

Wood County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

City Council
City of Rossford
133 Osborn St.
Rossford, OH 43460-1236

We have reviewed the *Independent Auditor's Report* of the City of Rossford, Wood County, prepared by Clark Johnson & Robson, for the audit period January 1, 2004 through December 31, 2004. 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 Rossford is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 6, 2005

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2004

Issued by:
Department of Finance
Laurie Sabin
Director



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WOOD COUNTY, OHIO

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INTRODUCTORY SECTION





City of Rossford, Ohio

133 Osborn Street

Rossford, Ohio 43460-1236

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July 18, 2005

To the Mayor and Members of City Council and
All Citizens of the City of Rossford, Ohio:

We are pleased to present this Comprehensive Annual Financial Report for the City of Rossford, Ohio for the fiscal year ended December 31, 2004. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and audited in accordance with Generally Accepted Auditing Standards (GAAS). GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

INTRODUCTION

This report represents a commitment by the City of Rossford (the "City") to conform to nationally recognized standards of excellence in financial reporting. The City is responsible for both the accuracy of the presented data and the completeness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and includes all disclosures necessary to illustrate the financial activity of the City in 2004.

This Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. *The Introductory Section* includes; this letter of transmittal, which presents the City's organization, operational structure and accomplishments; an organizational chart; and a list of principal officials.
2. *The Financial Section* contains the City's basic financial statements and explanatory notes thereto; the combining and individual fund financial statements and schedules; and the Independent Auditors' Report.
3. *The Statistical Section* presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

***Letter of Transmittal
For the Year Ended December 31, 2004***

The Reporting Entity

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all the organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the city's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

The reporting entity of the City includes all funds, agencies, boards and commissions that are part of the primary government. As authorized by its Charter, the City provides the following services: police and fire protection, parks and recreation, street maintenance, refuse pickup, curbside recycling, snow removal and other governmental services. The City owns the water distribution system, the wastewater collection system and a marina, all of which are reported as enterprise funds. Water and wastewater treatment services are purchased by the City on a contractual basis from the City of Toledo.

In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. Initially, the TID was a component unit of Wood County and was governed by a board of trustees consisting of the following members: five members appointed by the board of county commissioners, one nonvoting member appointed by the speaker of the house of representatives of the general assembly and one nonvoting member appointed by the president of the senate of the general assembly. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. The debt service for the bonds is to be paid for by special assessments levied by the TID against the parcels of land and lots that are benefited by the project. The initial project, which began in June of 1998, is a four-lane parkway from State Route 795 to State Route 20. As of December 1998, two miles of the parkway from State Route 795 to Deimling Road were completed. The remaining one half mile section was completed in 1999. Water and sewer lines have been extended south along the Parkway. The TID also completed a project to install traffic lights at both ends of the parkway in 1999.

In December 1998, the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority (JEDA/Port Authority) was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The JEDA/Port Authority was created for the benefit of the people of the State of Ohio. Its jurisdiction includes all of the area of the City of Rossford and all of the unincorporated area of Perrysburg Township. The JEDA/Port Authority has five directors, two appointed by the City of Rossford, two appointed by Perrysburg Township and one jointly appointed by the City of Rossford and Perrysburg Township. The directors appointed by the City are appointed by the mayor subject to the approval of the Council, but the City's accountability for the JEDA/Port Authority does not extend beyond making the appointments.

CITY OF ROSSFORD, OHIO

Letter of Transmittal

For the Year Ended December 31, 2004

In February 1999, the Rossford Arena Amphitheater Authority (RAAA), a component unit of the City of Rossford, Ohio, was created in accordance with Chapter 1702 of the Ohio Revised Code. As a legally separate non-profit corporation, the RAAA's purpose is to further the growth and development at the property located at the intersection of I-75 and I-80/90, which will increase tourism and convention activities in the City and benefit all of Northwestern Ohio. Specifically, its purpose is to finance, construct, own, operate and maintain an arena and amphitheater facility and such other activities as permissible under Ohio law. The trustees and members of the RAAA were set by ordinance to be the Mayor of the City of Rossford, the President of Council of the City of Rossford, the Municipal Administrator of the City of Rossford and the Recreation Director of the City of Rossford. The City has no ongoing right to add or remove members or appoint other members. The City has indicated its willingness to participate in the arena/amphitheater project by devoting 100% of its admission tax revenues and 25% of its hotel/motel tax, subject to annual appropriation by City Council, to the project. The City has no legal obligation to finance the deficits of or provide support to the RAAA.

Historical Information

The City of Rossford, Wood County, Ohio was founded in 1898 by Edward Ford. Mr. Ford, founder of the Edward Ford Plate Glass Company, constructed his plant across the Maumee River from Toledo in what is today the City of Rossford. The Edward Ford Plate Glass Company, now Pilkington North America, attracted workers to the area who established a community around the facility. Rossford was incorporated as a village in 1939 and became a city in 1971. The City, with a 2000 census population of 6,406, is a very ethnic community with a population mix consisting primarily of Middle Eastern European nationalities (i.e., Polish, Czechoslovakian, German, Ukrainian). Most of the early residents were employed at the glass plant and today, several generations later, many of the descendants of the original settlers continue to work for the company.

Location

Located on the banks of the Maumee River, Rossford abuts the southeast boundary of the City of Toledo and is in northern Wood County. North-south interstate highway I-75 and east-west interstate I-80/90, the longest interstate highway in the U.S., intersect within the City. Interstate highway I-75 has three interchanges within the City, and I-80/90 (the Ohio Turnpike) Gate 4A is located in an area known as the Crossroads, which was annexed to Rossford in 1994. The City is also served by State Highways 65 and 795. CSX rail lines are located within the City and the Toledo Area Regional Transit Authority provides local bus service. Toledo Express Airport, 15 miles west, Detroit Metro Airport, 60 miles north, and Metcalf Field, 5 miles east, all provide air transportation. Burlington Air Express located at Toledo Express Airport provides ready access to International Air Cargo service.

Form of Government

The City is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted in 1970, became effective in 1971 and was amended in 1991 and 1993.

***Letter of Transmittal
For the Year Ended December 31, 2004***

Legislative authority is vested in a seven member City Council. All members are elected at-large to four-year terms. The Council sets compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the Mayor who has no vote unless there is a tie vote of the members of City Council. The Charter establishes certain administrative departments and the City Council may establish divisions of those departments and/or additional departments.

The City's chief executive and administrative officer is the Mayor. The Mayor appoints, subject to the approval of City Council, the City Administrator and all the directors of the City's departments for a term of four years or for such lesser period of time as stated at the time of appointment. The City Administrator also serves as the City's chief fiscal officer, the Safety-Service Director and the Economic Development Director.

The Clerk of City Council is appointed by City Council. The City Treasurer is a part-time, four-year elected position.

Basis of Accounting

Except for that used for budgetary purposes, the basis of accounting utilized by the City is in conformity with generally accepted accounting principles (GAAP) applicable to governmental units and is consistent with GASB Codified Section 1600, "Basis of Accounting." All governmental funds are accounted for using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental and agency funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary funds is on the flow of total economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available) and encumbrances are recorded as expenditures rather than as reservation of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 2004, all accounting policies were applied consistently with those of 2003. Accounting policies are further explained in Note 1.

Economic Outlook

The City of Rossford annexed 660 acres in August of 1994, 300 acres in May of 1997, 192 acres in 2000 and 45 acres in 2004. The annexed area is primarily farmland located at the intersection of Interstate I-80/90 and Interstate I-75 and is known locally as the "Crossroads of America". State Route 795 provides unlimited direct access to the area. As part of the annexation agreement, the City agreed to provide water and sanitary sewer services to the area. In order to accomplish this, the City entered into a Joint Economic Development Zone (JEDZ) agreement with the City of Toledo, whereby, in exchange for the

CITY OF ROSSFORD, OHIO

Letter of Transmittal For the Year Ended December 31, 2004

City of Toledo's agreement to sell water to the area, the City of Rossford would share with the City of Toledo 0.615% of the 2.25% income tax revenue generated as a result of new businesses locating in the JEDZ. When the Crossroads of America area is fully developed, preliminary projections indicate over 1,400 jobs will be created with an estimated annual payroll of \$25 million. Annual tax revenues to cities, county, state and local schools are projected to exceed \$9 million.

The City of Rossford also entered into an agreement with Perrysburg Township, whereby, in exchange for the Township's approval of the annexation, the City of Rossford pays the Township (for a 15 year period) the unencumbered real estate taxes that the City receives on all annexed property. Similar reciprocal agreements were entered into with the City of Perrysburg and Wood County.

A combination of sports, leisure activities, entertainment and retail will be featured in the Crossroads of America. Construction was completed during 1997 on a Courtyard by Marriott motel, a BP Mini-mart service station in the Crossroads and a 24-acre private development site north of State Route 795. The RAAA began construction of an arena with athletic event seating of 9,200 and concert seating of 12,000 and an amphitheater with 6,500 fixed seats and 7,500 lawn seats in May 1999. When financing could not be secured, construction was halted in November 1999. In 2003 the RAAA consented to foreclosure. In April 2005 the Wood County Treasurer filed for foreclosure of liens for delinquent land taxes for all parcels owned by the RAAA.

To encourage development in the Crossroads of America area, in April 2000 the City exempted improvements in the area from real property taxation for a period of thirty years and provided for payments in lieu of taxes to be made and deposited in a tax equivalent fund, pursuant to Sections 5709.40 and 5709.42 of the Ohio Revised Code. This is a financing technique known as tax increment financing. The Rossford Exempted Village Board of Education and the Penta County Joint Vocational School District are to receive payments in lieu of taxes in the amount that taxes would have been paid to the school district if the improvements had not been exempted from taxation. The balance of funds deposited in the tax equivalent fund shall be used to pay for improvements in the Crossroads area. Improvements are defined as "the construction and installation of infrastructure improvements in the Crossroads of America area of the City, including streets, curbs, gutters, sidewalks, walkways, trails, street lighting, traffic signals, signage, storm drainage, water and sanitary sewer improvements, parking facilities, and the construction of public service buildings necessary for purposes of delivering fire, emergency medical and police services within the Crossroads area and other improvements related thereto, directly benefit or once made will directly benefit properties in the Crossroads."

In May 2000 the City entered into a tax increment financing agreement with Ramco-Gershenson, Inc., who proposed the development of a 78.7-acre parcel of property consisting of a commercial shopping center located at the northeast corner of US Route 20 and Parkway Boulevard. Stores in the center include Target, Home Depot, Giant Eagle, Linens 'N Things, Michaels Arts & Crafts, Shoe Carnival, Payless Shoe Source, Bath & Body Works, The Dress Barn and Fashion Bug. Outlot stores include Pier 1 Imports, Pet Supply Plus, Mattress Firm, Belle Tire, MC Sporting Goods, Chili's Restaurant and Genoa Bank. Eleven outlet locations are still available. When all 78.7 acres are developed Ramco-Gershenson projects 960 employees with annual payrolls of \$18 million, annual retail sales of \$96 million and annual tax revenues to cities, county, state and local schools to exceed \$9 million. In 2004, annual payrolls exceeded \$14 million. The service payments made by Ramco-Gershenson will be used to pay all costs of public road and storm drainage improvements including the principal and interest on the \$1,950,000 in

CITY OF ROSSFORD, OHIO

Letter of Transmittal

For the Year Ended December 31, 2004

bonds the City borrowed to finance the improvements. In July 2004, a 210,000 square foot Meijer store opened on a 30-acre parcel at the northwest corner of US Route 20 and Simmons Road. Meijer plans future development on three outlots at the site.

As demonstrated by the cooperative efforts noted herein, the City of Rossford is dedicated to the concept of collective economic development stressing regional cooperation for all of northwest Ohio. The cities of Rossford and Northwood, along with private property owners, the Wood County Economic Development Commission, the Toledo Area Growth Partnership and others have begun a cooperative development effort to market approximately 540 acres of property located adjacent to and near Interstate I-75. The project site, known as Access Pointe, offers opportunities for both light and heavy industrial and office park developments. Interstate Brands constructed a \$27 million Bakery on a 24-acre parcel within a JEDZ between the cities of Rossford and Northwood. The plant employs over 200 and the payroll tax revenue is shared by both cities. State grants were awarded to assist in necessary road improvements, water and sewer extensions to Wales Road and an access road to the site. The costs of these improvements were also shared.

The major employers presently located within the City are Pilkington North America, Target Corporation, the Rossford Board of Education, Tamarken Company (Giant Eagle Grocery Stores), and Home Depot USA. Many residents are employed at the Chrysler Machining Plant and at several companies located in Ampoint Industrial Park, which is adjacent to the City. Ampoint employers include Crown Cork & Seal, Calphalon Corporation and Owens Community College.

Employee Relations

The City has 37 full-time and approximately 67 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining.

Employees are represented by the following bargaining units:

<u>Bargaining Unit</u>	<u>Agreement Expiration Date</u>	<u>Number of Employees Covered</u>
AFSCME, Ohio Council 8 Local 2954	August 2007	9
MEBA, District 2A	March 2007	18
MEBA, District 2A-Fire (Volunteers)	December 2006	31
OPBA, Rossford, Ohio Unit: Patrol Officers and Command Officers	December 2006	18

Compensation for all other employees is governed by legislative action of City Council. Historically, negotiations and ongoing relations between the City and its employees have been amicable.

Unemployment Rates

According to the Ohio Bureau of Employment services, the 2004 annual average unemployment rate for Wood County was 5.39%, which was significantly below the state unemployment rate of 6.0% and the national unemployment rate of 5.56%.

*Letter of Transmittal
For the Year Ended December 31, 2004*

MAJOR CITY INITIATIVES

Project Funding

During 2004, the City remained focused on improving the quality of life and employment opportunities for its residents and taxpayers. Where possible, the City continues to actively pursue and apply for possible assistance such as State Issue II funds and other federal, state and local grant funds. The City has been very successful in obtaining such funds as evidenced by the State Issue II Grants for Phases I, II, III and IV sewer replacement and the road and bridge widening of Buck Road and I-75, the Ohio Department of Development Community Housing Improvement Program Grant, the Ohio Department of Public Safety Emergency Medical Services Grant, the COPS Fast Grant and the Ohio Department of Natural Resources, Division of Watercraft Waterways Safety Fund Grant and Clean Vessel Act Grant.

