,011,751	5,189,611
<u>\$ 110,281,775</u>	<u>\$ 104,251,375</u>	<u>\$ 96,208,963</u>	<u>\$ 92,650,443</u>
\$ 153,206,153	\$ 150,373,270	\$ 140,439,245	\$ 135,230,773
6,421,390	5,794,800	3,940,365	4,743,364
2,916,576	3,053,277	2,939,313	3,505,811
-	-	-	-
-	-	-	-
-	-	-	-
1,682,254	1,321,291	2,176,368	1,707,388
4,284,626	3,858,862	-	-
996,565	774,538	-	-
6,856	2,847	1,840	1,157
1,040,735	971,777	967,544	936,540
883,047	1,133,567	5,422,036	3,390,659
15,425,496	9,476,598	8,584,730	9,256,465
<u>\$ 186,863,698</u>	<u>\$ 176,760,827</u>	<u>\$ 164,471,441</u>	<u>\$ 158,772,157</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	\$ 2,921,732	\$ 2,496,854	\$ 2,658,578	\$ 2,642,592
Security of persons and property	257,994	162,514	93,886	27,093
Public health services	578,972	663,426	422,006	375,142
Transportation	138,556	7,499	26,547	177,677
Leisure time activities	604,244	832,625	537,876	536,362
Interest and fiscal charges	61,849	46,252	57,481	31,753
Operating grants & contributions	4,782,062	2,593,576	2,607,745	2,607,559
Capital grants & contributions	854,821	2,519,999	583,891	1,540,453
Total governmental activities program revenues	<u>10,200,230</u>	<u>9,322,745</u>	<u>6,988,010</u>	<u>7,938,631</u>
Business-type activities:				
Charges for services:				
Water	7,330,609	7,234,830	7,395,768	7,656,030
Water pollution control	9,068,861	8,889,619	8,472,743	8,678,711
Airport	836,474	659,547	870,610	955,248
Parking facilities	56,875	61,431	57,214	66,606
Swimming pool	149	45,211	64,484	76,738
Operating grants & contributions	169,814	3,300	12,469	-
Capital grants & contributions	1,903,706	6,490,318	2,342,423	3,497,107
Total business-type activities program revenues	<u>19,366,488</u>	<u>23,384,256</u>	<u>19,215,711</u>	<u>20,930,440</u>
Total primary government	<u>\$ 29,566,718</u>	<u>\$ 32,707,001</u>	<u>\$ 26,203,721</u>	<u>\$ 28,869,071</u>
Expenses:				
Governmental Activities				
General government	\$ 6,459,067	\$ 7,077,400	\$ 7,704,101	\$ 8,023,535
Security of persons and property	15,696,261	14,753,558	14,678,503	14,680,286
Public health services	1,790,894	1,761,611	1,702,053	1,640,736
Transportation	4,963,539	4,072,078	5,437,592	5,196,310
Leisure time activities	1,357,651	1,728,505	1,931,170	1,557,008
Other	-	-	587	-
Interest and fiscal charges	427,068	466,040	505,675	567,264
Total governmental activities expenses	<u>30,694,480</u>	<u>29,859,192</u>	<u>31,959,681</u>	<u>31,665,139</u>
Business-type activities:				
Water	7,379,254	5,934,589	6,349,090	6,844,630
Water pollution control	8,209,683	6,834,280	7,382,633	7,418,266
Airport	1,889,699	1,577,566	1,782,535	1,718,628
Parking facilities	87,485	109,874	112,539	126,429
Swimming pool	63,792	140,867	204,675	159,333
Total business-type activities expenses	<u>17,629,913</u>	<u>14,597,176</u>	<u>15,831,472</u>	<u>16,267,286</u>
Total primary government	<u>\$ 48,324,393</u>	<u>\$ 44,456,368</u>	<u>\$ 47,791,153</u>	<u>\$ 47,932,425</u>

