

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

SUPPLEMENTAL REPORTS

DECEMBER 31, 2002

MS. JANET WOBSEY, CITY AUDITOR



**Auditor of State
Betty Montgomery**

Members of City Council and Mayor
City of Findlay
Findlay, Ohio

We have reviewed the Independent Auditor's Report of the City of Findlay, Hancock County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 12, 2003

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**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
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Telephone 614.846.1899
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Independent Auditors' Report on Supplementary Schedule of Expenditures of Federal Awards

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

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Findlay as of and for the year ended December 31, 2002. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as whole.

Trimble, Julian & Grube, Inc.
May 16, 2003

**CITY OF FINDLAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	CASH (A) FEDERAL DISBURSEMENTS
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT			
Small Cities Community Development Block	14.228	A-E-98-120-1	\$ 191,034
(B), (C) Small Cities Community Development Block	14.228	A-F-00-120-1	20,600
Small Cities Community Development Block	14.228	A-F-01-120-1	9,804
Total U.S. Department of Housing and Urban Development			<u>221,438</u>
U.S. DEPARTMENT OF JUSTICE PASSED THROUGH N/A			
Bulletproof Vest Partnership Grant Program	16.607	N/A	15,560
(D) Local Law Enforcement Block Grant	16.592	2001-LE-LEB-3557	23,303
Total U.S. Department of Justice			<u>38,863</u>
U. S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION PASSED THROUGH THE N/A			
Airport Improvement Program	20.106	N/A	3,722,695
Total Federal Financial Assistance			<u>\$ 3,982,996</u>

- (A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.
- (B) The City has established a revolving loan program to provide low-interest loans to businesses that are creating jobs and meet the other program requirements. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. At December 31, 2002, the gross amount of loans outstanding under this program were \$116,742.
- (C) The City converted old Revolving Loan Funds to Community Development Block Grant funds with approval from Ohio Department of Development.
- (D) Passed through the Ohio Office of Criminal Justice Services.
- Note: Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditures of non-Federal matching funds is not included on the Schedule.

TRIMBLE, JULIAN & GRUBE, INC.

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

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

We have audited the general purpose financial statements of the City of Findlay as of and for the year ended December 31, 2002, and have issued our report thereon dated May 16, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Findlay's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-COF-001. We also noted a certain immaterial instance of noncompliance, which we have reported to the management of the City of Findlay in a separate letter dated May 16, 2003.

Members of Council and Mayor
City of Findlay

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Findlay's, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the City of Findlay in a separate letter dated May 16, 2003.

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

Trimble, Julian & Grube, Inc.
May 16, 1003

TRIMBLE, JULIAN & GRUBE, INC.

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

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

Compliance

We have audited the compliance of the City of Findlay with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The City of Findlay's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Findlay's management. Our responsibility is to express an opinion on the City of Findlay's compliance based on our audit.

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

Members of Council and Mayor
City of Findlay

In our opinion, the City of Findlay complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

Internal Control Over Compliance

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

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

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

Trimble, Julian & Grube, Inc.
May 16, 2003

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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

DECEMBER 31, 2002

I. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Program:	Airport Improvement Program, CFDA #20.106
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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

DECEMBER 31, 2002

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

Finding Number	2001-COF-001
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Ohio Revised Code Section 5705.41 (B) requires in part that no subdivision is to expend monies unless it has been appropriated.

It was noted during the audit that the City had expenditures in excess of appropriations in the following funds:

Fund Type Fund	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>Special Revenue Funds:</u>			
Police Pension Fund			
Security of Persons & Property	\$ 4,000	\$ 4,030	\$30
Operating Transfers Out	230,075	234,075	4,000
Fire Pension Fund			
Security of Persons & Property	4,000	4,030	30
Operating Transfers Out	230,075	234,075	4,000

With expenditures exceeding appropriations, the City is unlawfully expending monies that have not been approved.

We recommend that the City comply with the Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § ..315(b)**

DECEMBER 31, 2002

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u>; <i>Explain</i>:
2001-COF-001	Ohio Revised Code Section 5705.41 (B) requires in part that no subdivision is to expend monies unless it has been appropriated.	No	The City Auditor is attempting to monitor appropriations versus expenditures more closely.

CITY OF FINDLAY, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the year ended December 31, 2002

Issued by the City Auditor's Office

INTRODUCTORY SECTION

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CITY OF FINDLAY

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002

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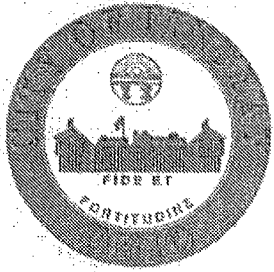
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JANET R. WOBSEY
CITY AUDITOR

May 28, 2003

To the Residents of Findlay, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Findlay, Ohio, for the fiscal year ended December 31, 2002, is submitted herewith. The report has been prepared by the Auditor's office for the residents of Findlay, the elected officials, employees, bondholders, investment bankers, rating agencies, and all persons interested in the financial affairs of the City. It also reflects the City's effort to enhance its financial control and accounting through the application of the accrual/modified accrual basis of accounting. 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 fairly set forth the financial position and the results of operations of the City as measured by the financial activity 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 letters of transmittal, an organizational chart, a listing of elected and appointed officials and a copy of the Certificate of Achievement awarded to the City for its 2001 CAFR. The Financial Section contains the general purpose financial statements and relevant supplemental information for the 2002 fiscal year, including statements with comparative totals from the prior year. The independent auditor's report is also a part of this section. The Statistical Section provides pertinent and select financial, economic, and demographic information that displays trends for comparative fiscal periods. We have also included in this section the data that meets the disclosure requirements of the Securities and Exchange Commission Rule 15c2-12.

The City is located in the northwestern part of the State of Ohio, is 18.6 square miles in area, and is the county seat and largest city in Hancock County. Findlay is a statutory city operating under the statutes as set forth by the Ohio Revised Code, requiring the elected officials to be Mayor, Council Members, City Auditor, City Treasurer, and Director of Law. The offices of Treasurer and the Director of Law are part-time positions. All officials are elected to four-year terms except the members of Council. Council terms are for a period of two years. There is a President of Council and nine council persons, three of whom are elected at-large and six by the respective wards. A

Service-Safety Director is appointed by the Mayor and has administrative responsibility for the operating departments.

The reported 2000 census population of Findlay was 38,967 residents, for whom the City provides police and fire protection, health services, planning 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, airport maintenance and fuel sales, and an outdoor swimming pool. Private contractors handle trash removal and ambulance services.

Findlay Municipal Court operates under two elected municipal judges. The jurisdiction of the Court includes the City of Findlay and all of Hancock County except Washington Township and three precincts of a ward within the City of Fostoria, all of which are serviced by the Fostoria Municipal Court. The funding of the Court is borne by the City's General Fund, with reimbursement from the County for a portion of the total costs. The court costs and fines are distributed to the various political jurisdictions as indicated by the various 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.

ECONOMIC CONDITION AND OUTLOOK

The City has not been as severely affected by the national economic downturn as other communities in our state. The unemployment figure for Hancock County consistently is one of the lowest in the state of Ohio. The City is a regional employment and retail center. In 2002, building permits were issued for new structures that had a total value of \$45.8 million. Commercial development and industrial expansions accounted for \$17.9 million of the total. City income tax receipts were 3.97% ahead of those for the year 2001. The City has had an annual average growth rate in our income tax collections of 6% since 1983.

Workforce reductions by some employers have been offset by increased employment in other sectors. Intersil Corporation completed its plant closure in 2002. Over a two-year period this facility has been gradually reducing a workforce that totaled approximately 550 jobs. However, in the same period, Lowes's Distribution Center and Marathon Ashland Petroleum increased their employment base. Lowe's will have added 350 jobs at full capacity and Marathon added 116 jobs. Both Cooper Tire and Rubber Company and Whirlpool Corporation added employees in 2002. Their employment numbers grew by 150 and 50, respectively, during the year. The industrial and commercial growth is evident in the fact that the Tall Timbers and Westfield Industrial Parks are reaching maximum occupancy with new manufacturing and distribution companies.

Microsoft Great Plains currently has 200 employees. They have invested \$5.69 million in a new facility in the Findlay Commerce Park and will be adding 50 new full-time positions over the next few years. This will be their largest operation in Ohio and their first building site that they have owned rather than leased. The building has office space for software development, technical support and marketing personnel.

There are four locations in Findlay that are well suited for office development and will be a focal point for growth in 2003 to provide additional employment opportunities and strengthen our tax base. Lake Cascades Corporate Center originally was planned as an office park, but because of its proximity to the Blanchard Valley Regional Health Center, it has been fully built out as a medical/health care development. The Community Development Foundation believes Findlay is ideally suited for office development and is working diligently to market the available sites, the largest of which is Findlay Commerce Park. The construction of the Microsoft Great Plains building as well as the easy access to I-75 should make Findlay Commerce Park a very desirable location.

In 2003 C-International will begin construction of a 225,000 square foot distribution center on the east side of the City. In addition to the warehouse facility, there will be 20,000 square feet of office space built by this large pharmaceutical distribution company. A total of 150 new jobs will be created at this location.

The new emergency department and cardiology center of Blanchard Valley Regional Health Center opened in May 2002. This three-story 92,000 square foot building represents an investment of \$21.6 million by the Health Association. This is the most recent in a long list of capital expansions that have been made to the local hospital. Designs are currently being put together to build a new hospital inpatient facility to provide larger private rooms and accommodate more patients. There are a number of smaller communities that are within a 15-mile radius of Findlay. As a result, Findlay has developed into a regional center for health care just as we have become an employment and retail center.

MAJOR CAPITAL IMPROVEMENT INITIATIVES

During 2002 the City's capital improvement projects and equipment purchases were funded from a combination of local revenues and grants and loans. Local revenues included dollars from the Capital Improvements portion of the income tax, from Water Fund and Water Pollution Control Fund. Outside funding came from the Ohio Water Development Authority (OWDA), Federal Aviation Administration (FAA), Ohio Department of Transportation (ODOT), and the Community Development Block Grant program (CDBG).

The annual resurfacing program received an allocation of \$600,000 in 2002. This appropriation provides the money to resurface designated city streets and also fund a crack-sealing program that the engineering department feels will prolong the pavement life on streets that have not yet deteriorated to a point where resurfacing is required. Four intersections on South Main Street were upgraded with new traffic signals and supports. West Front Street Improvement was completed as well as the reconstruction of Beech Avenue. The resurfacing of East Front Street is scheduled for completion in early 2003. As part of the resurfacing of Bright Road, a turn lane was constructed at the intersection of Bright Road and Greendale to alleviate traffic congestion in that area.

The city has consistently used its annual CDBG formula allocation money to re-build streets and infrastructure in low-to-moderate income neighborhoods. In 2002 a sewer separation project in

the area of Morse/Wilson streets was completed. This not only improves drainage in the immediate area, but also continues the citywide program of separating storm and sanitary sewers. It will take several more years until all the streets in this defined area are totally upgraded.

Still more improvements were made to Emory Adams Park during 2002. Five new ball fields were graded and seeded. Storm sewers were constructed for parking lots and ball fields. Parking lots and driveways were developed at the southern end of the park. This will provide 520 more parking spaces. The footbridge was set over Eagle Creek and will connect the east and west sections of the park. Our Parks Department personnel built a new restroom facility at the north end of the park. A system of internal walkways is being developed in the park to provide easy access to the soccer fields.

During the fourth quarter of 2002, officials from the City of Findlay and Hancock County finalized plans for the transfer of ownership of the Hancock Recreation Center to the City on January 1, 2003. The City will continue to operate the facility primarily as an ice rink until there is adequate time to determine the potential of the building. In 2003 a study will be started to see what additional activities could be supported if a renovation project were to be undertaken in the future. The City purchased the land that abuts this building in 2001. The land is designated for outdoor recreation activities complex including baseball and soccer fields.

The major waterline project in 2002 was the replacement of the water main on Main Street from the Blanchard River to Lima Avenue. A 24" waterline was installed to give additional capacity in this line that serves as the primary feed to the south water storage tower.

The Bright Road Interceptor sanitary sewer was completed. This project was funded through an EPA loan that also provided money for the West Front Street Sewer and the Sewer Maintenance Storage building. These three items were the final portion of the major upgrade and expansion of the sewer treatment facility and collection system.

FINANCIAL INFORMATION

To aid the reader in understanding the City's financial position, complete financial statements with comparative totals from the prior year have been provided. Financial statements for the General Fund, the individual Special Revenue Funds, and the individual Enterprise Funds are also provided, as these are the major operating funds of the City. Additional information to enable the reader to better understand the City's financial affairs has been incorporated within the Statistical Section of this report.

The City's financial records are maintained and reported according to accounting principles generally accepted in the United States of America (GAAP). The full accrual basis of accounting is used for all Proprietary Funds and Nonexpendable Trust Funds, and the modified accrual basis of accounting is used in all Governmental Funds and Agency Funds, which provides a more comprehensive financial picture and presentation of financial position than the historical cash accounting method.

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. Additionally, the staff of the Auditor's Office is continually monitoring and evaluating the City's internal controls and reporting procedures, and enhancements are made when deemed necessary.

The individual City funds are grouped within seven generic fund types in the accompanying general purpose financial statements. Refer to the Notes to Combined Financial Statements within the Financial Section of this report for a discussion of each of the generic fund types.

BUDGETARY CONTROL.

As required by the Ohio Revised Code, the annual revenue budget for the City is prepared and filed with the Hancock County Auditor no later than July 20 of each year. The County Budget Commission then certifies to the City the revenue estimates the City has prepared for the upcoming calendar year. These amounts are combined with the year-end available balances and become the total dollars available for appropriation by fund in the next fiscal year. In early December Council members meet with each department head, the Service-Safety Director, and the Auditor to determine the amounts that need to be appropriated by Council Ordinance to each individual department for the upcoming year. The focus of the budget control is by individual line items, then by department and finally, in total, by fund. Transfers within a department's accounts may be made by written approval of the Service-Safety Director. Additional funding can be procured by a written request to Council, consideration by the Finance Committee of Council, and the adoption of an appropriation Ordinance by Council. A similar request, review, and appropriation Ordinance are necessary for each improvement project.

Funds are spent and encumbered by department heads through use of purchase orders for items from individual cost centers and projects. At the end of the year, these outstanding encumbrances are carried forward to the new year if the ordered item has not been received or the project has not been completed. The personnel in the Auditor's Office monitor the available balances and appropriations very carefully.

GENERAL GOVERNMENT FUNCTIONS.

General Fund revenues are primarily from City income tax, property taxes, fines and forfeitures, State levied and locally shared taxes, and interest earned. City income tax revenues are transferred from the City Income Tax Administration (CIT) Fund, a Special Revenue Fund, whose distribution is based upon Council's legislative restrictions on its use for General Fund operations and capital improvements. The following schedule presents General Fund revenues by source and as a percentage of the total (excludes change in fair value of investments).

<u>Revenues and Other Financing Sources</u>	<u>Amount</u>	<u>Percent of Total</u>
Taxes	\$ 2,372,059	11.28%
Licenses & Permits	294,599	1.40%
Intergovernmental	2,180,153	10.37%
Charges for Services	572,362	2.72%
Interest Earned	416,182	1.98%
Fines and Forfeitures	1,329,781	6.33%
All Other	898,079	4.27%
Transfers-In Income Tax	11,094,604	52.78%
Transfers-In Other	<u>1,865,559</u>	<u>8.87%</u>
	<u>\$ 21,023,378</u>	<u>100.00%</u>

General Fund expenditures are primarily for police and fire protection, Municipal Court, health, recreation, parks, cemetery, and general governmental administration. Transfers (subsidies) reflect amounts used to supplement the Street Maintenance & Repair and Swimming Pool Funds. The following schedule shows General Fund expenditures by use and as a percentage of the total.

<u>Expenditures and Other Uses</u>	<u>Amount</u>	<u>Percent of Total</u>
Police, Disaster Services, & Dispatch	\$ 6,449,582	27.88%
Fire	5,343,126	23.10%
Health and Welfare	1,345,087	5.82%
Parks and Recreation	888,587	3.84%
Municipal Court	1,127,776	4.88%
Administration	2,036,235	8.80%
Other Departments	1,886,639	8.16%
Capital Outlay	2,127,126	9.20%
Transfers-Out Subsidies	1,820,000	7.87%
Transfers-Out Other	<u>105,023</u>	<u>0.45%</u>
	<u>\$ 23,129,181</u>	<u>100.00%</u>

A subsidy to the Street Maintenance & Repair Fund is necessary because the State shared portion of the gasoline excise tax and the motor vehicle license tax has not kept pace with our operating costs. This subsidy from General Fund for 2002 was \$1,680,000. In the Swimming Pool Fund, the revenue does not totally support the operations; therefore, the subsidy for 2002 was \$40,000. An operational subsidy of \$100,000 was required for the Airport Fund in 2002.

The General Fund receives 2.6 mills in real estate tax collections on an annual basis, and there are no voted levies in addition to the allocated millage. Present and past administrations have made a successful effort to manage the City responsibly without having to impose additional real estate

levies on the taxpayers. Following are the General Fund real estate tax collections for the past five years, and the percentage of increase between years. The percentage change between 1998 and 1999 is unusually high because the sexennial update of property values occurred for the 1999 collection year.

Real Estate Taxes

<u>Collection Year</u>	<u>Amount</u>	<u>Percent Change from Previous Year</u>
1998	1,299,353	2.10%
1999	1,496,383	15.16%
2000	1,527,257	2.06%
2001	1,576,292	3.21%
2002	1,645,584	4.40%

The City Income tax rate is and has been 1.0% since it was imposed January 1, 1967. At the time the tax was imposed, it was pledged to the taxpayers that a separate fund would be established to record the receipts and expenditures of the tax money. The income tax receipts are allocated between General Fund operations and capital improvement projects. The allocation is determined by ordinance of Council and has been changed, based on need, during the years since 1967. At year end 2002, the allocation was 78% to General Fund and 22% to general capital improvements that are not Enterprise Fund related. The following schedule gives the income tax cash collections for the past five years.

Income Taxes

<u>Collection Year</u>	<u>Amount</u>	<u>Percent Change from Previous Year</u>
1998	11,720,360	11.30%
1999	13,122,926	11.97%
2000	13,097,275	(0.20%)
2001	14,360,692	9.65%
2002	14,930,706	3.97%

The abnormally high percentages in 1998 and 1999 are a result of economic growth in the City. The year 2000 shows a decrease in collections when compared to the exceptionally high collection amount of 1999. 2001 collections returned to a positive percentage showing growth over the previous two years. Even though 2002 was marked by a national economic downturn, the collections were showing an increase over 2001. If we were to average the annual growth rate since 1983, we would get an increase of 6% per year.

ENTERPRISE FUNDS.

The City's primary Enterprise Funds are Water and Water Pollution Control. In addition, there are three other enterprise funds. The Airport Fund is responsible for the maintenance of runways and hangars and the sale of fuel to local and transient aircraft owners. The Parking Fund supports the personnel and equipment necessary to collect all rents or fines associated with the metered spaces and surface parking lots in the City. The Swimming Pool Fund represents the operation of the outdoor swimming pool at Riverside Park during the summer months.

Our waterworks system has been municipally owned since it was first developed in 1888. Improvements have been made as needed and are financed from revenues of the system. The current facilities include two upland raw water storage reservoirs with a capacity of 6.4 billion gallons, a raw water pump station located at the reservoir, raw water lines that feed into the lime-soda softening water treatment plant, high service pumps, and a 278-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-Safety Director has the ability to revise the charge rates.

The water utility's ten largest customers in 2002 are shown below:

<u>Customer</u>	<u>Billings</u>	<u>Percent of Total</u>
Whirlpool	\$ 347,964	5.46%
Intersil	279,702	4.39%
Ball Metal	251,919	3.95%
Cooper Tire	164,840	2.59%
Hancock County	88,864	1.40%
University of Findlay	71,243	1.12%
Findlay City Schools	70,523	1.11%
Marathon	58,187	0.91%
Blanchard Valley Regional Health Center	51,385	0.81%
City Laundry	43,600	0.68%

The City is systematically completing waterline projects to have the system completely “looped” to produce maximum efficiency of all the utility lines in service and equalize the water pressure throughout the system.

The City's aggressive leak detection program has proven to be very successful in reducing the loss of treated water once it gets into the distribution system. The Water Distribution Department detected nine leaks in 2002. The elimination of the loss of treated water represents significant savings to the water utility. The leak detection effort has meant that a greater percentage of the treated water is billed to customers because there is less loss. The distribution system serves our City residents as well as customers in adjacent Allen, Liberty, and Marion Townships.

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

The ten largest customers of the sewerage system in 2002 are shown below:

<u>Customer</u>	<u>Billings</u>	<u>Percent Of Total</u>
Cooper Tire	\$ 94,021	1.47%
Whirlpool	90,214	1.41%
University of Findlay	81,430	1.27%
Intersil	77,300	1.21%
Ball Metal	70,968	1.11%
Findlay City Schools	63,972	1.00%
Marathon Oil Company	55,245	0.86%
Blanchard Valley Regional Health Center	49,187	0.77%
Village of Arcadia	44,804	0.70%
Hancock County	39,150	0.61%

Our industrial pre-treatment program has been established and monitored for several years. Utility lines are examined and needed maintenance is performed on a regular basis. There is an ongoing program to separate the remaining combined storm and sanitary sewers. The City is currently in the early stages of developing a stormwater management plan to comply with EPA guidelines.

The average flow treatment for the last five years is as follows:

<u>Year</u>	<u>Average Daily Flow (MGD)</u>
1998	9.775
1999	9.103
2000	9.268
2001	9.902
2002	10.177

DEBT ADMINISTRATION.

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

As discussed in the Enterprise Funds section of this letter, the major improvement project that included an expansion of the wastewater treatment facility is complete. The project was funded through a loan from the Water Pollution Control Loan Fund (administered by Ohio Water Development Authority) in the amount of \$32,470,000. The interest rate was set at the time the loan application was approved and will be 4.36% for 20 years. Repayment of this loan began January 1, 2002, and debt service amounts are included in the enterprise fund financial statements.

In 2001 we received approval for another loan from the Water Pollution Control Loan Fund. This loan is approved for \$3,672,600 and was used to pay for the construction of the Bright Road Interceptor sanitary sewer, West Front Street sewer separation, and the sewer maintenance storage building. \$650,000 was also included under the Water Resource Restoration Sponsorship program (WRRSP) and is being used by the Hancock Park District for habitat preservation along the Blanchard River. By including the sponsorship money in the loan amount the City received a lesser interest rate on the entire loan. The interest rate will be 1.92% for 20 years. Repayment of this loan will begin July 1, 2003.

The City currently has three loans through the Ohio Public Works Commission (OPWC). These loans are for a period of 20 years at a zero percent interest rate. The money from the loans has been used in conjunction with city money to construct replacement waterlines in three separate areas of the city. These loans make it possible to do projects that otherwise would wait until the City could pay for the entire construction cost. The outstanding loan balances at the end of the year were \$134,725 for Center Street waterline, \$29,068 for First, Second, and Third Streets waterlines, and \$135,745 for Main Street waterline.

In May of 2003 the City issued \$9,820,000 in general obligation bonds. This issue is primarily a refunding bond issue to take advantage of the reduction in interest rates and offer savings to the Water and Water Pollution Control Funds. The water portion amounts to \$3,785,000 and

refunds the water improvement bonds that were issued in 1993. Total savings over the life of the bonds is \$523,000. The water pollution portion totals \$5,070,000 and refunds the 1993 sewerage system refunding bonds. The savings to the Wastewater Fund is \$276,000. The remaining \$965,000 of the bond issue is “new debt” that will provide a reimbursement to General Fund for the cost of the of the land adjacent to the Hancock Recreation Center. In December 2001 the City used General Fund dollars to purchase the land with the intent that General Fund would be reimbursed at a future time when debt was issued.

When necessary, money is borrowed to pay for the property owners’ share of the construction of Special Assessments projects. These costs plus interest are proportioned and assessed against the benefiting properties. The amounts are certified to the County Auditor and placed on the real estate tax bills for collection for the required number of years. In September of 2002 bonds were issued for the enclosure of a detention pond in Hunter’s Creek subdivision and to construct sidewalks in various locations in the City. The Hunter’s Creek bonds were issued for 10 years at an interest rate of 5.25%, and the Sidewalk bonds were issued for only two years at a rate of 3.80%. In January of 2003 a taxable bond anticipation note was issued in the amount of \$379,000 for improvements to the East Melrose Business Park. The note proceeds will be used to pay for the installation of a sanitary sewer, storm sewer, waterline, curbs and pavement. This street improvement was petitioned by and will benefit the owners of commercial property in the business park; therefore the note was determined to be taxable. This note will be replaced with bonds in the third quarter of 2003.

INVESTMENTS.

The provisions of the Codified Ordinances of the City of Findlay and the Ohio Revised Code govern the City’s investment policy. These statutes permit the City to invest in certificates of deposit, savings accounts, money market accounts, obligations of the United States Government and certain instrumentalities thereof, obligations of the State of Ohio, internal bond anticipation notes, and repurchase agreements backed by securities of the United States Government or certain agencies thereof.

In accordance with the above-mentioned statutes, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts for amounts in excess of the investments insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC), or may pledge a pool of securities valued at no less than 105% of the total value of public monies on deposit at the institution. Repurchase agreements are secured by the specific government security acquired on the repurchase agreement. At December 31, 2002, all investments of the City were secured in accordance with the above statutory provisions and were in conformity with our investment policy as required by the Ohio Revised Code.

RISK MANAGEMENT.

Each year, our risk management consultant reviews our insurance claims and policies to ensure that our risk exposure is adequately contained. The City carries policies for fleet liability insurance, building and contents insurance, public officials’ liability, valuable papers insurance, police

professional liability, and airport liability insurance. Our consultant assists in the preparation of bid specifications and also evaluates the proposals from each insurance company to make sure the City receives the best coverage possible for the premium paid.

We are self-insured for general municipal liability insurance. Originally, when the decision was made to become self-insured, \$1,000,000 was deposited into the Self Insurance Fund and Council adopted a Self Insurance Plan. All activity of the fund is governed by the plan documents. The money on deposit is invested and the expenses have been paid from the interest earned unless a claim was larger than the amount of interest available. The balance in the fund at December 31, 2002 was \$932,779. Through this plan we have been able to avoid paying excessively high insurance premiums and still maintain adequate liability coverage.

In-house risk management is also an important concern. A complete fixed asset record of all City equipment and buildings is maintained and used for property control. An annual tagged inventory is taken in all departments to maintain accuracy of records. In addition, a consistent effort is made to stress safety in the workplace. The City administration and department heads emphasize proper procedures and use of safety equipment in an effort to reduce on-the-job injuries. This also helps us control the cost of worker's compensation.