Continuing and Future Projects

In 1996, the City granted a 10 year 100% real estate and personal property tax abatement to Libbey-Owens-Ford Glass Company, the City's largest employer, for a glass furnace replacement project with an estimated cost of over \$80 million. While this project will not increase employment in the City, the company has agreed to retain an employment level of 300, with an annual payroll in excess of \$22 million.

In April 1998, implementing Sections 3735.65 through 3735.70 of the Ohio Revised Code, the City established a Community Reinvestment Area in which the maintenance of existing and construction of new structures will serve to encourage economic stability, maintain real property values and generate new employment opportunities. Exemptions will be granted for up to 100% of the increase in the assessed value for a time limit of up to 15 years for the remodeling of existing structures or construction of new structures. A Tax Review Council was established to review the compliance of all agreements and make written recommendations as to continuing, modifying or terminating said agreements based on the performance of the agreement.

In September 1999, the City was awarded 24 month \$645,000 Grant from the Ohio Department of Development for a Community Housing Improvement Program (CHIP). Program activities include full rehabilitation services to bring houses up to state residential rehab standards in the form of 0% deferred loans, home repair addressing one or two health or safety concerns in the house in the form of grants and home buyer assistance for down payment and closing costs in the form of 0% deferred loans. Program participants must meet certain low to moderate income limits and work is completed solely by program

approved contractors. In 2000 five homes were rehabilitated at a cost of \$87,622, three households were assisted with down payments at a cost of \$15,100 and one home received emergency repairs totaling \$4,755. In 2001 eight homes were rehabilitated at a cost of \$142,775 and two home buyers were assisted with down payments totaling \$10,400. An additional 24 month grant was not awarded to the City in 2002. Because five grantees paid off their loans, \$117,317 remains in the CHIP fund and can be used to aide Rossford residents in need of emergency home repairs.

***Letter of Transmittal
For the Year Ended December 31, 2004***

In August 2000, the City entered into a 20 year road improvements lease-purchase agreement with the TID and issued a \$2,550,000 note to finance the first payment, pursuant to the provisions of Article XVII, Section 3 of the Ohio Constitution. Further lease payments are \$1 per year, ending December 1, 2020. The TID constructed a north-south collector boulevard from the intersection of State Route 795 and Simmons Road which extends south beginning at State Route 795 and ending at US 20 (The Parkway) and the east-west road know as Arena Drive. The cost of the roads are to be paid by the levy and collection of special assessments from the property owners who benefited by the improvements. In consideration of the agreement the TID has agreed to assign 35.84% of the assessments and other amounts connected therewith to the City. Proceeds from the assessments, which the City began receiving in 2001, will be used to pay the interest and principal of the \$2,550,000 note. In 2001 through 2004, assessments received covered note interest and note sale expenses in addition to \$130,000 in principal payments, leaving a \$92,477 fund balance.

In September 2000, the City entered into a 15 year water system improvements lease-purchase agreement and a 15 year sewer system improvements lease-purchase with the TID and issued two \$300,000 notes to finance the first payments, pursuant to the provisions of Article XVII, Section 3 of the Ohio Constitution. Further lease payments on each are \$1 per year, ending December 1, 2015. The TID acquired and installed approximately 11,653 feet of polyvinyl chloride water main along the west side of The Parkway and the south side of Arena Drive. The water main runs from US 20 to State Route 795 along The Parkway and along Arena Drive from its intersection with The Parkway to Lime City Road and is connected to the Wood County Regional Water and Sewer District and the City's water mains at US 20 and State Route 795, respectively, and dead ends at the Arena Drive/Lime City Road intersection. It also acquired and installed approximately 11,692 feet of polyvinyl and concrete sewer line. Along The Parkway there is approximately 280 feet of 15 inch pipe, 976 feet of 18 inch pipe, 4205 feet of 21 inch pipe and 3,084 feet of 24 inch pipe. Along Arena Drive there is approximately 3,136 feet of 12 inch pipe. The sewer line is connected to an existing City sewer on the north side and is conveying sewage from the south northward. The cost of the water and sewer improvements are to be paid by connection fees, tap-in fees, capacity fees, user fees and other similar fees paid by users of the improvements. In consideration of the agreement the TID has agreed to assign 31.8% of the water and sewer fees and other amounts connected therewith to the City. The City will use these proceeds to pay the interest and principal of the two \$300,000 notes. As of December 31, 2004, the RTID water and sewer lines have generated tap fees of \$43,450. The remainder of note interest and note sale expenses have been paid by the City's Water and Sewer funds.

*Letter of Transmittal
For the Year Ended December 31, 2004*

FINANCIAL INFORMATION

Internal Control, Budgetary and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance that:

1. The City's assets are protected against loss, theft or unauthorized use or disposition; and
2. Adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Finance Director's Office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The Finance Director is responsible for the auditing and analysis of all purchase orders and vouchers of the City. The Finance Director carefully reviews requisitions and purchases to ensure the availability of monies in the proper funds and accounts prior to the certification and payment of approved invoices. The City utilizes a fully automated accounting system as well as an automated system of controls for payroll. These systems coupled with the review and examination performed by the Finance Director ensure that the financial information generated is both accurate and reliable.

Budgetary control is maintained at the object level for each department within each fund by legislation approved by City Council. The various objects are:

- Personal Services
- Contractual Services
- Other (Miscellaneous)
- Transfers
- Materials and Supplies
- Capital Outlay
- Debt Service:
 - Principal
 - Interest

CITY OF ROSSFORD, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2004**

Lower levels within each object are accounted for and reported internally for management control purposes. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized by City Council. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year. Appropriations, both original and supplemental, must be authorized by City Council.

Debt Administration

The debt service fund accumulates resources for the payment of principal and interest on the City's long-term debt. Resources are derived from the transfer of tax revenues from the City's General Fund. Prior to issuance of the Community Recreation Center Bond in 1993, the City had not had any outstanding long-term debt for more than a decade. In fact, the debt service fund was created in 1993 to facilitate the accounting for the accumulation of resources to retire the outstanding principal and interest on the Community Recreation Center Bond.

The City's general obligation bond is not rated. The total bonded debt of the City at December 31, 2004 was \$1,767,870 for water lines, \$1,480,130 for sewer lines and \$3,817,000 for Capital Projects.

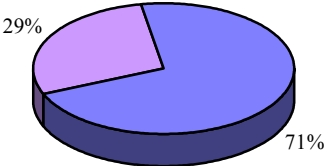
Cash Management

Cash management is a vital component of the City of Rossford's overall financial strategy. The primary objective of the City's investment activity is the preservation of capital and the protection of invested principal. The City pools its cash for maximum investment efficiency.

Public funds are invested to achieve maximum return without assuming unreasonable risk. Investments are diversified to avoid incurring unreasonable risk to a specific type of security or a particular individual financial institution. Portfolio investments remain sufficiently liquid to ensure that all operating requirements are satisfied on a timely basis.

The City's cash resources were invested at December 31, 2004 as follows:

<u>Cash Resources</u>	<u>2004</u>	<u>Percent</u>
Cash	\$1,358,136	71%
STAR Ohio	545,347	29%
Total Resources	<u>\$1,903,483</u>	100%



The City earned general governmental interest of \$22,808 on investments for fiscal year 2004. Interest earned was allocated to the General Fund.

CITY OF ROSSFORD, OHIO

Letter of Transmittal For the Year Ended December 31, 2004

At December 31, 2004, the City had deposits of \$1,358,136. Federal depository insurance covered \$200,000 of the bank balance and the rest of the deposits were classified as Category 3. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,*" collateral held in single financial collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3 (see Note 6 of the financial statements). All deposits are made under contracts with local banking institutions pursuant to statute.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The proactive approach that the City employs in its ongoing operation is reflected in the composition of the City's insurance and favorable loss experience.

The City has contracted with Ohio Government Risk Management for all liability including bodily injury, personal injury, property damage, police and fire liability, boiler and machinery and public officials.

Deductible levels have been selected so as not to expose the City to excessive "first dollar" claims. Deductibles for property and coverage are:

	Occurrence Limits	Aggregate Limit	Deductible
Property	\$5,550,120	\$5,550,120	\$1,000
Liability	5,000,000	7,000,000	
Wrongful Acts	5,000,000	7,000,000	2,500
Law Enforcement	5,000,000	6,000,000	2,500
Automobile	5,000,000		100/1,000
Bond	100,000		
Crime	2,500		
Inland Marine	579,300		500
Fire Vehicle	1,202,000		100
Electronic Data Processing	101,521		500

***Letter of Transmittal
For the Year Ended December 31, 2004***

OTHER INFORMATION

Independent Audit

The basic financial statements of the City of Rossford were audited by Clark Johnson & Robson, CPAs. The independent auditor's unqualified opinion has been included in this 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 Rossford, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Rossford has received a Certificate of Achievement for the fiscal years ended 1994 - 2003. We believe that this, our eleventh Comprehensive Annual Financial Report, meets the high standards set by GFOA for a Certificate of Achievement for Excellence in Financial Reporting, and we are submitting it to GFOA.

Public Disclosure

The publication of this report represents an important achievement in the ability of the City of Rossford to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City administration and investors. In addition to the citizens of Rossford, the recipients of this report will include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

Acknowledgments

Sincere appreciation is extended to the individuals who have contributed their time and effort in gathering data for this report, particularly the staff of the Finance Department and the Office of the Auditor of Wood County.

Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their continued guidance in the preparation of this report.

CITY OF ROSSFORD, OHIO

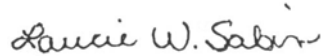
***Letter of Transmittal
For the Year Ended December 31, 2004***

Finally, special thanks to Mayor William Verbosky Jr., the members of the Rossford City Council and the City Administration whose support is necessary for the City of Rossford to conform to reporting requirements established for municipal governments.

Respectfully,



Edward J. Ciecka
City Administrator



Laurie W. Sabin
Finance Director

CITY OF ROSSFORD, OHIO

**List of Principal Officials
For the Year Ended December 31, 2004**

Elected Official

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Years In Office</u>	<u>Surety</u>
William Verbosky, Jr.	Mayor	11/30/2007	6	A
James Richards	Council President	11/30/2005	3	A
Kenneth Hermes	Council Member	11/30/2007	7	A
Larry Oberdorf, Sr.	Council Member	11/30/2007	1	A
Molly Jakubec	Council Member	11/30/2005	19	A
Caroline Eckel	Council Member	11/30/2005	1	A
Gregory Marquette	Council Member	11/30/2007	6	A
Richard Kovach	Council Member	11/30/2005	8	A
Mark Radwanski	Treasurer (appointed)	11/30/2005	1	A, B

Administrative Personnel

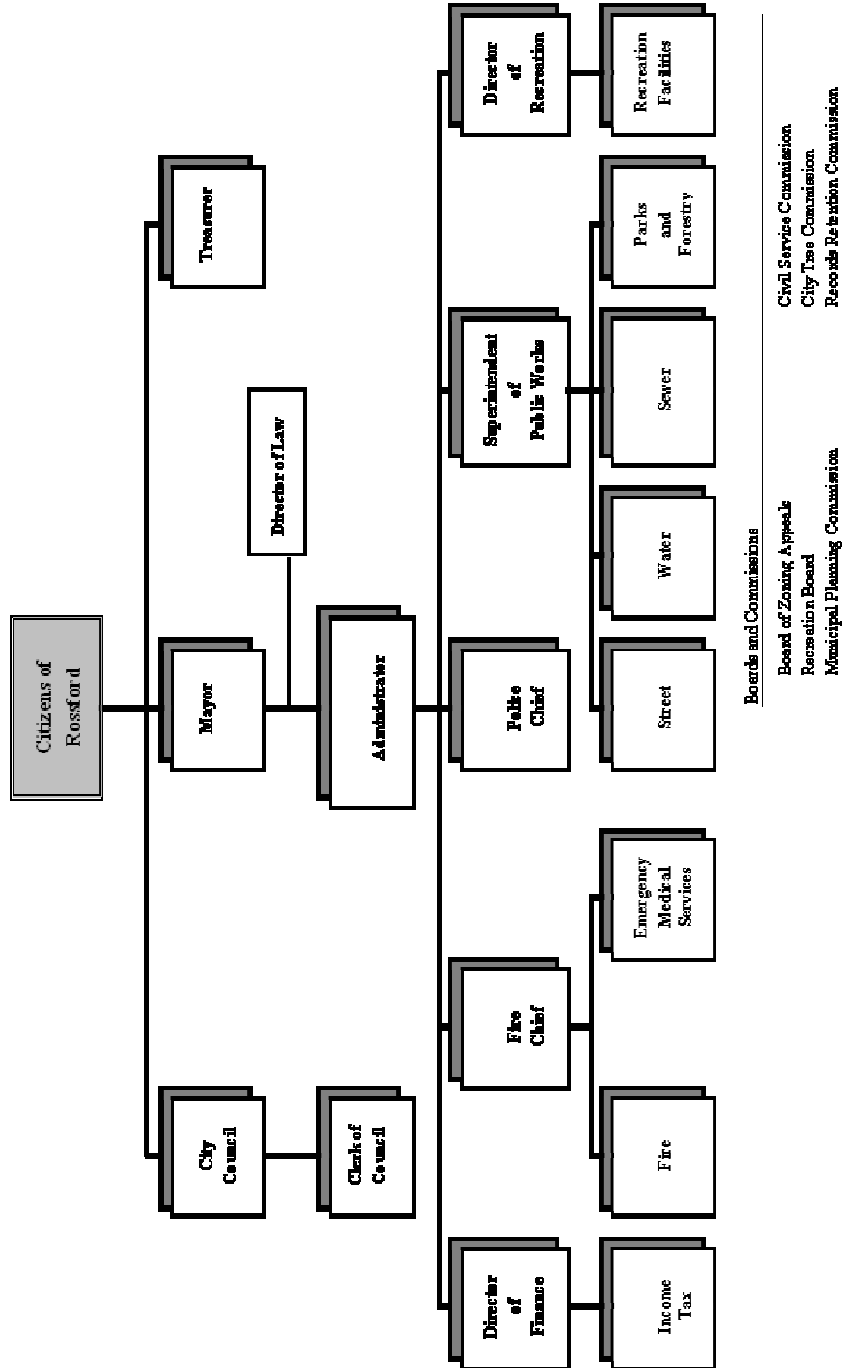
<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Years Of Service</u>	<u>Surety</u>
Edward J. Ciecka	City Administrator	Indefinite	0	A, B
Laurie Sabin	Director Of Finance/	Indefinite	7	A, B
David Jones	Superintendent Of Public Works	Indefinite	24	A
Patricia Sloan	Director Of Recreation	Indefinite	24	A
Dennis Foy, Sr.	Police Chief	Indefinite	6	A
James Verbosky	Fire Chief	Indefinite	7	A
Keith Wilkowski	Director Of Law	11/30/2007	8	A
Robert Watrol	Clerk Of Council	11/30/2007	17	A

(A) Public Officials \$5 Million Per Occurrence, \$6 Million Aggregate General Liability.