TABLE 2

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,795,902	\$ 1,923,294	\$ 1,933,403	\$ 1,177,697
96,414	53,312	41,100	1,564,861
662,752	607,457	441,186	-
10,454	17,202	5,458	2,219
381,605	337,880	332,417	66,340
36,124	111,908	159,118	186,366
3,450,769	2,608,882	4,092,055	2,641,376
-	1,512,583	-	412,249
<u>6,434,020</u>	<u>7,172,518</u>	<u>7,004,737</u>	<u>6,051,108</u>
7,085,719	7,100,619	6,632,486	6,854,205
8,505,966	8,609,713	8,179,779	7,540,853
1,042,094	946,458	776,427	677,746
66,901	90,498	92,131	105,518
64,620	54,029	45,346	50,070
-	-	-	-
<u>3,015,561</u>	<u>4,567,599</u>	<u>1,591,936</u>	<u>2,678,509</u>
<u>19,780,861</u>	<u>21,368,916</u>	<u>17,318,105</u>	<u>17,906,901</u>
<u>\$ 26,214,881</u>	<u>\$ 28,541,434</u>	<u>\$ 24,322,842</u>	<u>\$ 23,958,009</u>
\$ 6,504,903	\$ 6,387,634	\$ 6,774,481	\$ 5,695,708
14,848,790	14,919,051	13,676,481	12,866,966
1,540,983	1,515,801	1,336,638	1,347,065
4,789,212	4,194,626	3,188,310	1,106,317
1,370,659	1,413,227	1,372,531	1,337,577
-	-	-	1,807
<u>211,810</u>	<u>108,694</u>	<u>241,547</u>	<u>201,871</u>
<u>29,266,357</u>	<u>28,539,033</u>	<u>26,589,988</u>	<u>22,557,311</u>
5,667,066	5,916,358	6,258,906	6,398,700
6,355,113	6,175,336	5,996,566	6,843,341
1,673,047	1,642,345	1,898,137	1,306,254
144,136	139,108	112,840	138,441
154,660	122,407	105,840	129,661
<u>13,994,022</u>	<u>13,995,554</u>	<u>14,372,289</u>	<u>14,816,397</u>
<u>\$ 43,260,379</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 EIGHT YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense) Revenue				
Governmental activities	\$ (20,494,250)	\$ (20,536,447)	\$ (24,971,671)	\$ (23,726,508)
Business-type activities	1,736,575	8,787,080	3,384,239	4,663,154
Total primary government net expense	<u>\$ (18,757,675)</u>	<u>\$ (11,749,367)</u>	<u>\$ (21,587,432)</u>	<u>\$ (19,063,354)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities				
Taxes:				
Property and other local taxes levied for:				
General purposes	\$ 2,705,027	\$ 2,621,017	\$ 2,666,772	\$ 2,645,547
Police and fire pensions	534,026	525,756	526,916	524,798
Municipal income taxes levied for:				
General purposes	19,619,390	14,707,682	15,550,207	21,067,032
Grants and entitlements				
not restricted to specific programs	2,431,879	4,506,472	4,327,630	2,711,937
Gain on sale of capital assets	11,689	-	-	-
Investment earnings	49,253	107,613	586,151	1,275,323
Increase (decrease) in fair market value				
of investments (1)	(27)	(102,525)	74,364	34,478
Miscellaneous	500,982	537,215	1,180,285	1,164,610
Transfers	228,095	(276,247)	(836,484)	(410,194)
Extraordinary item	-	-	-	(312,238)
Total governmental activities	<u>26,080,314</u>	<u>22,626,983</u>	<u>24,075,841</u>	<u>28,701,293</u>
Business-type activities				
Investment earnings	42,681	131,594	475,668	710,300
Miscellaneous	51,990	169,249	265,199	324,139
Transfers	(228,095)	276,247	836,484	410,194
Extraordinary item	-	-	-	(580,000)
Total business-type activities	<u>(133,424)</u>	<u>577,090</u>	<u>1,577,351</u>	<u>864,633</u>
Total primary government	<u>\$ 25,946,890</u>	<u>\$ 23,204,073</u>	<u>\$ 25,653,192</u>	<u>\$ 29,565,926</u>
Change in Net Assets				
Governmental activities	\$ 5,586,064	\$ 2,090,536	\$ (895,830)	\$ 4,974,785
Business-type activities	1,603,151	9,364,170	4,961,590	5,527,787
Total primary government	<u>\$ 7,189,215</u>	<u>\$ 11,454,706</u>	<u>\$ 4,065,760</u>	<u>\$ 10,502,572</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 increase (decrease) in the fair market value of investments is broken out for years 2003-2008 to be consistent with 2009 presentation.

TABLE 2

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ (22,832,337)	\$ (21,366,515)	\$ (19,585,251)	\$ (16,506,203)
5,786,839	7,373,362	2,945,816	3,090,504
<u>\$ (17,045,498)</u>	<u>\$ (13,993,153)</u>	<u>\$ (16,639,435)</u>	<u>\$ (13,415,699)</u>
\$ 2,575,307	\$ 2,619,131	\$ 2,432,883	\$ 2,348,596
513,836	537,426	496,728	478,210
18,966,079	17,260,892	15,364,985	14,095,110
3,903,190	3,505,531	2,286,209	2,818,716
-	-	-	-
995,789	527,756	223,819	259,136
2,162	29,112	(44,172)	19,412
1,184,836	1,099,952	1,109,329	1,000,037
(40,825)	33,689	(143,766)	96,932
-	-	-	-
<u>28,100,374</u>	<u>25,613,489</u>	<u>21,726,015</u>	<u>21,116,149</u>
578,344	325,083	142,889	213,697
322,056	377,656	326,049	711,210
40,825	(33,689)	143,766	(96,932)
-	-	-	-
<u>941,225</u>	<u>669,050</u>	<u>612,704</u>	<u>827,975</u>
<u>\$ 29,041,599</u>	<u>\$ 26,282,539</u>	<u>\$ 22,338,719</u>	<u>\$ 21,944,124</u>
\$ 5,268,037	\$ 4,246,974	\$ 2,140,764	\$ 4,609,946
6,728,064	8,042,412	3,558,520	3,918,479
<u>\$ 11,996,101</u>	<u>\$ 12,289,386</u>	<u>\$ 5,699,284</u>	<u>\$ 8,528,425</u>