OTHER INFORMATION

INDEPENDENT AUDIT.

Trimble, Julian, & Grube, Inc. has audited the general purpose financial statements of the City, and their Auditors' Report is included herein.

In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendment of 1996 and the provisions of OMB circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The single audit report is not included in this Comprehensive Annual Financial Report.

AWARDS.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Findlay for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2001.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

ACKNOWLEDGMENTS.

I would like to express my appreciation to our Council members, to the Administration, to our Department Supervisors, and to all our City employees for their continued cooperation in our efforts to improve the financial reporting and record keeping of the City of Findlay. A special word of thanks goes to Ginger Sampson, CPA in the Auditor's Office. Her knowledge and dedication are instrumental in the issuance of this report. An additional word of appreciation is extended to each member of my staff for their support and assistance throughout the year.

Respectfully submitted,



Janet R. Wobser
City Auditor

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, 2001

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



President

Executive Director

CITY OF FINDLAY, OHIO

DECEMBER 31, 2002

ELECTED PUBLIC OFFICIALS

Mayor
Auditor
Municipal Court Judge
Municipal Court Judge
Treasurer
Law Director

John Stozich
Janet R. Wobser
Kevin C. Smith
Vernon L. Preston
Jim Staschiak II
David A. Hackenberg

Council President

Robert E. Schuck

At Large
At Large
At Large
First Ward
Second Ward
Third Ward
Fourth Ward
Fifth Ward
Sixth Ward

Marcia A. Barkey
Robert J. Nichols
James P. Slough
John C. Sausser
H. Richard Rowe
K. C. Collette
R. Ronald Monday
Randy C. Ward
David W. Cliffe

APPOINTED OFFICIALS

Service-Safety Director
City Engineer
City Income Tax Administrator
Municipal Court Clerk

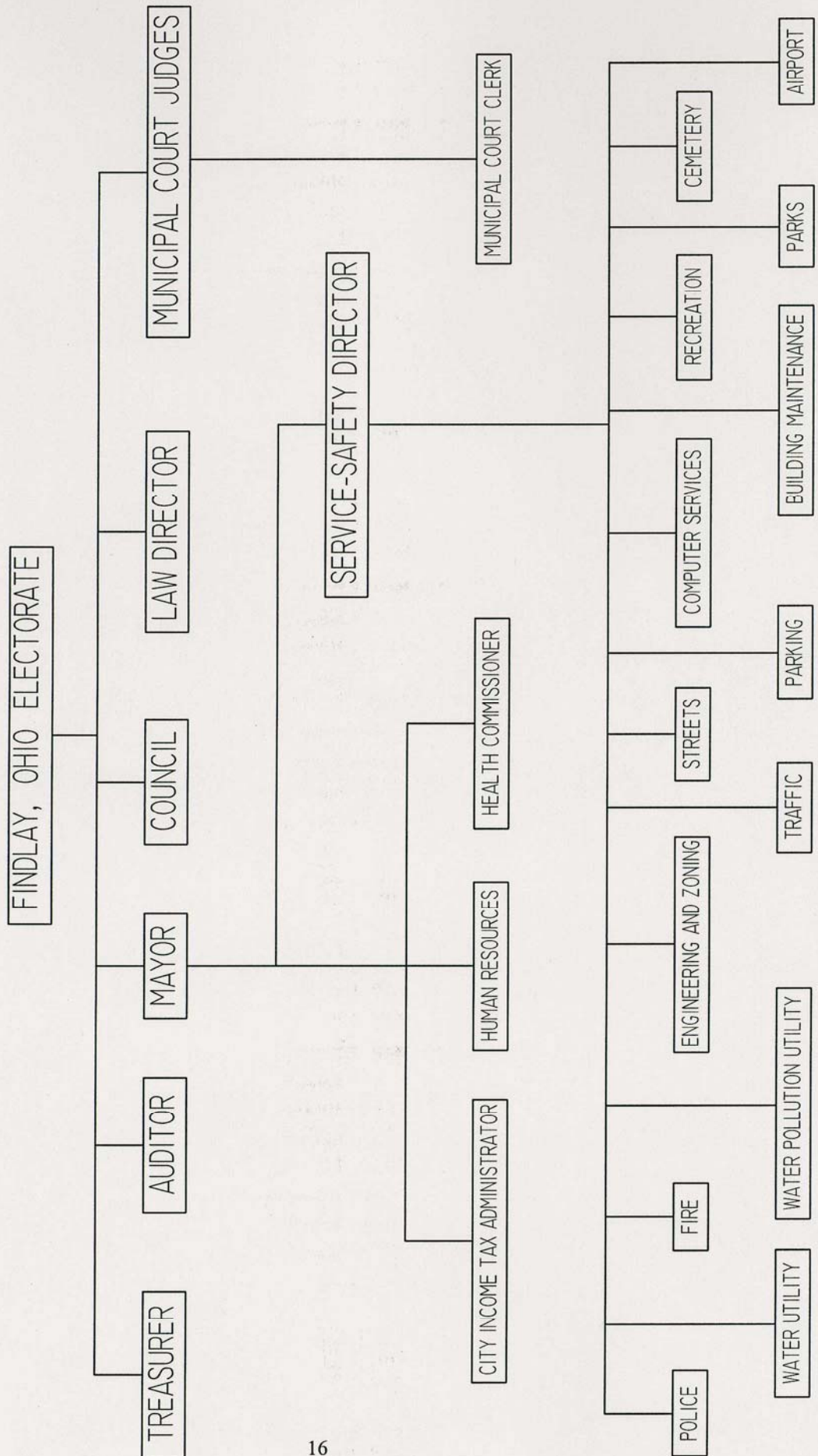
Robert S. Ruse, PE
Bruce D. Cochran, PE
Andrew L. Thomas
Patricia L. Walters

CITY AUDITOR'S OFFICE

City Auditor
Deputy Auditor
Audit Clerk
Audit Clerk
Clerk

Janet R. Wobser
Ginger Sampson, CPA
Carolyn Ehrnschwender
Susan Spangler
Amy Baird

CITY OF FINDLAY ORGANIZATIONAL CHART



FINANCIAL SECTION

TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

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

We have audited the accompanying general purpose financial statements of the City of Findlay, Hancock County, (the "City"), as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Findlay, Hancock County, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2003, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Independent Auditors Report
City of Findlay
Page 2

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

Trimble, Julian & Grube, Inc.
May 16, 2003

CITY OF FINDLAY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2002
(With Comparative Totals for 2001)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2002	2001
Assets:											
Cash and Cash Equivalents	\$ 8,179,780	\$ 1,899,961	\$ 50,368	\$ 505,253	\$ 5,791,991	\$ 975,899	\$ 930,223	\$ -	\$ -	\$ 18,333,475	\$ 20,072,485
Cash with Fiduciary Agent	-	427,310	-	-	-	-	-	-	-	427,310	204,897
Investments	-	-	-	-	-	-	450,000	-	-	450,000	1,351,408
Receivables, Net of Allowance for Uncollectibles	2,197,792	2,267,610	606,313	-	1,645,530	-	-	-	-	6,717,245	7,000,508
Due from Other Governments	484,727	614,628	-	-	86,593	-	-	-	-	1,185,948	1,622,744
Due from Other Funds	88,944	-	-	-	331,759	-	-	-	-	420,703	293,135
Supplies Inventory, at Cost	-	192,720	-	-	321,404	4,909	-	-	-	519,033	490,230
Prepays	79,541	18,167	-	-	63,415	18,903	-	-	-	180,026	159,882
Accrued Interest Receivable	-	-	-	-	70,820	3,855	5,436	-	-	80,111	323,685
Restricted Assets:											
Cash and Cash Equivalents	-	1,428,441	-	-	5,687,205	-	-	-	-	7,115,646	6,840,254
Investments	-	-	-	-	1,981,383	-	-	-	-	1,981,383	1,985,334
Deferred Bond Costs	-	-	-	-	493,016	-	-	-	-	493,016	543,542
Property, Plant and Equipment, Net of Accumulated Depreciation	-	-	-	-	126,494,748	875	-	20,698,030	-	147,193,653	139,928,782
Amount Available in Debt Service Fund	-	-	-	-	-	-	-	-	180,130	180,130	103,121
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	-	-	-	6,405,513	6,405,513	6,628,687
Total Assets	\$ 11,030,784	\$ 6,848,837	\$ 656,681	\$ 505,253	\$ 142,967,864	\$ 1,004,441	\$ 1,385,659	\$ 20,698,030	\$ 6,585,643	\$ 191,683,192	\$ 187,548,694

Continued on Exhibit I, Page 2.

CITY OF FINDLAY
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 2002
 (With Comparative Totals for 2001)

	Governmental Fund Types				Proprietary Fund Types		Fiduciary	Account Groups			Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General		2002	2001
									Long-Term Debt			
Liabilities:												
Accounts Payable and Accruals	\$ 3,210,091	\$ 562,094	\$ -	\$ -	\$ 2,259,028	\$ 21,056	\$ 1,825	\$ -	\$ -	\$ 6,054,094	\$ 5,082,016	
Accrued Sick Leave Payable	-	-	-	-	591,747	-	-	-	1,450,300	2,042,047	1,848,777	
Claims and Judgements Payable	-	-	-	-	1,300,000	-	-	-	-	1,300,000	-	
Due to Other Funds	-	-	-	-	331,759	-	-	-	-	331,759	293,135	
Amounts Held as Fiduciary	-	-	-	-	-	-	222,630	-	-	222,630	288,191	
Deferred Revenues	2,536,009	849,654	476,551	-	-	-	-	-	-	3,862,214	4,002,023	
Special Assessments Debt with												
Governmental Commitment	-	-	-	-	-	-	-	-	510,300	510,300	451,000	
Capital Lease Obligation	-	-	-	-	-	-	-	-	8,344	8,344	-	
Bonds and Notes Payable	-	-	-	-	67,431,950	-	-	-	3,305,000	70,736,950	70,150,185	
Police and Fire Past Service Liability	-	-	-	-	-	-	-	-	1,311,699	1,311,699	1,330,230	
Total Liabilities	5,746,100	1,411,748	476,551	-	71,914,484	21,056	224,455	-	6,585,643	86,380,037	83,445,557	
Equity and Other Credits:												
Investments in General Fixed Assets	-	-	-	-	-	-	-	20,698,030	-	20,698,030	18,861,091	
Contributed Capital	-	-	-	-	36,217,144	-	-	-	-	36,217,144	36,217,144	
Retained Earnings:												
Reserved for Debt Service	-	-	-	-	2,402,644	-	-	-	-	2,402,644	2,400,146	
Reserved for Capital Improvements	-	-	-	-	2,491,243	-	-	-	-	2,491,243	2,720,194	
Unreserved	-	-	-	-	29,942,349	983,385	-	-	-	30,925,734	28,813,299	
Fund Balances:												
Reserved for Encumbrances	514,672	390,805	-	-	-	-	-	-	-	905,477	1,973,567	
Reserved for Inventory	-	192,720	-	-	-	-	-	-	-	192,720	154,896	
Reserved for Debt Service	-	-	180,130	-	-	-	-	-	-	180,130	103,121	
Reserved for Capital Improvements	-	1,428,441	-	-	-	-	-	-	-	1,428,441	940,678	
Reserved for Prepays	88,944	18,167	-	-	-	-	-	-	-	107,111	90,007	
Reserved for Notes Receivable	-	116,743	-	-	-	-	-	-	-	116,743	128,318	
Reserved for Principal	-	-	-	-	-	-	1,155,768	-	-	1,155,768	1,119,290	
Unreserved:												
Undesignated	4,681,068	3,290,213	-	505,253	-	-	5,436	-	-	8,481,970	10,581,386	
Total Equity and Other Credits	5,284,684	5,437,089	180,130	505,253	71,053,380	983,385	1,161,204	20,698,030	-	105,303,155	104,103,137	
Total Liabilities, Equity, and Other Credits	\$ 11,030,784	\$ 6,848,837	\$ 656,681	\$ 505,253	\$ 142,967,864	\$ 1,004,441	\$ 1,385,659	\$ 20,698,030	\$ 6,585,643	\$ 191,683,192	\$ 187,548,694	

See accompanying notes to combined financial statements.

CITY OF FINDLAY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>	
					<u>2002</u>	<u>2001</u>
Revenues:						
Taxes	\$ 2,372,059	\$ 14,939,427	\$ -	\$ -	\$ 17,311,486	\$ 17,682,741
Special Assessments	-	-	321,270	61,986	383,256	405,244
Licenses and Permits	294,599	-	-	-	294,599	256,264
Intergovernmental	2,180,153	1,966,174	-	-	4,146,327	4,489,752
Charges for Services	572,362	-	-	-	572,362	528,138
Investment Earnings	416,182	1,144	-	-	417,326	769,202
Fines and Forfeitures	1,329,781	104,960	-	83,305	1,518,046	1,458,975
Net Increase (Decrease) in Fair Value of Investments	-	-	-	-	-	65,034
Reimbursements	707,314	-	-	-	707,314	823,052
All Other Revenues	<u>190,765</u>	<u>22,929</u>	<u>-</u>	<u>-</u>	<u>213,694</u>	<u>307,859</u>
Total Revenues	<u>8,063,215</u>	<u>17,034,634</u>	<u>321,270</u>	<u>145,291</u>	<u>25,564,410</u>	<u>26,786,261</u>
Expenditures:						
Current:						
Security of Persons and Property	11,792,708	767,684	-	-	12,560,392	11,601,542
Public Health and Welfare	1,345,087	-	-	-	1,345,087	1,264,665
Leisure Time Activities	888,587	-	-	-	888,587	820,908
Transportation	-	1,708,562	-	-	1,708,562	1,563,537
General Government	5,050,650	755,936	-	3,603	5,810,189	5,710,231
Capital Outlay	2,127,126	2,791,830	-	-	4,918,956	3,977,394
Debt Service:						
Principal Retirement	-	772	400,550	-	401,322	541,000
Interest	<u>-</u>	<u>273</u>	<u>223,334</u>	<u>147,858</u>	<u>371,465</u>	<u>241,995</u>
Total Expenditures	<u>21,204,158</u>	<u>6,025,057</u>	<u>623,884</u>	<u>151,461</u>	<u>28,004,560</u>	<u>25,721,272</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,140,943)</u>	<u>11,009,577</u>	<u>(302,614)</u>	<u>(6,170)</u>	<u>(2,440,150)</u>	<u>1,064,989</u>

Continued on Exhibit II, Page 2.

CITY OF FINDLAY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>	
					<u>2002</u>	<u>2001</u>
Other Financing Sources (Uses):						
Proceeds from Capital Lease	-	9,116	-	-	9,116	-
Bond Proceeds	-	-	-	119,850	119,850	145,500
Operating Transfers In	12,960,163	3,156,724	540,008	3,000	16,659,895	16,939,295
Operating Transfers Out	<u>(1,925,023)</u>	<u>(14,786,171)</u>	<u>(160,385)</u>	<u>(410)</u>	<u>(16,871,989)</u>	<u>(16,725,857)</u>
Total Other Financing Sources (Uses), Net	<u>11,035,140</u>	<u>(11,620,331)</u>	<u>379,623</u>	<u>122,850</u>	<u>(83,128)</u>	<u>358,938</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>(2,105,803)</u>	<u>(610,754)</u>	<u>77,009</u>	<u>114,415</u>	<u>(2,525,133)</u>	<u>1,423,927</u>
Fund Balances at Beginning of Year	7,375,869	6,007,532	103,121	390,838	13,877,360	12,513,245
Increase (Decrease) in Reserve for Inventory	-	37,824	-	-	37,824	15,423
Increase (Decrease) in Reserve for Prepaids	<u>14,618</u>	<u>2,487</u>	<u>-</u>	<u>-</u>	<u>17,105</u>	<u>(75,235)</u>
Fund Balances at End of Year	<u>\$ 5,284,684</u>	<u>\$ 5,437,089</u>	<u>\$ 180,130</u>	<u>\$ 505,253</u>	<u>\$ 11,407,156</u>	<u>\$ 13,877,360</u>

See accompanying notes to combined financial statements.

CITY OF FINDLAY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP-BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2002

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 2,464,675	\$ 2,372,059	\$ (92,616)
Licenses and Permits	271,500	294,599	23,099
Intergovernmental	2,135,344	2,180,153	44,809
Charges for Services	498,600	572,362	73,762
Investment Earnings	509,500	416,182	(93,318)
Fines and Forfeitures	1,385,000	1,329,781	(55,219)
Net Increase (Decrease) in Fair Value of Investments	-	-	-
Reimbursements	633,158	707,314	74,156
All Other Revenues	148,800	190,765	41,965
Total Revenues	<u>8,046,577</u>	<u>8,063,215</u>	<u>16,638</u>
Expenditures:			
Current:			
Security of Persons and Property	12,443,709	11,792,708	651,001
Public Health and Welfare	1,504,491	1,345,087	159,404
Leisure Time Activities	1,017,385	888,587	128,798
Transportation	-	-	-
General Government	5,654,376	5,050,650	603,726
Capital Outlay	3,080,733	2,127,126	953,607
Total Expenditures	<u>23,700,694</u>	<u>21,204,158</u>	<u>2,496,536</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,654,117)</u>	<u>(13,140,943)</u>	<u>2,513,174</u>
Other Financing Sources (Uses):			
Operating Transfers In	11,352,200	12,960,163	1,607,963
Operating Transfers Out	(1,925,023)	(1,925,023)	-
Total Other Financing Sources (Uses), Net	<u>9,427,177</u>	<u>11,035,140</u>	<u>1,607,963</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>(6,226,940)</u>	<u>(2,105,803)</u>	<u>4,121,137</u>
Fund Balances at Beginning of Year	<u>7,375,869</u>	<u>7,375,869</u>	<u>-</u>
Increase (Decrease) in Reserve for Inventory	-	-	-
Increase (Decrease) in Reserve for Prepaids	-	14,618	14,618
Fund Balances at End of Year	<u>\$ 1,148,929</u>	<u>\$ 5,284,684</u>	<u>\$ 4,135,755</u>

Continued on Exhibit III, Pages 2, 3, and 4.

CITY OF FINDLAY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP-BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2002

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 14,764,002	\$ 14,939,427	\$ 175,425
Special Assessments	-	-	-
Licenses and Permits	-	-	-
Intergovernmental	1,345,000	1,966,174	621,174
Charges for Services	-	-	-
Investment Earnings	1,144	1,144	-
Fines and Forfeitures	98,700	104,960	6,260
All Other Revenues	10,000	22,929	12,929
Total Revenues	<u>16,218,846</u>	<u>17,034,634</u>	<u>815,788</u>
Expenditures:			
Current:			
Security of Persons and Property	857,334	767,684	89,650
Public Health and Welfare	-	-	-
Leisure Time Activities	-	-	-
Transportation	1,730,924	1,708,562	22,362
General Government	958,920	755,936	202,984
Capital Outlay	2,904,513	2,791,830	112,683
Debt Service:			
Principal Retirement	772	772	-
Interest	273	273	-
Total Expenditures	<u>6,452,736</u>	<u>6,025,057</u>	<u>427,679</u>
Excess (Deficiency) of Revenues over Expenditures	<u>9,766,110</u>	<u>11,009,577</u>	<u>1,243,467</u>
Other Financing Sources (Uses):			
Proceeds from Capital Lease	9,116	9,116	-
Operating Transfers In	2,730,595	3,156,724	426,129
Operating Transfers Out	(14,783,567)	(14,786,171)	(2,604)
Total Other Financing Sources (Uses), Net	<u>(12,043,856)</u>	<u>(11,620,331)</u>	<u>423,525</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>(2,277,746)</u>	<u>(610,754)</u>	<u>1,666,992</u>
Fund Balances at Beginning of Year	6,007,532	6,007,532	-
Increase (Decrease) in Reserve for Inventory	-	37,824	37,824
Increase (Decrease) in Reserve for Prepaids	-	2,487	2,487
Fund Balances at End of Year	<u>\$ 3,729,786</u>	<u>\$ 5,437,089</u>	<u>\$ 1,707,303</u>

Continued on Exhibit III, Pages 3 and 4.

CITY OF FINDLAY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP-BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2002

	Debt Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Special Assessments	244,285	321,270	76,985
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Charges for Services	-	-	-
Investment Earnings	-	-	-
Fines and Forfeitures	-	-	-
All Other Revenues	-	-	-
Total Revenues	<u>244,285</u>	<u>321,270</u>	<u>76,985</u>
Expenditures:			
Current:			
Security of Persons and Property	-	-	-
Public Health and Welfare	-	-	-
Leisure Time Activities	-	-	-
Transportation	-	-	-
General Government	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	400,550	400,550	-
Interest	<u>223,334</u>	<u>223,334</u>	<u>-</u>
Total Expenditures	<u>623,884</u>	<u>623,884</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(379,599)</u>	<u>(302,614)</u>	<u>76,985</u>
Other Financing Sources (Uses):			
Operating Transfers In	540,008	540,008	-
Operating Transfers Out	<u>(160,385)</u>	<u>(160,385)</u>	<u>-</u>
Total Other Financing Sources (Uses), Net	<u>379,623</u>	<u>379,623</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>24</u>	<u>77,009</u>	<u>76,985</u>
Fund Balances at Beginning of Year	103,121	103,121	-
Increase (Decrease) in Reserve for Inventory	-	-	-
Increase (Decrease) in Reserve in Prepaids	-	-	-
Fund Balances at End of Year	<u>\$ 103,145</u>	<u>\$ 180,130</u>	<u>\$ 76,985</u>

Continued on Exhibit III, Page 4.

CITY OF FINDLAY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP-BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

Year Ended December 31, 2002

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Special Assessments	83,900	61,986	(21,914)
Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Fines and Forfeitures	80,000	83,305	3,305
All Other Revenues	-	-	-
Total Revenues	<u>163,900</u>	<u>145,291</u>	<u>(18,609)</u>
Expenditures:			
Current:			
Security of Persons and Property	-	-	-
Public Health and Welfare	-	-	-
Leisure Time Activities	-	-	-
Transportation	-	-	-
General Government	126,900	3,603	123,297
Capital Outlay	308,439	147,858	160,581
Debt Service:			
Principal Retirement	-	-	-
Interest	1,855	1,855	-
Total Expenditures	<u>437,194</u>	<u>153,316</u>	<u>283,878</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(273,294)</u>	<u>(8,025)</u>	<u>265,269</u>
Other Financing Sources (Uses):			
Bond Proceeds	205,000	119,850	(85,150)
Operating Transfers In	3,000	3,000	-
Operating Transfers Out	(410)	(410)	-
Total Other Financing Sources (Uses), Net	<u>207,590</u>	<u>122,440</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>(65,704)</u>	<u>114,415</u>	<u>180,119</u>
Fund Balances at Beginning of Year	390,838	390,838	-
Increase (Decrease) in Reserve for Inventory	-	-	-
Increase (Decrease) in Reserve in Prepaids	-	-	-
Fund Balances at End of Year	<u>\$ 325,134</u>	<u>\$ 505,253</u>	<u>\$ 180,119</u>

See accompanying notes to combined financial statements.

CITY OF FINDLAY

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
EARNINGS/FUND BALANCES - ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2002	2001
Operating Revenues:					
Charges for Services	\$ 14,015,954	\$ 21,307	\$ 28,800	\$ 14,066,061	\$ 12,581,123
Contributions	-	-	200	200	2,200
Interest Income	-	-	38,948	38,948	65,893
Other Operating Revenues	844,845	-	-	844,845	1,062,866
Total Operating Revenues	<u>14,860,799</u>	<u>21,307</u>	<u>67,948</u>	<u>14,950,054</u>	<u>13,712,082</u>
Operating Expenses:					
Personal Services	3,722,989	-	-	3,722,989	3,602,941
Contractual Services	332,504	71,315	-	403,819	545,350
Materials and Supplies	1,435,835	17,790	-	1,453,625	1,457,124
Utilities	603,413	-	-	603,413	663,653
Depreciation	2,850,422	2,876	-	2,853,298	2,415,322
Benefit Payments	1,172,600	-	-	1,172,600	966,176
Other Operating Expenses	318,901	47,274	-	366,175	318,280
Total Operating Expenses	<u>10,436,664</u>	<u>139,255</u>	<u>-</u>	<u>10,575,919</u>	<u>9,968,846</u>
Operating Income (Loss)	<u>4,424,135</u>	<u>(117,948)</u>	<u>67,948</u>	<u>4,374,135</u>	<u>3,743,236</u>

Continued on Exhibit IV, Page 2.

CITY OF FINDLAY

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
EARNINGS/FUND BALANCES - ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2002	2001
Non-Operating Revenues (Expenses):					
Interest Income	379,617	24,863	-	404,480	804,695
Interest Expense including Amortization of Deferred Bond Costs	(3,317,599)	-	-	(3,317,599)	(2,759,299)
Net Increase (Decrease) in Fair Value of Investments	2,076,983	-	-	2,076,983	8,638
Other Non-Operating Revenues	(1,831,116)	-	-	(1,831,116)	5,986,786
Other Non-Operating Expenses	-	-	-	-	(527,476)
Loss on Disposal of Asset(s)	-	-	-	-	(1,269,682)
29 Total Non-Operating Revenues (Expenses), Net	<u>(2,692,115)</u>	<u>24,863</u>	<u>-</u>	<u>(2,667,252)</u>	<u>2,243,662</u>
Income (Loss) before Operating Transfers	1,732,020	(93,085)	67,948	1,706,883	5,986,898
Operating Transfers In	788,523	-	-	788,523	791,826
Operating Transfers Out	(541,476)	-	(34,953)	(576,429)	(1,005,264)
Net Income (Loss)	<u>1,979,067</u>	<u>(93,085)</u>	<u>32,995</u>	<u>1,918,977</u>	<u>5,773,460</u>
Retained Earnings/Fund Balances at Beginning of Year	<u>32,857,169</u>	<u>1,076,470</u>	<u>1,128,209</u>	<u>35,061,848</u>	<u>29,288,388</u>
Retained Earnings/Fund Balances at End of Year	<u>\$ 34,836,236</u>	<u>\$ 983,385</u>	<u>\$ 1,161,204</u>	<u>\$ 36,980,825</u>	<u>\$ 35,061,848</u>

See accompanying notes to combined financial statements.