(B) Public Official Bond - \$100,000.

Insurance Term: September 5, 2004 Through September 5, 2005

City Organizational Chart
For the Year Ended December 31, 2004



Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Rossford,
Ohio

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

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



Nancy L. Zielke

President

Jeffrey R. Emmer

Executive Director

FINANCIAL SECTION



CLARK JOHNSON & ROBSON

Certified Public Accountants
7854 West Central Avenue, Toledo, OH 43617

Independent Auditors' Report

The Honorable Mayor and
Members of Council
City of Rossford, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Rossford, Wood County, Ohio, as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rossford's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rossford, Wood County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Rossford Arena Amphitheater Authority (a discretely presented component unit) will continue as a going concern. As discussed in Note 2, the Authority has been unable to pay debt obligations when due. Accordingly, there is substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also discussed in Note 2.

As described in note 3, during the year ended December 31, 2004 the City of Rossford has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Managements's Discussion and Analysis-for State and Local Governments*, as amended and interpreted, as of December 31, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2005 on our consideration of the City of Rossford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the City of Rossford, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical information have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Clark Johnson & Robson
July 18, 2005

The discussion and analysis of the City of Rossford's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2004 are as follows:

- ❑ In total, net assets increased \$750,125. Net assets of governmental activities increased \$662,682, which represents a 46.4% increase from 2003. Net assets of business-type activities increased \$87,443 or 4.2% from 2003.
- ❑ General revenues accounted for \$4.5 million in revenue or 72.8% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 27.2% of total revenues of \$6.2 million.
- ❑ The City had \$4.7 million in expenses related to governmental activities; only \$785,794 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of 4.6 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$4.3 million in revenues and \$3.7 million in expenditures. The general fund's fund balance increased \$564,728 to \$559,888.
- ❑ Net assets for enterprise funds increased by \$87,443.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis*, the *basic financial statements*, and an optional section that presents *combining statements* for nonmajor governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accepting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as property tax base, current property tax laws, conditions of the City's streets and continued growth within the City.

The government-wide financial statements of the City are divided into two categories:

- *Governmental Activities* – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water and sewer services, and the marina are reported as business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

This is the first year for government-wide financial statements using the full accrual basis of accounting, therefore a comparison with prior year's information is not available. A comparative analysis will be provided in future years when prior year's information is available.

	Governmental Activities	Business-type Activities	Total
	2004	2004	2004
Current and other assets	\$5,245,658	\$1,229,819	\$6,475,477
Capital assets, Net	2,872,131	6,611,708	9,483,839
Total assets	8,117,789	7,841,527	15,959,316
Long-term debt outstanding	4,464,800	4,787,258	9,252,058
Other liabilities	4,418,112	913,045	5,331,157
Total liabilities	8,882,912	5,700,303	14,583,215
Net assets			
Invested in capital assets, net of related debt	0	1,094,015	1,094,015
Restricted	261,942	0	261,942
Unrestricted	(1,027,065)	1,047,209	20,144
Total net assets	(\$765,123)	\$2,141,224	\$1,376,101

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CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2004:

	Governmental Activities	Business-type Activities	Total
	2004	2004	2004
Revenues			
Program revenues:			
Charges for Services and Sales	\$420,009	\$834,900	\$1,254,909
Operating Grants and Contributions	353,836	0	353,836
Capital Grants and Contributions	11,949	72,982	84,931
General revenues:			
Income Taxes	2,766,116	0	2,766,116
Property Taxes	396,838	0	396,838
Other Local Taxes	185,901	0	185,901
Grants and Entitlements not Restricted to Specific Programs	835,904	0	835,904
Investment Earnings	25,088	0	25,088
Miscellaneous	239,705	0	239,705
Transfers In (Out)	110,000	(110,000)	0
Total revenues	<u>5,345,346</u>	<u>797,882</u>	<u>6,143,228</u>
Program Expenses			
Security of Persons and Property	1,913,297	0	1,913,297
Leisure Time Activities	329,055	0	329,055
Basic Utility Services	241,282	0	241,282
Transportation	804,255	0	804,255
General Government	1,097,994	0	1,097,994
Interest and Fiscal Charges	296,781	0	296,781
Water	0	154,188	154,188
Sewer	0	466,894	466,894
Marina	0	89,357	89,357
Total expenses	<u>4,682,664</u>	<u>710,439</u>	<u>5,393,103</u>
Total Change in Net Assets	662,682	87,443	750,125
Beginning Net Assets	<u>(1,427,805)</u>	<u>2,053,781</u>	<u>625,976</u>
Ending Net Assets	<u>(\$765,123)</u>	<u>\$2,141,224</u>	<u>\$1,376,101</u>

Governmental Activities

Net assets of the City's governmental activities increased by \$662,682. This was due primarily to new property tax valuations.

CITY OF ROSSFORD, OHIO

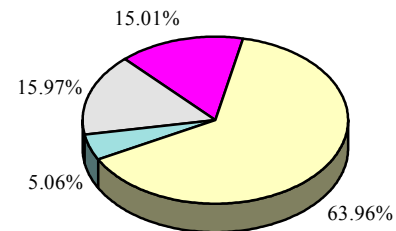
**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

The City also receives an income tax, which is based on 2.25% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work done or services performed or rendered in the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and individuals are required to file a declaration annually. The City allows a 100% credit for income taxes paid to another municipality.

Property taxes and income taxes made up 7.6% and 52.8% respectively of revenues for governmental activities for the City in fiscal year 2004. The City's reliance upon tax revenues is demonstrated by the following graph indicating 63.96% of total revenues from general tax revenues:

Revenue Sources	2004	Percent of Total
General Shared Revenues	\$835,904	15.97%
Program Revenues	785,794	15.01%
General Tax Revenues	3,348,855	63.96%
General Other	264,793	5.06%
Total Revenue	\$5,235,346	100.00%



Business-Type Activities

Net assets of the business-type activities increased by \$87,443. This increase was due to sewer upgrades and new infrastructure for continued development in the City. User rates in the enterprise funds are evaluated annually by management with rate changes made by the legislative body. Changes to user rates are made periodically when necessary to keep pace with increased operational and capital costs.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$(1,827,768), which is an increase from last year's balance of \$(1,897,090). The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2004 and 2003:

	Fund Balance December 31, 2004	Fund Balance December 31, 2003	Increase (Decrease)
General	\$559,888	(\$4,840)	\$564,728
General Obligation Debt Service	(583,730)	0	(583,730)
Fire Capital Improvement	(62,774)	(24,229)	(38,545)
TID Road Acquisition	(2,378,930)	(2,458,818)	79,888
Other Governmental	637,778	590,797	46,981
Total	(\$1,827,768)	(\$1,897,090)	\$69,322

CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

General Fund – The City's General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2004 Revenues	2003 Revenues	Increase (Decrease)
Property Taxes	\$224,927	\$227,976	(\$3,049)
Municipal Income Tax	2,761,282	2,478,598	282,684
Other Local Taxes	185,901	159,923	25,978
Intergovernmental Revenue	813,898	754,817	59,081
Charges for Services	55,123	95,897	(40,774)
Licenses and Permits	29,122	64,071	(34,949)
Investment Earnings	22,808	14,427	8,381
Special Assessments	157,097	130,289	26,808
Fines and Forfeitures	39,632	30,238	9,394
All Other Revenue	6,053	20,526	(14,473)
Total	<u>\$4,295,843</u>	<u>\$3,976,762</u>	<u>\$319,081</u>

General Fund revenues in 2004 increased approximately 8% compared to revenues in fiscal year 2003. The most significant factor contributing to this increase was in revenues from municipal income taxes and investment earnings. Municipal incomes taxes were up due to the second quarter opening of a Meijer store in the Crossroads, the annexation of Glenwood School, raises and hiring by the Rossford Board of Education and an increase in production by a local manufacturer, Elector Prime Inc. Investment earnings increased due to the significant rise in rates earned by approved investments.

	2004 Expenditures	2003 Expenditures	Increase (Decrease)
Security of Persons and Property	\$1,800,844	\$1,866,376	(\$65,532)
Leisure Time Activities	16,897	11,082	5,815
Basic Utility Services	241,282	218,480	22,802
Transportation	493,578	527,826	(34,248)
General Government	1,027,233	1,258,426	(231,193)
Debt Service:			
Principal Retirement	51,022	48,073	2,949
Interest and Fiscal Charges	2,737	5,685	(2,948)
Total	<u>\$3,633,593</u>	<u>\$3,935,948</u>	<u>(\$302,355)</u>

General Fund expenditures decreased by \$302,355 or 7.7% compared to the prior year. This was mainly due to the implementation of cost cutting measures, decreased workers' compensation rates and decreased legal fees.

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

During the course of fiscal year 2004 the City amended its General Fund budget several times, none significant.

Original General Fund budgeted revenues were \$4.7 million and were not amended throughout the year. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2004 the City had \$9,483,839 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$2,872,131 was related to governmental activities and \$6,611,708 to the business-type activities. The following table shows fiscal year 2004 and 2003 balances:

	Governmental Activities		Increase (Decrease)
	2004	2003	
Land	\$361,137	\$353,651	\$7,486
Buildings	3,261,989	3,261,989	0
Improvements Other Than Buildings	153,775	148,610	5,165
Machinery and Equipment	2,998,831	2,983,714	15,117
Less: Accumulated Depreciation	(3,903,601)	(3,701,008)	(202,593)
Totals	<u>\$2,872,131</u>	<u>\$3,046,956</u>	<u>(\$174,825)</u>

	Business-Type Activities		Increase (Decrease)
	2004	2003	
Land	\$6,261	\$6,261	\$0
Buildings	297,324	297,324	0
Infrastructure	9,216,738	9,067,507	149,231
Machinery and Equipment	239,671	239,050	621
Less: Accumulated Depreciation	(3,148,286)	(2,965,813)	(182,473)
Totals	<u>\$6,611,708</u>	<u>\$6,644,329</u>	<u>(\$32,621)</u>

The primary increase occurred in infrastructure. Additional information on the City's capital assets can be found in Note 10.

CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2004**

Unaudited

Debt

At December 31, 2004, the City had \$7.1 million in bonds outstanding, \$150,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Governmental Activities:		
General Obligation Bonds	\$3,817,000	\$4,472,000
Special Assessment Bonds	190,000	215,000
Landfill Postclosure Care Liability	224,252	318,737
Compensated Absences	202,636	173,541
Capital Leases Payable	30,912	114,896
Total Governmental Activities	<u>4,464,800</u>	<u>5,294,174</u>
Business-Type Activities:		
General Obligation Bonds	\$3,248,000	\$3,288,000
OWDA Loans Payable	1,466,922	1,555,079
OPWC Loans Payable	70,420	75,115
Compensated Absences	1,916	0
Total Business-Type Activities	<u>4,787,258</u>	<u>4,918,194</u>
Totals	<u>\$9,252,058</u>	<u>\$10,212,368</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Rossford lies, is limited to ten mills. At December 31, 2004, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 15.

ECONOMIC FACTORS

As part of the budget process each year the City performs an evaluation to project future revenues for the coming fiscal year. Major aspects of this evaluation are projecting income tax, hotel/motel tax and franchise tax revenues and utilizing property tax and shared local government revenues provided by the Wood County Auditor. Income tax revenue has remained relatively even when compared to the previous year. As the economy continues to stagnate, hotel/motel and franchise tax revenues declined by 8.5% and 6.1% respectively. Property tax and local government revenues were flat in 2004. With General Fund revenues remaining relatively unchanged, the City instituted cost cutting measures to eliminate unnecessary spending. For 2005, refuse collection and recycling expenditures are expected to decrease by \$176,000 because Council instituted a one year \$9 per month per household refuse collection fee. This fee is reduced to \$5 per month for individuals with a homestead exemption. Also in 2005, union employees voted to forego a 4% raise and extend existing contracts by one year into 2006. Department requests were reduced from original submissions; certain requested capital projects and capital acquisitions were eliminated and only those items that management and City Council determined necessary were appropriated. Except for inflationary increases, other general fund expenses have remained relatively constant. Given the relatively sluggish economy in northwest Ohio, the City projects total 2005 general fund revenues to be slightly less than in 2004. Management and City Council continue to pursue new revenue sources, while reviewing the possibility of increasing existing sources, in addition to a continued review of reducing expenditures. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 419-666-0210 or writing to City of Rossford Finance Department, 133 Osborn Street, Rossford, Ohio 43460.