CITY OF FINDLAY, OHIO

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 611,898	\$ 1,113,476	\$ 720,530	\$ 1,195,477
Designated	1,000,000	-	1,000,000	-
Unreserved, undesignated	<u>4,672,672</u>	<u>3,122,306</u>	<u>4,143,164</u>	<u>4,839,070</u>
Total general fund	<u>\$ 6,284,570</u>	<u>\$ 4,235,782</u>	<u>\$ 5,863,694</u>	<u>\$ 6,034,547</u>
All Other Governmental Funds				
Reserved	\$ 4,917,577	\$ 3,718,638	\$ 4,658,477	\$ 4,259,447
Designated	1,309,907	-	-	-
Unreserved, undesignated reported in:				
Special revenue funds	3,120,155	2,408,755	2,818,273	236,907
Permanent fund	121	99	1,343	10,642
Capital projects funds	<u>628,844</u>	<u>791,579</u>	<u>807,513</u>	<u>826,099</u>
Total all other governmental funds	<u>\$ 9,976,604</u>	<u>\$ 6,919,071</u>	<u>\$ 8,285,606</u>	<u>\$ 5,333,095</u>

TABLE 3

2006	2005	2004	2003	2002	2001
\$ 2,355,431	\$ 843,588	\$ 370,547	\$ 335,338	\$ 603,616	\$ 1,487,585
-	-	-	-	-	-
<u>4,516,854</u>	<u>7,401,998</u>	<u>5,854,174</u>	<u>6,395,355</u>	<u>4,681,068</u>	<u>5,888,284</u>
<u>\$ 6,872,285</u>	<u>\$ 8,245,586</u>	<u>\$ 6,224,721</u>	<u>\$ 6,730,693</u>	<u>\$ 5,284,684</u>	<u>\$ 7,375,869</u>
\$ 4,465,758	\$ 3,261,941	\$ 3,293,694	\$ 3,458,102	\$ 2,327,006	\$ 1,903,002
-	-	-	-	-	-
3,221,237	4,110,157	4,553,636	3,669,248	3,290,213	4,209,368
6,856	2,847	1,840	1,157	-	-
<u>815,547</u>	<u>767,872</u>	<u>530,660</u>	<u>414,919</u>	<u>505,253</u>	<u>389,121</u>
<u>\$ 8,509,398</u>	<u>\$ 8,142,817</u>	<u>\$ 8,379,830</u>	<u>\$ 7,543,426</u>	<u>\$ 6,122,472</u>	<u>\$ 6,501,491</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Municipal income taxes	\$ 18,562,751	\$ 14,623,811	\$ 15,646,020	\$ 21,043,910
Property and other taxes	3,239,792	3,146,983	3,193,744	3,170,345
Charges for services	2,374,123	2,632,388	2,011,057	2,053,334
Licenses and permits	321,919	394,060	335,820	348,671
Fines and forfeitures	1,369,185	1,132,362	1,178,490	1,239,933
Intergovernmental	7,701,147	9,424,101	6,768,810	5,363,039
Special assessments	24,223	36,385	47,171	103,550
Investment income	75,987	126,352	637,025	1,216,152
Increase (decrease) in fair market value of investments	(27)	(102,525)	74,364	34,478
Rental income	70,314	65,948	58,677	57,231
Contributions and donations	148,089	157,531	157,036	160,000
Reimbursements	618,016	469,885	1,085,310	943,393
Tax increment financing	61,735	45,943	40,383	-
Other	61,142	71,631	94,919	82,381
Total revenues	<u>34,628,396</u>	<u>32,224,855</u>	<u>31,328,826</u>	<u>35,816,417</u>
Expenditures				
Current:				
General government	6,147,014	6,800,513	7,383,581	7,267,755
Security of persons and property	14,743,482	14,430,340	14,470,422	13,812,880
Public health and welfare	1,727,315	1,674,041	1,674,062	1,636,529
Transportation	2,190,517	2,298,037	2,791,562	2,693,686
Leisure time activity	1,258,449	1,635,959	1,871,879	1,408,200
Other	-	-	587	-
Capital outlay	2,587,380	7,126,312	6,909,430	11,368,519
Debt service:				
Principal retirement	662,703	648,703	428,703	483,353
Interest and fiscal charges	416,260	417,799	363,261	616,955
Bond/note issuance costs	-	-	134,231	10,284
Total expenditures	<u>29,733,120</u>	<u>35,031,704</u>	<u>36,027,718</u>	<u>39,298,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,895,276</u>	<u>(2,806,849)</u>	<u>(4,698,892)</u>	<u>(3,481,744)</u>
Other Financing Sources (Uses)				
Transfers in	20,478,411	15,713,810	18,127,688	22,021,990
Transfers (out)	(20,250,316)	(15,990,057)	(18,964,172)	(22,432,184)
Payment to refunding bond escrow agent	-	-	-	-
Premium on notes/bonds	-	-	-	69,206
Capital lease financing	-	-	-	-
Sale of capital assets	11,787	11,394	35,096	-
Discount on bonds sold	-	-	(46,937)	-
Premium on notes sold	-	-	12,848	-
Bonds issued	-	-	8,200,000	-
OPWC loans issued	-	-	-	-
Total other financing sources (uses)	<u>239,882</u>	<u>(264,853)</u>	<u>7,364,523</u>	<u>(340,988)</u>
Extraordinary item				
Loss due to flood damage	-	-	-	(192,824)
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,824)</u>
Increase (decrease) in reserve for inventory	3,250	71,985	114,983	-
Increase (decrease) in prepaids	(32,087)	5,270	1,044	1,515
Net change in fund balances	<u>\$ 5,106,321</u>	<u>\$ (2,994,447)</u>	<u>\$ 2,781,658</u>	<u>\$ (4,014,041)</u>
Capital expenditures	2,624,629	7,178,277	7,158,020	10,877,755
Debt service as a percentage of noncapital expenditures	3.98%	3.83%	3.21%	3.91%