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2002	2001
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 4,424,135	\$ (117,948)	\$ 67,948	\$ 4,374,135	\$ 3,743,236
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for) Operating Activities:					
Depreciation	2,850,422	2,876	-	2,853,298	2,415,322
Change in Assets and Liabilities:					
Decrease (Increase) in Receivables	(134,284)	2,740	3,483	(128,061)	(85,320)
Decrease (Increase) in Due from Other Funds	(38,624)	-	-	(38,624)	(38,312)
Decrease (Increase) in Due from Other Governments	459,888	-	-	459,888	(323,519)
Decrease (Increase) in Supplies Inventory	6,720	2,301	-	9,021	35,053
Decrease (Increase) in Prepaids	(10,300)	(2,143)	-	(12,443)	25,147
Increase (Decrease) in Accounts Payable	(286,481)	20,926	-	(265,555)	1,251,251
Increase (Decrease) in Due to Other Funds	45,118	-	-	45,118	38,312
Interest Reported as Operating Income	-	-	(38,948)	(38,948)	(65,893)
Increase (Decrease) in Accrued Sick Leave Payable	42,054	-	-	42,054	39,315
Total Adjustments	<u>2,934,513</u>	<u>26,700</u>	<u>(35,465)</u>	<u>2,925,748</u>	<u>3,291,356</u>
Net Cash Provided by (Used for) Operating Activities	<u>7,358,648</u>	<u>(91,248)</u>	<u>32,483</u>	<u>7,299,883</u>	<u>7,034,592</u>
Cash Flows from Non-Capital Financing Activities:					
Operating Transfers from Other Funds	788,523	-	-	788,523	791,826
Operating Transfers to Other Funds	(541,476)	-	(34,953)	(576,429)	(1,005,264)
Other Non-Capital Revenues	1,807,833	-	-	1,807,833	745,173
Other Non-Capital Expenses	<u>(886,735)</u>	<u>-</u>	<u>-</u>	<u>(886,735)</u>	<u>(744,188)</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>1,168,145</u>	<u>-</u>	<u>(34,953)</u>	<u>1,133,192</u>	<u>(212,453)</u>

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Non-Expendable Trust	2002	2001
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(8,551,755)	-	-	(8,551,755)	(20,268,876)
Proceeds of Loan Payable	4,495,241	-	-	4,495,241	14,152,342
Principal Paid on Loan Payable	(1,057,565)	-	-	(1,057,565)	(7,925)
Principal Paid on Bonds	(2,514,680)	-	-	(2,514,680)	(2,415,293)
Interest Paid on Bonds	(3,210,302)	-	-	(3,210,302)	(2,652,004)
Capital Contributed	<u>895,292</u>	<u>-</u>	<u>-</u>	<u>895,292</u>	<u>5,458,325</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(9,943,769)</u>	<u>-</u>	<u>-</u>	<u>(9,943,769)</u>	<u>(5,733,431)</u>
Cash Flows from Investing Activities:					
Purchases of Investment Securities	(1,981,383)	-	(450,000)	(2,431,383)	(2,400,334)
Sales of Investment Securities	1,985,334	508,408	790,000	3,283,742	2,355,511
Earnings on Investments	<u>458,291</u>	<u>24,863</u>	<u>38,948</u>	<u>522,102</u>	<u>935,253</u>
Net Cash Provided by (Used for) Investing Activities	<u>462,242</u>	<u>533,271</u>	<u>378,948</u>	<u>1,374,461</u>	<u>890,430</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(954,734)	442,023	376,478	(136,233)	1,979,138
Cash and Cash Equivalents at Beginning of Year	<u>12,433,930</u>	<u>533,876</u>	<u>329,290</u>	<u>13,297,096</u>	<u>11,317,958</u>
Cash and Cash Equivalents at End of Year	<u>\$ 11,479,196</u>	<u>\$ 975,899</u>	<u>\$ 705,768</u>	<u>\$ 13,160,863</u>	<u>\$ 13,297,096</u>
Supplemental Disclosure of Cash Flow Information:					
Non-Cash Capital and Related Financing and Investing Activities:					
Equipment Received in Exchange for a Like-Kind Asset	<u>\$ 199,469</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,469</u>	<u>\$ 194,346</u>
On December 31, 2001, the detail of the Fiduciary Fund cash and cash equivalent is:					
Non-Expendable Trust Funds	<u>\$ 705,768</u>				
Agency Funds	<u>224,455</u>				
Total Fiduciary Fund Types	<u>\$ 930,223</u>				

See accompanying notes to combined financial statements.

CITY OF FINDLAY

NOTES TO COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2002

(1) Summary of Significant Accounting Policies

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

The general purpose financial statements of the City of Findlay (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose its will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

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

Blended Component Unit

A blended component unit is a legally separate entity from the City, but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into the appropriate funds. The City does not have any blended component units at December 31, 2002.

Discretely Presented Component Unit

A discretely presented component unit is an entity that is legally separate from the City but for which the City is financially accountable, or its relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The City has no component units to discretely present.

B. Basis of Presentation

The accounts of the City are maintained on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Individual funds and account groups summarized in the accompanying combined financial statements are classified as follows:

Governmental Fund Types

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through Governmental Funds. Governmental Funds are accounted for using primarily a current financial resources measurement focus. The following are the City's Governmental Fund Types:

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted as to expenditures for specified purposes. In addition, receipts of City income tax and the administrative costs associated with their collection are accounted for in the City Income Tax Administration Fund. The portion of such receipts allocated to the General Fund is treated as transfers to that Fund.

Debt Service Funds -- Debt Service Funds are used to account for the accumulation of resources for, and the payment of principal and interest for, general obligation bonds and related costs.

Capital Projects Funds -- Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds.

Proprietary Fund Types

Proprietary Funds are used to account for the City's ongoing activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The following are the City's Proprietary Fund Types:

Enterprise Funds -- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the City Council has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds -- Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments.

Fiduciary Fund Types

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 other funds.

Trust and Agency Funds -- The City has both Nonexpendable Trust Funds and Agency Funds. Nonexpendable Trust Funds are accounted for in essentially the same manner as proprietary fund types since capital maintenance is the principal objective. Disbursements from these Funds are made in accordance with the trust agreement or applicable legislative enactment for the particular Fund. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The following are the City's account groups:

General Fixed Assets -- All fixed assets acquired or constructed for general governmental services are accounted for in the General Fixed Assets Account Group. The cost of these assets is recorded as an expenditure in the Fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

General Long-Term Debt -- All unmatured long-term indebtedness other than that directly related to and expected to be paid from Enterprise Funds is reported in the General Long-Term Debt Account Group. This debt is secured by the full faith and credit of the City.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using primarily a current financial resources measurement focus. With this measurement focus, only current assets, except for certain miscellaneous receivables and special assessments, and current liabilities are included on the balance sheet. Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked resources and the servicing of long-term debt.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Governmental and agency funds use the modified accrual basis of accounting. Proprietary and non-expendable trust funds use the accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the reporting of expenses and expenditures.

Proprietary and non-expendable trust funds are accounted for on a flow-of-economic-resources measurement focus. All assets and liabilities are included on the balance sheet; with fund equities segregated into contributed capital and retained earnings. Proprietary and non-expendable trust funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

The modified accrual basis of accounting is followed in the governmental fund types of the City. Revenues are recognized when they become both measurable and available, and expenditures are generally recognized when the related fund liability is incurred, with the exception of unmatured interest on (1) general long-term debt and (2) capital projects debt secured by interest-bearing special assessment levies, which is recognized when due. The modified accrual basis of accounting is also followed in the Agency Funds. Accordingly, the assets and related liabilities are recognized when the asset becomes both measurable and available.

Revenues – Exchange and Non-Exchange Transactions

Revenues 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 days of year-end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 4). Revenue from grants, entitlements, and donations is recognized in the fiscal 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: interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fines and forfeitures, fees and special assessments.

Deferred Revenue

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

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenues. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On the modified accrual basis of accounting, receivables that will not be collected within the available period have also been reported as deferred revenue.

D. Budgetary Process

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

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

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

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

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

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

F. Cash, Cash Equivalents, and Investments

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary 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 "Cash and Cash Equivalents" on the combined balance sheet.

During 2002, investments were limited to STAR Ohio, federal agency securities, U.S. government money market mutual funds, certificates of deposit, internal bond anticipation notes, and U.S. treasury notes.

All nonparticipating and participating investment contracts are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2002.

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 2002 amounted to \$416,182, which includes \$162,311 assigned from other City funds.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Otherwise, investments with an initial maturity of more than three months are reported as investments.

An analysis of the City's investment accounts at year-end is provided in Note 3.

G. Inventory

Supplies inventory is valued at cost in the governmental funds and at the lower of cost (first-in, first-out) or market in the proprietary funds and consists of expendable supplies held for consumption. In the governmental funds, the cost of these consumable supplies is recorded as an expenditure when purchased. Reported supplies inventory is equally offset by a fund balance reserve that indicates that they do not constitute "available spendable resources" even though they are a component of net assets. In the proprietary funds, the cost of consumable supplies is recorded as an expense when used.

H. Prepays

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2003 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.

I. Fixed Assets

The fixed asset values were initially determined as of December 31, 1980, assigning historical costs for the majority of assets. For certain assets where the actual historical costs were not practicably determinable, various methods were used to determine the estimated historical costs. During the initial development of the fixed asset records, it was not practical to determine the source of the fixed asset financing, other than for certain capital contributions in the Enterprise Funds (Note 5).

Public domain ("infrastructure") general fixed assets consisting of streets, sidewalks, and storm sewers are not capitalized by the City since they are immovable and of value only to the City. Infrastructure type items such as water lines and sanitary sewers are capitalized in the respective Enterprise Funds because these assets are an integral component of these operations.

The City has elected not to record depreciation in the General Fixed Assets Account Group in accordance with accounting principles generally accepted in the United States of America for governmental entities. Contributed fixed assets are recorded at their fair market value as of the date they were donated. Depreciation is recorded in the proprietary fund types using the straight-line method over the estimated useful lives of the related assets. Depreciable lives used for property items within each property classification are as follows:

<u>Classification</u>	<u>Life</u>
Utility plant in service	50 - 99 Years
Improvements other than buildings	20 - 50 Years
Machinery and Equipment	3 - 20 Years

In accordance with Financial Accounting Standards Board Statement No. 62 *Capitalization of Interest Costs in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, the City adopted the policy of capitalizing the interest cost of borrowings made to finance fixed assets, net of the related interest earned on interest-bearing investments.

J. Compensated Absences

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

In accordance with the provisions of 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 No. 16.

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

Sick leave accumulates at the rate of 4.6 hours of sick leave for 80 hours of work completed. Sick leave may be converted into cash only upon retirement or death with 10 or more years of service with the State or any of its political subdivisions at the rate of one fourth (1/4) the value of the first 960 hours of accrued, unused sick leave credit. If applicable, accrued, unused sick leave will be paid in cash for one-half (1/2) the

value of all accrued sick leave credit in excess of 960 hours. Individuals with accumulated sick leave greater than one thousand nine hundred twenty (1,920) hours receive cash at the rate of one-half (1/2) the total hours accumulated. Individuals leaving the employment of the City prior to retirement or at retirement with less than 10 years of service lose their accumulated sick leave. At December 31, 2002 a liability of \$1,450,300 recognized in the general long-term debt account group that represents the estimated amount that will ultimately be paid to employees upon retirement or death. (Note 8)

Accumulated sick leave of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. The liabilities for regular vacation, compensatory time, and holivac have been recorded within the individual funds in the accompanying combined financial statements because, in the case of governmental funds, they will be liquidated with expendable available resources. Vacation, compensatory time, holivac, and sick leave benefits for employees meeting the above requirements who are paid from proprietary funds are recorded as an expense when earned and the related liability is reported within the fund.

K. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of the agency funds, which do not show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in or of expenditures/expenses in the reimbursed fund.
3. Short-term interfund balances, related to charges for goods and services rendered, are reflected as "due to/from other funds".

L. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America, nor are such data comparable to a consolidation.

M. Estimates

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

N. Fund Balance Reserves

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

The City reports amounts representing material and supply inventories, debt service, prepaids, encumbrances outstanding, capital improvements, and loans receivable as reservations of fund balance in the governmental funds and reserve of principal in the fiduciary fund type (non expendable trust fund).

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the government's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

(2) Cash, Cash Equivalents and Investments

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

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

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

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

Interim monies may be deposited or invested in the following:

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

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

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

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

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

Deposits: At December 31, 2002, the carrying amount of the City's deposits, which includes cash and cash equivalents, cash with fiduciary agent, and nonnegotiable certificates of deposit, was \$25,327,759 and the bank balance was \$25,531,229. Of the bank balance:

1. \$500,000 was covered by federal deposit insurance; and
2. \$25,031,229 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by a third party trustee, pursuant to Ohio Revised Code Section 135.181, in collateralized pools securing all public funds on deposits with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments: The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name. STAR Ohio (an investment pool operated by the Ohio State Treasurer) and U.S. government money market mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

The following is a listing of investments, by category, as of December 31, 2002:

	<u>Category 3</u>	<u>Fair Value</u>
Federal Agency Securities	<u>\$2,980,055</u>	<u>\$2,980,055</u>
Total Investments	<u>\$2,980,055</u>	<u>\$2,980,055</u>

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

<u>Unrestricted</u>	
Cash and Cash Equivalents	\$18,333,475
Cash with Fiduciary Agent	427,310
Investments	450,000
<u>Restricted</u>	
Cash and Cash Equivalents	7,115,646
Investments	<u>1,981,383</u>
Total Cash, Cash Equivalents and Investments	<u>\$28,307,814</u>

(3) Taxes

A. Property Tax

Property taxes include amounts levied against all real and public utility property, and tangible personal property (used in business) located in the City. Property taxes are levied each October 1 based on the assessed value as of the prior January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of all property is required to be completed not less than every six years. The most recent revaluation was completed in 1998 which was utilized for 2002 collections. The assessed value upon which the 2002 collections were based was \$823,336,839. The tax rate applicable to the 2002 collections was 3.20 mills.

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

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

B. City Income Tax

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

The receipts of the City income tax and the administrative costs associated with their collection are accounted for in the Special Revenue Funds. Income tax receipts, net of the related administrative costs, are disbursed, appropriated, and allocated in accordance with City Ordinance by which 78% of such receipts are transferred to the General Fund and 22% retained in the Special Revenue Funds and restricted for capital improvements.

(4) Receivables

Due from Outside Parties

The City's receivables from outside parties at December 31, 2002, by fund, are shown on the following table:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>
City Income Taxes:						
Current taxes	\$ -	\$ 1,658,793	\$ -	\$ -	\$ -	\$ -
Property Taxes	2,132,322	492,074	-	-	-	-
Hotel/Motel Taxes	65,470	-	-	-	-	-
Economic Development Loans	-	116,743	-	-	-	-
Special Assessments	-	-	137,904	-	-	-
Non-current Receivable	-	-	468,409	-	-	-
Water and Wastewater Services:						
Billed	-	-	-	986,161	-	-
Unbilled	-	-	-	601,165	-	-
Sale of Supplies Inventory	-	-	-	58,204	-	-
Total Receivables, Net of Allowances	2,197,792	2,267,610	606,313	1,645,530	-	-
Due from Other Governments	484,727	614,628	-	86,593	-	-
Accrued Interest - Unrestricted	79,541	-	-	70,820	3,855	5,436
Total Due from Outside Parties	<u>\$2,762,060</u>	<u>\$2,882,238</u>	<u>\$ 606,313</u>	<u>\$1,802,943</u>	<u>\$ 3,855</u>	<u>\$ 5,436</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, 2002, to the extent of employee withholdings for the last quarter of 2002, are due by January 31, 2003. Delinquent income taxes represent interest, penalties, and additional taxes due as a result of audits of returns filed.

Property taxes accrued at December 31, 2002 represent the City's portion of 2001 taxes to be collected by the Hancock County Treasurer during 2003 based on the assessed value of property described in Note 3.

Hotel/Motel taxes accrued at December 31, 2002 represent 2002 transient lodging taxes paid to the City from hotels and motels located within the City's corporation limits subsequent to December 31, 2002.

Economic development loans receivable at December 31, 2002 represents loans to qualified businesses for the purpose of economic development.

Special assessments represent amounts due from taxpayers for certain pavement, sidewalk, and sanitary sewer work performed by the City.

Residents are billed on a bi-monthly basis for water and wastewater service with approximately one-half of the City's customers being billed each month. All service receivables are carried in the Water Fund with an interfund payable being recognized for the portion of the billing related to the Water Pollution Control Fund.

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

Sale of supplies inventory represents the amount due from airport customers for primarily fuel and hangar rental.

Due from other governments in the General Fund represents 2002 state taxes and local government monies anticipated to be received by the City from January 1, 2003 through June 30, 2003. Due from other governments in the Special Revenue Funds represents 2002 motor vehicle license fees and gasoline excise taxes anticipated to be received by the City from January 1, 2003 to June 30, 2003.

Accrued Interest represents the amount of interest that has accrued on investments as of December 31, 2002.

(5) Property, Plant and Equipment

A summary of general fixed assets at January 1, 2001, by class, and the changes therein during 2001, are as follows:

	Balance <u>January 1, 2002</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>December 31, 2002</u>
Land	\$ 1,867,325	\$ 1,089,734	\$ -	\$ 2,957,059
Buildings	8,536,007	23,013	2,162	8,556,858
Improvements other than Buildings	312,378	46,764	-	359,142
Equipment	<u>8,145,381</u>	<u>1,115,264</u>	<u>435,674</u>	<u>8,824,971</u>
	<u>\$18,861,091</u>	<u>\$ 2,274,775</u>	<u>\$ 437,836</u>	<u>\$ 20,698,030</u>

A summary of Enterprise Funds property, plant, and equipment at December 31, 2002 by class and by individual fund follows:

	<u>Water</u>	Water Pollution <u>Control</u>	Swimming <u>Pool</u>	Parking <u>Facilities</u>	<u>Airport</u>	<u>Totals</u>
Land	\$ 909,231	\$ 311,375	\$ 1,631	\$ 94,331	\$ 3,409,905	\$ 4,726,473
Buildings	-	-	-	-	1,621,489	1,621,489
Utility Plant in Service	24,682,883	32,943,086	-	-	-	57,625,969
Utility Lines in Service	28,283,228	45,861,679	-	-	-	74,144,907
Improvements Other than Buildings	1,723,708	17,879	901,842	222,132	7,978,537	10,844,098
Machinery and Equipment	3,826,393	3,203,312	58,191	61,575	728,012	7,877,483
Construction in Progress	<u>198,952</u>	<u>2,400,000</u>	<u>-</u>	<u>-</u>	<u>24,913</u>	<u>2,623,865</u>
Total	59,624,395	84,737,331	961,664	378,038	13,762,856	159,464,284
Less Accumulated Depreciation	<u>15,962,924</u>	<u>13,857,102</u>	<u>414,552</u>	<u>193,144</u>	<u>2,541,816</u>	<u>32,969,536</u>
Net Property, Plant and Equipment	<u>\$43,661,471</u>	<u>\$70,880,229</u>	<u>\$ 547,112</u>	<u>\$ 184,894</u>	<u>\$ 11,221,041</u>	<u>\$126,494,748</u>

Construction in progress at year end consists of the costs associated with the construction of water lines, sanitary sewers, and the airport expansion.

(6) Contributed Capital

Due to the implementation of GASB 33 in 2001, no additions to contributed capital were recorded in 2002.

(7) Capital Lease

The City was obligated under a certain lease entered into during 2002 for a postage machine and accounted for it as a capital lease. The leased asset and related obligation were accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. The following is a schedule of current year capital lease payments:

	<u>General Long- Term Debt Account Group</u>
Capital lease payable as of January 1, 2002	\$ -
Capital lease entered into in 2002	9,116
Payments/reductions	<u>(772)</u>
Capital lease payable as of December 31, 2002	8,344
Less current portion	<u>(1,954)</u>
Long term portion of capital lease	<u>\$ 6,390</u>

The future minimum capital lease payments as of December 31, 2002 are as follows:

<u>Fiscal Year:</u>	<u>General Long Term Debt Account Group</u>
2003	\$ 2,508
2004	2,508
2005	2,508
2006	<u>2,090</u>
Total minimum lease payments	\$ 9,614
Less amounts representing interest	<u>(1,270)</u>
Present value of future minimum capital lease payments	<u>\$ 8,344</u>

(8) Long Term Obligations

The following is a summary of transactions, including interfund activity, for special assessment projects of the City for the year ended December 31, 2002:

	<u>Special Assessments</u>
Amounts Payable at January 1, 2002	\$ 504,000
Notes Issued	-
Bonds Issued	119,850
Debt Retired	<u>(113,550)</u>
Amounts Payable at December 31, 2002	<u>\$ 510,300</u>

The special assessment debt bears interest rates at December 31, 2002 from approximately 3.80% to 6.35%, has annual maturity requirements ranging from \$103,215 in 2003 to \$4,315 in 2012. The debt is secured by the full faith and credit of the City.

The following is a summary of loans payable transactions of the City for the year ended December 31, 2002:

	<u>Enterprise Funds</u>
Loans Payable at January 1, 2002	\$ 31,478,900
WPCLFA Draws (1998 Loan)	1,226,837
WPCLFA Draws (2001 Loan)	3,129,630
Issue 2 Loan	138,774
Debt Retired	<u>(1,057,565)</u>
Loans Payable at December 31, 2002	<u>\$ 34,916,575</u>

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

On October 28, 1999, the City entered into a financing agreement under the WPCLFA to borrow up to \$32,470,000. The loan bears interest at 4.36 percent, with principal payments due semi-annually on January 1, and July 1 of each year. The term of the loan is 20 years. The City has drawn \$32,410,912 as of December 31, 2002.

On August 30, 2001, the City entered into an additional financing agreement under the WPCLFA to borrow up to \$3,672,600. The loan bears interest at 1.92%, with principal payments due semi-annually on January 1, and July 1 of each year. The term of the loan is 20 years. The City has drawn \$3,251,208 as of December 31, 2002.

In 2001, the City entered into a loan agreement with Ohio Public Works Commission for a State Issue 2 loan for \$138,774 for a term of 20 years at 0% interest.

The following is a summary of the bond transactions of the City for the year ended December 31, 2002:

	General Long- Term Debt <u>Account Group</u>	<u>Enterprise Fund</u>	<u>Total</u>
Bonds Payable at January 1, 2002	\$ 3,645,000	\$ 34,973,285	\$ 38,618,285
Bonds Retired	<u>(340,000)</u>	<u>(2,069,982)</u>	<u>(2,409,982)</u>
Bonds Payable at December 31, 2002	3,305,000	32,903,303	36,208,303
Deferred Bond Costs - 1995 Waterworks System Refunding Bonds	<u>-</u>	<u>(387,928)</u>	<u>(387,928)</u>
Net Bonds Payable at December 31, 2002	<u>\$ 3,305,000</u>	<u>\$ 32,515,375</u>	<u>\$ 35,820,375</u>

Bonds payable at December 31, 2002, are comprised of the following issues, of which the 1994 Western Avenue Relocation Bonds and 1996 Various Purpose Bonds for the Fire Station Projects, and the City-wide Radio System Project totaling \$3,305,000 are accounted for in the General Long-Term Debt Account Group and the remaining bonds totaling \$32,903,303 are accounted for in the Enterprise Funds.

	<u>Original Issuance</u>	<u>Bonds Outstanding at December 31, 2002</u>
General Obligation Bonds:		
1973 Sewer Improvement Bonds, due in annual installments of \$110,000 thereafter through 2003, interest at 5.00%	\$ 3,400,000	\$ 110,000
1993 Sewerage System Bond - Ohio Water Pollution Control Loan Fund, due in amounts increasing from \$99,279 in 2003 to \$145,093 in 2011, with interest at 4.8%	1,829,711	1,088,303
1993 Sewerage System Refunding Bonds, due in amounts increasing from \$485,000 in 2003 to \$740,000 in 2011, with interest from 2.25% to 5.5% over the life of the bonds	9,395,000	5,425,000
1993 Water System Improvement Bonds, due in amounts increasing from \$160,000 in 2003 to \$350,000 in 2018 with interest from 2.25% to 5.55% over the life of the bonds	5,000,000	3,850,000
1994 Western Avenue Relocation Project – PILOT Funded Bonds, due in amounts ranging from a high of \$75,000 in 2003 and a final principal payment of \$80,000 in 2004, interest from 3.85% to 5.25% over the life of the bonds	1,205,000	155,000

1996 Various Purpose Bonds, due in annual installments ranging from \$660,000 in 2003 to a high of \$1,040,000 in 2016 and decreasing to the final installment of \$720,000 in 2017, with interest from 3.85% to 5.875% over the life of the bonds	16,420,000	12,745,000
1998 Waterworks Improvement Limited Tax Bonds, due in amounts increasing from \$135,000 in 2002 to \$265,000 in 2018 with interest from 3.65% to 4.90% over the life of the bonds	<u>3,565,000</u>	<u>3,070,000</u>
Total General Obligation Bonds	<u>\$ 40,814,711</u>	<u>\$ 26,443,303</u>

Revenue Bonds:

1995 Waterworks System Mortgage Revenue Refunding Bonds, due in annual installments ranging from \$1,200,000 in 2003 to a final installment of \$1,615,000 in 2009	<u>\$16,515,000</u>	<u>\$ 9,765,000</u>
Total Revenue Bonds	<u>\$16,515,000</u>	<u>\$ 9,765,000</u>
Deferred Bonds Costs - 1995 Waterworks System Bonds	<u>-</u>	<u>(387,928)</u>
Accumulated Sick Leave	<u>-</u>	<u>1,450,300</u>
	<u>\$57,329,711</u>	<u>\$37,270,675</u>

1994 Western Avenue Relocation Bonds - PILOT Funded Bonds

These bonds were issued for the purpose of providing the funds necessary to pay the costs of relocating Western Avenue between West Hobart Street and Lake Cascades Parkway. The bonds are backed by the full faith and credit of the City of Findlay. Funds for debt service will be provided through payments in lieu of taxes (PILOT). Interest on the bonds is payable semiannually at rates set forth by the original purchaser and approved by the City. The average interest rate on the bonds is 4.87%.

1995 Waterworks System Mortgage Revenue Refunding Bonds

On September 6, 1995, these bonds were issued for the purpose of current refunding the issuers 1986 Waterworks System Mortgage Revenue Refunding Bonds. The City exercised its option to call the 1986 bonds on the November 1, 1995 interest payment date using the proceeds from the 1995 issuance held by National City Bank as Escrow Trustee. Excess earnings on the 1995 Refunding Bonds were transferred to Firststar Bank, Trustee, to finance the interest costs thereon. Interest on these bonds is payable semiannually at the rate recommended by the original purchaser (A.G. Edwards & Sons, Inc.), and approved by the City. The interest rate on these bonds varies according to the maturity dates. The average interest rate over the lives of the bonds is approximately 5.09%.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$804,000. This difference, which amounted to \$387,928 at December 31, 2002, is reported in the accompanying financial statements as a deduction from bonds payable. It is being charged to operations through the year 2009 using the straight-line method.