CITY OF ROSSFORD, OHIO

**Statement of Net Assets
December 31, 2004**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Rossford Arena Amphitheater Authority
Assets:				
Cash and Cash Equivalents	\$ 1,386,932	\$ 515,723	\$ 1,902,655	\$ 10,313
Receivables:				
Taxes	1,103,436	0	1,103,436	0
Accounts	50,120	20,513	70,633	0
Intergovernmental	666,276	613,583	1,279,859	0
Special Assessments	2,092,084	0	2,092,084	0
Internal Balances	(80,000)	80,000	0	0
Inventory of Supplies at Cost	11,367	0	11,367	0
Prepaid Items	15,443	0	15,443	0
Capital Assets:				0
Capital Assets Not Being Depreciated	361,137	6,261	367,398	5,691,040
Capital Assets Being Depreciated, Net	2,510,994	6,605,447	9,116,441	0
Total Assets	8,117,789	7,841,527	15,959,316	5,701,353
Liabilities:				
Accounts Payable	190,449	49,950	240,399	5,885,344
Accrued Wages and Benefits	115,185	2,591	117,776	0
Retainage Payable	0	0	0	502,492
Deferred Revenue	561,648	0	561,648	0
Accrued Interest Payable	70,830	25,504	96,334	2,204,632
General Obligation Notes Payable	3,480,000	835,000	4,315,000	0
Long-Term Liabilities:				
Due Within One Year	155,912	146,525	302,437	0
Due in More Than One Year	4,308,888	4,640,733	8,949,621	11,030,953
Total Liabilities	8,882,912	5,700,303	14,583,215	19,623,421
Net Assets:				
Invested in Capital Assets, Net of Related Debt	0	1,094,015	1,094,015	0
Restricted For:				
Other Purposes	261,942	0	261,942	0
Unrestricted (Deficit)	(1,027,065)	1,047,209	20,144	(13,922,068)
Total Net Assets	\$ (765,123)	\$ 2,141,224	\$ 1,376,101	\$ (13,922,068)

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Activities
For the Year Ended December 31, 2004**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 1,913,297	\$ 275,641	\$ 0	\$ 0
Leisure Time Activities	329,055	98,793	0	0
Basic Utility Services	241,282	0	0	0
Transportation	804,255	13,005	318,620	0
General Government	1,097,994	32,570	35,216	11,949
Interest and Fiscal Charges	296,781	0	0	0
Total Governmental Activities	4,682,664	420,009	353,836	11,949
Business-Type Activities:				
Water	154,188	190,816	0	0
Sewer	466,894	537,660	0	72,982
Marina	89,357	106,424	0	0
Total Business-Type Activities	710,439	834,900	0	72,982
Total Primary Government	\$ 5,393,103	\$ 1,254,909	\$ 353,836	\$ 84,931
Component Unit:				
Rossford Arena				
Amphitheater Authority	\$ 474	\$ 6,175	\$ 0	\$ 0
General Revenues				
Property Taxes				
Municipal Income Taxes				
Other Local Taxes				
Grants and Entitlements not Restricted to Specific Programs				
Investment Earnings				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets Beginning of Year				
Net Assets End of Year				

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Governmental Activities	Business-Type Activities	Total	Rossford Arena Amphiteater Authority
\$ (1,637,656)	\$ 0	\$ (1,637,656)	\$ 0
(230,262)	0	(230,262)	0
(241,282)	0	(241,282)	0
(472,630)	0	(472,630)	0
(1,018,259)	0	(1,018,259)	0
(296,781)	0	(296,781)	0
<u>(3,896,870)</u>	<u>0</u>	<u>(3,896,870)</u>	<u>0</u>
0	36,628	36,628	0
0	143,748	143,748	0
0	17,067	17,067	0
0	197,443	197,443	0
<u>(3,896,870)</u>	<u>197,443</u>	<u>(3,699,427)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,701</u>
396,838	0	396,838	0
2,766,116	0	2,766,116	0
185,901	0	185,901	0
835,904	0	835,904	0
25,088	0	25,088	0
239,705	0	239,705	0
110,000	(110,000)	0	0
<u>4,559,552</u>	<u>(110,000)</u>	<u>4,449,552</u>	<u>0</u>
662,682	87,443	750,125	5,701
<u>(1,427,805)</u>	<u>2,053,781</u>	<u>625,976</u>	<u>(13,927,769)</u>
<u>\$ (765,123)</u>	<u>\$ 2,141,224</u>	<u>\$ 1,376,101</u>	<u>\$ (13,922,068)</u>

CITY OF ROSSFORD, OHIO

**Balance Sheet
Governmental Funds
December 31, 2004**

	General	General Obligation Debt Service	Fire Capital Improvement
Assets:			
Cash and Cash Equivalents	\$ 261,390	\$ 0	\$ 439,140
Taxes	767,111	0	243,647
Accounts	48,844	183	154
Intergovernmental	507,352	0	11,552
Special Assessments	150,915	0	0
Inventory of Supplies, at Cost	0	0	0
Prepaid Items	15,443	0	0
Total Assets	\$ 1,751,055	\$ 183	\$ 694,493
Liabilities:			
Accounts Payable	\$ 158,993	\$ 0	\$ 9,550
Accrued Wages and Benefits Payable	107,035	0	0
Interfund Loans Payable	80,000	0	0
Deferred Revenue	845,139	0	255,199
Accrued Interest Payable	0	8,913	7,518
General Obligation Notes Payable	0	575,000	485,000
Total Liabilities	1,191,167	583,913	757,267
Fund Balances:			
Reserved for Encumbrances	73,588	0	0
Reserved for Prepaid Items	15,443	0	0
Reserved for Supplies Inventory	0	0	0
Reserved for Debt Service	0	(583,730)	0
Undesignated/Unreserved in:			
General Fund	470,857	0	0
Special Revenue Funds	0	0	0
Capital Projects Fund	0	0	(62,774)
Total Fund Balances	559,888	(583,730)	(62,774)
Total Liabilities and Fund Balances	\$ 1,751,055	\$ 183	\$ 694,493

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

TID Road Acquisition	Other Governmental Funds	Total Governmental Funds
\$ 77,811	\$ 608,591	\$ 1,386,932
0	92,678	1,103,436
769	170	50,120
0	147,372	666,276
1,846,926	94,243	2,092,084
0	11,367	11,367
0	0	15,443
<u>\$ 1,925,506</u>	<u>\$ 954,421</u>	<u>\$ 5,325,658</u>
\$ 0	\$ 21,906	\$ 190,449
0	8,150	115,185
0	0	80,000
1,846,926	286,587	3,233,851
37,510	0	53,941
2,420,000	0	3,480,000
<u>4,304,436</u>	<u>316,643</u>	<u>7,153,426</u>
0	26,766	100,354
0	0	15,443
0	11,367	11,367
0	0	(583,730)
0	0	470,857
0	167,033	167,033
(2,378,930)	432,612	(2,009,092)
<u>(2,378,930)</u>	<u>637,778</u>	<u>(1,827,768)</u>
<u>\$ 1,925,506</u>	<u>\$ 954,421</u>	<u>\$ 5,325,658</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2004***

Total Governmental Fund Balances	\$ (1,827,768)
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	2,872,131
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,672,203
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,481,689)</u>
<i>Net Assets of Governmental Funds</i>	<u><u>\$ (765,123)</u></u>

See accompanying notes to the basic financial statements



CITY OF ROSSFORD, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004**

	General	General Obligation Debt Service	Fire Capital Improvement
Revenues:			
Property Taxes	\$ 224,927	\$ 0	\$ 57,874
Municipal Income Tax	2,761,282	0	0
Other Local Taxes	185,901	0	0
Intergovernmental Revenues	813,898	0	6,387
Charges for Services	55,123	0	0
Licenses and Permits	29,122	0	0
Investment Earnings	22,808	0	0
Special Assessments	157,097	0	0
Fines and Forfeitures	39,632	0	0
All Other Revenue	6,053	0	0
Total Revenue	4,295,843	0	64,261
Expenditures:			
Current:			
Security of Persons and Property	1,800,844	0	0
Leisure Time Activities	16,897	0	0
Basic Utility Services	241,282	0	0
Transportation	493,578	0	0
General Government	1,027,233	0	0
Capital Outlay	0	0	56,522
Debt Service:			
Principal Retirement	51,022	560,000	32,962
Interest and Fiscal Charges	2,737	38,179	13,322
Total Expenditures	3,633,593	598,179	102,806
Excess (Deficiency) of Revenues Over Expenditures	662,250	(598,179)	(38,545)
Other Financing Sources (Uses):			
Transfers In	253,689	14,449	0
Transfers Out	(351,211)	0	0
Total Other Financing Sources (Uses)	(97,522)	14,449	0
Net Change in Fund Balances	564,728	(583,730)	(38,545)
Fund Balances at Beginning of Year	(4,840)	0	(24,229)
Increase in Inventory Reserve	0	0	0
Fund Balances End of Year	\$ 559,888	\$ (583,730)	\$ (62,774)

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

TID Road Acquisition	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 77,166	\$ 359,967
0	0	2,761,282
0	0	185,901
0	334,064	1,154,349
0	80,887	136,010
0	0	29,122
0	2,280	25,088
141,012	280,077	578,186
0	2,909	42,541
0	18,690	24,743
<u>141,012</u>	<u>796,073</u>	<u>5,297,189</u>
0	3,073	1,803,917
0	223,427	240,324
0	0	241,282
0	321,657	815,235
0	0	1,027,233
4	92,443	148,969
0	120,000	763,984
61,120	182,077	297,435
<u>61,124</u>	<u>942,677</u>	<u>5,338,379</u>
79,888	(146,604)	(41,190)
0	380,321	648,459
0	(187,248)	(538,459)
<u>0</u>	<u>193,073</u>	<u>110,000</u>
79,888	46,469	68,810
(2,458,818)	590,797	(1,897,090)
0	512	512
<u>\$ (2,378,930)</u>	<u>\$ 637,778</u>	<u>\$ (1,827,768)</u>

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2004***

Net Change in Fund Balances - Total Governmental Funds \$ 68,810

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (174,825)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (61,843)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 858,469

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 654

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (28,583)

Change in Net Assets of Governmental Activities \$ 662,682

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 243,042	\$ 243,042	\$ 224,927	\$ (18,115)
Municipal Income Tax	2,590,000	2,590,000	2,651,301	61,301
Other Local Taxes	192,600	192,600	187,143	(5,457)
Intergovernmental Revenue	726,927	726,927	824,294	97,367
Charges for Services	688,638	688,638	68,760	(619,878)
Licenses and Permits	53,000	53,000	29,122	(23,878)
Investment Earnings	20,000	20,000	22,808	2,808
Special Assessments	135,000	135,000	157,097	22,097
Fines and Forfeitures	28,100	28,100	39,632	11,532
All Other Revenues	500	500	8,650	8,150
Total Revenues	<u>4,677,807</u>	<u>4,677,807</u>	<u>4,213,734</u>	<u>(464,073)</u>
Expenditures:				
Current:				
Security of Persons and Property	2,045,688	2,032,426	1,972,364	60,062
Leisure Time Activities	26,265	26,265	18,567	7,698
Basic Utility Services	245,520	261,282	261,282	0
Transportation	557,858	557,858	536,535	21,323
General Government	1,357,730	1,468,336	1,324,775	143,561
Debt Service:				
Principal Retirement	50,922	51,022	51,022	0
Interest and Fiscal Charges	2,837	2,737	2,737	0
Total Expenditures	<u>4,286,820</u>	<u>4,399,926</u>	<u>4,167,282</u>	<u>232,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	390,987	277,881	46,452	(231,429)
Other Financing Sources (Uses):				
Transfers In	79,664	395,752	253,689	(142,063)
Transfers Out	0	(459,782)	(351,211)	108,571
Total Other Financing Sources (Uses):	<u>79,664</u>	<u>(64,030)</u>	<u>(97,522)</u>	<u>(33,492)</u>
Net Change in Fund Balance	470,651	213,851	(51,070)	(264,921)
Fund Balance at Beginning of Year	12,959	12,959	12,959	0
Prior Year Encumbrances	139,811	139,811	139,811	0
Fund Balance at End of Year	<u>\$ 623,421</u>	<u>\$ 366,621</u>	<u>\$ 101,700</u>	<u>\$ (264,921)</u>

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2004**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Marina	Total
ASSETS				
Current assets:				
Cash and Cash Equivalents	\$ 256,743	\$ 176,958	\$ 82,022	\$ 515,723
Accounts receivable (net of allow for uncollectibles)	8,776	11,737	0	20,513
Intergovernmental receivable	77,571	189,518	346,494	613,583
Interfund Loans Receivable	80,000	0	0	80,000
Total current assets	423,090	378,213	428,516	1,229,819
Noncurrent assets:				
Capital assets:				
Property, Plant and Equipment	3,289,693	6,319,349	150,953	9,759,995
Less accumulated depreciation	(1,284,469)	(1,820,138)	(43,680)	(3,148,287)
Total capital assets	2,005,224	4,499,211	107,273	6,611,708
(net of accumulated depreciation)	2,005,224	4,499,211	107,273	6,611,708
Total noncurrent assets	2,005,224	4,499,211	107,273	6,611,708
Total assets	2,428,314	4,877,424	535,789	7,841,527
LIABILITIES				
Current liabilities:				
Accounts Payable	\$ 0	\$ 31,256	\$ 18,694	\$ 49,950
Accrued Wages and Benefits	0	1,189	1,402	2,591
Accrued Interest Payable	11,642	13,862	0	25,504
General Obligation Notes Payable	310,000	525,000	0	835,000
Revenue Bond Payable - Current	30,301	19,699	0	50,000
OWDA Loans Payable - Current	0	91,830	0	91,830
OPWC Loans Payable - Current	0	4,695	0	4,695
Total Current Liabilities	351,943	687,531	20,096	1,059,570
Noncurrent Liabilities:				
Revenue Bonds Payable	1,737,569	1,460,431	0	3,198,000
OWDA Loans Payable	0	1,375,092	0	1,375,092
OPWC Loans Payable	0	65,725	0	65,725
Compensated Absences Payable	0	1,916	0	1,916
Total noncurrent liabilities	1,737,569	2,903,164	0	4,640,733
Total Liabilities	2,089,512	3,590,695	20,096	5,700,303
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	6,948	979,794	107,273	1,094,015
Unrestricted	331,854	306,935	408,420	1,047,209
Total Net Assets	\$ 338,802	\$ 1,286,729	\$ 515,693	\$ 2,141,224