TABLE 4

	2006	2005	2004	2003	2002	2001
\$	18,546,064	\$ 17,323,028	\$ 15,385,918	\$ 14,002,165	\$ 14,447,353	\$ 15,287,570
	3,089,143	3,156,557	2,929,611	2,826,806	2,864,133	2,395,171
	1,308,721	1,051,512	983,651	916,668	572,362	528,138
	326,340	367,854	361,509	319,748	294,599	256,264
	1,312,066	1,370,961	1,377,006	1,538,397	1,518,046	1,458,975
	7,201,553	6,227,738	6,206,496	5,396,980	4,146,327	4,489,752
	170,580	288,554	279,704	592,222	383,256	405,244
	947,722	508,744	229,758	249,655	417,326	834,236
	2,162	29,112	(44,172)	19,412	-	-
	50,900	-	-	-	-	-
	5,269	-	-	139,511	-	-
	835,261	834,736	725,093	677,682	707,314	823,052
	-	-	-	-	-	-
	293,406	265,216	384,236	322,566	213,694	307,859
	<u>34,089,187</u>	<u>31,424,012</u>	<u>28,818,810</u>	<u>27,001,812</u>	<u>25,564,410</u>	<u>26,786,261</u>
	6,043,985	6,077,685	5,777,002	5,542,145	5,810,189	5,710,231
	13,944,904	14,179,528	13,433,081	12,659,590	12,560,392	11,601,542
	1,467,461	1,483,325	1,368,300	1,334,612	1,345,087	1,264,665
	2,414,009	1,797,021	1,636,349	1,618,551	1,708,562	1,563,537
	1,267,736	1,305,133	1,373,950	1,305,622	888,587	820,908
	-	-	-	1,807	-	-
	9,399,548	4,003,967	4,241,071	4,913,419	4,918,956	3,977,394
	488,132	429,486	467,574	385,169	401,322	541,000
	243,875	137,867	227,576	209,146	371,465	241,995
	-	-	33,490	9,397	-	-
	<u>35,269,650</u>	<u>29,414,012</u>	<u>28,558,393</u>	<u>27,979,458</u>	<u>28,004,560</u>	<u>25,721,272</u>
	(1,180,463)	2,010,000	260,417	(977,646)	(2,440,150)	1,064,989
	20,905,649	18,958,417	17,122,675	16,467,546	16,659,895	16,939,295
	(20,946,474)	(19,324,728)	(17,266,441)	(16,370,614)	(16,871,989)	(16,725,857)
	-	-	(2,477,100)	-	-	-
	39,257	-	89,570	26,956	-	-
	-	-	-	-	9,116	-
	-	500	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	129,300	2,463,000	1,001,550	119,850	145,500
	149,663	-	144,000	-	-	-
	<u>148,095</u>	<u>(236,511)</u>	<u>75,704</u>	<u>1,125,438</u>	<u>(83,128)</u>	<u>358,938</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	66,044	-	(3,353)	(9,484)	37,824	15,423
	(40,396)	10,363	(2,336)	9,398	17,105	(75,235)
\$	<u>(1,006,720)</u>	<u>\$ 1,783,852</u>	<u>\$ 330,432</u>	<u>\$ 147,706</u>	<u>\$ (2,468,349)</u>	<u>\$ 1,364,115</u>
	8,779,039	5,301,849	4,676,770	4,913,419	4,918,956	3,977,394
	2.76%	2.35%	3.05%	2.62%	3.35%	3.60%

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
2011 (2)	\$ 780,537,240	\$ 2,230,106,400	\$ 21,482,850	\$ 24,412,330	\$ 684,753	\$ 6,847,530
2010	808,518,430	2,310,052,657	20,949,860	23,806,659	1,332,890	13,328,900
2009	803,603,760	2,296,010,743	19,047,990	21,645,443	1,271,567	12,715,670
2008	793,505,110	2,267,157,457	17,749,490	20,169,875	39,237,296	234,252,513
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

Source: Hancock County, Ohio; Auditor

(1) Valuations are amounts for collection year.

(2) Sexennial update for property values, effective in tax collection years 2005 and 2011.

(a) Real property is assessed at 35% 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 88% 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) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% percent of true value for inventory.

For 2006, tangible personal personal property tax is assessed at 18.75% of property value, including inventory.

For 2007, tangible personal personal property tax is assessed at 12.50% of property value, including inventory.

For 2008, tangible personal personal property tax is assessed at 6.25% of property value, including inventory.