The indenture agreement requires the City to maintain certain accounts within the Water Fund to segregate certain assets for specific purposes. The Bond Reserve Fund held by Firstar Bank, as Trustee, is for the benefit of the Bondholders in an amount equal to the Bond Reserve Requirement. The Bond Service Fund, also held by Firstar Bank, as Trustee, is used for the payment of principal and interest on the 1995 bonds. Assets in each of these accounts are restricted for their specific purpose and, accordingly, have been included in restricted assets in the accompanying combined financial statements (Note 10). The City was in compliance with all other significant financial bond covenants in 2002.

1996 Various Purpose Bonds

On July 1, 1996, these bonds were issued for various purposes including: Water Pump Station Project (accounted for in the water fund), Northern Corridor Sewer Project (accounted for in the water pollution control fund), Bright Road Improvement Project, Fire Station Projects, City-wide Radio System Project (all accounted for in the GLTDAG), and Aircraft Fueling System (accounted for in the airport fund). These general obligation bonds are backed by the full faith and credit of the City. Interest on these bonds is payable semiannually and the interest rate varies according to the maturity dates. The average interest rate over the lives of the bonds is approximately 5.64%. The City was in compliance with all significant bond covenants in 2002.

1998 Waterworks Improvement Limited Tax 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%.

Maturities

The annual requirements to amortize all bonded debt outstanding including interest are presented in the following table:

<u>Year Ending December 31,</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
2003	3,144,845	1,708,728	4,853,573
2004	3,025,411	1,705,528	4,730,939
2005	2,951,535	1,703,404	4,654,939
2006	2,946,070	1,706,998	4,653,068
2007	2,950,202	1,710,670	4,660,872
2008 – 2009	5,888,279	3,412,922	9,301,201
2010 – 2014	11,320,731	-	11,320,731
2015 – 2019	<u>5,270,300</u>	<u>-</u>	<u>5,270,300</u>
	37,497,373	11,948,250	49,445,623
Less-amount representing Interest	<u>(11,054,070)</u>	<u>(2,183,250)</u>	<u>(13,237,320)</u>
	<u>\$ 26,443,303</u>	<u>\$ 9,765,000</u>	<u>\$ 36,208,303</u>

Accumulated Sick Leave

	<u>General Long-Term Debt Account Group</u>
Accumulated Sick Leave as of January 1, 2002	\$ 1,305,578
Add: Increase in Accumulated Sick Leave	473,900
Less: Amount of Sick Leave Paid during 2002	<u>(329,178)</u>
Accumulated Sick Leave as of December 31, 2002	<u>\$ 1,450,300</u>

Past Service Liability

The City's past service liability for PFDPF in the amount of \$1,311,699 is listed in the General Long Term Debt Account Group and in Note 12.

(9) Segment Information for Enterprise Funds

The City maintains five Enterprise Funds, which provide water and wastewater treatment services, swimming and parking facilities, and account for the acquisition of the airport facilities to provide for hangar rentals, fuel sales, and all other operations of the airport in the future. The operations of these Funds are accounted for, financed, and recorded in a manner similar to that of private enterprises whereby it is the City's intent that the costs of providing these goods or services be financed primarily through user charges.

Segment information for the year ended December 31, 2002 is as follows:

	<u>Water Fund</u>	<u>Water Pollution Control Fund</u>	<u>Swimming Pool</u>	<u>Parking Facilities Fund</u>	<u>Airport Fund</u>	<u>Total Enterprise Fund</u>
Operating Revenues	\$6,916,102	\$7,089,452	\$ 53,127	\$ 107,865	\$ 694,253	\$ 14,860,799
Depreciation Expense	997,351	1,399,789	20,175	17,097	416,010	2,850,422
Operating Income (Loss)	1,956,590	3,011,896	(69,991)	(12,717)	(461,643)	4,424,135
Operating Transfers- In	262,112	312,761	57,650	-	156,000	788,523
Out	(167,616)	(373,856)	-	-	(4)	(541,476)
Net Income (Loss)	1,754,097	(339,388)	(12,341)	(12,717)	589,416	1,979,067
Property, Plant, and Equipment Additions (Deductions), Net	1,480,067	5,624,135	(320)	-	956,224	8,060,106
Net Working Capital	1,205,871	(1,514,609)	52,490	147,647	197,504	88,903
Total Assets	50,923,269	79,453,325	600,317	352,974	11,637,979	142,967,864
Bonds and Long -Term Liabilities Payable from Operating Revenues or Operating Transfers	16,665,194	46,676,681	-	-	350,000	63,691,875
Total Equity	31,281,620	27,739,793	599,602	332,542	11,099,823	71,053,380

(10) Restricted Assets

Restricted assets are specifically restricted for capital improvements or debt service by either the City's designation or by applicable bond indentures (Note 8). Restricted cash, cash equivalents, and investments designated by the City or provided by operations are equally offset by a fund balance/retained earnings reserve.

Restricted assets at December 31, 2002 are comprised of the following:

	Cash, Cash Equivalents and <u>Investments</u>	Deferred Bond <u>Costs</u>	<u>Total</u>
Special Revenue Funds:			
City Income Tax Administration Fund:			
Restricted for Capital Improvements	<u>\$ 1,428,441</u>	<u>\$ -</u>	<u>\$ 1,428,441</u>
Enterprise Funds:			
Water Fund:			
Bond Fund Account	329,936	-	329,936
Bond Reserve Fund Account	1,651,447	-	1,651,447
Designated for Capital Improvements to Utility Lines	502,037	-	502,037
Designated for Debt Service	297,234	-	297,234
Deferred Bond Costs	<u>-</u>	<u>298,818</u>	<u>298,818</u>
	<u>2,780,654</u>	<u>298,818</u>	<u>3,079,472</u>
Water Pollution Control Fund:			
Improvement and Replacement Fund Account			
	793,318	-	793,318
Designated for Capital Improvements to Utility Lines	1,989,206	-	1,989,206
Designated for Debt Service	2,079,982	-	2,079,982
Deferred Bond Costs	<u>-</u>	<u>188,348</u>	<u>188,348</u>
	<u>4,862,506</u>	<u>188,348</u>	<u>5,050,854</u>
Airport Fund:			
Designated for Debt Service	25,428	-	25,428
Deferred Bond Costs	<u>-</u>	<u>5,850</u>	<u>5,850</u>
	<u>25,428</u>	<u>5,850</u>	<u>31,278</u>
Enterprise Fund Totals	<u>7,668,588</u>	<u>493,016</u>	<u>8,161,604</u>
Totals	<u>\$ 9,097,029</u>	<u>\$ 493,016</u>	<u>\$ 9,590,045</u>

Deferred Bond Costs represent the costs associated with the issuance of the 1998 Waterworks Improvement Limited Tax Bonds, the 1996 Various Purpose General Obligation Bonds, the 1995 Waterworks System Mortgage Revenue Refunding Bonds, the 1993 Water System Improvement Bonds, and the 1993 Sewerage System General Obligation Refunding Bonds (Note 8). These costs are being amortized on a straight-line basis over periods ranging from 14 to 23 years, the lives of the issues.

(11) PERS Retirement Commitments

The employees of the City are covered by either the Ohio Public Employees Retirement System (OPERS) or the Ohio Police and Fire Pension Fund (OP&F), (Note 12). The State of Ohio accounts for the activities of these cost-sharing multiple-employer retirement systems, and only the City's contributions to these systems are reflected in the accompanying combined financial statements. Of the City's total 2002 payroll of \$16,300,308, \$9,479,548 was for OPERS employees, \$6,616,272 for OP&F employees, and \$204,488 for non-covered employees. All employees are required to be members of OPERS or OP&F, except for elected officials who have an option to exclude themselves from membership.

The City contributes to the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone financial report. This report may be obtained by writing to 277 East Town Street, Columbus, Ohio, 43215-4642 or by calling 800-222-7377.

The Ohio Revised Code provides statutory authority to employee and employer contributions. Plan members are required to contribute 8.5% of their annual covered salary and the City is required to contribute 13.55% of annual covered salary. The City's contributions to OPERS for the years ending December 31, 2002, 2001, and 2000 were \$1,284,406, \$1,240,269, and \$922,088, respectively, equal to the required employer contribution which is 100% of the dollar amount billed by OPERS.

In addition to the pension benefits described above, OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care coverage through their contributions to OPERS. For the City, 5.00% was the portion used to fund health care for 2002.

OPERS has provided the following information regarding the Summary of Assumptions:

Actuarial Review – The assumptions and calculations below were based on the System's latest Actuarial Review performed as of December 31, 2001.

Funding Method – An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return – The investment assumption rate for 2001 was 8.00%.

Active Employee Total Payroll – An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care – Health care costs were assumed to increase 4.00% annually.

OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The rates stated are the actuarially determined contribution requirements for OPERS. The City's employer contributions that were used to fund post-employment benefits were \$473,946. \$11.6 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2001. The actuarially accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

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

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

(12) OP&F Retirement Commitments

The City of Findlay contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to OP&F for the years ending December 31, 2002, 2001, and 2000, were \$1,442,779, \$1,362,885, and \$1,269,972, respectively, equal to the required contributions for each year.

The OP&F provides post-retirement health care coverage to any OP&F person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24.0% of covered payroll.

The Ohio Revised Code provides that health care cost paid from funds of OP&F shall be included in the employer's contribution rate. These post-retirement health care benefits are funded and accounted for on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.50% and 7.75% of covered payroll in 2001 and 2002, respectively. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

As of December 31, 2001, the date of the last actuarial valuation available, there were 13,174 police officers and 10,239 firefighters eligible to receive health care benefits. The Fund's total health care expenses for the year ending December 31, 2001, the date of the last actuarial valuation available, was \$122,298,771, which was net of member contributions of \$6,874,699. The portion of total contributions made by the City to the OP&F to cover health care costs was approximately \$512,545 for 2002.

The City's accrued past service liability to PFDPF was determined and became a legal obligation to the State at the date the City became a participant in PFDPF. 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 in the General Long Term Debt Account Group 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. An analysis of the change in this liability during 2002 is as follows:

Accrued liability at January 1, 2002	\$ 1,330,230
Principal Retired	<u>(18,531)</u>
Accrued liability at December 31, 2002	<u>\$ 1,311,699</u>

(13) Self Insurance Fund

During July, 1987 the City established a Self-Insurance Fund (the Fund), which has been recorded as part of the Internal Service Funds. This Self-Insurance Fund serves the purpose of handling, processing, and paying general municipality liability insurance claims in lieu of purchasing general municipality liability insurance. The City's plan covers a limit of \$1,000,000 per occurrence for bodily injury liability and \$1,000,000 aggregate for property damage liability.

There have been no significant reductions in insurance coverage. No settlements have exceeded insurance coverage for 2002, 2001, or 2000. The City is fully insured through premium-based insurance policies for all other types of insurance including worker's compensation, public officials' liability, etc.

The City's policy for reporting a claims liability is based on the requirements of Financial Accounting Standards Board Statement No. 5, which requires that a liability for claims to be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. It is the opinion of the City's legal counsel that, as of December 31, 2002, there were no material outstanding claims pending.

	<u>2002</u>	<u>2001</u>
Claims payable, beginning of the year	\$ -	\$ -
Current year claims and changes in estimates	3,694	1,844
Claim payments	<u>(3,694)</u>	<u>(1,844)</u>
Claims payable, end of year	<u>\$ -</u>	<u>\$ -</u>

(14) Individual Fund Deficits

The accumulated deficit in the Swimming Pool Enterprise Fund, of \$334,780 is the result of the City maintaining user charges at rates sufficient to only cover all direct operating costs of the pool. Such rates are not intended to fully cover indirect costs, such as depreciation expense, resulting in the accumulated deficit in the Fund.

(15) Compliance

Compliance

The City had the following expenditures in excess of appropriations in noncompliance with the Ohio Revised Code Section 5705.41(B) in the following funds.

	<u>Excess</u>
Special Revenue Funds:	
Police & Fire Pension Funds	
Security of Persons and Property	\$ 30
Transfers Out	4,000

(16) Contractual Commitments and Contingencies

As of December 31, 2002, the City had approximately \$1,964,641 open on outstanding purchase orders and contracts. Of this amount, \$1,369,306 related to ongoing capital projects, and the remaining amount was for various departmental purchase orders outstanding at year-end.

In 2003, the City through arbitration settled a dispute with a contractor for approximately \$1,300,000. This amount has been accrued for in the financial statements as "Claims and judgments payable" in the Water Pollution Control Fund – Enterprise.

The City is also 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.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

The City had no material operating lease commitments at December 31, 2002.

(17) Subsequent Events

Income Tax – Third Party Administrator

The City has entered into an agreement with the Village of Arlington to administer the Village of Arlington's tax program effective January 1, 2003.

Hancock Recreation Center

The City acquired from the Hancock County Commissioners, property known as the "Hancock Recreation Center" in exchange for two parcels of land owned by the City. The City is now operating the Hancock Recreation Center effective January 1, 2003. This facility currently operates as an ice rink and is in operation from September to March.

Debt Refinancing

In May 2003, the City issued \$9,820,000 in "Various Purpose Limited Tax General Obligation Bonds" maturing in 2013. The Bonds were issued for the purpose of providing funds to (i) currently refund the City's Water System Improvement Bond Series 1993, (ii) currently refund the City's Sewerage System Refunding Bonds Series 1993, (iii) reimburse the City's General Fund for moneys used to purchase land adjacent to the Hancock Recreation Center, and (iv) pay the costs incidental to the issuance of the Bonds. The Water System Refunded Bonds and the Sewerage System Refunded Bonds will be called for optional redemption on July 1, 2003 at the redemption price of 102% of the aggregate principal amount of the bonds redeemed.

GENERAL FUND

This Fund accounts for all financial transactions not properly accounted for in any other funds. 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
GENERAL FUND
BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Assets:		
Cash and Cash Equivalents	\$ 8,179,780	\$ 9,272,272
Investments	-	53,000
Receivables, Net of allowance for uncollectibles	2,197,792	2,195,122
Due from Other Governments	484,727	625,185
Prepays	88,944	74,326
Accrued Interest Receivable	<u>79,541</u>	<u>158,677</u>
 Total Assets	 <u>\$ 11,030,784</u>	 <u>\$ 12,378,582</u>
Liabilities:		
Accounts Payable and Accruals	\$ 3,210,091	\$ 2,318,203
Deferred Revenues	<u>2,536,009</u>	<u>2,684,510</u>
 Total Liabilities	 <u>5,746,100</u>	 <u>5,002,713</u>
Fund Balance:		
Reserved for Encumbrances	514,672	1,413,259
Reserved for Prepays	88,944	74,326
Unreserved-Undesignated	<u>4,681,068</u>	<u>5,888,284</u>
 Total Fund Balance	 <u>5,284,684</u>	 <u>7,375,869</u>
 Total Liabilities and Fund Balance	 <u>\$ 11,030,784</u>	 <u>\$ 12,378,582</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Taxes	\$ 2,464,675	\$ 2,372,059	\$ (92,616)	\$ 2,395,171
Licenses and Permits	271,500	294,599	23,099	256,264
Intergovernmental	2,135,344	2,180,153	44,809	2,325,189
Charges for Services	498,600	572,362	73,762	528,138
Investment Earnings	509,500	416,182	(93,318)	761,779
Fines and Forfeitures	1,385,000	1,329,781	(55,219)	1,276,923
Net Increase (Decrease) in Fair Value of Investments	-	-	-	65,034
Reimbursements	633,158	707,314	74,156	823,052
All Other Revenues	148,800	190,765	41,965	208,714
Total Revenues	8,046,577	8,063,215	16,638	8,640,264
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department	6,324,150	5,830,220	493,930	5,302,722
Disaster Services	26,194	23,570	2,624	21,633
Fire Department	5,437,114	5,343,126	93,988	5,037,343
Dispatch	656,251	595,792	60,459	554,921
Total of Security of Persons and Property	12,443,709	11,792,708	651,001	10,916,619
Public Health and Welfare:				
Planning & Zoning	86,932	87,004	(72)	106,953
Public Health Department	800,638	748,572	52,066	656,560
Building Department	267,195	215,470	51,725	193,323
Cemetery Department	349,726	294,041	55,685	307,829
Total Public Health and Welfare	1,504,491	1,345,087	159,404	1,264,665
Leisure Time Activities:				
Park Maintenance	692,840	590,257	102,583	543,012
Reservoir Boating	13,806	4,458	9,348	3,655
Recreation Department	310,739	293,872	16,867	274,241
Total Leisure Time Activities	1,017,385	888,587	128,798	820,908

Continued on Exhibit A-2, Page 2.

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
General Government:				
Council	\$ 189,484	\$ 172,799	\$ 16,685	\$ 157,529
Mayors Office	195,887	191,037	4,850	168,646
Auditor/Treasurer	745,698	708,408	37,290	654,129
Law Director	380,703	350,993	29,710	342,039
Municipal Court	1,247,906	1,127,776	120,130	1,030,214
Civil Service	42,372	28,032	14,340	30,878
Computer Services	395,839	356,037	39,802	327,847
Service/Safety Director	582,866	493,833	89,033	526,527
Engineering Department	1,179,450	1,040,272	139,178	1,032,950
Shade Tree Program	66,111	27,809	38,302	21,299
Human Resources	162,104	119,165	42,939	117,547
Public Building Department	465,956	434,489	31,467	392,363
Total General Government	<u>5,654,376</u>	<u>5,050,650</u>	<u>603,726</u>	<u>4,801,968</u>
Capital Outlay:				
Security of Persons and Property	624,609	237,422	387,187	537,039
Public Health and Welfare	50,742	34,676	16,066	16,325
Leisure Time Activities	487,331	372,653	114,678	405,186
General Government	1,918,051	1,482,375	435,676	221,880
Total Capital Outlay	<u>3,080,733</u>	<u>2,127,126</u>	<u>953,607</u>	<u>1,180,430</u>
Total Expenditures	<u>23,700,694</u>	<u>21,204,158</u>	<u>2,496,536</u>	<u>18,984,590</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(15,654,117)</u>	<u>(13,140,943)</u>	<u>2,513,174</u>	<u>(10,344,326)</u>
Other Financing Sources (Uses):				
Operating Transfers In	11,352,200	12,960,163	1,607,963	12,081,541
Operating Transfers Out	(1,925,023)	(1,925,023)	-	(1,686,145)
Total Other Financing Sources (Uses)	<u>9,427,177</u>	<u>11,035,140</u>	<u>1,607,963</u>	<u>10,395,396</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>(6,226,940)</u>	<u>(2,105,803)</u>	<u>4,121,137</u>	<u>51,070</u>
Fund Balance at Beginning of Year	7,375,869	7,375,869	-	7,388,171
Increase (Decrease) in Reserve for Prepays	-	14,618	14,618	(63,372)
Fund Balance (Deficit) at End of Year	<u>\$ 1,148,929</u>	<u>\$ 5,284,684</u>	<u>\$ 4,135,755</u>	<u>\$ 7,375,869</u>

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SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues from specific sources that legally are restricted to expenditures for specified purposes. A description of the City's Special Revenue Funds follows.

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.

State Highway - this Fund is used to account for the remaining 7.5% of the City's share of gasoline taxes and motor vehicle license fees as required by state statute.

County Permissive MVL Tax - this Fund accounts for the receipt and expenditures of all money the City receives as its portion of a \$5.00 fee imposed by the County on the purchase of each motor vehicle license.

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

Drug Law Enforcement - this Fund receives mandatory fines levied in felonious drug trafficking cases. The funds can only be used by the City in drug enforcement activities.

Law Enforcement Trust - this Fund accounts for funds received as a result of a seizure of contraband. The receipts can be expended only for a law enforcement activity.

Indigent Alcohol Treatment - this Fund accounts for a portion of the fines collected by Municipal Court in OMVI cases. The fund is used to pay for Court ordered treatment if the individual is determined to be indigent.

METRICH Drug Law Enforcement Trust - this Fund accounts for federal funds received as a result of seizures in drug cases conducted with the METRICH drug task force.

Enforcement and Education - this Fund receives a portion of fines imposed under the law. Expenditures are authorized only for enforcement and education relating to laws governing operation of a motor vehicle while under the influence of alcohol.

Police Pension - this Fund accounts for a 0.3 mill real estate tax levy.

Fire Pension - this Fund accounts for a 0.3 mill real estate tax levy.

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

Court Computerization - this Fund accounts for an additional court cost that is levied in Municipal Court to provide for the purchase and maintenance of computer systems for the Court.

Legal Research - this Fund accounts for specific court costs that are designated only for the purchase of computer equipment and services in the area of legal research for Municipal Court.

Mediation Services - this Fund accounts for specific court costs that are designated to pay for the costs of promoting, establishing, maintaining, and improving court mediation programs.

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CITY OF FINDLAY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	Street Maintenance and Repair	State Highway	County Permissive MVL Tax	City Income Tax Administration	Drug Law Enforcement	Law Enforcement Trust	Indigent Alcohol Treatment	METRICH Drug Law Enforcement
Assets:								
Cash and Cash Equivalents	\$ 1,187,642	\$ 92,641	\$ 700	\$ 123,654	\$ 5,850	\$ 7,601	\$ 58,639	\$ 2,863
Cash with Fiduciary Agent	-	-	427,310	-	-	-	-	-
Receivables-Net of allowance for uncollectibles	-	-	-	1,658,793	-	-	-	-
Due from Other Governments	580,613	34,015	-	-	-	-	-	-
Supplies Inventory, at cost	192,720	-	-	-	-	-	-	-
Prepaid Items	16,670	-	-	1,497	-	-	-	-
Restricted Assets:								
Cash and Cash Equivalents	-	-	-	1,428,441	-	-	-	-
Total Assets	<u>\$ 1,977,645</u>	<u>\$ 126,656</u>	<u>\$ 428,010</u>	<u>\$ 3,212,385</u>	<u>\$ 5,850</u>	<u>\$ 7,601</u>	<u>\$ 58,639</u>	<u>\$ 2,863</u>
Liabilities:								
Accounts Payable and Accruals	\$ 532,028	\$ 1,793	\$ -	\$ 28,273	\$ -	\$ -	\$ -	\$ -
Deferred Revenues	330,762	26,818	-	-	-	-	-	-
Total Liabilities	<u>862,790</u>	<u>28,611</u>	<u>-</u>	<u>28,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Reserved for Encumbrances	361,205	449	-	22,131	-	-	7,020	-
Reserved for Inventory	192,720	-	-	-	-	-	-	-
Reserved for Capital Improvements	-	-	-	1,428,441	-	-	-	-
Reserved for Prepays	16,670	-	-	1,497	-	-	-	-
Reserved for Notes Receivables	-	-	-	-	-	-	-	-
Unreserved-Undesignated	544,260	97,596	428,010	1,732,043	5,850	7,601	51,619	2,863
Total Fund Balances	<u>1,114,855</u>	<u>98,045</u>	<u>428,010</u>	<u>3,184,112</u>	<u>5,850</u>	<u>7,601</u>	<u>58,639</u>	<u>2,863</u>
Total Liabilities and Fund Balances	<u>\$ 1,977,645</u>	<u>\$ 126,656</u>	<u>\$ 428,010</u>	<u>\$ 3,212,385</u>	<u>\$ 5,850</u>	<u>\$ 7,601</u>	<u>\$ 58,639</u>	<u>\$ 2,863</u>

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Continued on Exhibit B-1, page 2.

CITY OF FINDLAY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	Enforcement and Education	Police Pension	Fire Pension	Revolving Loan	Court Computerization	Legal Research	Mediation Services	Totals	
								2002	2001
Assets:									
Cash and Cash Equivalents	\$ 34,735	\$ -	\$ -	\$ 140,181	\$ 145,277	\$ 55,561	\$ 44,617	\$ 1,899,961	\$ 2,567,950
Cash with Fiduciary Agent	-	-	-	-	-	-	-	427,310	204,897
Receivables-Net of allowance for uncollectibles	-	246,037	246,037	116,743	-	-	-	2,267,610	2,741,140
Due from Other Governments	-	-	-	-	-	-	-	614,628	451,078
Supplies Inventory, at cost	-	-	-	-	-	-	-	192,720	154,896
Prepaid Items	-	-	-	-	-	-	-	18,167	15,681
Restricted Assets:									
Cash and Cash Equivalents	-	-	-	-	-	-	-	1,428,441	940,678
Total Assets	\$ 34,735	\$ 246,037	\$ 246,037	\$ 256,924	\$ 145,277	\$ 55,561	\$ 44,617	\$ 6,848,837	\$ 7,076,320
Liabilities:									
Accounts Payable and Accruals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 562,094	\$ 216,887
Deferred Revenues	-	246,037	246,037	-	-	-	-	849,654	851,901
Total Liabilities	-	246,037	246,037	-	-	-	-	1,411,748	1,068,788
Fund Balances:									
Reserved for Encumbrances	-	-	-	-	-	-	-	390,805	558,591
Reserved for Inventory	-	-	-	-	-	-	-	192,720	154,896
Reserved for Capital Improvements	-	-	-	-	-	-	-	1,428,441	940,678
Reserved for Prepays	-	-	-	-	-	-	-	18,167	15,681
Reserved for Notes Receivables	-	-	-	116,743	-	-	-	116,743	128,318
Unreserved-Undesignated	34,735	-	-	140,181	145,277	55,561	44,617	3,290,213	4,209,368
Total Fund Balances	34,735	-	-	256,924	145,277	55,561	44,617	5,437,089	6,007,532
Total Liabilities and Fund Balances	\$ 34,735	\$ 246,037	\$ 246,037	\$ 256,924	\$ 145,277	\$ 55,561	\$ 44,617	\$ 6,848,837	\$ 7,076,320

CITY OF FINDLAY
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended December 31, 2002

(With Comparative Totals for December 31, 2001)

	Street Maintenance <u>and Repair</u>	State Highway	County Permissive <u>MVL Tax</u>	City Income Tax <u>Administration</u>	Drug Law <u>Enforcement</u>	Law Enforcement <u>Trust</u>	Indigent Alcohol <u>Treatment</u>	METRICH Drug Law <u>Enforcement</u>
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ 14,463,217	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,640,933	102,828	222,413	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	30,530	2,863
All Other Revenues	<u>14,709</u>	<u>11</u>	<u>-</u>	<u>8,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,655,642</u>	<u>102,839</u>	<u>222,413</u>	<u>14,471,426</u>	<u>-</u>	<u>-</u>	<u>30,530</u>	<u>2,863</u>
Expenditures:								
Current:								
Security of Persons and Property	759,006	-	-	-	195	423	-	-
Transportation	1,675,158	33,404	-	-	-	-	-	-
General Government	-	-	-	704,403	-	-	21,378	-
Capital Outlay	2,782,714	-	-	9,116	-	-	-	-
Debt Service Principal Retirement	-	-	-	772	-	-	-	-
Debt Service Interest	-	-	-	273	-	-	-	-
Total Expenditures	<u>5,216,878</u>	<u>33,404</u>	<u>-</u>	<u>714,564</u>	<u>195</u>	<u>423</u>	<u>21,378</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,561,236)</u>	<u>69,435</u>	<u>222,413</u>	<u>13,756,862</u>	<u>(195)</u>	<u>(423)</u>	<u>9,152</u>	<u>2,863</u>
Other Financing Sources (Uses):								
Proceeds from Capital Lease	-	-	-	9,116	-	-	-	-
Operating Transfers In	3,080,595	-	-	76,129	-	-	-	-
Operating Transfers Out	<u>(358,704)</u>	<u>(80,000)</u>	<u>-</u>	<u>(13,879,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses), Net	<u>2,721,891</u>	<u>(80,000)</u>	<u>-</u>	<u>(13,794,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>(839,345)</u>	<u>(10,565)</u>	<u>222,413</u>	<u>(37,210)</u>	<u>(195)</u>	<u>(423)</u>	<u>9,152</u>	<u>2,863</u>
Fund Balance at Beginning of Year	1,914,524	108,610	205,597	3,220,687	6,045	8,024	49,487	-
Increase in Reserve for Inventory	37,824	-	-	-	-	-	-	-
Increase (Decrease) in Reserve for Prepays	<u>1,852</u>	<u>-</u>	<u>-</u>	<u>635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,114,855</u>	<u>\$ 98,045</u>	<u>\$ 428,010</u>	<u>\$ 3,184,112</u>	<u>\$ 5,850</u>	<u>\$ 7,601</u>	<u>\$ 58,639</u>	<u>\$ 2,863</u>

Continued on Exhibit B-2, page 2.