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2004**

	Business-Type Activities			
	Enterprise Funds			
	Water	Sewer	Marina	Total
Operating Revenues:				
Charges for Services	\$ 178,042	\$ 536,914	\$ 106,424	\$ 821,380
Other Operating Revenue	12,774	746	0	13,520
Total Operating Revenues	<u>190,816</u>	<u>537,660</u>	<u>106,424</u>	<u>834,900</u>
Operating Expenses:				
Personal Services	0	71,779	43,652	115,431
Contractual Services	4,814	107,067	24,100	135,981
Materials and Supplies	0	25,005	15,293	40,298
Other Operating Expenses	0	0	1,117	1,117
Depreciation	58,981	118,297	5,195	182,473
Total Operating Expenses	<u>63,795</u>	<u>322,148</u>	<u>89,357</u>	<u>475,300</u>
Operating Income	127,021	215,512	17,067	359,600
Nonoperating Revenue (Expenses):				
Interest Expense	(90,393)	(144,746)	0	(235,139)
Capital Contributions	0	72,982	0	72,982
Total Nonoperating Revenues (Expenses)	<u>(90,393)</u>	<u>(71,764)</u>	<u>0</u>	<u>(162,157)</u>
Income Before Transfers	36,628	143,748	17,067	197,443
Transfers out	0	(110,000)	0	(110,000)
Change in Net Assets	36,628	33,748	17,067	87,443
Net Assets Beginning of Year	302,174	1,252,981	498,626	2,053,781
Net Assets End of Year	<u>\$ 338,802</u>	<u>\$ 1,286,729</u>	<u>\$ 515,693</u>	<u>\$ 2,141,224</u>

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004**

	Business-Type Activities Enterprise Funds			
	Water	Sewer	Marina	Total
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$165,571	\$457,796	\$106,424	\$729,791
Cash Payments for Goods and Services	(8,344)	(136,735)	(22,639)	(167,718)
Cash Payments to Employees	0	(73,062)	(43,942)	(117,004)
Net Cash Provided by Operating Activities	<u>157,227</u>	<u>247,999</u>	<u>39,843</u>	<u>445,069</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers Out to Other Funds	0	(110,000)	0	(110,000)
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>(110,000)</u>	<u>0</u>	<u>(110,000)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	0	(123,595)	(26,257)	(149,852)
General Obligation Notes Issued	310,000	525,000	0	835,000
Principal Paid on General Obligation Notes	(300,000)	(515,000)	0	(815,000)
Principal Paid on General Obligation Bonds	(20,301)	(19,699)	0	(40,000)
Principal Paid on Ohio Water Development Authority Loans	0	(88,157)	0	(88,157)
Principal Paid on Ohio Public Works Commission Loan	0	(4,695)	0	(4,695)
Interest Paid on All Debt	(88,810)	(142,097)	0	(230,907)
Capital Contributions	0	72,982	0	72,982
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(99,111)</u>	<u>(295,261)</u>	<u>(26,257)</u>	<u>(420,629)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	58,116	(157,262)	13,586	(85,560)
Cash and Cash Equivalents at Beginning of Year	198,627	334,220	68,436	601,283
Cash and Cash Equivalents at End of Year	<u>\$256,743</u>	<u>\$176,958</u>	<u>\$82,022</u>	<u>\$515,723</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>				
Operating Income	\$127,021	\$215,512	\$17,067	\$359,600
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	58,981	118,297	5,195	182,473
Changes in Assets and Liabilities:				
Increase in Accounts Receivables	(8,678)	(11,570)	0	(20,248)
Increase in Intergovernmental Receivables	(16,567)	(68,294)	0	(84,861)
Increase (Decrease) in Accounts Payable	(3,530)	(4,663)	17,966	9,773
Decrease in Intergovernmental Payable	0	0	(95)	(95)
Decrease in Accrued Wages and Benefits	0	(3,199)	(290)	(3,489)
Increase in Compensated Absences Payable	0	1,916	0	1,916
Total Adjustments	<u>30,206</u>	<u>32,487</u>	<u>22,776</u>	<u>85,469</u>
Net Cash Provided by Operating Activities	<u>\$157,227</u>	<u>\$247,999</u>	<u>\$39,843</u>	<u>\$445,069</u>

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

***Statement of Net Assets
Fiduciary Funds
December 31, 2004***

	<u>Agency</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents	\$ 828
Total Assets	<u>828</u>
Liabilities:	
Due to Others	<u>828</u>
Total Liabilities	<u>828</u>
Net Assets:	
Total Net Assets	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rossford, Ohio (the "City") is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor/Administrator form of government, was adopted in 1970 and became effective in 1971.

The financial statements are presented as of December 31, 2004 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting includes all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, recreation, street maintenance and general administrative services. The City also operates a water distribution, wastewater collection system and a marina as enterprise funds. Water and wastewater treatment services are provided by the City of Toledo.

Discretely Presented Component Unit - The component unit column in the combined financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The Rossford Arena Amphitheater Authority (RAAA) is a not-for-profit Ohio corporation incorporated in February 1999 to develop, finance, construct and operate an arena and amphitheater in Rossford, Ohio. The Authority was created under an ordinance passed by the City's Council to further the growth and development of the City and surrounding areas. The ordinance specified that the Trustees of the Authority are to be the City's Mayor, President of Council, City Administrator and the Director of Parks and Recreation. The RAAA is being presented as a part of the City's reporting entity because it would be misleading to exclude it. Complete financial statements for the RAAA may be obtained from the City's offices at 133 Osborn Street, Rossford, Ohio 43460.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Jointly Governed Organizations

Rossford Transportation Improvement District: In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. See Note 21 "Jointly Governed Organizations."

Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority: In December 1998, the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority (JEDA/Port Authority) was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The JEDA/Port Authority was created for the benefit of the people of the State of Ohio. Its jurisdiction includes all of the area of the City of Rossford and all of the unincorporated area of Perrysburg Township. The JEDA/Port Authority has five directors, two appointed by the City of Rossford, two appointed by Perrysburg Township and one jointly appointed by the City of Rossford and Perrysburg Township. The directors appointed by the City are appointed by the mayor subject to the approval of the Council, but the City's accountability for the JEDA/Port Authority does not extend beyond making the appointments. See Note 21 "Jointly Governed Organizations."

The accounting policies and financial reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies:

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, 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 equity, revenues and expenditures (expenses). The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds - The funds through which most governmental functions are typically financed are the governmental funds. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental fund types:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

General Obligation Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Fire Capital Improvement Fund - This fund is used to account for financial resources received from a voter approved tax levy that are used to provide fire apparatus, buildings or sites.

TID Road Acquisition Fund - This fund is used to account for financial resources from assessments against property owners used to lease-purchase the Transportation Improvements District's new road project.

Proprietary Funds

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, whereby the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Water Fund - This fund is used to account for the operation of the City's water service.

Sewer Fund - This fund is used to account for the operation of the City's sanitary sewer service.

Marina Fund - This fund is used to account for the operation of the City owned Marina.

Fiduciary Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economics resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the modified accrual basis when the exchange takes place and the resources are available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, and local government assistance). Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessment installments which are measurable, but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2004 but which are not intended to finance 2004 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 7, "Taxes."

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses when incurred.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

E. 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 appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The only funds required to be reported in the basic financial statements are the general fund and any major special revenue funds. The legal level of budgetary control is by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay and transfers) by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the major object level for each department within each fund without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications may only be made by ordinance of the City Council. During 2004, all appropriations were approved as required and all funds and departments completed the year within the legally authorized appropriations.

1. Estimated Revenues

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2004.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by Ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. During the year, appropriation adjustments were necessary to budget for the widening of Buck Road and the I-75 bridge at the Buck Road exit. The supplemental appropriations increased year end appropriations by 10.88% over the appropriation ordinance approved in December, 2003.

Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--General Fund Types are provided on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

3. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying basic financial statements.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

	<u>Net Change In Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$564,728
Increase (Decrease):	
Accrued Revenues at December 31, 2004 received during 2005	(629,083)
Accrued Revenues at December 31, 2003 received during 2004	546,974
Accrued Expenditures at December 31, 2004 paid during 2005	346,028
Accrued Expenditures at December 31, 2003 paid during 2004	(713,929)
2003 Prepays for 2004	9,345
2004 Prepays for 2005	(15,443)
Outstanding Encumbrances	<u>(159,690)</u>
Budget Basis	<u><u>(\$51,070)</u></u>

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, certificates of deposit with original maturities of three months or less and the State Treasury Asset Reserve (STAR Ohio). The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the basic financial statements because it is a highly liquid instrument which is readily convertible to cash.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 6, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. The City deposits interest earned on investments directly into the General Fund. See Note 6, "Cash, Cash Equivalents and Investments."

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

H. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$500.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

2. Property, Plant and Equipment – Business Type Activities

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	25-45
Infrastructure	50
Machinery, Equipment, Furniture and Fixtures	5 - 15

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Recreation Fund
Capital Leases	General Fund Fire Capital Improvement Fund
General Obligation Bonds	General Obligation Debt Service Fund Water Fund Sewer Fund
OWDA Loan	Sewer Fund
OPWC Loan	Sewer Fund
Landfill Postclosure Care Liability	Landfill Closure Fund

L. Compensated Absences

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. Vacation earned in a calendar year must be used during the current year. Vacation time cannot carry over into the subsequent year. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

Sick leave is accrued by all employees at the rate of 1.25 work days per completed month of service for a total of fifteen days of accrued sick leave per year. Any sick leave accrued but not used in any year is accumulated in succeeding years with no maximum of such accumulation. Employees who retire with five or more years of service may convert 25% of their accrued sick leave into cash at the employee's rate of pay at the time of retirement. Employees who retire with ten or more years of service may convert 50% of their total accrued sick leave into cash at the employee's rate of pay at the time of retirement.

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered or to rights that vest or accumulate, and when payment of the obligation is probable and can be reasonably determined.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

M. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

N. Interfund Activity

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

O. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies, prepaid items, debt service and encumbered amounts not accrued at year end.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction of improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Assets restricted for Other Purposes include programs for street and highway improvements, federal grants for security of persons and property and mandatory fines for various court programs.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Net Assets (Continued)

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

Q. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2004.

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT

Organization (Rossford Arena Amphitheater Authority)

The Rossford Arena Amphitheater Authority, a component unit of the City of Rossford, Ohio, is a not-for-profit Ohio corporation incorporated in February 1999 to develop, finance, construct and operate an arena and amphitheater in Rossford, Ohio. The Authority was created under an ordinance passed by the City's Council to further the growth and development of the City and surrounding areas. The ordinance specified that the Trustees of the Authority are to be the City's Mayor, President of Council, City Administrator and the Director of Parks and Recreation. Construction of the facilities was started in May 1999. The Authority also has acquired land, contiguous to the Arena Amphitheater project property, intended to be sold for commercial development. Complete financial statements for RAAA may be obtained at the City of Rossford's administrative offices at 133 Osborn Street, Rossford, Ohio 43460.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

A. Basis of Accounting

Following the governmental financial model, the Authority operates one enterprise fund within the proprietary fund type. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent is that the costs and expenses (including depreciation) of providing services to the public, be financed or recovered primarily through user charges. Accordingly, the Authority prepares its financial statements on the accrual basis of accounting using generally accepted accounting principles in all material respects. The Authority applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989 unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements, in which case GASB prevails.

B. Revenue Sources

The Authority has agreements with the City of Rossford and Perrysburg Township under which the City will contribute 25% of its Hotel/Motel tax revenues and all of its admission tax revenues. The Township will contribute 50% of its Hotel/Motel tax revenues. The agreements are subject to annual appropriations by the City and Township governing bodies. In 2000, Perrysburg Township discontinued the contributions pending the continuation of the project. In 2000, the City of Rossford also discontinued its contributions.

C. Going Concern

The Authority's financial statements are presented on the basis that the Authority is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time. As more fully described in paragraphs F and H, the Authority's loan agreements require periodic interest payments with principal to be paid from the proceeds of an anticipated debt issue. Through July 18, 2005, management has been unable to obtain the financing on terms sufficiently favorable to help insure the financial success of the project. As a result, construction of the facilities was stopped in November 1999 and the Authority has been unable to make its semiannual interest payments of \$200,000 on its loan payable to Perrysburg Township. In 2001, the Township trustees passed a motion calling the loan and accrued interest and filed a lawsuit against the authority and the City of Rossford. In February 2003, the lawsuit was dismissed and the township appealed to the Ohio Supreme Court. In 2004, the Ohio Supreme Court sent the lawsuit back to trial court where the case is currently pending. In March 2000, the Authority was unable to pay off its loan from the Rossford, Ohio Transportation Improvement District and its terms were extended indefinitely. In May 2000, the Authority was unable to commence monthly interest payments on the debt described in paragraph F, and has subsequently been unable to pay real estate taxes to Wood County.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

C. Going Concern (Continued)

The authority was, in 2003, served with notice of forfeiture legal action by several of its debtors. In April 2005 the Wood County Treasurer filed for foreclosure of liens for delinquent land taxes for all parcels owned by the RAAA. The authority has initiated legal action against its financial consultant who advised it regarding the feasibility of the project. The outcome of these lawsuits is unknown.

Management continues efforts to complete the project through efforts to sell the project in part or in its entirety. As a result of the uncertainty, management has written down the value of the project, leaving only the original cost of the land remaining.

D. Cash

At year end, the carrying amount of the Authority's deposits was \$10,313 and the bank balance was \$10,313. Federal depository insurance covered \$10,313 of the bank balance.

E. Capital Assets

Summary by Category at December 31, 2004:

	<u>Component Unit</u>
	Rossford Arena Amphitheater Authority
Land	\$5,691,040

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

F. Loans Payable

Loans payable consist of amounts borrowed temporarily to purchase land and fund construction project costs. The loans were intended to be repaid from the proceeds of a \$48 million bond issue. At December 31, 2004, the loans payable comprised the following:

Rossford, Ohio Transportation Improvement District promissory note dated December 1999, originally due March 1, 2000 (extended by the holder), with interest at 6% per annum, secured by a second mortgage on approximately 19 acres of land.	\$250,000
FirstEnergy Corp. promissory note due July 1, 2004 or before based on the sale of property purchased in 2000 (see paragraph H) noninterest bearing, secured by a mortgage, dated in 2000, on approximately 73 acres of land.	550,000
Perrysburg, Ohio Township loan, payable through the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority, dated June 1999, originally due June 2001 or when proceeds of bond issue are received, with interest at 8% per annum, payable semiannually, starting in December 1999.	5,000,000
Northwest Ohio District Council of Carpenters Pension Fund promissory note (administered by the Leader Mortgage Company) dated March 1999, originally due February 2001, with interest at 7% per annum payable quarterly starting in July 1999, secured by a mortgage on approximately 60 acres of land and buildings and improvements thereon.	2,400,000
Brimacombe Family promissory note, dated September 1999. \$566,000 due when proceeds of bond issue are received and \$471,040 due July 2002, with interest at 7% per annum, payable quarterly starting in October 1999, secured by a mortgage on approximately 48 acres of land.	1,037,040
Carpenter Success promissory note, dated March 2000. Principal payable upon demand, with interest at prime plus one percent, payable monthly, starting May 2000, secured by a mortgage on approximately 55 acres of land.	1,704,000
Advances from the REGC (\$5,000) and the City of Rossford (\$84,913), payable upon securing financing.	89,913
Total loans payable	<u>\$11,030,953</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

F. Loans Payable (Continued)

In October 1999, the Authority agreed to grant a junior mortgage in favor of the prime contractor on the project. The \$4,000,000 mortgage is secured by approximately 90 acres of project property and improvements and structures thereon. The liability to the contractor is included in accounts payable.