For 2009, tangible personal personal property tax is assessed at 0.00% of property value, including inventory, except for telephone tangible personal property which is assessed at 10% of property value, including inventory. In 2009, telephone tangible is the only taxable tangible personal property. The assessed value for telephone tangible personal property is provided by the Ohio Department of Taxation.

TABLE 5

Total		
Assessed Value	Estimated Actual Value	%
\$ 802,704,843	\$ 2,261,366,260	35.50%
830,801,180	2,347,188,216	35.40%
823,923,317	2,330,371,856	35.36%
850,491,896	2,521,579,846	33.73%
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%

CITY OF FINDLAY, OHIO

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

		City Direct Rates (1)					
		Collection Year (1)	General Rate		Total Direct Rate		
		2011	\$	3.20	\$	3.20	
		2010		3.20		3.20	
		2009		3.20		3.20	
		2008		3.20		3.20	
		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	

		Overlapping Rates (1)						
Collection Year (1)	Hancock County	Hancock County Park District		Findlay City School District		Findlay Hancock Public Library		Total
2011	\$ 7.80	\$	0.80	\$	64.99	\$	0.50	\$ 76.79
2010	7.80		0.80		64.18		-	75.98
2009	7.80		0.80		60.75		-	72.55
2008	7.80		0.80		60.75		-	72.55
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

Source: Hancock County Auditor's Office

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

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

December 31, 2010 (1)			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Marathon Oil Co.	\$ 10,652,250	1	1.33%
BB Findlay Limited Partnership	10,406,640	2	1.30%
Cooper Tire & Rubber Company	6,086,350	3	0.76%
Findlay Shopping Center, Inc.	5,537,090	4	0.69%
Kohl's Department Stores, Inc. - Distribution Center	5,252,510	5	0.65%
Logistics Solutions of Ohio	3,995,060	6	0.50%
Hercules Tire & Rubber Company	3,873,610	7	0.48%
L P Investment Company	3,314,690	8	0.41%
Meijer Stores	2,956,570	9	0.37%
Total, Top Nine Principal Real Property Taxpayers	\$ 52,074,770		6.49%

December 31, 2001			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Marathon/Ashland Petroleum Company	\$ 11,133,200	1	1.94%
Cooper Tire & Rubber Company	7,798,280	2	1.36%
Findlay Shopping Center, Inc.	5,830,950	3	1.02%
Ohio Logistics, Ltd.	3,588,720	4	0.63%
GE Subsidiary, Inc. (Harris Corp)	2,388,040	5	0.42%
L P Investment Company	2,343,930	6	0.41%
Gardner, Philip D. Trustee	1,665,160	7	0.29%
Tiffin Avenue Investors	1,587,790	8	0.28%
Findlex Corporation	1,548,120	9	0.27%
Hyway Warehousing Inc.	1,477,910	10	0.26%
Total, Top Ten Principal Real Property Taxpayers	\$ 39,362,100		6.88%

Source: Hancock County Auditor

(1) For December 31, 2010, only the top nine real property taxpayer information was available.

CITY OF FINDLAY, OHIO

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

December 31, 2010 (1)			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Bell Telephone	490,820	1	71.68%
New Par	91,270	2	13.33%
Ohio RSA5	19,770	3	2.89%
Top Top Three Principal Personal Property Taxpayers	<u>\$ 601,860</u>		<u>87.90%</u>

December 31, 2001			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Best Buy Findlay Limited	\$ 30,259,790	1	19.92%
Cooper Tire & Rubber	26,359,260	2	17.35%
Ball Metal Beverage	15,825,070	3	10.42%
Owens-Brockway Plastic	9,251,000	4	6.09%
Findlex Corporation	8,526,560	5	5.61%
Marathon Oil Company	3,165,890	6	2.08%
Total, Top Six Principal Personal Property Taxpayers	<u>\$ 93,387,570</u>		<u>61.47%</u>

Source: Hancock County Auditor

(1) Telephone tangible personal property is the only taxable tangible personal property in 2010.

CITY OF FINDLAY, OHIO

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

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Power Company	\$ 18,021,660	1	83.89%
Columbia Gas of Ohio, Inc.	2,625,500	2	12.22%
Hancock-Wood Electric Co-Op, Inc.	528,260	3	2.46%
KNG Energy, Inc.	76,120	4	0.35%
General Electric Capital Commercial, Inc.	57,220	5	0.27%
Total, Top Five Principal Public Utility Taxpayers	\$ 21,308,760		99.19%

December 31, 2001			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Power Company	\$ 13,759,020	1	45.51%
Columbia Gas of Ohio	6,166,750	2	20.40%
Ohio Bell Telephone	5,560,360	3	18.39%
AT & T	1,222,760	4	4.04%
Ohio Telephone and Telegraph	855,430	5	2.83%
Norfolk Southern Corp.	233,130	6	0.77%
New York Central Lines	174,050	7	0.58%
Columbia Gas Transmission Corp.	28,720	8	0.10%
Total, Top Eight Principal Public Utility Taxpayers	\$ 28,000,220		92.62%

Source: Hancock County Auditor

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

Collection Year	Current Levy (1)	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2010	\$ 2,664,729	\$ 153,142	\$ 2,817,871	\$ 2,568,129	96.37%
2009	2,643,718	135,937	2,779,655	2,528,591	95.65%
2008	2,609,348	118,447	2,727,795	2,504,861	96.00%
2007	2,467,139	111,912	2,579,051	2,177,218	88.25%
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%

Source: Hancock County Auditor

(1) includes rollbacks reimbursed by the State.