CITY OF FINDLAY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	Enforcement	Police	Fire	Revolving	Court	Legal	Mediation	Totals	
	and Education	Pension	Pension	Loan	Computerization	Research	Services	2002	2001
Revenues:									
Taxes	\$ -	\$ 238,105	\$ 238,105	\$ -	\$ -	\$ -	\$ -	\$ 14,939,427	\$ 15,287,570
Intergovernmental	-	-	-	-	-	-	-	1,966,174	2,164,563
Investment Earnings	-	-	-	1,144	-	-	-	1,144	7,423
Fines and Forfeitures	3,927	-	-	-	46,374	10,768	10,498	104,960	102,003
All Other Revenues	-	-	-	-	-	-	-	22,929	99,145
Total Revenues	<u>3,927</u>	<u>238,105</u>	<u>238,105</u>	<u>1,144</u>	<u>46,374</u>	<u>10,768</u>	<u>10,498</u>	<u>17,034,634</u>	<u>17,660,704</u>
Expenditures:									
Current:									
Security of Persons and Property	-	4,030	4,030	-	-	-	-	767,684	684,923
Transportation	-	-	-	-	-	-	-	1,708,562	1,563,537
General Government	-	-	-	16,435	13,720	-	-	755,936	900,152
Capital Outlay	-	-	-	-	-	-	-	2,791,830	2,765,753
Debt Service Principal Retirement	-	-	-	-	-	-	-	772	-
Debt Service Interest	-	-	-	-	-	-	-	273	-
Total Expenditures	<u>-</u>	<u>4,030</u>	<u>4,030</u>	<u>16,435</u>	<u>13,720</u>	<u>-</u>	<u>-</u>	<u>6,025,057</u>	<u>5,914,365</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,927</u>	<u>234,075</u>	<u>234,075</u>	<u>(15,291)</u>	<u>32,654</u>	<u>10,768</u>	<u>10,498</u>	<u>11,009,577</u>	<u>11,746,339</u>
Other Financing Sources (Uses):									
Proceeds from Capital Lease	-	-	-	-	-	-	-	9,116	-
Operating Transfers In	-	-	-	-	-	-	-	3,156,724	4,244,694
Operating Transfers Out	-	(234,075)	(234,075)	-	-	-	-	(14,786,171)	(14,829,989)
Total Other Financing Sources (Uses), Net	<u>-</u>	<u>(234,075)</u>	<u>(234,075)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,620,331)</u>	<u>(10,585,295)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>3,927</u>	<u>-</u>	<u>-</u>	<u>(15,291)</u>	<u>32,654</u>	<u>10,768</u>	<u>10,498</u>	<u>(610,754)</u>	<u>1,161,044</u>
Fund Balance at Beginning of Year	30,808	-	-	272,215	112,623	44,793	34,119	6,007,532	4,842,928
Increase in Reserve for Inventory	-	-	-	-	-	-	-	37,824	15,423
Increase (Decrease) in Reserve for Prepaids	-	-	-	-	-	-	-	2,487	(11,863)
Fund Balances at End of Year	<u>\$ 34,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,924</u>	<u>\$ 145,277</u>	<u>\$ 55,561</u>	<u>\$ 44,617</u>	<u>\$ 5,437,089</u>	<u>\$ 6,007,532</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Intergovernmental	\$ 1,245,000	\$ 1,640,933	\$ 395,933	\$ 1,844,122
All Other Revenues	10,000	14,709	4,709	36,720
Total Revenues	<u>1,255,000</u>	<u>1,655,642</u>	<u>400,642</u>	<u>1,880,842</u>
Expenditures:				
Current:				
Security of Persons and Property				
Traffic-Signs	383,689	331,456	52,233	277,330
Traffic-Signals	454,732	427,550	27,182	387,241
Total Security of Persons and Property	<u>838,421</u>	<u>759,006</u>	<u>79,415</u>	<u>664,571</u>
Transportation:				
Street Department	<u>1,686,924</u>	<u>1,675,158</u>	<u>11,766</u>	<u>1,531,732</u>
Capital Outlay:				
Street Improvements	2,035,796	1,992,498	43,298	1,408,291
Storm Sewers	646,006	624,467	21,539	1,035,157
Street Department Equipment	186,095	165,749	20,346	322,305
Total Capital Outlay	<u>2,867,897</u>	<u>2,782,714</u>	<u>85,183</u>	<u>2,765,753</u>
Total Expenditures	<u>5,393,242</u>	<u>5,216,878</u>	<u>176,364</u>	<u>4,962,056</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,138,242)</u>	<u>(3,561,236)</u>	<u>577,006</u>	<u>(3,081,214)</u>
Other Financing Sources (Uses):				
Operating Transfers In	2,730,595	3,080,595	350,000	3,975,996
Operating Transfers Out	<u>(358,704)</u>	<u>(358,704)</u>	<u>-</u>	<u>(403,651)</u>
Total Other Financing Sources (Uses), Net	<u>2,371,891</u>	<u>2,721,891</u>	<u>350,000</u>	<u>3,572,345</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(1,766,351)	(839,345)	927,006	491,131
Fund Balance at Beginning of Year	1,914,524	1,914,524	-	1,418,956
Increase (Decrease) in Reserve for Inventory	-	37,824	37,824	15,423
Increase (Decrease) in Reserve for Prepaids	-	1,852	1,852	(10,986)
Fund Balance (Deficit) at End of Year	<u>\$ 148,173</u>	<u>\$ 1,114,855</u>	<u>\$ 966,682</u>	<u>\$ 1,914,524</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002			2001 <u>Actual</u>
	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	
Revenues:				
Intergovernmental	\$ 100,000	\$ 102,828	\$ 2,828	\$ 101,641
Other Revenues	-	11	11	5,404
Total Revenues	<u>100,000</u>	<u>102,839</u>	<u>2,839</u>	<u>107,045</u>
Expenditures:				
Current:				
Transportation:				
Street Department	44,000	33,404	10,596	31,805
Total Expenditures	<u>44,000</u>	<u>33,404</u>	<u>10,596</u>	<u>31,805</u>
Excess of Revenues over Expenditures	<u>56,000</u>	<u>69,435</u>	<u>13,435</u>	<u>75,240</u>
Other Financing Sources (Uses):				
Operating Transfers Out	(80,000)	(80,000)	-	-
Total Other Financing Sources (Uses), Net	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(24,000)	(10,565)	13,435	75,240
Fund Balance at Beginning of Year	<u>108,610</u>	<u>108,610</u>	<u>-</u>	<u>33,370</u>
Fund Balance at End of Year	<u>\$ 84,610</u>	<u>\$ 98,045</u>	<u>\$ 13,435</u>	<u>\$ 108,610</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002			2001 <u>Actual</u>
	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	
Revenues:				
Intergovernmental	\$ -	\$ 222,413	\$ 222,413	\$ 218,800
Total Revenues	<u>-</u>	<u>222,413</u>	<u>222,413</u>	<u>218,800</u>
Other Financing Sources (Uses):				
Operating Transfers Out	-	-	-	(230,525)
Total Other Financing Sources (Uses), Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,525)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	-	222,413	222,413	(11,725)
Fund Balance at Beginning of Year	<u>205,597</u>	<u>205,597</u>	<u>-</u>	<u>217,322</u>
Fund Balance at End of Year	<u>\$ 205,597</u>	<u>\$ 428,010</u>	<u>\$ 222,413</u>	<u>\$ 205,597</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Taxes	\$ 14,270,000	\$ 14,463,217	\$ 193,217	\$ 14,806,202
All Other Revenues	-	8,209	8,209	57,021
Total Revenues	<u>14,270,000</u>	<u>14,471,426</u>	<u>201,426</u>	<u>14,863,223</u>
Expenditures:				
Current:				
General Government	760,968	704,403	56,565	694,322
Capital Outlay	9,116	9,116	-	-
Debt Service Principal Retirement	772	772	-	-
Debt Service Interest	273	273	-	-
Total Expenditures	<u>771,129</u>	<u>714,564</u>	<u>56,565</u>	<u>694,322</u>
Excess (Deficiency) of Revenues over Expenditures	<u>13,498,871</u>	<u>13,756,862</u>	<u>257,991</u>	<u>14,168,901</u>
Other Financing Sources (Uses):				
Proceeds from Capital Lease	9,116	9,116	-	-
Operating Transfers In	-	76,129	76,129	268,698
Operating Transfers Out	<u>(13,884,713)</u>	<u>(13,879,317)</u>	<u>5,396</u>	<u>(13,722,775)</u>
Total Other Financing Sources (Uses), Net	<u>(13,875,597)</u>	<u>(13,794,072)</u>	<u>81,525</u>	<u>(13,454,077)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(376,726)	(37,210)	339,516	714,824
Fund Balance at Beginning of Year	3,220,687	3,220,687	-	2,506,740
Increase (Decrease) in Reserve for Prepaids	-	635	635	(877)
Fund Balance at End of Year	<u>\$ 2,843,961</u>	<u>\$ 3,184,112</u>	<u>\$ 340,151</u>	<u>\$ 3,220,687</u>

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

Year Ended December 31, 2002
 (With Comparative Actual Amounts for 2001)

	2002			2001 Actual
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ 6,000
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Expenditures:				
Security of Persons and Property	3,045	195	2,850	11,307
Total Expenditures	<u>3,045</u>	<u>195</u>	<u>2,850</u>	<u>11,307</u>
Excess (Deficiency) of Revenues over Expenditures	(3,045)	(195)	2,850	(5,307)
Fund Balance at Beginning of Year	<u>6,045</u>	<u>6,045</u>	<u>-</u>	<u>11,352</u>
Fund Balance at End of Year	<u><u>\$ 3,000</u></u>	<u><u>\$ 5,850</u></u>	<u><u>\$ 2,850</u></u>	<u><u>\$ 6,045</u></u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002			2001 Actual
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Fines and Forfeitures	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Security of Persons and Property	7,868	423	7,445	715
Total Expenditures	<u>7,868</u>	<u>423</u>	<u>7,445</u>	<u>715</u>
Excess (Deficiency) of Revenues over Expenditures	(7,868)	(423)	7,445	(715)
Fund Balance at Beginning of Year	<u>8,024</u>	<u>8,024</u>	<u>-</u>	<u>8,739</u>
Fund Balance at End of Year	<u>\$ 156</u>	<u>\$ 7,601</u>	<u>\$ 7,445</u>	<u>\$ 8,024</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002			2001 Actual
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Fines and Forfeitures	\$ 30,000	\$ 30,530	\$ 530	\$ 25,310
Total Revenues	<u>30,000</u>	<u>30,530</u>	<u>530</u>	<u>25,310</u>
Expenditures:				
General Government	60,000	21,378	38,622	33,709
Total Expenditures	<u>60,000</u>	<u>21,378</u>	<u>38,622</u>	<u>33,709</u>
Excess (Deficiency) of Revenues over Expenditures	(30,000)	9,152	39,152	(8,399)
Fund Balance at Beginning of Year	<u>49,487</u>	<u>49,487</u>	-	<u>57,886</u>
Fund Balance at End of Year	<u><u>\$ 19,487</u></u>	<u><u>\$ 58,639</u></u>	<u><u>\$ 39,152</u></u>	<u><u>\$ 49,487</u></u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002			2001 Actual
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Fines and Forfeitures	\$ -	\$ 2,863	\$ 2,863	\$ -
Total Revenues	<u>-</u>	<u>2,863</u>	<u>2,863</u>	<u>-</u>
Expenditures:				
General Government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	-	2,863	2,863	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 2,863</u></u>	<u><u>\$ 2,863</u></u>	<u><u>\$ -</u></u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002			2001 Actual
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Fines and Forfeitures	\$ 3,500	\$ 3,927	\$ 427	\$ 3,562
Total Revenues	<u>3,500</u>	<u>3,927</u>	<u>427</u>	<u>3,562</u>
Expenditures:				
General Government	33,317	-	33,317	-
Total Expenditures	<u>33,317</u>	<u>-</u>	<u>33,317</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(29,817)	3,927	33,744	3,562
Fund Balance at Beginning of Year	<u>30,808</u>	<u>30,808</u>	<u>-</u>	<u>27,246</u>
Fund Balance at End of Year	<u>\$ 991</u>	<u>\$ 34,735</u>	<u>\$ 33,744</u>	<u>\$ 30,808</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Taxes	\$ 247,001	\$ 238,105	\$ (8,896)	\$ 240,684
Total Revenues	<u>247,001</u>	<u>238,105</u>	<u>(8,896)</u>	<u>240,684</u>
Expenditures:				
Security of Persons and Property	4,000	4,030	(30)	4,165
Total Expenditures	<u>4,000</u>	<u>4,030</u>	<u>(30)</u>	<u>4,165</u>
Excess (Deficiency) of Revenues over Expenditures	<u>243,001</u>	<u>234,075</u>	<u>(8,926)</u>	<u>236,519</u>
Other Financing Uses:				
Operating Transfers Out	<u>(230,075)</u>	<u>(234,075)</u>	<u>(4,000)</u>	<u>(236,519)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Uses	12,926	-	(12,926)	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 12,926</u>	<u>\$ -</u>	<u>\$ (12,926)</u>	<u>\$ -</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002			2000 Actual
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Taxes	\$ 247,001	\$ 238,105	\$ (8,896)	\$ 240,684
Total Revenues	<u>247,001</u>	<u>238,105</u>	<u>(8,896)</u>	<u>240,684</u>
Expenditures:				
Security of Persons and Property	4,000	4,030	(30)	4,165
Total Expenditures	<u>4,000</u>	<u>4,030</u>	<u>(30)</u>	<u>4,165</u>
Excess (Deficiency) of Revenues over Expenditures	<u>243,001</u>	<u>234,075</u>	<u>(8,926)</u>	<u>236,519</u>
Other Financing Uses:				
Operating Transfers Out	<u>(230,075)</u>	<u>(234,075)</u>	<u>(4,000)</u>	<u>(236,519)</u>
Excess (Deficiency) of Revenues over Expenditures and Other Uses	12,926	-	(12,926)	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 12,926</u>	<u>\$ -</u>	<u>\$ (12,926)</u>	<u>\$ -</u>

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

Year Ended December 31, 2002
 (With Comparative Actual Amounts for 2001)

	2002			2001 Actual
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Investment Earnings	\$ 1,144	\$ 1,144	\$ -	\$ 7,423
Total Revenues	<u>1,144</u>	<u>1,144</u>	<u>-</u>	<u>7,423</u>
Expenditures:				
General Government	16,435	16,435	-	161,821
Total Expenditures	<u>16,435</u>	<u>16,435</u>	<u>-</u>	<u>161,821</u>
Excess (Deficiency) of Revenues over Expenditures	(15,291)	(15,291)	-	(154,398)
Fund Balance at Beginning of Year	<u>272,215</u>	<u>272,215</u>	<u>-</u>	<u>426,613</u>
Fund Balance at End of Year	<u>\$ 256,924</u>	<u>\$ 256,924</u>	<u>\$ -</u>	<u>\$ 272,215</u>

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

Year Ended December 31, 2002
 (With Comparative Actual Amounts for 2001)

	2002			2001 <u>Actual</u>
	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	
Revenues:				
Fines and Forfeitures	\$ 45,000	\$ 46,374	\$ 1,374	\$ 45,975
Total Revenues	<u>45,000</u>	<u>46,374</u>	<u>1,374</u>	<u>45,975</u>
Expenditures:				
General Government	68,600	13,720	54,880	10,000
Capital Outlay	12,500	-	12,500	-
Total Expenditures	<u>81,100</u>	<u>13,720</u>	<u>67,380</u>	<u>10,000</u>
Excess (Deficiency) of Revenues over Expenditures	(36,100)	32,654	68,754	35,975
Fund Balance at Beginning of Year	<u>112,623</u>	<u>112,623</u>	-	<u>76,648</u>
Fund Balance at End of Year	<u>\$ 76,523</u>	<u>\$ 145,277</u>	<u>\$ 68,754</u>	<u>\$ 112,623</u>

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

Year Ended December 31, 2002
 (With Comparative Actual Amounts for 2001)

	2002			2001 Actual
	Revised Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Fines and Forfeitures	\$ 10,200	\$ 10,768	\$ 568	\$ 10,852
Total Revenues	<u>10,200</u>	<u>10,768</u>	<u>568</u>	<u>10,852</u>
Expenditures:				
General Government	4,600	-	4,600	-
Capital Outlay	15,000	-	15,000	-
Total Expenditures	<u>19,600</u>	<u>-</u>	<u>19,600</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	(9,400)	10,768	20,168	10,852
Fund Balance at Beginning of Year	<u>44,793</u>	<u>44,793</u>	<u>-</u>	<u>33,941</u>
Fund Balance at End of Year	<u>\$ 35,393</u>	<u>\$ 55,561</u>	<u>\$ 20,168</u>	<u>\$ 44,793</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002			2001 <u>Actual</u>
	Revised <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,498	\$ 498	\$ 10,304
Total Revenues	<u>10,000</u>	<u>10,498</u>	<u>498</u>	<u>10,304</u>
Expenditures:				
General Government	15,000	-	15,000	300
Total Expenditures	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>300</u>
Excess (Deficiency) of Revenues over Expenditures	(5,000)	10,498	15,498	10,004
Fund Balance at Beginning of Year	<u>34,119</u>	<u>34,119</u>	-	<u>24,115</u>
Fund Balance at End of Year	<u>\$ 29,119</u>	<u>\$ 44,617</u>	<u>\$ 15,498</u>	<u>\$ 34,119</u>

DEBT SERVICE FUNDS

Debt Service Funds are established to account for the accumulation of resources that support the principal and interest payments of general obligation bonds.

Western Avenue Pilot Debt Service - this Fund accounts for the monies received by the City as “payment in lieu of taxes” (PILOT) from certain property owners. These PILOTS are designated to be used for the payment of principal and interest for the general obligation Western Avenue Relocation Bonds.

Sixth Street Pilot Debt Service - this Fund accounts for the monies received by the City as “payment in lieu of taxes” (PILOT) from certain property owners. These PILOTS are designated to be used only for the payment of principal and interest for the general obligation Sixth Street Extension Bonds.

Debt Service - this Fund accounts 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.

CITY OF FINDLAY
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	Western Ave Pilot Debt Service	Sixth Street Pilot Debt Service	Debt Service	Totals	
				2002	2001
Assets:					
Cash and Cash Equivalents	\$ -	\$ 33,637	\$ 16,731	\$ 50,368	\$ 15,733
Receivables	-	-	606,313	606,313	553,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ -</u>	<u>\$ 33,637</u>	<u>\$ 623,044</u>	<u>\$ 656,681</u>	<u>\$ 568,733</u>
Liabilities:					
Deferred Revenues	\$ -	\$ -	\$ 476,551	\$ 476,551	\$ 465,612
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>-</u>	<u>-</u>	<u>476,551</u>	<u>476,551</u>	<u>465,612</u>
Fund Balances:					
Reserved for Debt Service	-	33,637	146,493	180,130	103,121
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>-</u>	<u>33,637</u>	<u>146,493</u>	<u>180,130</u>	<u>103,121</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 33,637</u>	<u>\$ 623,044</u>	<u>\$ 656,681</u>	<u>\$ 568,733</u>

CITY OF FINDLAY
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	Western Ave Pilot Debt Service	Sixth Street Pilot Debt Service	Debt Service	Totals	
				2002	2001
Revenues:					
Special Assessments	\$ -	\$ 194,016	\$ 127,254	\$ 321,270	\$ 326,724
Total Revenues	<u>-</u>	<u>194,016</u>	<u>127,254</u>	<u>321,270</u>	<u>326,724</u>
Expenditures:					
Debt Service:					
Principal Retirement	145,000	-	255,550	400,550	541,000
Interest	<u>15,385</u>	<u>-</u>	<u>207,949</u>	<u>223,334</u>	<u>240,045</u>
Total Expenditures	<u>160,385</u>	<u>-</u>	<u>463,499</u>	<u>623,884</u>	<u>781,045</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(160,385)</u>	<u>194,016</u>	<u>(336,245)</u>	<u>(302,614)</u>	<u>(454,321)</u>
Other Financing Sources (Uses):					
Operating Transfers In	160,385	-	379,623	540,008	613,060
Operating Transfers Out	<u>-</u>	<u>(160,385)</u>	<u>-</u>	<u>(160,385)</u>	<u>(157,068)</u>
Total Other Financing Sources (Uses), Net	<u>160,385</u>	<u>(160,385)</u>	<u>379,623</u>	<u>379,623</u>	<u>455,992</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	-	33,631	43,378	77,009	1,671
Fund Balances at Beginning of Year	<u>-</u>	<u>6</u>	<u>103,115</u>	<u>103,121</u>	<u>101,450</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 33,637</u>	<u>\$ 146,493</u>	<u>\$ 180,130</u>	<u>\$ 103,121</u>

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

Year Ended December 31, 2002
 (With Comparative Actual Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt Service:				
Principal Retirement	145,000	145,000	-	135,000
Interest	<u>15,385</u>	<u>15,385</u>	<u>-</u>	<u>22,068</u>
Total Expenditures	<u>160,385</u>	<u>160,385</u>	<u>-</u>	<u>157,068</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(160,385)</u>	<u>(160,385)</u>	<u>-</u>	<u>(157,068)</u>
Other Financing Sources:				
Operating Transfers In	<u>160,385</u>	<u>160,385</u>	<u>-</u>	<u>157,068</u>
Total Other Financing Sources	<u>160,385</u>	<u>160,385</u>	<u>-</u>	<u>157,068</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Special Assessments	\$ 160,385	\$ 194,016	\$ 33,631	\$ 244,010
Total Revenues	<u>160,385</u>	<u>194,016</u>	<u>33,631</u>	<u>244,010</u>
Expenditures:				
Debt Service:				
Principal Retirement	-	-	-	85,000
Interest	-	-	-	2,762
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,762</u>
Excess (Deficiency) of Revenues over Expenditures	<u>160,385</u>	<u>194,016</u>	<u>33,631</u>	<u>156,248</u>
Other Financing Sources (Uses):				
Operating Transfer In	-	-	-	825
Operating Transfers Out	<u>(160,385)</u>	<u>(160,385)</u>	<u>-</u>	<u>(157,068)</u>
Total Other Financing Sources (Uses)	<u>(160,385)</u>	<u>(160,385)</u>	<u>-</u>	<u>(156,243)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	-	33,631	33,631	5
Fund Balance at Beginning of Year	<u>6</u>	<u>6</u>	<u>-</u>	<u>1</u>
Fund Balance at End of Year	<u>\$ 6</u>	<u>\$ 33,637</u>	<u>\$ 33,631</u>	<u>\$ 6</u>

CITY OF FINDLAY
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL

Year Ended December 31, 2002
(With Comparative Actual Amounts for 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Special Assessments	\$ 83,900	\$ 127,254	\$ 43,354	\$ 82,714
Total Revenues	<u>83,900</u>	<u>127,254</u>	<u>43,354</u>	<u>82,714</u>
Expenditures:				
Debt Service:				
Principal Retirement	255,550	255,550	-	321,000
Interest	<u>207,949</u>	<u>207,949</u>	<u>-</u>	<u>215,215</u>
Total Expenditures	<u>463,499</u>	<u>463,499</u>	<u>-</u>	<u>536,215</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(379,599)</u>	<u>(336,245)</u>	<u>43,354</u>	<u>(453,501)</u>
Other Financing Sources (Uses):				
Operating Transfers In	<u>379,623</u>	<u>379,623</u>	<u>-</u>	<u>455,167</u>
Total Other Financing Sources, Net	<u>379,623</u>	<u>379,623</u>	<u>-</u>	<u>455,167</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	24	43,378	43,354	1,666
Fund Balance at Beginning of Year	<u>103,115</u>	<u>103,115</u>	<u>-</u>	<u>101,449</u>
Fund Balance at End of Year	<u>\$ 103,139</u>	<u>\$ 146,493</u>	<u>\$ 43,354</u>	<u>\$ 103,115</u>

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CAPITAL PROJECTS FUNDS

Capital Project Funds are established to account for the revenues and expenditures necessary in the acquisition or construction of major capital assets.

Municipal Court Improvements - this Fund receives the additional court cost levied on traffic and criminal cases through the City's Municipal Court. Revenues are used exclusively for Court capital improvements and related equipment purchases.

Capital Improvement Projects - this Fund accounts for major construction projects. Financing sources can include debt proceeds, grants, private contributions, and City capital improvement dollars.