G. Risk Management

The Authority maintained commercial insurance coverage against most normal hazards, through September 2003. There have been no claims against that coverage. Effective in September 2003, the coverage was not renewed. The Authority has no employees at this point, so there is no health care workers compensation coverage.

H. Commercial Development Property

In March, 2000, the Authority purchased approximately 55 acres of land contiguous to the project property for \$1,704,636. The land is intended to be sold for commercial development. The purchase was financed with the proceeds of a loan from a Michigan entity, Carpenters Success, L.L.C. The loan is evidenced by a promissory note payable on demand with interest at the prime rate (determined by National City Bank of Cleveland, Ohio) plus 1%, scheduled to start May 1, 2000 and continuing monthly thereafter. Interest payments have not been made and Carpenters Success is a party to the proposed creditor agreement referred to in paragraph C. The loan is secured by a first mortgage on approximately 55 acres of land and a junior mortgage on approximately 19 acres of land.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE

A. Changes in Accounting Principles

For fiscal year 2004, the City has implemented GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”; GASB No. 36, “*Receipt Reporting for Certain Shared Nonexchange Revenues*”; GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*”; GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*”; and GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement.*” At December 31, 2003, there was no effect on fund balance as a result of implementing GASB Statements 36, 37 and 38, or Interpretation No. 6.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE (Continued)

A. Changes in Accounting Principles (Continued)

GASB 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City’s programs between business-type and governmental activities. Except for an accounting error and the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2003, caused by the conversion to the accrual basis of accounting.

B. Prior Period Adjustments

During the year ended December 31, 2003, it was determined that the OWDA Loan payable in the Sewer Fund was misstated. It was also determined that intergovernmental payables in the governmental funds were misstated. The adjustments had the following effect on fund balances:

	General Fund	All Other Major Governmental Funds	Other Governmental Funds	Total
Fund Balance at December 31, 2003 as reported	\$60,160	(\$2,483,047)	\$590,797	(\$1,832,090)
Correction of Accounting Error for intergovernmental payable	(65,000)	0	0	(65,000)
Fund Balance at December 31, 2003 as restated	<u>(\$4,840)</u>	<u>(\$2,483,047)</u>	<u>\$590,797</u>	<u>(\$1,897,090)</u>

	Water Fund	Sewer Fund	Marina Fund	Total
Net Assets at December 31, 2003 as reported	\$302,174	\$1,276,036	\$498,626	\$2,076,836
Correction of Accounting Error for OWDA Loan	0	(23,055)	0	(23,055)
Net Assets at December 31, 2003 as restated	<u>\$302,174</u>	<u>\$1,252,981</u>	<u>\$498,626</u>	<u>\$2,053,781</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE (Continued)

C. Restatement of Fund Balance

The changes to the beginning fund balances as well as the transition from fund balance to net assets of the governmental activities and the business-type activities are as follows:

	General	General	Fire Capital	TID	Other	Total
	General	Obligation	Improvement	Road	Governmental	Governmental
	Debt Service	Acquisition	Funds	Activities	Activities	Activities
Fund Balance 12/31/2003	\$60,160	\$0	(\$24,229)	(\$2,458,818)	\$590,797	(\$1,832,090)
Adjustments:						
Correction of Accounting Error	(65,000)	0	0	0	0	(65,000)
Adjusted Fund Balance	(4,840)	0	(24,229)	(2,458,818)	590,797	(1,897,090)
GASB 34 Adjustments:						
Capital Assets						3,046,956
Long-Term Liabilities						(5,311,717)
Long-Term (Deferred) Assets						2,734,046
Net Assets, 12/31/2003						(\$1,427,805)
					Total	
					Business-Type	
					Activities	
Fund Balance 12/31/2003	(\$1,370,094)	(\$579,254)	\$498,626		(\$1,450,722)	
Prior Period Adjustment:						
Restate OWDA Loan Payable	0	(23,055)	0		(23,055)	
Contributed Capital	1,672,268	1,855,290	0		3,527,558	
Adjusted Fund Balance 12/31/2003	302,174	1,252,981	498,626		\$2,053,781	

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental funds as reported in the government-wide statement of net assets. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Other long-term assets not available to pay for current-period expenditures:

Delinquent Property Tax Revenue	\$49,077
Delinquent Income Tax Revenue	27,311
Shared Revenues	467,261
Charges for Services Revenues	36,470
Special Assessment Revenue	<u>2,092,084</u>
	\$2,672,203

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$3,817,000)
Special Assessments Bonds Payable	(190,000)
Capital Leases Payable	(30,912)
Landfill Postclosure Care Liability	(224,252)
Accrued Interest on Long-Term Debt	(16,889)
Compensated Absences Payable	<u>(202,636)</u>
	(\$4,481,689)

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 4 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

Amount by which capital outlay exceeded depreciation in the current period:

Capital Outlay	\$42,173
Depreciation Expense	(216,998)
	<u>(\$174,825)</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Property Tax	\$36,871
Increase in Delinquent Income Tax	4,834
Increase in Shared Revenue	47,340
Increase in Charges for Services Revenue	31,239
Decrease in Special Assessment Revenue	(182,127)
	<u>(\$61,843)</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$29,095)
Increase in supplies inventory	512
	<u>(\$28,583)</u>

NOTE 5 - COMPLIANCE AND ACCOUNTABILITY

A. Fund/Retained Earnings Deficits

The fund deficits at December 31, 2004 of \$2,130 in the Recreation Fund (special revenue fund), and \$62,774 in the Fire Capital Improvement Fund (capital projects funds) were created by the recognition of expenditures on the modified accrual basis which are greater than expenditures on a budgetary basis. The fund deficits of \$2,378,930 in the TID Road Acquisition Fund (capital projects fund) and \$583,730 in the General Obligation Debt Service Fund were created by the recognition of notes payable within the funds and expenditures on the modified accrual basis which are greater than expenditures on a budgetary basis. Deficits do not exist under the budgetary basis of accounting. Deficits do not exist under the cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 5 - COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess of Appropriations Over Estimated Resources

For the year ended December 31, 2004 appropriations exceeded estimated resources in the State Highway Fund, Street Construction, Maintenance and Repair Fund, Downtown Streetscape Fund, Landfill Closure Fund, and the Capital Improvement Fund.

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- 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 and interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- 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;
- Interim deposits in eligible institutions applying for interim funds;

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

At year end the carrying amount of the City's deposits was \$1,357,836 and the bank balance was \$1,458,638. The Federal Deposit Insurance Corporation (FDIC) covered \$170,896 of the bank balance. All remaining deposits were classified as Category 3. In addition, the City had \$300 petty cash on hand.

Investment earnings of \$19,712 earned by other funds were credited to the General Fund as required by state statute.

B. Investments

The City's investments at December 31, 2004 are summarized below:

<u>Non-Categorized Investments</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
STAR Ohio	\$545,347	\$545,347
Total Investments	<u>\$545,347</u>	<u>\$545,347</u>

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio and certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$1,903,483	\$0
Investments:		
STAR Ohio	(545,347)	545,347
Per GASB Statement No. 3	<u>\$1,358,136</u>	<u>\$545,347</u>

* Includes Petty Cash

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 7 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2004 were levied after October 1, 2003 on assessed values as of January 1, 2003, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 1999 and the last equalization adjustment was completed in 2003. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88% of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Rossford. The County Auditor periodically remits to the City its portion of the taxes collected.

The full property tax rate for all City operations for the year ended December 31, 2004 was \$3.20 per \$1,000 of assessed value. The assessed value upon which the 2004 tax receipts were based was \$139,918,694. This amount constitutes \$119,779,670 in real property assessed value, \$3,165,640 in public utility assessed value and \$16,973,384 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .32% (3.2 mills) of assessed value.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 7 – TAXES (Continued)

B. Income Tax

The City levies a tax of 2.25% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2004 consisted of taxes, interest, special assessments, accounts receivable, interfund receivables and intergovernmental receivables.

NOTE 9 - INTERFUND BALANCES

The following is a summary of interfund receivables and payables for all funds for 2004:

Fund	Interfund Loan Receivable	Interfund Loan Payable
Governmental Activities:		
General Fund	\$0	\$80,000
Business Type Activities:		
Sewer Fund	80,000	0
Totals	<u>\$80,000</u>	<u>\$80,000</u>

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2004:

<i>Historical Cost:</i>	Restated			December 31,
Class	December 31, 2003	Additions	Deletions	2004
<i>Capital assets not being depreciated:</i>				
Land	\$353,651	\$7,486	\$0	\$361,137
<i>Capital assets being depreciated:</i>				
Buildings	3,261,989	0	0	3,261,989
Improvements Other Than Buildings	148,610	5,165	0	153,775
Machinery and Equipment	2,983,714	29,522	(14,405)	2,998,831
Total Cost	<u>\$6,747,964</u>	<u>\$42,173</u>	<u>(\$14,405)</u>	<u>\$6,775,732</u>
<i>Accumulated Depreciation:</i>				
Class	Restated			December 31,
Class	December 31, 2003	Additions	Deletions	2004
Buildings	(\$1,270,077)	(\$73,606)	\$0	(\$1,343,683)
Improvements Other Than Buildings	(38,124)	(6,040)	0	(44,164)
Machinery and Equipment	(2,392,807)	(137,352)	14,405	(2,515,754)
	<u>(\$3,701,008)</u>	<u>(\$216,998) *</u>	<u>\$14,405</u>	<u>(\$3,903,601)</u>
<i>Net Value:</i>	<u>\$3,046,956</u>			<u>\$2,872,131</u>

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$83,992
Leisure Time Activities	18,054
Transportation	44,810
General Government	70,142
Total Depreciation Expense	<u>\$216,998</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 10 - CAPITAL ASSETS (continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2004:

Historical Cost:

Class	December 31, 2003	Additions	Deletions	December 31, 2004
<i>Capital assets not being depreciated:</i>				
Land	\$6,261	\$0	\$0	\$6,261
<i>Capital assets being depreciated:</i>				
Buildings	297,324	0	0	297,324
Infrastructure	9,067,507	149,231	0	9,216,738
Machinery and Equipment	239,050	621	0	239,671
Total Cost	\$9,610,142	\$149,852	\$0	\$9,759,994

Accumulated Depreciation:

Class	December 31, 2003	Additions	Deletions	December 31, 2004
Buildings	(\$127,705)	(\$6,532)	\$0	(\$134,237)
Infrastructure	(2,629,703)	(171,195)	0	(2,800,898)
Machinery and Equipment	(208,405)	(4,746)	0	(213,151)
Total Depreciation	(\$2,965,813)	(\$182,473)	\$0	(\$3,148,286)
<i>Net Value:</i>	\$6,644,329			\$6,611,708

NOTE 11 – DEFINED BENEFIT PENSION PLANS

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Ohio Public Employees Retirement System (the “Ohio PERS”)

The following information was provided by the Ohio PERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (the “Ohio PERS”) (Continued)

accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2004, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2004 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2004, 2003 and 2002 were \$155,104, \$141,832 and \$140,672, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2004 employer contribution rate (identified above) that was used to fund health care for the year 2004 was 4.0% of covered payroll which amounted to \$44,315.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

A. Ohio Public Employees Retirement System (the “Ohio PERS”) (Continued)

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System’s latest actuarial review performed as of December 31, 2003. 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. 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. The investment assumption rate for 2003 was 8.0%. An annual increase of 4.0% 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 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 369,885. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2003 is \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures Ohio PERS’ health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund 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 Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% for police officers. The City's contributions to the OP&F Fund for the years ending December 31, 2004, 2003 and 2002 were \$148,014, \$150,929 and \$148,875 for police, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received 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 on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2004 covered payroll that was used to fund postemployment health care benefits was \$58,826 representing 7.75% of covered payroll for police. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2003, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,662 for police and 10,474 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2003 were \$150,853,148, which was net of member contributions of \$17,207,506.

NOTE 12 - COMPENSATED ABSENCES

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 12 - COMPENSATED ABSENCES (Continued)

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

At December 31, 2004, the City's accumulated, unpaid compensated absences amounted to \$204,552, of which \$202,636 is recorded as a liability of the Governmental Activities and \$1,916 is recorded as a liability of the Business-Type Activities.