TABLE 10

Delinquent Collection		Total Collection	Total Collection as a Percent of Total Levy
91,616	\$	2,659,745	94.39%
81,704		2,610,295	93.91%
81,704		2,586,565	94.82%
82,611		2,259,829	87.62%
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%

CITY OF FINDLAY, OHIO

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

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits
2010	1.25%	\$ 18,577,553	\$ 15,385,539	82.82%	\$ 1,218,868
2009	1.00%	14,580,651	11,990,526	82.24%	949,912
2008	1.00%	15,685,704	12,988,959	82.81%	1,114,157
2007	1.00%	21,185,963	12,926,239	61.01%	6,748,538
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

Source: City income tax department.

TABLE 11

Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
6.56%	\$ 1,973,146	10.62%
6.51%	1,640,213	11.25%
7.10%	1,582,588	10.09%
31.85%	1,511,186	7.13%
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%

CITY OF FINDLAY, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Governmental Activities						
Year	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Capital Leases	OPWC Loans	Police and Fire Past Service
2010	\$ 9,400,000	\$ 34,145	\$ -	\$ -	\$ 213,189	\$ 1,131,741
2009	10,015,000	67,165	-	-	227,872	1,157,682
2008	10,610,000	106,185	-	-	242,555	1,182,555
2007	2,765,000	165,205	10,530,000	-	257,238	1,206,404
2006	3,110,000	288,875	4,950,000	-	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

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.

Business-Type Activities								
General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita
\$ 10,230,000	\$ -	\$ 27,219,328	\$ 783,594	\$ 49,011,997	\$1,012,291,938	4.84%	41,202	\$ 1,190
12,030,000	-	29,174,539	838,933	53,511,191	1,031,539,839	5.19%	40,623	1,317
14,935,000	-	30,979,789	880,450	58,936,534	1,031,539,839	5.71%	40,623	1,451
17,775,000	-	32,781,584	727,397	66,207,828	1,058,697,465	6.25%	40,515	1,634
20,545,000	-	34,353,505	588,873	65,337,445	1,034,451,756	6.32%	40,372	1,618
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

CITY OF FINDLAY, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	General Obligation Bonds	Special Assessment Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2010	\$ 9,400,000	\$ 34,145	\$ 9,434,145	0.42%	\$ 229
2009	10,015,000	67,165	10,082,165	0.43%	248
2008	10,610,000	106,185	10,716,185	0.46%	264
2007	2,765,000	165,205	2,930,205	0.12%	72
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

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, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Findlay	\$ 9,495,000	100.00%	\$ 9,495,000
Overlapping debt:			
Findlay City School District	53,342,135	91.20%	48,648,027
Liberty-Benton Local School District	1,842,004	10.72%	197,463
Van Buren Local School District	7,234,997	38.35%	2,774,621
Hancock County	2,246,108	50.74%	1,139,675
Total direct and overlapping debt	<u>\$ 74,160,244</u>		<u>\$ 62,254,786</u>

Source: Ohio Municipal Advisory Council. Excludes special assessment and self-supporting debt.

CITY OF FINDLAY, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Fiscal Year	Debt Limit (1)	Total Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2010	\$ 84,284,009	\$ 9,400,000	\$ 118,776	\$ 75,002,785	11.15%
2009	87,234,124	10,015,000	69,337	77,288,461	11.48%
2008	86,511,948	10,610,000	78,008	75,979,956	12.26%
2007	85,144,308	2,765,000	160,697	82,540,005	3.25%
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%

Source: City financial records.

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

(1) Beginning in 2007, the debt limit excludes the assessed valuation of tangible personal property tax, as well as railroad and telephone public utility personal property in accordance with Ohio House Bill 530.

CITY OF FINDLAY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rates (3)			Square Miles of City
				Hancock County	Ohio	United States	
2010	41,202	\$ 1,012,291,938	\$ 24,569	8.9%	10.1%	9.6%	19.6163
2009	40,745	989,940,520	24,296	10.3%	10.9%	10.0%	19.6163
2008	40,623	1,031,539,839	25,393	5.8%	6.6%	5.8%	19.5021
2007	40,515	1,058,697,465	26,131	4.6%	5.6%	4.6%	19.4789
2006	40,372	1,034,451,756	25,623	4.4%	5.5%	4.6%	19.1922
2005	40,135	999,682,580	24,908	4.9%	5.9%	5.1%	19.1389
2004	40,114	965,423,638	24,067	5.1%	6.2%	5.5%	19.0471
2003	39,906	951,319,134	23,839	5.2%	6.2%	6.0%	18.9187
2002	39,670	910,148,810	22,943	4.4%	5.7%	5.8%	18.6111
2001	39,319	960,563,170	24,430	3.7%	4.4%	4.7%	18.0076

Sources:

- (1) For 2010, information from the 2010 census data.
For 2001-2009, calculated as a percentage of total County population based upon 2000 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, 2010		
	Employees	Rank	Percentage of Total City Employment
Blanchard Valley Regional Health Center	1,928	1	17.18%
Cooper Tire & Rubber Company	1,865	2	16.62%
Whirlpool Corporation	1,800	3	16.04%
Marathon Oil Company	1,599	4	14.25%
Findlay City Schools	847	5	7.55%
Lowe's Distribution Center	688	6	6.13%
Hancock County	679	7	6.05%
Nissan Brake	667	8	5.94%
Wal-Mart Stores	609	9	5.43%
University of Findlay	541	10	4.82%
Total	11,223		100.00%

Employer	December 31, 2000		
	Employees	Rank	Percentage of Total
Cooper Tire & Rubber Company	2,109	1	20.21%
Whirlpool Corporation	2,000	2	19.17%
Blanchard Valley Regional Health Center	1,243	3	11.91%
Marathon Oil Company	1,063	4	10.19%
Kohl's Distribution Center	990	5	9.49%
Findlay City Schools	812	6	7.78%
Hancock County	623	7	5.97%
Findlex Corporation	590	8	5.65%
Intersil Corporation	504	9	4.83%
HiSan Corporation	500	10	4.79%
Total	10,434		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	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Mayor	2	2	2	2	2	3	4	3	3	3
Council	10	11	11	11	11	11	11	11	11	11
Civil Service	2.5	4	4	4	4	4	4	4	4	4
Engineering	9	10	14	12	13	14	12	12	12	15
Building Maintenance	1	1	3	3	1	1	2	2	2	2
Service Director	1	1	1	1	0	2	1	2	2	2
Auditor	5	5	5	5	5	6	5	5	4	4
Treasurer	1	1	1	1	1	1	1	1	1	1
Computer Services	4	3	4	3	3	3	4	4	4	4
City Income Tax	3.5	3.5	4	5	5	5	5	4	4	5
Law Director	6	6	6	6	6	6	6	5	5	5
Municipal Court	27	22	21	17	17	18	16	18	17	18
Security of Persons and Property										
Police	62	67	72	72	70	73	74	70	74	73
Fire	64	68	75	75	71	74	73	72	73	74
School Police	-	-	3	3	4	4	4	6	7	12
Fire Clerks	1	1	2	2	1	1	1	1	1	1
Police Clerks	6	6	7	7	7	6	6	5	5	6
Dispatch	11	10	11	11	10	11	9	10	11	11
Parking	1	1	1	1	2	2	1	2	2	2
WORC	1	1	-	-	-	-	-	-	-	-
Safety Director	2	2	2	2	2	2	2	1	1	1
Public Health and Welfare										
Zoning	2	2	2	2	1	1	2	3	4	3
Health	13	12.5	14	14	14	13	13	13	13	12
NEAT	1	1	1	1	1	1	0	0	0	0
Cemetery	1	1	5	4	2	4	4	4	5	6
Transportation										
Streets/Storm Water	19	27	29	27	25	25	24	24	28	27
Traffic Lights	2	2	4	5	5	5	5	5	5	5
Leisure Time Activity										
Parks	7	2	9	9	11	9	9	9	8	10
CUBE	4	7	7	5.5	6	4.5	7.5	6.5	0	0
Recreation	1	5.5	8	7	4	2	3	3	3	3
Pool	10	10	12	9	10	13	12	11	12	12
5-Plex	1.5	4	-	-	-	-	-	-	-	-
Utility Services										
Sewer Maintenance	11	11	14	14	14	14	14	13	14	14
Water Pollution Control	18	18	18	18	17	16	18	19	17	19
Water Treatment	16	16	17	18	18	19	20	19	15	21
Water Distribution	14	14	15	15	15	15	15	16	16	15
Utility Billing	10	10	10	9	8	10	9	9	9	9
Stormwater Maintenance	3	2	2	-	-	-	-	-	-	-
Airport	5	5	5	5	5	5	5	6	6	6
Total	358.5	376	421	406	391	404	402	399	398	416

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

Function/Program	2010	2009	2008	2007
General Government				
Auditor's Office				
Purchase orders issued	3,799	3,908	4,295	4,517
Checks issued	7,041	6,949	8,062	7,847
Computer Services				
Computers maintained	298	293	284	265
City website hits	428,718	433,619	363,185	313,518
Cemetery				
Number of internments	181	189	157	159
Graves sold	66	131	69	113
Municipal Court				
Cases filed	15,534	14,783	15,213	16,112
Arraignments	10,804	10,322	10,902	11,782
Jury trials	1	1	2	1
Security of Persons and Property				
Police				
Charges from arrests	1,855	1,887	2,186	2,687
Parking violations	3,483	4,242	4,235	6,914
Traffic violations	2,924	2,174	3,743	6,838
Fire				
Emergency responses/calls answered	1,843	1,556	1,759	2,003
Fires extinguished	125	133	226	200
Inspections conducted	446	562	536	472
Public Health and Welfare				
Health Department				
Food service licenses issued	409	393	419	434
Vaccinations given - Clinic	7,792	11,332	8,384	8,848
Births	1,074	1,162	1,117	1,145
Deaths	593	575	589	447
Plumbing inspection permits issued	433	263	338	480
Zoning				
New commercial permits issued	9	7	8	9
New residential permits issued	26	36	47	68
New industrial permits issued	0	0	0	0
Inspections conducted	518	587	635	250