CITY OF FINDLAY
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET

December 31, 2002
 (With Comparative Totals for December 31, 2001)

	<u>Municipal Court Improvement</u>	<u>Capital Improvement Projects</u>	<u>Totals</u>	
			<u>2002</u>	<u>2001</u>
Assets:				
Cash and Cash Equivalents	\$ 504,139	\$ 1,114	\$ 505,253	\$ 443,838
Total Assets	<u>\$ 504,139</u>	<u>\$ 1,114</u>	<u>\$ 505,253</u>	<u>\$ 443,838</u>
Liabilities:				
Notes Payable	\$ -	\$ -	\$ -	\$ 53,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,000</u>
Fund Balances (Deficit):				
Reserved for Encumbrances	-	-	-	1,717
Unreserved	504,139	1,114	505,253	389,121
Total Fund Balance (Deficit)	<u>504,139</u>	<u>1,114</u>	<u>505,253</u>	<u>390,838</u>
Total Liabilities and Fund Balances	<u>\$ 504,139</u>	<u>\$ 1,114</u>	<u>\$ 505,253</u>	<u>\$ 443,838</u>

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

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	Municipal Court Improvement	Capital Improvement Projects	Totals	
			<u>2002</u>	<u>2001</u>
Revenues:				
Special Assessments	\$ -	\$ 61,986	\$ 61,986	\$ 78,520
Bond Proceeds	-	119,850	119,850	145,500
Fines and Forfeitures	83,305	-	83,305	80,049
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	83,305	181,836	265,141	304,069
Expenditures:				
Current:				
General Government	3,603	-	3,603	8,111
Capital Outlay	14,204	133,654	147,858	31,211
Debt Service:				
Interest	-	1,855	1,855	1,950
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	17,807	135,509	153,316	41,272
Excess (Deficiency) of Revenues over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	65,498	46,327	111,825	262,797
Other Financing Sources (Uses):				
Operating Transfers In	-	3,000	3,000	-
Operating Transfers Out	-	(410)	(410)	(52,655)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources, Net	-	2,590	2,590	(52,655)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<hr/>	<hr/>	<hr/>	<hr/>
	65,498	48,917	114,415	210,142
Fund Balance(Deficit)at Beginning of Yea	<hr/>	<hr/>	<hr/>	<hr/>
	438,641	(47,803)	390,838	180,696
Fund Balance (Deficit) at End of Year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 504,139	\$ 1,114	\$ 505,253	\$ 390,838

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

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Fines and Forfeitures	\$ 80,000	\$ 83,305	\$ 3,305	\$ 80,049
Total Revenues	<u>80,000</u>	<u>83,305</u>	<u>3,305</u>	<u>80,049</u>
Expenditures:				
Current:				
General Government	126,900	3,603	123,297	8,111
Capital Outlay	<u>89,203</u>	<u>14,204</u>	<u>74,999</u>	<u>-</u>
Total Expenditures	<u>216,103</u>	<u>17,807</u>	<u>198,296</u>	<u>8,111</u>
Excess (Deficiency) of Revenues over Expenditures	(136,103)	65,498	201,601	71,938
Other Financing Uses:				
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Sources over Expenditures	(136,103)	65,498	201,601	71,938
Fund Balance at Beginning of Year	<u>438,641</u>	<u>438,641</u>	<u>-</u>	<u>366,703</u>
Fund Balance (Deficit) at End of Year	<u>\$ 302,538</u>	<u>\$ 504,139</u>	<u>\$ 201,601</u>	<u>\$ 438,641</u>

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

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	2002		Variance Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Special Assessments	\$ 83,900	\$ 61,986	\$ (21,914)	\$ 78,520
Bond Proceeds	<u>205,000</u>	<u>119,850</u>	<u>(85,150)</u>	<u>145,500</u>
Total Revenues	<u>288,900</u>	<u>181,836</u>	<u>(107,064)</u>	<u>224,020</u>
Expenditures:				
Capital Outlay	219,236	133,654	85,582	31,211
Debt Service:				
Interest	<u>1,855</u>	<u>1,855</u>	<u>-</u>	<u>1,950</u>
Total Expenditures	<u>221,091</u>	<u>135,509</u>	<u>85,582</u>	<u>33,161</u>
Excess (Deficiency) of Revenues over Expenditures	<u>67,809</u>	<u>46,327</u>	<u>(21,482)</u>	<u>190,859</u>
Other Financing Sources (Uses):				
Operating Transfers In	3,000	3,000	-	-
Operating Transfers Out	<u>(410)</u>	<u>(410)</u>	<u>-</u>	<u>(52,655)</u>
Total Other Financing Sources (Uses), Net	<u>2,590</u>	<u>2,590</u>	<u>-</u>	<u>(52,655)</u>
Excess (Deficiency) of Revenues and Other sources over Expenditures and Other Uses	70,399	48,917	(21,482)	138,204
Fund Balance (Deficit) at Beginning of Year	<u>(47,803)</u>	<u>(47,803)</u>	<u>-</u>	<u>(186,007)</u>
Fund Balance (Deficit) at End of Year	<u>\$ 22,596</u>	<u>\$ 1,114</u>	<u>\$ (21,482)</u>	<u>\$ (47,803)</u>

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ENTERPRISE FUNDS

Enterprise Funds are established to account for operations where the intention is to finance such operations primarily through user charges. By state statute, Enterprise Funds cannot be profit making operations to the extent of benefiting other operations of the City.

The City has five Enterprise Funds, which are described below.

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

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

Swimming Pool - this Fund accounts for the operation of the swimming pool complex at Riverside Park. These rates are set by the Service-Safety Director and the Parks & Recreation Board.

Parking Facilities - this Fund accounts for the operation of the Parking Department, which includes maintenance and rental of lots, collection of meter and fine revenue, and the monitoring of all on-street and off-street parking zones.

Airport - this Fund accounts for the operations of the City's Airport facility including hangar rentals, fuel sales, runway maintenance, and other operations of the airport.

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CITY OF FINDLAY
ENTERPRISE FUNDS
COMBINING BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>Water</u>	Water Pollution <u>Control</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 2,584,137	\$ 2,789,696
Investments	-	-
Receivables, Net of Allowance for Uncollectibles	1,262,111	325,215
Due from Other Governments	-	-
Due from Other Funds	-	331,759
Supplies Inventory, at cost	282,537	9,473
Prepays	27,664	21,156
Accrued Interest Receivable	25,877	44,943
Total Current Assets	<u>4,182,326</u>	<u>3,522,242</u>
Restricted Assets:		
Cash and Cash Equivalents	799,271	4,862,506
Investments	1,981,383	-
Deferred Bond Costs	298,818	188,348
Total Restricted Assets	<u>3,079,472</u>	<u>5,050,854</u>
Property, Plant, and Equipment:		
Land	909,231	311,375
Buildings	-	-
Utility Plant in Service	24,682,883	32,943,086
Utility Lines in Service	28,283,228	45,861,679
Improvements Other than Buildings	1,723,708	17,879
Machinery and Equipment	3,826,393	3,203,312
Construction in Progress	198,952	2,400,000
Total Property, Plant, and Equipment	<u>59,624,395</u>	<u>84,737,331</u>
Less Accumulated Depreciation	<u>15,962,924</u>	<u>13,857,102</u>
Net Property, Plant, and Equipment	<u>43,661,471</u>	<u>70,880,229</u>
Total Assets	<u>\$ 50,923,269</u>	<u>\$ 79,453,325</u>
Liabilities and Fund Equity:		
Current Liabilities:		
Accounts Payable and Accruals	\$ 688,211	\$ 1,399,033
Accrued Sick Leave Payable	360,069	224,159
Claims and Judgements Payable	-	1,300,000
Due to Other Funds	331,759	-
Loans Payable, Current Portion	16,416	1,079,380
Current Portion of Long-Term Debt	<u>1,580,000</u>	<u>1,034,279</u>
Total Current Liabilities	<u>2,976,455</u>	<u>5,036,851</u>
Long-Term Liabilities:		
Loans Payable	283,122	33,537,658
Bonds Payable	16,770,000	13,139,023
Less Deferred Amount of Refunding	<u>387,928</u>	<u>-</u>
Net Bonds and Notes Payable	<u>16,665,194</u>	<u>46,676,681</u>
Total Liabilities	<u>19,641,649</u>	<u>51,713,532</u>
Fund Equity:		
Contributed Capital	12,193,740	19,192,915
Retained Earnings (Deficit):		
Reserved for Debt Service	297,234	2,079,982
Reserved for Capital Improvements	502,037	1,989,206
Unreserved	<u>18,288,609</u>	<u>4,477,690</u>
Total Retained Earnings (Deficit)	<u>19,087,880</u>	<u>8,546,878</u>
Total Fund Equity	<u>31,281,620</u>	<u>27,739,793</u>
Total Liabilities and Fund Equity	<u>\$ 50,923,269</u>	<u>\$ 79,453,325</u>

			Totals	
<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Airport</u>	<u>2002</u>	<u>2001</u>
\$ 52,385	\$ 166,800	\$ 198,973	\$ 5,791,991	\$ 6,534,354
-	-	-	-	-
-	-	58,204	1,645,530	1,511,246
-	-	86,593	86,593	546,481
-	-	-	331,759	293,135
-	-	29,394	321,404	328,124
820	1,279	12,496	63,415	53,115
-	-	-	70,820	149,494
<u>53,205</u>	<u>168,079</u>	<u>385,660</u>	<u>8,311,512</u>	<u>9,415,949</u>
-	-	25,428	5,687,205	5,899,576
-	-	-	1,981,383	1,985,334
-	-	5,850	493,016	543,542
-	-	31,278	8,161,604	8,428,452
1,631	94,331	3,409,905	4,726,473	2,927,915
-	-	1,621,489	1,621,489	1,621,489
-	-	-	57,625,969	57,000,565
-	-	-	74,144,907	69,149,988
901,842	222,132	7,978,537	10,844,098	5,597,605
58,191	61,575	728,012	7,877,483	7,585,203
-	-	24,913	2,623,865	7,521,413
<u>961,664</u>	<u>378,038</u>	<u>13,762,856</u>	<u>159,464,284</u>	<u>151,404,178</u>
<u>414,552</u>	<u>193,143</u>	<u>2,541,815</u>	<u>32,969,536</u>	<u>30,340,238</u>
<u>547,112</u>	<u>184,895</u>	<u>11,221,041</u>	<u>126,494,748</u>	<u>121,063,940</u>
<u>\$ 600,317</u>	<u>\$ 352,974</u>	<u>\$ 11,637,979</u>	<u>\$ 142,967,864</u>	<u>\$ 138,908,341</u>
\$ 715	\$ 12,913	\$ 158,156	\$ 2,259,028	\$ 2,545,509
-	7,519	-	591,747	543,199
-	-	-	1,300,000	-
-	-	-	331,759	293,135
-	-	-	1,095,796	1,042,505
-	-	30,000	2,644,279	2,514,680
<u>715</u>	<u>20,432</u>	<u>188,156</u>	<u>8,222,609</u>	<u>6,939,028</u>
-	-	-	33,820,780	30,436,395
-	-	350,000	30,259,023	32,903,303
-	-	-	387,928	444,698
-	-	350,000	63,691,875	62,895,000
<u>715</u>	<u>20,432</u>	<u>538,156</u>	<u>71,914,484</u>	<u>69,834,028</u>
934,382	312,124	3,583,983	36,217,144	36,217,144
-	-	25,428	2,402,644	2,400,146
-	-	-	2,491,243	2,720,194
<u>(334,780)</u>	<u>20,418</u>	<u>7,490,412</u>	<u>29,942,349</u>	<u>27,736,829</u>
<u>(334,780)</u>	<u>20,418</u>	<u>7,515,840</u>	<u>34,836,236</u>	<u>32,857,169</u>
<u>599,602</u>	<u>332,542</u>	<u>11,099,823</u>	<u>71,053,380</u>	<u>69,074,313</u>
<u>\$ 600,317</u>	<u>\$ 352,974</u>	<u>\$ 11,637,979</u>	<u>\$ 142,967,864</u>	<u>\$ 138,908,341</u>

CITY OF FINDLAY
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>Water</u>	<u>Water Pollution Control</u>
Operating Revenues:		
Charges for Services	\$ 6,837,623	\$ 7,001,933
Other Operating Revenues	78,479	87,519
Total Operating Revenues	<u>6,916,102</u>	<u>7,089,452</u>
Operating Expenses:		
Personal Services	1,983,549	1,388,446
Contractual Services	193,369	108,298
Materials and Supplies	814,397	264,118
Utilities	243,783	338,508
Depreciation	997,351	1,399,789
Benefit Payments	622,648	447,078
Other Operating Expenses	104,415	131,319
Total Operating Expenses	<u>4,959,512</u>	<u>4,077,556</u>
Operating Income (Loss)	<u>1,956,590</u>	<u>3,011,896</u>
Non-Operating Revenues (Expenses):		
Interest Income	194,286	185,331
Interest Expense including Amortization of Deferred Bond Costs	(1,098,873)	(2,196,512)
Other Non-Operating Revenues	607,598	483,314
Other Non-Operating Expenses	-	(1,762,322)
Loss on Disposal of Asset(s)	-	-
Total Non-Operating Revenues (Expenses), Net	<u>(296,989)</u>	<u>(3,290,189)</u>
Income (Loss) Before Operating Transfers	1,659,601	(278,293)
Operating Transfers In	262,112	312,761
Operating Transfers Out	<u>(167,616)</u>	<u>(373,856)</u>
Net Income (Loss)	<u>1,754,097</u>	<u>(339,388)</u>
Retained Earnings (Deficit) at Beginning of Year	<u>17,333,783</u>	<u>8,886,266</u>
Retained Earnings (Deficit) at End of Year	<u>\$ 19,087,880</u>	<u>\$ 8,546,878</u>

Swimming Pool	Parking Facilities	Airport	Totals	
			2002	2001
\$ 49,939	\$ 107,653	\$ 18,806	\$ 14,015,954	\$ 12,533,953
3,188	212	675,447	844,845	1,062,866
<u>53,127</u>	<u>107,865</u>	<u>694,253</u>	<u>14,860,799</u>	<u>13,596,819</u>
58,599	71,031	221,364	3,722,989	3,602,941
265	4,400	26,172	332,504	536,798
19,116	2,381	335,823	1,435,835	1,442,045
3,843	348	16,931	603,413	663,653
20,175	17,097	416,010	2,850,422	2,412,445
10,584	20,763	71,527	1,172,600	966,176
<u>10,536</u>	<u>4,562</u>	<u>68,069</u>	<u>318,901</u>	<u>281,450</u>
<u>123,118</u>	<u>120,582</u>	<u>1,155,896</u>	<u>10,436,664</u>	<u>9,905,508</u>
<u>(69,991)</u>	<u>(12,717)</u>	<u>(461,643)</u>	<u>4,424,135</u>	<u>3,691,311</u>
-	-	-	379,617	750,148
-	-	(22,214)	(3,317,599)	(2,759,299)
-	-	986,071	2,076,983	5,986,786
-	-	(68,794)	(1,831,116)	(527,476)
-	-	-	-	(1,269,682)
-	-	<u>895,063</u>	<u>(2,692,115)</u>	<u>2,180,477</u>
(69,991)	(12,717)	433,420	1,732,020	5,871,788
57,650	-	156,000	788,523	791,826
-	-	(4)	(541,476)	(1,002,537)
<u>(12,341)</u>	<u>(12,717)</u>	<u>589,416</u>	<u>1,979,067</u>	<u>5,661,077</u>
<u>(322,439)</u>	<u>33,135</u>	<u>6,926,424</u>	<u>32,857,169</u>	<u>27,196,092</u>
<u>\$ (334,780)</u>	<u>\$ 20,418</u>	<u>\$ 7,515,840</u>	<u>\$ 34,836,236</u>	<u>\$ 32,857,169</u>

CITY OF FINDLAY
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>Water</u>	<u>Water Pollution Control</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 1,956,590	\$ 3,011,896
Adjustments to Reconcile Operating Income (Loss) to Net		
Cash Provided by (Used for) Operating Activities:		
Depreciation	997,351	1,399,789
Change in Assets and Liabilities:		
Decrease (Increase) in Receivables	(93,392)	(41,430)
Decrease (Increase) in Due from Other Fund	-	(38,624)
Decrease (Increase) in Due from Other Governments	-	-
Decrease (Increase) in Supplies Inventory	13,699	(3,867)
Decrease (Increase) in Prepaids	(4,951)	(3,093)
Increase (Decrease) in Accounts Payable	86,890	70,313
Increase (Decrease) in Accrued Sick Leave Payable	38,624	4,024
Increase in Due to Other Fund	45,118	-
Total Adjustments	<u>1,083,339</u>	<u>1,387,112</u>
Net Cash Provided by (Used for) Operating Activities	<u>3,039,929</u>	<u>4,399,008</u>
Cash Flows from Non-Capital Financing Activities:		
Operating Transfers from Other Funds	262,112	312,761
Operating Transfers to Other Funds	(167,616)	(373,856)
Other Non-Capital Revenues	338,448	483,314
Other Non-Capital Expenses	-	(817,941)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>432,944</u>	<u>(395,722)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(1,717,007)	(5,870,020)
Proceeds of Loan Payable	138,774	4,356,467
Principal Paid on Loan Payable	(12,482)	(1,045,083)
Principal Paid on Bonds	(1,505,000)	(979,680)
Interest Paid on Bonds	(1,008,645)	(2,180,059)
Capital Contributed	451,463	443,152
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(3,652,897)</u>	<u>(5,275,223)</u>
Cash Flows from Investing Activities:		
Purchases of Investment Securities	(1,981,383)	-
Sales of Investment Securities	1,985,334	-
Earnings on Investments	213,093	245,198
Net Cash Provided by (Used for) Investing Activities	<u>217,044</u>	<u>245,198</u>
Net Increase (Decrease) in Cash and Cash Equivalents	37,020	(1,026,739)
Cash and Cash Equivalents at Beginning of Year	3,346,388	8,678,941
Cash and Cash Equivalents at End of Year	<u>\$ 3,383,408</u>	<u>\$ 7,652,202</u>
Supplemental Disclosure of Cash Flow Information:		
Non-Cash Capital and Related Financing and Investing Activities:		
Equipment Received in Exchange for a Like-Kind Asset	<u>\$ 199,469</u>	<u>\$ -</u>

Swimming Pool	Parking Facilities	Airport	Totals	
			2002	2001
\$ (69,991)	\$ (12,717)	\$ (461,643)	\$ 4,424,135	\$ 3,691,311
20,175	17,097	416,010	2,850,422	2,412,445
-	-	538	(134,284)	(95,396)
-	-	-	(38,624)	(38,312)
-	-	459,888	459,888	(323,519)
-	-	(3,112)	6,720	34,501
(75)	(28)	(2,153)	(10,300)	20,596
385	5,164	(449,233)	(286,481)	1,251,280
-	(594)	-	42,054	39,315
-	-	-	45,118	38,312
20,485	21,639	421,938	2,934,513	3,339,222
(49,506)	8,922	(39,705)	7,358,648	7,030,533
57,650	-	156,000	788,523	791,826
-	-	(4)	(541,476)	(1,002,537)
-	-	986,071	1,807,833	745,173
-	-	(68,794)	(886,735)	(744,188)
57,650	-	1,073,273	1,168,145	(209,726)
(5,862)	-	(958,866)	(8,551,755)	(20,268,876)
-	-	-	4,495,241	14,152,342
-	-	-	(1,057,565)	(7,925)
-	-	(30,000)	(2,514,680)	(2,415,293)
-	-	(21,598)	(3,210,302)	(2,652,004)
-	-	677	895,292	5,458,325
(5,862)	-	(1,009,787)	(9,943,769)	(5,733,431)
-	-	-	(1,981,383)	(1,985,334)
-	-	-	1,985,334	1,982,825
-	-	-	458,291	814,813
-	-	-	462,242	812,304
2,282	8,922	23,781	(954,734)	1,899,680
50,103	157,878	200,620	12,433,930	10,534,250
\$ 52,385	\$ 166,800	\$ 224,401	\$ 11,479,196	\$ 12,433,930
\$ -	\$ -	\$ -	\$ 199,469	\$ 194,346

CITY OF FINDLAY
WATER FUND
BALANCE SHEET

Exhibit E-4

December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 2,584,137	\$ 2,570,788
Receivables, Net of Allowance for Uncollectibles	1,262,111	1,168,719
Supplies Inventory, at cost	282,537	296,236
Prepays	27,664	22,713
Accrued Interest Receivable	25,877	44,684
Total Current Assets	4,182,326	4,103,140
Restricted Assets:		
Cash and Cash Equivalents	799,271	775,600
Investments	1,981,383	1,985,334
Deferred Bond Costs	298,818	332,276
Total Restricted Assets	3,079,472	3,093,210
Property, Plant, and Equipment:		
Land	909,231	909,231
Utility Plant in Service	24,682,883	24,682,883
Utility Lines in Service	28,283,228	27,095,809
Improvements Other than Buildings	1,723,708	1,612,106
Machinery and Equipment	3,826,393	3,824,604
Construction in Progress	198,952	19,695
Total Property, Plant, and Equipment	59,624,395	58,144,328
Less Accumulated Depreciation	15,962,924	15,020,198
Net Property, Plant, and Equipment	43,661,471	43,124,130
Total Assets	\$ 50,923,269	\$ 50,320,480
Liabilities and Fund Equity:		
Current Liabilities:		
Accounts Payable and Accruals	\$ 688,211	\$ 601,321
Accrued Sick Leave Payable	360,069	314,951
Due to Other Funds	331,759	293,135
Loans Payable, Current Portion	16,416	8,690
Current Portion of Long-Term Debt	1,580,000	1,505,000
Total Current Liabilities	2,976,455	2,723,097
Long-Term Liabilities:		
Loans Payable	283,122	164,558
Bonds Payable	16,770,000	18,350,000
Less Deferred Amount on Refunding	387,928	444,698
Net Bonds and Notes Payable	16,665,194	18,069,860
Total Liabilities	19,641,649	20,792,957
Fund Equity:		
Contributed Capital	12,193,740	12,193,740
Retained Earnings:		
Reserved for Debt Service	297,234	295,331
Reserved for Capital Improvements	502,037	480,269
Unreserved	18,288,609	16,558,183
Total Retained Earnings	19,087,880	17,333,783
Total Fund Equity	31,281,620	29,527,523
Total Liabilities and Fund Equity	\$ 50,923,269	\$ 50,320,480

CITY OF FINDLAY
WATER FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS

Year ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Operating Revenues:		
Charges for Services	\$ 6,837,623	\$ 6,254,556
Other Operating Revenues	<u>78,479</u>	<u>93,287</u>
Total Operating Revenues	<u>6,916,102</u>	<u>6,347,843</u>
Operating Expenses:		
Personal Services	1,983,549	1,941,572
Contractual Services	193,369	179,020
Materials and Supplies	814,397	804,544
Utilities	243,783	278,081
Depreciation	997,351	988,490
Benefit Payments	622,648	520,015
Other Operating Expenses	<u>104,415</u>	<u>114,239</u>
Total Operating Expenses	<u>4,959,512</u>	<u>4,825,961</u>
Operating Income (Loss)	<u>1,956,590</u>	<u>1,521,882</u>
Non-Operating Revenues (Expenses):		
Interest Income	194,286	300,623
Interest Expense including Amortization of Deferred Bond Costs	(1,098,873)	(1,166,135)
Net Increase (Decrease) in Fair Value of Investments	-	-
Other Non-Operating Revenues	607,598	715,367
Other Non-Operating Expenses	-	-
Loss on Disposal of Asset(s)	<u>-</u>	<u>(169,384)</u>
Total Non-Operating Revenues (Expenses), Net	<u>(296,989)</u>	<u>(319,529)</u>
Income (Loss) Before Operating Transfers	1,659,601	1,202,353
Operating Transfers In	262,112	270,968
Operating Transfers Out	<u>(167,616)</u>	<u>(243,307)</u>
Net Income	<u>1,754,097</u>	<u>1,230,014</u>
Retained Earnings at Beginning of Year	<u>17,333,783</u>	<u>16,103,769</u>
Retained Earnings at End of Year	<u>\$ 19,087,880</u>	<u>\$ 17,333,783</u>

CITY OF FINDLAY
WATER FUND
STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 1,956,590	\$ 1,521,882
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	997,351	988,490
Change in Assets and Liabilities:		
Decrease (Increase) in Receivables	(93,392)	(59,992)
Decrease (Increase) in Due from Other Governments	-	222,962
Decrease (Increase) in Supplies Inventory	13,699	23,611
Decrease (Increase) in Prepaids	(4,951)	11,652
Increase (Decrease) in Accounts Payable	86,890	(5,821)
Increase (Decrease) in Accrued Sick Leave Payable	38,624	10,203
Increase in Due to Other Funds	45,118	38,312
Total Adjustments	<u>1,083,339</u>	<u>1,229,417</u>
Net Cash Provided by (Used for) Operating Activities	<u>3,039,929</u>	<u>2,751,299</u>
Cash Flows from Non-Capital Financing Activities:		
Operating Transfers from Other Funds	262,112	270,968
Operating Transfers to Other Funds	(167,616)	(243,307)
Other Non-Capital Revenues	<u>338,448</u>	<u>155,980</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>432,944</u>	<u>183,641</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(1,717,007)	(886,743)
Proceeds of Loan Payable	138,774	30,598
Principal Paid on Loan Payable	(12,482)	(7,925)
Principal Paid on Bonds	(1,505,000)	(1,440,001)
Interest Paid on Bonds	(1,008,645)	(1,075,908)
Capital Contributed	<u>451,463</u>	<u>559,387</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(3,652,897)</u>	<u>(2,820,592)</u>
Cash Flows from Investing Activities:		
Purchases of Investment Securities	(1,981,383)	(1,985,334)
Sales of Investment Securities	1,985,334	1,982,825
Earnings on Investments	<u>213,093</u>	<u>359,014</u>
Net Cash Provided by (Used for) Investing Activities	<u>217,044</u>	<u>356,505</u>
Net Increase (Decrease) in Cash and Cash Equivalents	37,020	470,853
Cash and Cash Equivalents at Beginning of Year	<u>3,346,388</u>	<u>2,875,535</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,383,408</u>	<u>\$ 3,346,388</u>
Supplemental Disclosure of Cash Flow Information:		
Non-Cash Capital and Related Financing and Investing Activities:		
Equipment Received in Exchange for a Like-Kind Asset	<u>\$ 199,469</u>	<u>\$ 194,346</u>

CITY OF FINDLAY
WATER POLLUTION CONTROL FUND
BALANCE SHEET

Exhibit E-7

December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 2,789,696	\$ 3,581,135
Investments	-	-
Receivables, Net of Allowance for Uncollectibles	325,215	283,785
Due from Other Funds	331,759	293,135
Supplies Inventory, at cost	9,473	5,606
Prepays	21,156	18,063
Accrued Interest Receivable	44,943	104,810
Total Current Assets	3,522,242	4,286,534
Restricted Assets:		
Cash and Cash Equivalents	4,862,506	5,097,806
Deferred Bond Costs	188,348	204,801
Total Restricted Assets	5,050,854	5,302,607
Property, Plant, and Equipment:		
Land	311,375	111,722
Utility Plant in Service	32,943,086	32,317,682
Utility Lines in Service	45,861,679	42,054,179
Improvements Other than Buildings	17,879	-
Machinery and Equipment	3,203,312	2,957,696
Construction in Progress	2,400,000	1,671,917
Total Property, Plant, and Equipment	84,737,331	79,113,196
Less Accumulated Depreciation	13,857,102	12,615,666
Net Property, Plant, and Equipment	70,880,229	66,497,530
Total Assets	\$ 79,453,325	\$ 76,086,671
Liabilities and Fund Equity:		
Current Liabilities:		
Accounts Payable and Accruals	\$ 1,399,033	\$ 1,328,720
Accrued Sick Leave Payable	224,159	220,135
Claims and Judgements Payable	1,300,000	-
Loan Payable, Current Portion	1,079,380	1,033,815
Current Portion of Long-Term Debt	1,034,279	979,680
Total Current Liabilities	5,036,851	3,562,350
Long-Term Liabilities:		
Loan Payable	33,537,658	30,271,837
Bonds Payable	13,139,023	14,173,303
Total Liabilities	51,713,532	48,007,490
Fund Equity:		
Contributed Capital	19,192,915	19,192,915
Retained Earnings:		
Reserved for Debt Service	2,079,982	2,078,645
Reserved for Capital Improvements	1,989,206	2,239,925
Unreserved	4,477,690	4,567,696
Total Retained Earnings	8,546,878	8,886,266
Total Fund Equity	27,739,793	28,079,181
Total Liabilities and Fund Equity	\$ 79,453,325	\$ 76,086,671