NOTE 13 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2004:

Fund	Transfer In	Transfer Out
Governmental Activities:		
General Fund	\$253,689	\$351,211
General Obligation Debt Service Fund	14,449	0
Other Governmental Funds	380,321	187,248
Total Governmental Transfers	<u>648,459</u>	<u>538,459</u>
Business Type Activities:		
Sewer Fund	0	110,000
Total Business Type Transfers	<u>0</u>	<u>110,000</u>
Totals	<u><u>\$648,459</u></u>	<u><u>\$648,459</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

NOTE 14 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable no later than, those principal maturities required if the bonds had been issued at the expiration of the initial five year period.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 14 - NOTES PAYABLE (Continued)

The following general obligation notes were payable at December 31, 2004:

	Issue Date	Balance January 1, 2004	Issued	(Retired)	Balance December 31, 2004
Capital Projects Notes Payable:					
2.00% T.I.D. Road Improvements	06/23/03	\$2,539,893	\$0	(\$2,539,893)	\$0
3.09% T.I.D. Road Improvements	06/23/03	0	2,420,000	0	2,420,000
3.09% Community Center	06/23/04	0	575,000	0	575,000
2.00% Fire Improvement	06/23/03	385,000	0	(385,000)	0
3.09% Fire Improvement	06/23/04	0	485,000	0	485,000
Total Capital Projects Notes Payable		<u>2,924,893</u>	<u>3,480,000</u>	<u>(2,924,893)</u>	<u>3,480,000</u>
Enterprise Notes Payable:					
2.00% T.I.D. Water System	06/23/03	300,000	0	(300,000)	0
3.09% T.I.D. Water System	06/23/04	0	310,000	0	310,000
Total Water Fund Notes Payable		<u>300,000</u>	<u>310,000</u>	<u>(300,000)</u>	<u>310,000</u>
2.00% T.I.D. Sewer System	06/23/03	300,000	0	(300,000)	0
3.09% T.I.D. Sewer System	06/23/04	0	310,000	0	310,000
2.00% Hillside Drive Sewer System	06/23/03	215,000	0	(215,000)	0
3.09% Hillside Drive Sewer System	06/23/03	0	215,000	0	215,000
Total Sewer Fund Notes Payable		<u>515,000</u>	<u>525,000</u>	<u>(515,000)</u>	<u>525,000</u>
Total Enterprise Notes Payable		<u>815,000</u>	<u>835,000</u>	<u>(815,000)</u>	<u>835,000</u>
Total Notes Payable		<u>\$3,739,893</u>	<u>\$4,315,000</u>	<u>(\$3,739,893)</u>	<u>\$4,315,000</u>

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CITY OF ROSSFORD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 15- LONG-TERM DEBT

Long-term debt of the City at December 31, 2004 is as follows:

	Balance			Balance	Amount
	January 1,	Issued	(Retired)	December 31,	Due Within
	2004			2004	One Year
Business-Type Activities:					
General Obligation Bonds:					
3.05% SR 795 to Perrysburg Waterline	\$1,410,000	\$0	(\$15,000)	\$1,395,000	\$25,000
3.05% Interstate Brands Waterline	220,707	0	(2,979)	217,728	2,979
3.05% Wales/Fairfield Water	157,464	0	(2,322)	155,142	2,322
3.05% Crossroads Sewerline	850,000	0	(10,000)	840,000	10,000
3.05% Interstate Brands Sewerline	160,659	0	(2,021)	158,638	2,021
3.05% Wales/Fairfield Sewer	182,170	0	(2,678)	179,492	2,678
3.05% Genwood Road Sewer Phase III	307,000	0	(5,000)	302,000	5,000
Total General Obligation Bonds	3,288,000	0	(40,000)	3,248,000	50,000
4.12% Chio Water Development Authority Loan	1,555,079	0	(88,157)	1,466,922	91,830
0.00% Chio Public Works Commission Loan	75,115	0	(4,695)	70,420	4,695
Compensated Absences Payable	0	1,916	0	1,916	0
Total Business-Type Long-Term Debt	<u>\$4,918,194</u>	<u>\$1,916</u>	<u>(\$132,852)</u>	<u>\$4,787,258</u>	<u>\$146,525</u>
Governmental Activities:					
General Obligation Bonds:					
4.83% Community Center Construction	\$560,000	\$0	(\$560,000)	\$0	\$0
3.05% Landfill Improvement	267,000	0	(5,000)	262,000	7,000
3.05% Lewis Street Repaving	80,000	0	(5,000)	75,000	5,000
3.05% Buck Road Widening	233,000	0	(5,000)	228,000	8,000
3.05% Buck Road Improvements	961,000	0	(15,000)	946,000	15,000
3.05% Public Works Building	155,000	0	(5,000)	150,000	5,000
3.05% Rinker Point Court	170,000	0	(5,000)	165,000	5,000
3.05% Arena Drainage Ditch	101,000	0	(5,000)	96,000	5,000
2.75% US Route 20	1,945,000	0	(50,000)	1,895,000	50,000
Total General Obligation Bonds	4,472,000	0	(655,000)	3,817,000	100,000
Special Assessment Bond:					
2.75% Street Construction	215,000	0	(25,000)	190,000	25,000
Landfill Postclosure Care Liability	318,737	0	(94,485)	224,252	0
Compensated Absences Payable	173,541	202,636	(173,541)	202,636	0
Capital Leases Payable	114,896	0	(83,984)	30,912	30,912
Total Governmental Activities Long-Term Debt	<u>\$5,294,174</u>	<u>\$202,636</u>	<u>(\$1,032,010)</u>	<u>\$4,464,800</u>	<u>\$155,912</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 15 - LONG-TERM DEBT (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 2004, \$190,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

During 1996 the Ohio Water Development Authority (OWDA) approved a loan to the City to finance a portion of Phases I and IA of the Sanitary Sewer Improvements Project. The OWDA committed up to \$2,048,160 at a 4.12% interest rate for twenty years. As of December 31, 2004, the City had received \$2,025,175 against this commitment.

The final payment schedule will be determined when the total loan is disbursed or the project is completed, whichever is earlier. The preliminary semi-annual payment amount assuming full disbursement of the loan commitment is \$75,663, due July 1 and January 1. The City made two payments during 2004 totaling \$88,157 towards the principal and \$63,167 in interest expense.

A Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2004 follows:

Years	General Obligation Bonds		<u>Governmental Activities</u> Capital Leases Payable		Special Assessment Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$100,000	\$172,377	\$30,912	\$932	\$25,000	\$6,748
2006	132,000	169,480	0	0	25,000	6,060
2007	135,000	165,274	0	0	25,000	5,310
2008	135,000	160,619	0	0	25,000	4,485
2009	145,000	155,588	0	0	30,000	3,585
2010-2014	845,000	682,853	0	0	60,000	3,690
2015-2019	1,030,000	476,397	0	0	0	0
2020-2027	1,295,000	257,265	0	0	0	0
Totals	<u>\$3,817,000</u>	<u>\$2,239,853</u>	<u>\$30,912</u>	<u>\$932</u>	<u>\$190,000</u>	<u>\$29,878</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2004**

NOTE 15 - LONG-TERM DEBT (Continued)

A Principal and Interest Requirements (Continued)

Years	<u>Business Type Activities</u>					
	General Obligation Bonds		OWDA Loan Payable		OPWC Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$50,000	\$150,409	\$91,830	\$59,497	\$4,695	\$0
2006	83,000	149,036	95,652	55,674	4,695	0
2007	105,000	146,144	99,634	51,692	4,695	0
2008	105,000	142,416	103,780	47,546	4,695	0
2009	115,000	138,426	108,100	43,226	4,695	0
2010-2014	625,000	619,987	617,378	139,252	23,475	0
2015-2019	790,000	445,299	350,548	27,879	23,470	0
2020-2027	1,375,000	315,201	0	0	0	0
Totals	<u>\$3,248,000</u>	<u>\$2,106,918</u>	<u>\$1,466,922</u>	<u>\$424,766</u>	<u>\$70,420</u>	<u>\$0</u>

NOTE 16 - CAPITALIZED LEASES

The City leases computer equipment and police and street equipment under capital leases. The original cost of the equipment, amounting to \$630,849, is included in the governmental activities capital assets and the related liability is reported in the governmental activities long-term debt.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2004:

<u>Year Ending December 31,</u>	<u>Capital Leases</u>
2005	<u>\$31,844</u>
Minimum Lease Payments	31,844
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(932)</u>
Present value of minimum lease payments	<u>\$30,912</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 17 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In 1990, the City joined the Ohio Government Risk Management Plan (the "OGRMP"), a public entity risk plan formed under Section 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for 585 member political subdivisions. The City pays an annual premium to the OGRMP for its general insurance coverage. The agreement for formation of the OGRMP provides that the organization will be self-sustaining through member premiums and will reinsure all covered claims in excess of a member's deductible through commercial insurance and reinsurance companies.

Workers' Compensations claims are covered through the City's participation in the State of Ohio's program. The City pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll plus administrative costs. The rate is determined based upon the accident history of the Ohio Rural Water Association, of which the City is a member.

The City also purchases insurance coverage to provide employee health benefits and pays unemployment claims to the State of Ohio as incurred. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from the above noted risks have not exceeded commercial insurance coverages during the past three fiscal years.

NOTE 18 - SOLID WASTE LANDFILL POSTCLOSURE CARE COSTS

The City owns a former landfill site known as the Wales Road Landfill. The facility's operation predates most modern regulatory and recordkeeping requirements. The exact date for commencement of waste placement activities is unknown, but in the mid 1960's waste placement activities were modified to follow the layered approach to sanitary landfill operations. The landfill reached its capacity and ceased accepting waste at the 19.71 acre facility in 1990. The Ohio Environmental Protection Agency acting in accordance with applicable state and federal laws required the City to complete final closure of the site during 1994. The approximate total cost of closure was \$482,456. State and federal laws require that the City monitor and maintain the site for thirty years after closure. The City estimates that the total postclosure liability associated with monitoring and maintaining the landfill site for the next twenty years is \$224,252. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. A portion of postclosure care costs are to be paid from an annual county grant specifically designated for said purpose. The balance of any postclosure care costs not covered by the county grant will be paid from the general tax revenues of the City.

NOTE 19 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2004***

NOTE 20 - SIGNIFICANT TAXPAYER

Libbey-Owens-Ford Company provided approximately \$348,700 of the City's income tax withholdings, \$26,000 of the City's personal property taxes and \$8,000 of the City's real property taxes in 2004.

NOTE 21 – JOINTLY GOVERNED ORGANIZATIONS

Rossford Transportation Improvement District: In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. During 2002, the City of Rossford issued \$3,150,000 of special assessment notes on behalf of the TID. These notes were retired and \$3,139,893 were reissued during 2003. The debt service for the notes is to be paid for by special assessments levied by the TID against the parcels of land and lots that are benefited by the project. In the event that the TID is unable to make payments on the principal and interest associated with these notes, the City of Rossford is responsible for making these payments.

Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority: In December 1998, the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority (JEDA/Port Authority) was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The JEDA/Port Authority was created for the benefit of the people of the State of Ohio. Its jurisdiction includes all of the area of the City of Rossford and all of the unincorporated area of Perrysburg Township. The JEDA/Port Authority has five directors, two appointed by the City of Rossford, two appointed by Perrysburg Township and one jointly appointed by the City of Rossford and Perrysburg Township. The directors appointed by the City are appointed by the mayor subject to the approval of the Council, but the City's accountability for the JEDA/Port Authority does not extend beyond making the appointments.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES
INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS,
AND FIDUCIARY FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

State Highway Fund

To account for revenues distributed by the State from the motor vehicle taxes, permissive fees and gasoline taxes. Expenditures may only be used for street and state highway improvements and maintenance.

Street Construction, Maintenance and Repair Fund

To account for revenues distributed by the State from the motor vehicle and gasoline taxes. Expenditures may only be used for street construction, maintenance and repair.

Drug Fine Fund

To account for funds received by the police department for mandatory fines for drug related offenses.

Enforcement and Education Fund

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Law Enforcement Trust Fund

To account for funds received by the police department for contraband per state statute.

Community Oriented Policing Services (COPS) Fast Grant Fund

To account for federal grant monies designated for the cost of additional police officers.

Recreation Fund

To account for the revenues from taxes, concession operations and fees. Expenditures may only be used for recreation purposes.

Free Community Entertainment Fund

To account for donations intended to provide special summer programs such as fireworks and music in the park.

Block Grant Fund

To account for Federal grants administered through the State designated for community and environmental improvements.

(Continued)

Special Revenue Funds

Downtown Streetscape Fund

To account for the revenues from Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) grants and assessments. Expenditures are to be used for Downtown Streetscape projects. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds.

Landfill Closure Fund

To account for financial resources used to cover and monitor the City owned landfill, which ceased operations in 1990.

Lewis Street Paving and Curbs Fund

To account for financial resources used to add curbs and resurface Lewis Street, as petitioned by the property owners. The cost of the improvements, less 2% and the cost of the intersection shall be assessed based on front footage to the property owners over 10 years.

Capital Improvement Fund

To account for financial resources used for the major capital projects undertaken by the City.

Permanent Recreation Improvement Fund

To account for financial resources received from a voter approved tax levy that are used to provide for the acquisition of land and/or construction of specific permanent improvements to parks and playgrounds for recreational purposes.

Arena Drainage Ditch Fund

To account for financial resources received to improve storm water drainage by constructing drainage swales and extending the arena drainage ditch. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Electrical Industrial Court Fund

To account for financial resources received from assessments against property owners to construct a public roadway.

Capital Projects Funds

TIF Ramco Gershenson Fund

To account for financial resources received from Ramco Gershenson Inc. that were used to construct a public road and to make storm drainage improvements to US Route 20, Parkway Boulevard and Deimling Road.

TIF Henry Court Road Construction Fund

To account for financial resources received from Henry Court that were used to construct a public road and to make storm drainage improvements to US Route 20, Parkway Boulevard and Deimling Road.