TABLE 19

2006	2005	2004	2003	2002	2001
3,949	4,039	3,948	3,971	4,129	3,999
7,609	7,891	7,839	7,912	7,737	7,967
258	247	237	235	228	208
263,781	188,533	140,620	45,752	39,167	25,697
216	213	235	224	170	201
336	125	148	136	150	136
18,791	18,396	17,661	23,021	25,545	26,388
14,326	14,553	14,366	23,063	26,617	26,857
2	2	2	1	3	5
2,961	2,590	3,301	3,178	3,170	6,021
6,914	10,835	9,748	11,099	11,840	10,645
4,478	3,403	4,885	5,112	4,430	5,847
1,734	1,628	1,437	1,028	902	799
160	192	218	177	252	149
752	558	581	667	654	512
415	414	376	363	380	409
7,129	7,732	7,793	7,628	7,430	8,177
1,082	1,084	1,019	981	1,000	1,020
487	396	453	455	421	473
586	692	726	678	791	788
9	2	10	13	10	4
127	82	99	147	139	122
1	1	0	0	0	1
1,032	812	3,779	3,136	3,095	2,465

-- (Continued)

CITY OF FINDLAY, OHIO

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

Function/Program	2010	2009	2008	2007
Transportation				
Street				
Miles of street maintained	193.60	193.60	193.60	193.07
Pot holes repaired	128	168	135	160
Limbs removed	27	8	118	141
Visibility complaints received	19	8	20	22
Repairs to concrete	47	37	38	26
Leisure Time Activities				
Shade Tree				
Trees planted	60	160	240	125
Trees removed	250	128	230	200
Utility Services				
Water				
Number of Customers	18,974	17,273	17,486	17,377
New connections	79	66	107	145
Water main breaks	79	78	73	77
Avg. daily consumption (MGD)	6.0929	5.9905	6.2500	6.5920
Water Pollution Control				
Number of Customers	16,809	16,734	15,557	14,545
Sewer calls	83	92	103	132
Feet of sanitary sewer cleaned	191,278	250,800	155,699	83,433
Catch basin repair	61	109	112	79
Airport				
Fuel sales - Jet A (in gallons)	165,981	126,453	146,335	210,151
Fuel sales - Octane (in gallons)	21,959	25,179	23,943	24,619
Landing fees charged	182	85	124	127

Source: City of Findlay Department Directors

2006	2005	2004	2003	2002	2001
192.85	189.24	188.05	182.63	179.77	179.29
76	151	199	N/A	N/A	N/A
53	232	253	N/A	N/A	N/A
11	11	19	N/A	N/A	N/A
65	84	79	N/A	N/A	N/A
132	155	188	182	171	183
265	260	266	256	199	245
17,313	17,201	16,954	16,670	16,695	16,304
234	271	275	242	316	293
69	89	71	74	108	79
6.0150	6.3825	6.0820	6.1000	6.5267	6.4023
14,645	14,496	14,318	14,141	14,061	13,894
111	106	100	100	122	151
153,872	170,817	173,954	173,954	115,925	129,423
78	78	99	99	95	112
249,610	243,063	246,298	231,357	248,177	291,715
27,251	31,906	26,737	27,939	33,041	26,656
181	173	2,684	2,905	2,455	3,244

CITY OF FINDLAY, OHIO

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS**

Function/Program	2010	2009	2008	2007	2006	2005
Security of Persons and Property						
Police						
Stations	1	1	1	1	1	1
Patrol units	39	39	44	45	44	42
Fire						
Fire stations	4	4	4	4	4	4
Fire trucks	18	19	19	18	17	16
Transportation						
Street						
Miles of street maintained	193.60	193.60	193.60	193.07	192.85	189.24
Traffic signals	94	95	96	95	94	94
Leisure Time Activities						
Parks and Recreation						
Number of parks	19	19	19	19	19	19
Number of ballfields	40	40	40	37	37	37
Number of soccer fields	25	25	25	25	25	25
Swimming pool	1	1	1	1	1	1
Ice Rink	1	1	1	1	1	1
Utility Services						
Water						
Water mains (miles)	306.2	306.2	306.12	302.19	289.2	285.19
Number of hydrants	2,363	2,357	2,354	2,333	2,279	2,180
Storage capacity (BG)	6.4	6.4	6.4	6.4	6.4	6.4
Water treatment plants	1	1	1	1	1	1
Sewer Maintenance						
Sanitary sewers (miles)	295.00	293.64	290.64	301.41	299.64	276.71
Sewage treatment plants	1	1	1	1	1	1
Airport						
Number of runways	2	2	2	2	2	2

Source: City of Findlay Department Directors

TABLE 20

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
1	1	1	1
43	44	41	37
4	4	4	4
16	14	12	12
188.05	182.63	179.77	179.29
93	85	85	77
19	19	17	17
37	37	33	28
25	25	23	26
1	1	1	1
1	1	0	0
288.36	285.19	280.91	277.09
2,142	2,052	1,994	1,946
6.4	6.4	6.4	6.4
1	1	1	1
279.03	276.71	268.93	265.64
1	1	1	1
2	2	2	2

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