CITY OF FINDLAY
WATER POLLUTION CONTROL FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS

Year ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Operating Revenues:		
Charges for Services	\$ 7,001,933	\$ 6,108,923
Other Operating Revenues	<u>87,519</u>	<u>162,174</u>
Total Operating Revenues	<u>7,089,452</u>	<u>6,271,097</u>
Operating Expenses:		
Personal Services	1,388,446	1,336,461
Contractual Services	108,298	59,877
Materials and Supplies	264,118	204,122
Utilities	338,508	363,328
Depreciation	1,399,789	1,100,223
Benefit Payments	447,078	362,756
Other Operating Expenses	<u>131,319</u>	<u>51,672</u>
Total Operating Expenses	<u>4,077,556</u>	<u>3,478,439</u>
Operating Income (Loss)	<u>3,011,896</u>	<u>2,792,658</u>
Non-Operating Revenues (Expenses):		
Interest Income	185,331	449,525
Interest Expense including Amortization of Deferred Bond Costs	(2,196,512)	(1,569,601)
Net Increase (Decrease) in Fair Value of Investments	-	-
Other Non-Operating Revenues	483,314	526,289
Other Non-Operating Expenses	(1,762,322)	-
Loss on Disposal of Asset(s)	<u>-</u>	<u>(1,099,369)</u>
Total Non-Operating Revenues (Expenses), Net	<u>(3,290,189)</u>	<u>(1,693,156)</u>
Income (Loss) Before Operating Transfers	(278,293)	1,099,502
Operating Transfers In	312,761	322,358
Operating Transfers Out	<u>(373,856)</u>	<u>(758,665)</u>
Net Income (Loss)	<u>(339,388)</u>	<u>663,195</u>
Retained Earnings (Deficit) at Beginning of Year	<u>8,886,266</u>	<u>8,223,071</u>
Retained Earnings (Deficit) at End of Year	<u>\$ 8,546,878</u>	<u>\$ 8,886,266</u>

CITY OF FINDLAY
WATER POLLUTION CONTROL FUND
STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 3,011,896	\$ 2,792,658
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	1,399,789	1,100,223
Change in Assets and Liabilities:		
Decrease (Increase) in Receivables	(41,430)	(35,246)
Increase in Due from Other Fund	(38,624)	(38,312)
Decrease (Increase) in Supplies Inventory	(3,867)	1,088
Decrease (Increase) in Prepays	(3,093)	8,755
Increase (Decrease) in Accounts Payable	70,313	718,446
Increase (Decrease) in Accrued Sick Leave Payable	4,024	27,572
Total Adjustments	<u>1,387,112</u>	<u>1,782,526</u>
Net Cash Provided by (Used for) Operating Activities	<u>4,399,008</u>	<u>4,575,184</u>
Cash Flows from Non-Capital Financing Activities:		
Operating Transfers from Other Funds	312,761	322,358
Operating Transfers to Other Funds	(373,856)	(758,665)
Other Non-Capital Revenues	483,314	1,191
Other Non-Capital Expenses	<u>(817,941)</u>	<u>(216,712)</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(395,722)</u>	<u>(651,828)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(5,870,020)	(15,203,188)
Principal Paid on Loan Payable	(1,045,083)	
Proceeds of Loan Payable	4,356,467	14,121,744
Principal Paid on Bonds	(979,680)	(950,292)
Interest Paid on Bonds	(2,180,059)	(1,553,149)
Capital Contributed	<u>443,152</u>	<u>741,810</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(5,275,223)</u>	<u>(2,843,075)</u>
Cash Flows from Investing Activities:		
Change in Fair Value of Investments	-	-
Sale of Investment Securities	-	-
Earnings on Investments	<u>245,198</u>	<u>455,799</u>
Net Cash Provided by (Used for) Investing Activities	<u>245,198</u>	<u>455,799</u>
Net Increase in Cash and Cash Equivalents	(1,026,739)	1,536,080
Cash and Cash Equivalents at Beginning of Year	<u>8,678,941</u>	<u>7,142,861</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,652,202</u>	<u>\$ 8,678,941</u>

CITY OF FINDLAY
SWIMMING POOL FUND
BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>		<u>2001</u>
Assets:			
Current Assets:			
Cash and Cash Equivalents	52,385	\$	50,103
Prepays	<u>820</u>		<u>745</u>
Total Current Assets	<u>53,205</u>		<u>50,848</u>
Property, Plant, and Equipment:			
Land	1,631		1,631
Improvements Other than Buildings	901,842		901,842
Machinery and Equipment	<u>58,191</u>		<u>58,511</u>
Total Property, Plant, and Equipment	961,664		961,984
Less Accumulated Depreciation	<u>414,552</u>		<u>400,559</u>
Net Property, Plant, and Equipment	<u>547,112</u>		<u>561,425</u>
Total Assets	<u>\$ 600,317</u>	\$	<u>612,273</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable and Accruals	<u>\$ 715</u>	\$	<u>330</u>
Total Liabilities	<u>715</u>		<u>330</u>
Fund Equity:			
Contributed Capital	934,382		934,382
Retained Earnings (Deficit)	<u>(334,780)</u>		<u>(322,439)</u>
Total Fund Equity	<u>599,602</u>		<u>611,943</u>
Total Liabilities and Fund Equity	<u>\$ 600,317</u>	\$	<u>612,273</u>

CITY OF FINDLAY
SWIMMING POOL FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS

Year ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Operating Revenues:		
Charges for Services	\$ 49,939	\$ 53,904
Other Operating Revenues	<u>3,188</u>	<u>3,793</u>
Total Operating Revenues	<u>53,127</u>	<u>57,697</u>
Operating Expenses:		
Personal Services	58,599	56,593
Contractual Services	265	265
Materials and Supplies	19,116	14,336
Utilities	3,843	4,130
Depreciation	20,175	20,090
Benefit Payments	10,584	10,190
Other Operating Expenses	<u>10,536</u>	<u>1,240</u>
Total Operating Expenses	<u>123,118</u>	<u>106,844</u>
Operating Income (Loss) Before Operating Transfers	<u>(69,991)</u>	<u>(49,147)</u>
Operating Transfers In	57,650	50,000
Operating Transfers Out	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>(12,341)</u>	<u>853</u>
Accumulated Deficit at Beginning of Year	<u>(322,439)</u>	<u>(323,292)</u>
Accumulated Deficit at End of Year	<u>\$ (334,780)</u>	<u>\$ (322,439)</u>

CITY OF FINDLAY
SWIMMING POOL FUND
STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ (69,991)	\$ (49,147)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	20,175	20,090
Change in Assets and Liabilities:		
Decrease (Increase) in Prepaids	(75)	(451)
Increase (Decrease) in Accounts Payable	385	(597)
Total Adjustments	<u>20,485</u>	<u>19,042</u>
Net Cash Provided by (Used for) Operating Activities	<u>(49,506)</u>	<u>(30,105)</u>
Cash Flows from Non-Capital Financing Activities:		
Operating Transfers from Other Funds	57,650	50,000
Operating Transfers to Other Funds	<u>-</u>	<u>-</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>57,650</u>	<u>50,000</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	<u>(5,862)</u>	<u>-</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(5,862)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,282	19,895
Cash and Cash Equivalents at Beginning of Year	<u>50,103</u>	<u>30,208</u>
Cash and Cash Equivalents at End of Year	<u>\$ 52,385</u>	<u>\$ 50,103</u>

CITY OF FINDLAY
PARKING FACILITIES FUND
BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 166,800	\$ 157,878
Prepays	<u>1,279</u>	<u>1,251</u>
Total Current Assets	<u>168,079</u>	<u>159,129</u>
Property, Plant, and Equipment:		
Land	94,331	94,331
Improvements Other than Buildings	222,132	222,132
Machinery and Equipment	<u>61,575</u>	<u>61,575</u>
Total Property, Plant, and Equipment	378,038	378,038
Less Accumulated Depreciation	<u>193,143</u>	<u>176,046</u>
Net Property, Plant, and Equipment	<u>184,895</u>	<u>201,992</u>
Total Assets	<u>\$ 352,974</u>	<u>\$ 361,121</u>
Liabilities and Fund Equity:		
Liabilities:		
Accounts Payable and Accruals	\$ 12,913	\$ 7,749
Accrued Sick Leave Payable	<u>7,519</u>	<u>8,113</u>
Total Liabilities	<u>20,432</u>	<u>15,862</u>
Fund Equity:		
Contributed Capital	312,124	312,124
Retained Earnings (Deficit)	<u>20,418</u>	<u>33,135</u>
Total Fund Equity	<u>332,542</u>	<u>345,259</u>
Total Liabilities and Fund Equity	<u>\$ 352,974</u>	<u>\$ 361,121</u>

CITY OF FINDLAY
PARKING FACILITIES FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS

Year ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Operating Revenues:		
Charges for Services	\$ 107,653	\$ 96,612
Other Operating Revenues	<u>212</u>	<u>844</u>
Total Operating Revenues	<u>107,865</u>	<u>97,456</u>
Operating Expenses:		
Personal Services	71,031	56,020
Contractual Services	4,400	3,907
Materials and Supplies	2,381	1,133
Utilities	348	346
Depreciation	17,097	18,656
Benefit Payments	20,763	14,241
Other Operating Expenses	<u>4,562</u>	<u>3,545</u>
Total Operating Expenses	<u>120,582</u>	<u>97,848</u>
Operating Income (Loss)	<u>(12,717)</u>	<u>(392)</u>
Non-Operating Revenues (Expenses):		
Other Non-Operating Expenses	<u>-</u>	<u>(9,996)</u>
Net Income (Loss)	(12,717)	(10,388)
Retained Earnings (Deficit) at Beginning of Year	<u>33,135</u>	<u>43,523</u>
Retained Earnings at End of Year	<u>\$ 20,418</u>	<u>\$ 33,135</u>

CITY OF FINDLAY
PARKING FACILITIES FUND
STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ (12,717)	\$ (392)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	17,097	18,656
Change in Assets and Liabilities:		
Decrease (Increase) in Prepays	(28)	(455)
Increase (Decrease) in Accounts Payable	5,164	1,785
Increase (Decrease) in Accrued Sick Leave Payable	(594)	1,540
Total Adjustments	<u>21,639</u>	<u>21,526</u>
Net Cash Provided by (Used for) Operating Activities	<u>8,922</u>	<u>21,134</u>
Cash Flows from Non-Capital Financing Activities:		
Other Non-Capital Expenses	<u>-</u>	<u>(9,996)</u>
Net Cash Provided by Non-Cash Financing Activities	<u>-</u>	<u>(9,996)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	<u>-</u>	<u>-</u>
Net Cash Used for Capital and Related Financing	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,922	11,138
Cash and Cash Equivalents at Beginning of Year	<u>157,878</u>	<u>146,740</u>
Cash and Cash Equivalents at End of Year	<u>\$ 166,800</u>	<u>\$ 157,878</u>

CITY OF FINDLAY
AIRPORT FUND
BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 198,973	\$ 174,450
Receivables, Net of Allowance for Uncollectibles	58,204	58,742
Due from Other Governments	86,593	546,481
Supplies Inventory, at cost	29,394	26,282
Prepays	12,496	10,343
Total Current Assets	<u>385,660</u>	<u>816,298</u>
Restricted Assets:		
Cash and Cash Equivalents	25,428	26,170
Deferred Bond Costs	5,850	6,465
Total Restricted Assets	<u>31,278</u>	<u>32,635</u>
Property, Plant, and Equipment:		
Land	3,409,905	1,811,000
Buildings	1,621,489	1,621,489
Improvements Other than Buildings	7,978,537	2,861,525
Machinery and Equipment	728,012	682,817
Construction in Progress	24,913	5,829,801
Total Property, Plant, and Equipment	<u>13,762,856</u>	<u>12,806,632</u>
Less Accumulated Depreciation	<u>2,541,815</u>	<u>2,127,769</u>
Net Property, Plant, and Equipment	<u>11,221,041</u>	<u>10,678,863</u>
Total Assets	<u>\$ 11,637,979</u>	<u>\$ 11,527,796</u>
Liabilities and Fund Equity:		
Current Liabilities:		
Accounts Payable and Accruals	\$ 158,156	\$ 607,389
Current Portion of Long-Term Debt	<u>30,000</u>	<u>30,000</u>
Total Current Liabilities	<u>188,156</u>	<u>637,389</u>
Long-Term Liabilities:		
Bonds Payable	<u>350,000</u>	<u>380,000</u>
Total Long-Term Liabilities	<u>350,000</u>	<u>380,000</u>
Total Liabilities	<u>538,156</u>	<u>1,017,389</u>
Fund Equity:		
Contributed Capital	3,583,983	3,583,983
Retained Earnings:		
Reserved for Debt Service	25,428	26,170
Unreserved	7,490,412	6,900,254
Total Retained Earnings	<u>7,515,840</u>	<u>6,926,424</u>
Total Fund Equity	<u>11,099,823</u>	<u>10,510,407</u>
Total Liabilities and Fund Equity	<u>\$ 11,637,979</u>	<u>\$ 11,527,796</u>

CITY OF FINDLAY
AIRPORT FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS

Year ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Operating Revenues:		
Charges for Services	\$ 18,806	\$ 19,958
Other Operating Revenues	<u>675,447</u>	<u>802,768</u>
Total Operating Revenues	<u>694,253</u>	<u>822,726</u>
Operating Expenses:		
Personal Services	221,364	212,295
Contractual Services	26,172	293,729
Materials and Supplies	335,823	417,910
Utilities	16,931	17,768
Depreciation	416,010	284,986
Benefit Payments	71,527	58,974
Other Operating Expenses	<u>68,069</u>	<u>110,754</u>
Total Operating Expenses	<u>1,155,896</u>	<u>1,396,416</u>
Operating Income (Loss)	<u>(461,643)</u>	<u>(573,690)</u>
Non-Operating Revenues (Expenses):		
Interest Expense including Amortization of Deferred Bond Costs	(22,214)	(23,563)
Other Non-Operating Revenues	986,071	4,745,130
Other Non-Operating Expenses	(68,794)	(517,480)
Loss on Disposal of Asset(s)	-	(929)
Total Non-Operating Revenues (Expenses), Net	<u>895,063</u>	<u>4,203,158</u>
Income (Loss) Before Operating Transfers	<u>433,420</u>	<u>3,629,468</u>
Operating Transfers In	156,000	148,500
Operating Transfers Out	<u>(4)</u>	<u>(565)</u>
Net Income (Loss)	<u>589,416</u>	<u>3,777,403</u>
Retained Earnings (Deficit) at Beginning of Year	<u>6,926,424</u>	<u>3,149,021</u>
Retained Earnings (Deficit) at End of Year	<u>\$ 7,515,840</u>	<u>\$ 6,926,424</u>

CITY OF FINDLAY
AIRPORT FUND
STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ (461,643)	\$ (573,690)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	416,010	284,986
Change in Assets and Liabilities:		
Decrease (Increase) in Receivables	538	(158)
Decrease (Increase) in Due from Other Governments	459,888	(546,481)
Decrease (Increase) in Supplies Inventory	(3,112)	9,802
Decrease (Increase) in Prepaids	(2,153)	1,095
Increase (Decrease) in Accounts Payable	(449,233)	537,467
Total Adjustments	<u>421,938</u>	<u>286,711</u>
Net Cash Provided by (Used for) Operating Activities	<u>(39,705)</u>	<u>(286,979)</u>
Cash Flows from Non-Capital Financing Activities:		
Operating Transfers from Other Funds	156,000	148,500
Operating Transfers to Other Funds	(4)	(565)
Other Non-Capital Revenues	986,071	588,002
Other Non-Capital Expenses	<u>(68,794)</u>	<u>(517,480)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>1,073,273</u>	<u>218,457</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(958,866)	(4,178,945)
Principal Paid on Bonds	(30,000)	(25,000)
Interest Paid on Bonds	(21,598)	(22,947)
Capital Contributed	<u>677</u>	<u>4,157,128</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(1,009,787)</u>	<u>(69,764)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,781	(138,286)
Cash and Cash Equivalents at Beginning of Year	<u>200,620</u>	<u>338,906</u>
Cash and Cash Equivalents at End of Year	<u>\$ 224,401</u>	<u>\$ 200,620</u>

INTERNAL SERVICE FUNDS

Internal Service Funds account for some of the items or services used by most of the departments and purchased in large quantities.

Central Stores - is the accounting 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 - accounts for processing and paying general municipal liability insurance claims in lieu of purchasing general municipal liability insurance.

CITY OF FINDLAY
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	<u>Central Stores</u>	<u>Self Insurance</u>	<u>Totals</u>	
			<u>2002</u>	<u>2001</u>
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 43,120	\$ 932,779	\$ 975,899	\$ 533,876
Investments	-	-	-	508,408
Supplies Inventory, at Cost	4,909	-	4,909	7,210
Prepays	-	18,903	18,903	16,760
Accrued Interest Receivable	-	3,855	3,855	6,595
Total Current Assets	<u>48,029</u>	<u>955,537</u>	<u>1,003,566</u>	<u>1,072,849</u>
Equipment:				
Equipment	14,383	-	14,383	16,223
Less Accumulated Depreciation	<u>(13,508)</u>	<u>-</u>	<u>(13,508)</u>	<u>(12,472)</u>
Net Equipment	<u>875</u>	<u>-</u>	<u>875</u>	<u>3,751</u>
Total Assets	<u>\$ 48,904</u>	<u>\$ 955,537</u>	<u>\$ 1,004,441</u>	<u>\$ 1,076,600</u>
Liabilities and Retained Earnings:				
Liabilities:				
Accounts Payable and Accruals	\$ 254	\$ 20,802	\$ 21,056	\$ 130
Retained Earnings	<u>48,650</u>	<u>934,735</u>	<u>983,385</u>	<u>1,076,470</u>
Total Liabilities and Retained Earnings	<u>\$ 48,904</u>	<u>\$ 955,537</u>	<u>\$ 1,004,441</u>	<u>\$ 1,076,600</u>

CITY OF FINDLAY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	<u>Central Stores</u>	<u>Self Insurance</u>	<u>Totals</u>	
			<u>2002</u>	<u>2001</u>
Operating Revenues:				
Charges for Services	\$ 21,307	\$ -	\$ 21,307	\$ 20,870
Total Operating Revenues	<u>21,307</u>	<u>-</u>	<u>21,307</u>	<u>20,870</u>
Operating Expenses:				
Contractual Services	-	71,315	71,315	8,552
Materials and Supplies	17,790	-	17,790	15,079
Depreciation	2,876	-	2,876	2,877
Other Operating Expenses	936	46,338	47,274	36,830
Total Operating Expenses	<u>21,602</u>	<u>117,653</u>	<u>139,255</u>	<u>63,338</u>
Operating Income (Loss)	<u>(295)</u>	<u>(117,653)</u>	<u>(117,948)</u>	<u>(42,468)</u>
Non-Operating Revenues (Expenses):				
Interest Income	-	24,863	24,863	54,547
Net Increase in Fair Value of Investment	-	-	-	8,638
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Non-Operating Revenues, Net	<u>-</u>	<u>24,863</u>	<u>24,863</u>	<u>63,185</u>
Net Income (Loss)	(295)	(92,790)	(93,085)	20,717
Retained Earnings at Beginning of Year	<u>48,945</u>	<u>1,027,525</u>	<u>1,076,470</u>	<u>1,055,753</u>
Retained Earnings at End of Year	<u>\$ 48,650</u>	<u>\$ 934,735</u>	<u>\$ 983,385</u>	<u>\$ 1,076,470</u>

CITY OF FINDLAY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	<u>Central Stores</u>	<u>Self Insurance</u>	<u>Totals</u>	
			<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ (295)	\$ (117,653)	\$ (117,948)	\$ (42,468)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	2,876	-	2,876	2,877
Change in Assets and Liabilities:				
Decrease (Increase) in Receivables	-	2,740	2,740	1,845
Decrease (Increase) in Supplies Inventory	2,301	-	2,301	552
Decrease (Increase) in Prepaids	-	(2,143)	(2,143)	4,551
Increase (Decrease) in Accounts Payable	124	20,802	20,926	(29)
Total Adjustments	<u>5,301</u>	<u>21,399</u>	<u>26,700</u>	<u>9,796</u>
Net Cash Provided by (Used for) Operating Activities	<u>5,006</u>	<u>(96,254)</u>	<u>(91,248)</u>	<u>(32,672)</u>
Cash Flows from Non-Capital Financing Activities:				
Operating Transfers from Other Funds	-	-	-	-
Operating Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Used for Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:				
Purchase of Investments	-	-	-	-
Sale of Investments	-	508,408	508,408	-
Earning on Investments	<u>-</u>	<u>24,863</u>	<u>24,863</u>	<u>54,547</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>533,271</u>	<u>533,271</u>	<u>54,547</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,006	437,017	442,023	21,875
Cash and Cash Equivalents at Beginning of Year	<u>38,114</u>	<u>495,762</u>	<u>533,876</u>	<u>512,001</u>
Cash and Cash Equivalents at End of Year	<u>\$ 43,120</u>	<u>\$ 932,779</u>	<u>\$ 975,899</u>	<u>\$ 533,876</u>

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TRUST AND AGENCY FUNDS

The two Trust Funds are used for the accounting of monies received for a specific purpose, and only the income generated by that money may be spent.

Cemetery Trust - when cemetery lots are sold, a portion of the sales price is deposited in this Fund, subsequently invested, and the interest earned is deposited into General Fund to help defray the cost of the Cemetery Department.

Private Trust - at times individuals will contribute, by gift or will, amounts of money to be held in trust and 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 have been established to report monies received by the City that are earmarked to be transferred to another City fund, paid to another government, or returned to an individual.

Guaranteed Deposits - deposits 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 - reports the receipts and disbursements from the daily operation of the Court.

CITY OF FINDLAY
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET

December 31, 2002
(With Comparative Totals for December 31, 2001)

	Nonexpendable Trust Funds		Agency Funds		Totals	
	Cemetery Trust	Private Trust	Guaranteed Deposits	Municipal Court	2002	2001
Assets:						
Cash and Cash Equivalents	\$ 554,719	\$ 151,049	\$ 143,268	\$ 81,187	\$ 930,223	\$ 704,462
Investments	450,000	-	-	-	450,000	790,000
Accrued Interest Receivable	5,310	126	-	-	5,436	8,919
Total Assets	\$ 1,010,029	\$ 151,175	\$ 143,268	\$ 81,187	\$ 1,385,659	\$ 1,503,381
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ 1,825	\$ -	\$ 1,825	\$ 1,287
Amounts Held as Fiduciary	-	-	141,443	81,187	222,630	373,885
Total Liabilities	-	-	143,268	81,187	224,455	375,172
Fund Equity:						
Reserved for Principal	1,004,719	151,049	-	-	1,155,768	1,119,290
Unreserved-Undesignated	5,310	126	-	-	5,436	8,919
Total Fund Equity	1,010,029	151,175	-	-	1,161,204	1,128,209
Total Liabilities and Fund Equity	\$ 1,010,029	\$ 151,175	\$ 143,268	\$ 81,187	\$ 1,385,659	\$ 1,503,381

CITY OF FINDLAY
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	Cemetery Trust	Private Trust	Totals	
			<u>2002</u>	<u>2001</u>
Operating Revenues:				
Charges for Services	\$ 28,800	\$ -	\$ 28,800	\$ 26,300
Contributions	-	200	200	2,200
Interest Income	<u>37,108</u>	<u>1,840</u>	<u>38,948</u>	<u>65,893</u>
Total Operating Revenues	<u>65,908</u>	<u>2,040</u>	<u>67,948</u>	<u>94,393</u>
Operating Income Before Transfers	<u>65,908</u>	<u>2,040</u>	<u>67,948</u>	<u>94,393</u>
Operating Transfers Out	<u>(31,798)</u>	<u>(3,155)</u>	<u>(34,953)</u>	<u>(2,727)</u>
Net Income (Loss)	34,110	(1,115)	32,995	91,666
Fund Equity at Beginning of Year	<u>975,919</u>	<u>152,290</u>	<u>1,128,209</u>	<u>1,036,543</u>
Fund Equity at End of Year	<u>\$ 1,010,029</u>	<u>\$ 151,175</u>	<u>\$ 1,161,204</u>	<u>\$ 1,128,209</u>

CITY OF FINDLAY
NONEXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended December 31, 2002
(With Comparative Totals for 2001)

	Cemetery Trust	Private Trust	Totals	
			2002	2001
Cash Flows from Operating Activities:				
Operating Income	\$ 65,908	\$ 2,040	\$ 67,948	\$ 94,393
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Change in Assets and Liabilities:				
Decrease (Increase) in Interest Receivable	3,415	68	3,483	8,231
Interest Reported as Operating Income	(37,108)	(1,840)	(38,948)	(65,893)
Total Adjustments	(33,693)	(1,772)	(35,465)	(57,662)
Net Cash Provided by Operating Activities	32,215	268	32,483	36,731
Cash Flows from Non-Capital Financing Activities:				
Operating Transfers to Other Funds	(31,798)	(3,155)	(34,953)	(2,727)
Net Cash Used for Non-Capital Financing Activities	(31,798)	(3,155)	(34,953)	(2,727)
Cash Flows from Investing Activities:				
Sale of Investments	790,000	-	790,000	372,686
Purchase of Investments	(450,000)	-	(450,000)	(415,000)
Earnings on Investments	37,108	1,840	38,948	65,893
Net Cash Provided by Investing Activities	377,108	1,840	378,948	23,579
Net Increase (Decrease) in Cash and Cash Equivalents	377,525	(1,047)	376,478	57,583
Cash and Cash Equivalents at Beginning of Year	177,194	152,096	329,290	271,707
Cash and Cash Equivalents at End of Year	\$ 554,719	\$ 151,049	\$ 705,768	\$ 329,290

CITY OF FINDLAY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended December 31, 2002

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
<u>Guaranteed Deposits Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 289,478	\$ 901,274	\$ (1,047,484)	\$ 143,268
Total Assets	<u>\$ 289,478</u>	<u>\$ 901,274</u>	<u>\$ (1,047,484)</u>	<u>\$ 143,268</u>
Liabilities:				
Accounts Payable	\$ 1,287	\$ 1,825	\$ (2,307)	\$ 805
Amounts Held as Fiduciary	288,191	901,274	(1,047,002)	142,463
Total Liabilities	<u>\$ 289,478</u>	<u>\$ 903,099</u>	<u>\$ (1,049,309)</u>	<u>\$ 143,268</u>
 <u>Municipal Court Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 85,694	\$ 3,672,600	\$ (3,677,107)	\$ 81,187
Liabilities:				
Due to Other Governments	\$ -	\$ 1,093,124	\$ (1,093,124)	\$ -
Due to Other Fund	-	1,569,022	(1,569,022)	-
Amounts Held as Fiduciary	85,694	1,010,454	(1,014,961)	81,187
Total Liabilities	<u>\$ 85,694</u>	<u>\$ 3,672,600</u>	<u>\$ (3,677,107)</u>	<u>\$ 81,187</u>
 <u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 85,694	\$ 3,672,600	\$ (3,677,107)	\$ 81,187
Investments	289,478	901,274	(1,047,484)	143,268
Total Assets	<u>\$ 375,172</u>	<u>\$ 4,573,874</u>	<u>\$ (4,724,591)</u>	<u>\$ 224,455</u>
Liabilities:				
Accounts Payable	\$ 1,287	\$ 1,825	\$ (2,307)	\$ 805
Amounts Held as Fiduciary	373,885	1,911,728	(2,061,963)	223,650
Total Liabilities	<u>\$ 375,172</u>	<u>\$ 1,913,553</u>	<u>\$ (2,064,270)</u>	<u>\$ 224,455</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group accounts for all Fixed Inventory in the Governmental Funds. Streets, sidewalks, and storm sewers are not included in this account group, as the City does not capitalize these infrastructure items.

CITY OF FINDLAY
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE

December 31, 2002

	<u>2002</u>
General Fixed Assets	
Land	\$ 3,074,078
Buildings	8,559,020
Improvements Other Than Buildings	356,141
Equipment	<u>8,708,791</u>
Total General Fixed Assets	<u>\$ 20,698,030</u>
Investments in General Fixed Assets from:	
Capital Projects Funds-General Obligation Bonds	\$ 7,994,617
City Income Tax Revenues designated for Capital Improvements	6,881,280
Gifts	818,397
General Fixed Assets from prior to 1983 not Identifiable by Source	<u>5,003,736</u>
Total Investment in General Fixed Assets	<u>\$ 20,698,030</u>

CITY OF FINDLAY
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY

December 31, 2002

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment</u>
Security of Persons and Property:					
Police Department/Dispatch	\$ 1,663,331	\$ -	\$ 40,603	\$ -	\$ 1,622,728
Disaster Services	115,951	-	-	-	115,951
Fire Department	2,929,781	31,765	387,938	26,845	2,483,233
Street Signs	135,297	2,431	4,022	-	128,844
Street Lights	333,077	2,952	15,453	-	314,672
Total Security of Persons and Property	<u>5,177,437</u>	<u>37,148</u>	<u>448,016</u>	<u>26,845</u>	<u>4,665,428</u>
Public Health and Welfare:					
Public Health Department	85,369	-	-	12,000	73,369
Cemetery Department	356,959	33,306	117,034	66,045	140,574
Total Public Health and Welfare	<u>442,328</u>	<u>33,306</u>	<u>117,034</u>	<u>78,045</u>	<u>213,943</u>
Leisure Time Activities:					
Park Maintenance	3,382,648	1,814,685	164,415	171,505	1,232,043
Reservoir Boating	20,312	-	-	-	20,312
Recreation Department	58,246	-	-	-	58,246
Total Leisure Time Activities	<u>3,461,206</u>	<u>1,814,685</u>	<u>164,415</u>	<u>171,505</u>	<u>1,310,601</u>
Transportation:					
Street Department	<u>2,022,283</u>	<u>1,378</u>	<u>409,245</u>	<u>-</u>	<u>1,611,660</u>
General Government:					
Council	8,590,352	1,070,542	7,422,472	82,747	14,591
Mayors Office	10,337	-	-	-	10,337
Auditor/Treasurer	9,709	-	-	-	9,709
Municipal Court	99,965	-	-	-	99,965
Human Resources Department	4,576	-	-	-	4,576
Computer Services	284,283	-	-	-	284,283
Service/Safety Director	28,402	-	-	-	28,402
Engineering Department	247,454	-	-	-	247,454
Building and Zoning	31,974	-	-	-	31,974
City Income Tax Department	12,528	-	-	-	12,528
Public Building Department	275,196	-	-	-	275,196
Total General Government	<u>9,594,776</u>	<u>1,070,542</u>	<u>7,422,472</u>	<u>82,747</u>	<u>1,019,015</u>
Total General Fixed Assets	<u>\$ 20,698,030</u>	<u>\$ 2,957,059</u>	<u>\$ 8,561,182</u>	<u>\$ 359,142</u>	<u>\$ 8,820,647</u>

CITY OF FINDLAY
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY

Year Ended December 31, 2002

<u>Function and Activity</u>	<u>General Fixed Assets 1/1/02</u>	<u>Additions</u>	<u>Deductions</u>	<u>General Fixed Assets 12/31/02</u>
Security of Persons and Property:				
Police Department/Dispatch	\$ 1,610,610	\$ 131,490	\$ 78,769	\$ 1,663,331
Disaster Services	117,129	-	1,178	115,951
Fire Department	2,914,997	34,421	19,637	2,929,781
Street Signs	130,538	5,355	596	135,297
Street Lights	354,632	6,200	27,755	333,077
Total Security of Persons and Property	<u>5,127,906</u>	<u>177,466</u>	<u>127,935</u>	<u>5,177,437</u>
Public Health and Welfare:				
Public Health Department	79,042	18,799	12,472	85,369
Cemetery Department	362,760	33,137	38,938	356,959
Total Public Health and Welfare	<u>441,802</u>	<u>51,936</u>	<u>51,410</u>	<u>442,328</u>
Leisure Time Activities:				
Park Maintenance	2,074,037	1,311,885	3,274	3,382,648
Reservoir Boating	21,512	-	1,200	20,312
Recreation Department	80,440	-	22,194	58,246
Total Leisure Time Activities	<u>2,175,989</u>	<u>1,311,885</u>	<u>26,668</u>	<u>3,461,206</u>
Transportation:				
Street Department	<u>1,964,886</u>	<u>177,460</u>	<u>120,063</u>	<u>2,022,283</u>
General Government:				
Council	8,452,664	151,987	14,299	8,590,352
Mayors Office	14,292	-	3,955	10,337
Auditor/Treasurer	8,835	874	-	9,709
Law Director	-	-	-	-
Municipal Court	112,423	14,385	26,843	99,965
Civil Services	374	-	374	-
Human Resources Department	4,576	-	-	4,576
Computer Services	204,973	113,661	34,351	284,283
Service/Safety Director	24,445	3,957	-	28,402
Engineering Department	262,419	2,706	17,671	247,454
Building and Zoning	23,431	8,543	-	31,974
City Income Tax Department	26,795	-	14,267	12,528
Public Building Department	15,281	259,915	-	275,196
Total General Government	<u>9,150,508</u>	<u>556,028</u>	<u>111,760</u>	<u>9,594,776</u>
Total General Fixed Assets	<u>\$ 18,861,091</u>	<u>\$ 2,274,775</u>	<u>\$ 437,836</u>	<u>\$ 20,698,030</u>

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STATISTICAL SECTION

CITY OF FINDLAY
 GENERAL GOVERNMENT EXPENDITURES AND OTHER USES (1)
 Last Ten Fiscal Years

FISCAL YEAR	SECURITY OF PERSONS AND PROPERTY	HEALTH AND WELFARE	LEISURE TIME ACTIVITIES	TRANSPORTATION	GENERAL GOVERNMENT	CAPITAL OUTLAY	TOTAL	TRANSFERS OUT (2)
1993	\$ 7,483,499	\$ 827,259	\$ 447,703	\$ 989,401	\$ 3,145,488	\$ 1,386,243	\$ 14,279,593	\$ 817,210
1994	7,475,461	803,212	497,804	1,040,651	3,600,899	2,026,603	15,444,630	974,461
1995	7,922,548	874,953	553,429	1,116,682	3,800,206	2,835,646	17,103,464	935,207
1996	8,563,774	970,508	598,474	1,173,431	4,026,826	3,631,190	18,964,203	1,509,139
1997	9,501,196	1,014,831	661,609	1,288,336	4,336,992	4,937,050	21,740,014	1,424,643
1998	9,817,349	1,030,722	654,402	1,221,917	4,420,483	1,985,443	19,130,316	1,268,077
1999	10,387,007	1,128,912	696,805	1,379,006	4,612,742	2,973,670	21,178,142	2,324,070
2000	10,805,889	1,114,922	674,902	1,499,571	4,955,208	2,902,229	21,952,721	1,835,276
2001	11,601,542	1,264,665	820,908	1,563,537	5,702,120	3,946,183	24,898,955	1,067,639
2002	12,560,392	1,345,087	888,587	1,708,562	5,807,631	4,918,956	27,229,215	1,111,272

(1) Includes General and Special Revenue Funds.

(2) Transfers are only those from the General and Special Revenue funds to the other City Funds.

CITY OF FINDLAY

GENERAL GOVERNMENT REVENUES AND OTHER FINANCING SOURCES (1)

Last Ten Fiscal Years

Fiscal Year	City Income Tax (3)	Other Local Taxes	Licenses and Permits	Inter-Governmental	Charges for Services	Investment Earnings	Fines and Forfeitures	All Others	Total	Transfers In (2)
1993	\$ 8,059,578	\$ 1,852,309	\$ 70,198	\$ 3,450,930	\$ 430,604	\$ 194,002	\$ 892,019	\$ 748,781	\$ 15,698,421	\$ 234,852
1994	8,844,417	1,865,727	72,459	3,855,446	514,029	264,070	1,066,451	720,710	17,203,309	343,892
1995	9,516,934	2,022,747	87,440	4,029,631	570,123	546,674	1,116,847	777,739	18,668,135	204,796
1996	9,881,857	2,146,679	82,631	3,778,635	474,630	629,300	1,231,933	1,132,455	19,358,120	754,656
1997	10,612,877	2,286,406	102,034	3,642,035	470,116	725,230	1,263,007	954,200	20,055,905	404,086
1998	11,971,583	2,421,604	110,535	4,009,104	523,498	580,976	1,407,323	1,248,658	22,273,281	327,989
1999	13,039,592	2,670,514	96,613	4,358,959	466,650	688,561	1,441,953	904,049	23,666,891	346,356
2000	13,210,815	2,671,228	104,710	4,086,594	528,254	957,950	1,437,798	981,262	23,978,611	322,537
2001	14,806,202	2,876,539	256,264	4,489,752	528,138	769,202	1,378,926	1,130,911	26,235,934	683,384
2002	14,463,217	2,848,269	294,599	4,292,767	572,362	417,326	1,434,741	930,124	25,253,405	575,262

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(1) Includes General and Special Revenue Funds.

(2) Transfers are only those from other City Funds to General and Special Revenue Funds.

(3) The amount of cash collected in 2002, 2001, 2000, 1999, 1998, 1997, 1996, 1995, 1994, and 1993 was \$14,930,706, \$14,360,692, \$13,097,275, \$13,122,926, \$11,720,360, \$10,530,692, \$9,958,154, \$9,447,944, \$9,367,598, and \$8,061,146, respectively. The difference between the amount collected and the revenues recognized is the change in receivables for income taxes withheld in the fourth quarter and remitted to the City in the first quarter of the following year.

CITY OF FINDLAY
 PROPERTY TAX LEVIES AND COLLECTIONS
 REAL ESTATE AND PUBLIC UTILITY
 Last Ten Fiscal Years

COLLECTION YEAR	BILLED (1)	COLLECTED (2)	% COLLECTED
1993	\$ 1,366,334	\$ 1,337,032	97.9%
1994	1,380,583	1,346,776	97.6%
1995	1,419,700	1,384,231	97.5%
1996	1,564,762	1,514,910	96.8%
1997	1,608,999	1,565,917	97.3%
1998	1,634,566	1,599,203	97.8%
1999	1,896,708	1,841,703	97.1%
2000	1,949,594	1,879,701	96.4%
2001	1,992,482	1,956,575	98.2%
2002	2,090,064	2,025,332	96.9%

Source: Hancock County Auditor

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

CITY OF FINDLAY
 PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

COLLECTION YEAR	BILLED (1)	COLLECTED (2)	% COLLECTED
1993	\$ 336,773	\$ 335,484	99.6%
1994	365,618	335,152	91.7%
1995	384,440	429,696	111.8%
1996	429,149	421,722	98.3%
1997	433,622	479,082	110.5%
1998	502,047	516,610	102.9%
1999	527,992	516,903	97.9%
2000	486,134	476,429	98.0%
2001	613,077	614,527	100.2%
2002	551,864	492,563	89.3%

Source: Hancock County Auditor

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

CITY OF FINDLAY
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

CALENDAR YEAR (1)	REAL ESTATE OTHER THAN PUBLIC UTILITY (2)	PUBLIC UTILITY REAL AND TANGIBLE PERSONAL PROPERTY (3)	TANGIBLE PERSONAL PROPERTY OTHER THAN PUBLIC UTILITY (4)	TOTAL	ESTIMATED ACTUAL VALUE (5)
1994	\$ 391,700,050	\$ 30,175,890	\$ 105,241,494	\$ 527,117,434	\$ 1,506,049,811
1995	403,778,590	30,201,300	114,255,574	548,235,464	1,566,387,040
1996	448,014,540	28,350,120	120,137,602	596,502,262	1,704,292,177
1997	460,980,100	28,205,530	134,109,133	623,294,763	1,934,109,760
1998	472,667,350	28,093,070	153,103,629	653,864,049	2,043,158,573
1999 (6)	551,462,520	28,395,260	156,889,861	736,747,641	2,284,295,958
2000	564,268,950	25,705,800	164,997,670	754,972,420	2,345,632,822
2001	574,141,030	26,603,490	151,916,904	752,661,424	2,324,080,530
2002	611,410,130	20,339,970	191,586,739	823,336,839	2,571,347,241
2003	626,960,430	20,705,880	172,457,599	820,123,909	2,540,305,567

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Source: Hancock County Auditor

- (1) Valuations are amounts for collection year.
- (2) Real property taxes collected in a calendar year are levied as of January 1 of that year based on the assessed values as of January 1 of the preceding year.
- (3) Public utility real and tangible personal property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.
- (4) Tangible personal property taxes collected in a calendar year are levied in the same calendar year as assessed on values at the close of the most recent fiscal year of the taxpayer (ending on or before March 31st of such calendar year) at tax rates determined in the preceding year.
- (5) Real Estate assessed value is 35% of appraised value and Tangible Personal Property assessed value is 25% of appraised value by state statute.
- (6) Sexennial update of property values, effective in tax collection year 1999.

CITY OF FINDLAY
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (per \$1,000 Assessed Valuation)

Last Ten Fiscal Years

CALENDAR YEAR COLLECTED (1)	CITY	HANCOCK COUNTY	HANCOCK COUNTY PARK DISTRICT	FINDLAY CITY SCHOOL DISTRICT	TOTAL
1994	3.20	4.95	0.80	48.65	57.60
1995	3.20	4.91	0.80	53.35	62.26
1996	3.20	4.90	0.80	53.35	62.25
1997	3.20	5.18	0.80	53.35	62.53
1998	3.20	5.18	0.80	53.35	62.53
1999	3.20	5.14	0.80	53.35	62.49
2000	3.20	5.15	0.80	53.35	62.50
2001	3.20	5.14	0.80	53.35	62.49
2002	3.20	5.12	0.80	53.35	62.47
2003	3.20	5.51	0.80	53.35	62.86

Source: Hancock County Auditor

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

CITY OF FINDLAY
 PRINCIPAL TAXPAYERS
 REAL ESTATE AND PUBLIC UTILITY
 DECEMBER 31, 2002

TAXPAYER	ASSESSED VALUES	PERCENTAGE OF TOTAL ASSESSED VALUATION
Ohio Power Company	\$ 12,965,040	1.58%
Marathon Oil/Petroleum Company	11,621,930	1.42%
Cooper Tire & Rubber Company	7,798,900	0.95%
Findlay Shopping Center, Inc.	5,830,950	0.71%
Ohio Bell Telephone Company	5,337,050	0.65%
Logistics Solutions of Ohio	3,588,720	0.44%
Best Buy Distribution Center	2,768,240	0.34%
Owens Illinois/Brockway Plastics Company	2,511,150	0.31%
LP Investment Company	2,402,160	0.29%
Findstrial I (Intersil)	<u>2,388,040</u>	<u>0.29%</u>
	<u>\$ 57,212,180</u>	<u>6.98%</u>

Source: Hancock County Auditor

CITY OF FINDLAY
SPECIAL ASSESSMENT COLLECTIONS
Last Ten Fiscal Years

FISCAL YEAR	CURRENT ASSESSMENTS DUE	TOTAL ASSESSMENTS COLLECTED (1)	RATE OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING ASSESSMENTS
1993	\$ 37,437	\$ 37,456	100.1%	\$ 25,177
1994	24,631	24,214	98.3%	189,102
1995	26,927	27,254	101.2%	416,837
1996	57,010	58,498	102.6%	358,339
1997	51,674	57,380	111.0%	300,959
1998	37,087	36,649	98.8%	573,398
1999	75,427	76,569	101.5%	492,933
2000	64,044	64,683	101.0%	428,250
2001	81,631	77,017	94.3%	573,926
2002	102,943	98,333	95.5%	614,867

Source: Hancock County Auditor

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

CITY OF FINDLAY
COMPUTATION OF LEGAL DEBT MARGINS
DECEMBER 31, 2002

DIRECT DEBT LIMITATION		
Assessed Valuation		<u>\$ 820,123,909</u>
Overall Debt Limitation (10 1/2% of assessed valuation)		\$ 86,113,010
TOTAL INDEBTEDNESS:	\$ 71,635,177	
Less Debt outside Limitations (1) -		
Water General Obligation Bonds	\$ 8,585,000	
Sewer General Obligation Bonds	13,085,000	
OEPA Loans	35,705,339	
Ohio Public Works Commission Loan	299,538	
Water Refunding Bonds - 1995 Issue	9,765,000	
Airport General Obligation Bonds	380,000	
Special Assessment Bonds	<u>510,300</u>	
Total Outside Limits	<u>68,330,177</u>	
Debt subject to 10 1/2% Limitation	3,305,000	
Less:		
Debt Service Fund Balance	<u>146,493</u>	
Net Debt Subject to 10 1/2% Limitation		<u>3,158,507</u>
Legal Debt Margin Within 10 1/2% Limitation		<u>\$ 82,954,503</u>
INDIRECT DEBT LIMITATION		
Unvoted Debt Limitation (5 1/2% of assessed valuation)		\$ 45,106,815
TOTAL INDEBTEDNESS:	\$ 71,635,177	
Less Debt Outside Limitations (1) -	<u>68,330,177</u>	
Debt subject to 5 1/2% Limitation	3,305,000	
Less:		
Debt Service Fund Balance	<u>146,493</u>	
Net Debt Service subject to 5 1/2% Limitation		<u>3,158,507</u>
Legal Debt Margin within 5 1/2% Limitation		<u>\$ 41,948,308</u>

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

CITY OF FINDLAY
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2002

JURISDICTION	ASSESSED VALUATION	GENERAL OBLIGATION DEBT	PERCENT APPLICABLE TO CITY OF FINDLAY (1)	AMOUNT APPLICABLE TO CITY OF FINDLAY
City of Findlay	\$ 820,123,909	\$ -	- (2)	\$ -
Hancock County	1,498,193,933	13,495,000	55.27%	7,458,686
Findlay City School District	792,099,947	-	93.80%	-
Liberty-Benton Local School District	132,518,270	5,058,427	19.19%	970,712
Van Buren Local School District	206,442,986	<u>11,015,000</u>	30.80%	<u>3,392,620</u>
		<u>\$ 29,568,427</u>		<u>\$ 11,822,018</u>

(1) Source: Ohio Municipal Advisory Council

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

CITY OF FINDLAY

DEBT SERVICE COVERAGE FOR ENTERPRISE FUND DEBT (1)

Last Ten Fiscal Years

FISCAL YEAR	GROSS REVENUES	DIRECT OPERATING EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS (3)			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
1993	\$ 10,348,042	\$ 5,149,271	\$ 5,198,771	\$ 1,030,128	\$ 2,786,573	\$ 3,816,701	1.36
1994	10,780,490	5,303,846	5,476,644	1,229,782	2,542,752	3,772,534	1.45
1995	11,225,536	5,431,484	5,794,052	1,247,929	2,537,844	3,785,773	1.53
1996	10,721,445	5,841,884	4,879,561	1,516,228	2,002,443	3,518,671	1.39
1997	11,482,769	6,473,213	5,009,556	1,589,689	2,162,064	3,751,753	1.34
1998	13,008,877	6,831,392	6,177,485	2,083,317	2,139,558	4,222,875	1.46
1999	13,303,935	7,134,087	6,169,848	2,217,121	2,137,338	4,354,459	1.42
2000	14,380,162	7,484,038	6,896,124	2,320,073	2,014,519	4,334,592	1.59
2001	14,934,831	8,330,582	6,604,249	2,423,218	2,652,004	5,075,222	1.30
2002	15,810,297	7,921,290	7,889,007	3,568,452	3,210,304	6,778,756	1.16

(1) Water Fund, Water Pollution Control Fund, and Airport Fund.

(2) Depreciation expense and the loss on disposal of fixed assets have not been included in direct operating expenses in the above table as they do not require the outlay of working capital.

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

CITY OF FINDLAY
 PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
 Last Ten Fiscal Years

FISCAL YEAR	PROPERTY VALUE	COMMERCIAL NUMBER OF UNITS	CONSTRUCTION VALUE (1)	RESIDENTIAL NUMBER OF UNITS	CONSTRUCTION VALUE (1)	BANK DEPOSITS (2)
1993	#####	123	\$ 16,045,106	367	\$ 23,706,705	\$ 655,619,000
1994	1,119,143,000	127	15,708,458	325	13,745,571	676,286,000
1995	1,153,653,114	99	32,092,584	392	21,094,213	677,990,000
1996	1,280,041,542	102	16,832,097	377	21,463,137	666,501,000
1997	1,317,086,000	117	28,332,110	562	27,885,972	708,092,000
1998	1,350,478,142	163	34,823,784	657	37,219,838	725,770,000
1999	1,575,607,200	137	32,084,295	540	25,894,507	736,464,000
2000	1,612,197,000	111	78,267,638	525	24,194,546	796,580,000
2001	1,640,402,942	97	19,521,233	552	22,206,943	804,542,000
2002	1,746,886,086	87	17,930,974	680	27,836,181	870,754,000

(1) Source: City of Findlay Engineering Department

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

CITY OF FINDLAY
 FIFTEEN LARGEST EMPLOYERS
 DECEMBER 31, 2002

EMPLOYER	BUSINESS	NUMBER OF EMPLOYEES
Whirlpool Corporation	Home Appliances	2,050 (1)
Cooper Tire & Rubber Company	General Offices & Tire Manufacturing	1,902
Blanchard Valley Regional Health Ctr	Hospital Service	1,496
Marathon Ashland Petroleum LLC	Petroleum Products	1,359
Kohl's Distribution Center	Retail Distribution Center	917
Findlay City Schools	Education	791
Findlex Corporation	Automotive & Recreational Vehicle Brake Parts	651
Hancock County	County Government	645
University of Findlay	Education	523
Lowes Distribution	Distribution Center	520
HiSan Corporation	Automotive - Small Tubing	508
Ball Metal Container Group	Beverage Cans	466 (1)
Meijer	Department Store	409
Wal-Mart	Department Store	407
Best Buy Company	Distribution Center	406

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

CITY OF FINDLAY
MISCELLANEOUS STATISTICS

DECEMBER 31, 2002

Founded in 1812 as Fort Findlay	
Form of Government	Mayor-Council
Area in Square Miles	18.611
Miles of Streets	179.77
Population (2000 census)	38,967
Unemployment Rate	3.56%
Number of Full-time Employees (including Police & Fire)	397
FIRE PROTECTION:	
Number of Stations	4
Number of Firefighters	73
POLICE PROTECTION:	
Number of Stations	1
Number of Police Officers	75
Number of Auxiliary Police Officers	15
WATER AND WASTEWATER UTILITIES:	
Number of Accounts	16,697
Average Daily Water Consumption (gallons)	6,526,000
Reservoir Capacity (gallons)	6.4 billion
Miles of Water Mains	278.87
Water Treatment Plants	1
Miles of Sanitary Sewer Lines	269.47
Sewerage Treatment Plants	1
RECREATION:	
Number of Parks	17 (356.1 acres)
Findlay Reservoir (Boating and Fishing)	775 acres
Ballfields (Baseball and Softball)	33
Tennis Courts, Volleyball & Basketball	26 (2 lighted)
Soccer Fields	23
Swimming Pool	1
EDUCATION ENROLLMENT:	
Findlay City School District (grades K-12)	6,469
St. Michael's Catholic School (grades K-8)	589
University of Findlay	4,043
Winebrenner Theological Seminary	135
Owens Community College	2,466
Southern Ohio College	317

CITY OF FINDLAY
COMPLIANCE INFORMATION
SECURITIES AND EXCHANGE COMMISSION RULE
15c2-12

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

Description of Material Events

1. There were no delinquencies of principal and/or interest payments.
2. There were no non-payment related defaults.
3. There were no unscheduled draws on debt service reserves reflecting financial difficulties.
4. There were no unscheduled draws on credit enhancements reflecting financial difficulties.
5. There was no substitution of credit or liquidity providers, nor was there a failure to perform.
6. There have been no adverse tax opinions affecting the tax exempt status of any of the City's outstanding obligations.
7. There were no modifications to rights of bond holders.
8. There were no calls of the City's outstanding obligations during 2002.
9. The City did not defease any bonds in 2002.
10. The City did not release, substitute or sell any property securing repayment of its obligations.
11. The City has a credit rating for General Obligation bonds from Moody's Investors Services, Inc. of Aa3. The City also has a rating from Standard and Poors Corporation of AA-.

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

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Betty Montgomery**

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CITY OF FINDLAY

HANCOCK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 4, 2003**