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and Cash Equivalents	\$ 153,325	\$ 455,266	\$ 608,591
Receivables (net of allowance for doubtful accounts):			
Taxes	46,339	46,339	92,678
Accounts	170	0	170
Intergovernmental	145,245	2,127	147,372
Special Assessments	0	94,243	94,243
Inventory of Supplies, at Cost	11,367	0	11,367
Total Assets	<u>\$ 356,446</u>	<u>\$ 597,975</u>	<u>\$ 954,421</u>
Liabilities:			
Accounts Payable	\$ 14,981	\$ 6,925	\$ 21,906
Accrued Wages and Benefits Payable	8,150	0	8,150
Deferred Revenue	143,878	142,709	286,587
Total Liabilities	<u>167,009</u>	<u>149,634</u>	<u>316,643</u>
Fund Balances:			
Reserved for Encumbrances	11,037	15,729	26,766
Reserved for Supplies Inventory	11,367	0	11,367
Undesignated/Unreserved	167,033	432,612	599,645
Total Fund Balances	<u>189,437</u>	<u>448,341</u>	<u>637,778</u>
Total Liabilities and Fund Balances	<u>\$ 356,446</u>	<u>\$ 597,975</u>	<u>\$ 954,421</u>

CITY OF ROSSFORD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2004**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property Taxes	\$ 38,583	\$ 38,583	\$ 77,166
Intergovernmental Revenues	329,806	4,258	334,064
Charges for Services	80,887	0	80,887
Investment Earnings	0	2,280	2,280
Special Assessments	4,373	275,704	280,077
Fines and Forfeitures	2,909	0	2,909
All Other Revenue	18,690	0	18,690
Total Revenue	475,248	320,825	796,073
Expenditures:			
Current:			
Security of Persons and Property	3,073	0	3,073
Leisure Time Activities	223,427	0	223,427
Transportation	321,657	0	321,657
Capital Outlay	0	92,443	92,443
Debt Service:			
Principal Retirement	0	120,000	120,000
Interest and Fiscal Charges	0	182,077	182,077
Total Expenditures	548,157	394,520	942,677
Excess (Deficiency) of Revenues Over Expenditures	(72,909)	(73,695)	(146,604)
Other Financing Sources (Uses):			
Transfers In	164,872	215,449	380,321
Transfers Out	(24,186)	(163,062)	(187,248)
Total Other Financing Sources (Uses)	140,686	52,387	193,073
Net Change in Fund Balances	67,777	(21,308)	46,469
Fund Balances at Beginning of Year	121,148	469,649	590,797
Increase in Inventory Reserve	512	0	512
Fund Balances End of Year	\$ 189,437	\$ 448,341	\$ 637,778

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004**

	State Highway	Street Construction, Maintenance and Repair	Drug Fine	Law Enforcement Trust
Assets:				
Cash and Cash Equivalents	\$ 2,379	\$ 9,796	\$ 7,644	\$ 5,560
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	10,734	132,384	0	0
Inventory of Supplies, at Cost	0	11,367	0	0
Total Assets	<u>\$ 13,113</u>	<u>\$ 153,547</u>	<u>\$ 7,644</u>	<u>\$ 5,560</u>
Liabilities:				
Accounts Payable	0	10,774	0	0
Accrued Wages and Benefits Payable	0	5,050	0	0
Deferred Revenue	7,156	88,256	0	0
Total Liabilities	<u>7,156</u>	<u>104,080</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for Encumbrances	2,295	7,630	0	0
Reserved for Supplies Inventory	0	11,367	0	0
Undesignated/Unreserved	3,662	30,470	7,644	5,560
Total Fund Balances	<u>5,957</u>	<u>49,467</u>	<u>7,644</u>	<u>5,560</u>
Total Liabilities and Fund Balances	<u>\$ 13,113</u>	<u>\$ 153,547</u>	<u>\$ 7,644</u>	<u>\$ 5,560</u>

CITY OF ROSSFORD, OHIO

<u>COPS Fast Grant</u>	<u>Recreation</u>	<u>Free Community Entertainment</u>	<u>Block Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 7	\$ 5,177	\$ 5,445	\$ 117,317	\$ 153,325
0	46,339	0	0	46,339
0	0	170	0	170
0	2,127	0	0	145,245
0	0	0	0	11,367
<u>\$ 7</u>	<u>\$ 53,643</u>	<u>\$ 5,615</u>	<u>\$ 117,317</u>	<u>\$ 356,446</u>
0	4,207	0	0	14,981
0	3,100	0	0	8,150
0	48,466	0	0	143,878
<u>0</u>	<u>55,773</u>	<u>0</u>	<u>0</u>	<u>167,009</u>
0	1,112	0	0	11,037
0	0	0	0	11,367
7	(3,242)	5,615	117,317	167,033
<u>7</u>	<u>(2,130)</u>	<u>5,615</u>	<u>117,317</u>	<u>189,437</u>
<u>\$ 7</u>	<u>\$ 53,643</u>	<u>\$ 5,615</u>	<u>\$ 117,317</u>	<u>\$ 356,446</u>

CITY OF ROSSFORD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	State Highway	Street Construction, Maintenance and Repair	Drug Fine	Enforcement and Education	Law Enforcement Trust
Revenues:					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	24,933	268,215	0	0	0
Charges for Services	0	0	0	0	0
Special Assessments	0	0	0	0	0
Fines and Forfeitures	0	0	1,458	1,451	0
All Other Revenue	0	0	0	0	784
Total Revenue	24,933	268,215	1,458	1,451	784
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	3,073	0
Leisure Time Activities	0	0	0	0	0
Transportation	3,955	317,702	0	0	0
Total Expenditures	3,955	317,702	0	3,073	0
Excess (Deficiency) of Revenues Over Expenditures	20,978	(49,487)	1,458	(1,622)	784
Other Financing Sources (Uses):					
Transfers In	0	77,237	0	1,622	0
Transfers Out	(18,191)	0	0	0	(1,622)
Total Other Financing Sources (Uses)	(18,191)	77,237	0	1,622	(1,622)
Net Change in Fund Balances	2,787	27,750	1,458	0	(838)
Fund Balances at Beginning of Year	3,170	21,205	6,186	0	6,398
Increase in Inventory Reserve	0	512	0	0	0
Fund Balances End of Year	\$ 5,957	\$ 49,467	\$ 7,644	\$ 0	\$ 5,560

CITY OF ROSSFORD, OHIO

COPS Fast Grant	Recreation	Free Community Entertainment	Block Grant	Downtown Streetscape	Total Nonmajor Special Revenue Funds
\$ 0	\$ 38,583	\$ 0	\$ 0	\$ 0	\$ 38,583
0	4,258	0	32,400	0	329,806
0	80,887	0	0	0	80,887
0	0	0	0	4,373	4,373
0	0	0	0	0	2,909
0	13,619	4,287	0	0	18,690
0	137,347	4,287	32,400	4,373	475,248
0	0	0	0	0	3,073
0	216,036	7,391	0	0	223,427
0	0	0	0	0	321,657
0	216,036	7,391	0	0	548,157
0	(78,689)	(3,104)	32,400	4,373	(72,909)
0	86,013	0	0	0	164,872
0	0	0	0	(4,373)	(24,186)
0	86,013	0	0	(4,373)	140,686
0	7,324	(3,104)	32,400	0	67,777
7	(9,454)	8,719	84,917	0	121,148
0	0	0	0	0	512
\$ 7	\$ (2,130)	\$ 5,615	\$ 117,317	\$ 0	\$ 189,437

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004**

	Landfill Closure	Lewis Street Paving and Curbs	Capital Improvement	Permanent Recreation Improvement
Assets:				
Cash and Cash Equivalents	\$ 12,159	\$ 14,177	\$ 10,495	\$ 41,605
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	46,339
Intergovernmental	0	0	0	2,127
Special Assessments	0	0	0	0
Total Assets	<u>\$ 12,159</u>	<u>\$ 14,177</u>	<u>\$ 10,495</u>	<u>\$ 90,071</u>
Liabilities:				
Accounts Payable	\$ 6,925	\$ 0	\$ 0	\$ 0
Deferred Revenue	0	0	0	48,466
Total Liabilities	<u>6,925</u>	<u>0</u>	<u>0</u>	<u>48,466</u>
Fund Balances:				
Reserved for Encumbrances	5,234	0	10,495	0
Undesignated/Unreserved	0	14,177	0	41,605
Total Fund Balances	<u>5,234</u>	<u>14,177</u>	<u>10,495</u>	<u>41,605</u>
Total Liabilities and Fund Balances	<u>\$ 12,159</u>	<u>\$ 14,177</u>	<u>\$ 10,495</u>	<u>\$ 90,071</u>

CITY OF ROSSFORD, OHIO

<u>Electrical Industrial Court</u>	<u>TIF Ramco Gershenson</u>	<u>TIF Henry Court Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 40,246	\$ 334,084	\$ 2,500	\$ 455,266
0	0	0	46,339
0	0	0	2,127
94,243	0	0	94,243
<u>\$ 134,489</u>	<u>\$ 334,084</u>	<u>\$ 2,500</u>	<u>\$ 597,975</u>
\$ 0	\$ 0	\$ 0	\$ 6,925
94,243	0	0	142,709
<u>94,243</u>	<u>0</u>	<u>0</u>	<u>149,634</u>
0	0	0	15,729
40,246	334,084	2,500	432,612
40,246	334,084	2,500	448,341
<u>\$ 134,489</u>	<u>\$ 334,084</u>	<u>\$ 2,500</u>	<u>\$ 597,975</u>

CITY OF ROSSFORD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004**

	Landfill Closure	Lewis Street Paving and Curbs	Capital Improvement	Permanent Recreation Improvement
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 38,583
Intergovernmental Revenues	0	0	0	4,258
Investment Earnings	0	0	0	0
Special Assessments	0	8,632	0	0
Total Revenue	0	8,632	0	42,841
Expenditures:				
Current:				
Capital Outlay	84,691	0	0	0
Debt Service:				
Principal Retirement	5,000	5,000	30,000	0
Interest and Fiscal Charges	11,498	3,218	66,571	0
Total Expenditures	101,189	8,218	96,571	0
Excess (Deficiency) of Revenues Over Expenditures	(101,189)	414	(96,571)	42,841
Other Financing Sources (Uses):				
Transfers In	109,582	0	96,570	0
Transfers Out	0	0	0	(14,449)
Total Other Financing Sources (Uses)	109,582	0	96,570	(14,449)
Net Change in Fund Balances	8,393	414	(1)	28,392
Fund Balances at Beginning of Year	(3,159)	13,763	10,496	13,213
Fund Balances End of Year	\$ 5,234	\$ 14,177	\$ 10,495	\$ 41,605

CITY OF ROSSFORD, OHIO

<u>Arena Drainage Ditch</u>	<u>Electrical Industrial Court</u>	<u>TIF Ramco Gershenson</u>	<u>TIF Henry Court Road Construction</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,583
0	0	0	0	4,258
0	0	2,280	0	2,280
<u>0</u>	<u>34,661</u>	<u>232,411</u>	<u>0</u>	<u>275,704</u>
<u>0</u>	<u>34,661</u>	<u>234,691</u>	<u>0</u>	<u>320,825</u>
0	0	7,752	0	92,443
5,000	25,000	50,000	0	120,000
<u>4,297</u>	<u>7,310</u>	<u>89,183</u>	<u>0</u>	<u>182,077</u>
<u>9,297</u>	<u>32,310</u>	<u>146,935</u>	<u>0</u>	<u>394,520</u>
(9,297)	2,351	87,756	0	(73,695)
9,297	0	0	0	215,449
<u>0</u>	<u>0</u>	<u>(148,613)</u>	<u>0</u>	<u>(163,062)</u>
<u>9,297</u>	<u>0</u>	<u>(148,613)</u>	<u>0</u>	<u>52,387</u>
0	2,351	(60,857)	0	(21,308)
<u>0</u>	<u>37,895</u>	<u>394,941</u>	<u>2,500</u>	<u>469,649</u>
<u>\$ 0</u>	<u>\$ 40,246</u>	<u>\$ 334,084</u>	<u>\$ 2,500</u>	<u>\$ 448,341</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 243,042	\$ 243,042	\$ 224,927	\$ (18,115)
Municipal Income Taxes	2,590,000	2,590,000	2,651,301	61,301
Other Local Taxes	192,600	192,600	187,143	(5,457)
Intergovernmental Revenues	726,927	726,927	824,294	97,367
Charges for Services	688,638	688,638	68,760	(619,878)
Licenses and Permits	53,000	53,000	29,122	(23,878)
Investment Earnings	20,000	20,000	22,808	2,808
Special Assessments	135,000	135,000	157,097	22,097
Fines and Forfeitures	28,100	28,100	39,632	11,532
All Other Revenues	500	500	8,650	8,150
Total Revenues	<u>4,677,807</u>	<u>4,677,807</u>	<u>4,213,734</u>	<u>(464,073)</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	1,288,668	1,236,892	1,223,527	13,365
Contractual Services	69,517	96,978	92,995	3,983
Materials and Supplies	31,238	37,337	31,959	5,378
Capital Outlay	2,334	635	635	0
Total Police	<u>1,391,757</u>	<u>1,371,842</u>	<u>1,349,116</u>	<u>22,726</u>
Fire:				
Personal Services	381,041	381,041	366,663	14,378
Contractual Services	101,570	99,770	85,489	14,281
Materials and Supplies	22,554	21,854	15,334	6,520
Total Fire	<u>505,165</u>	<u>502,665</u>	<u>467,486</u>	<u>35,179</u>
Civil Defense:				
Contractual Services	6,000	6,000	3,842	2,158
Total Civil Defense	<u>6,000</u>	<u>6,000</u>	<u>3,842</u>	<u>2,158</u>
Street Lighting:				
Contractual Services	142,766	151,919	151,920	(1)
Total Street Lighting	<u>142,766</u>	<u>151,919</u>	<u>151,920</u>	<u>(1)</u>
Total Security of Persons and Property	<u>2,045,688</u>	<u>2,032,426</u>	<u>1,972,364</u>	<u>60,062</u>

(Continued)

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Leisure Time Activities:				
Parks:				
Personal Services	0	10	9	1
Contractual Services	14,265	13,529	7,211	6,318
Materials and Supplies	6,000	6,726	5,626	1,100
Capital Outlay	6,000	6,000	5,721	279
Total Leisure Time Activities	<u>26,265</u>	<u>26,265</u>	<u>18,567</u>	<u>7,698</u>
Basic Utility Services:				
Refuse Pick-up/Curbside Recycling:				
Contractual Services	245,520	261,282	261,282	0
Total Basic Utility Services	<u>245,520</u>	<u>261,282</u>	<u>261,282</u>	<u>0</u>
Transportation:				
Public Works:				
Personal Services	430,040	421,673	416,551	5,122
Contractual Services	103,398	108,245	95,821	12,424
Materials and Supplies	22,321	25,841	22,903	2,938
Capital Outlay	2,099	2,099	1,260	839
Total Transportation	<u>557,858</u>	<u>557,858</u>	<u>536,535</u>	<u>21,323</u>
General Government:				
City Council:				
Personal Services	29,950	29,950	29,318	632
Contractual Services	500	500	0	500
Total City Council	<u>30,450</u>	<u>30,450</u>	<u>29,318</u>	<u>1,132</u>
Mayor:				
Personal Services	60,090	60,090	57,260	2,830
Contractual Services	500	500	0	500
Capital Outlay	500	500	0	500
Total Mayor	<u>61,090</u>	<u>61,090</u>	<u>57,260</u>	<u>3,830</u>

(Continued)

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Administrator:				
Personal Services	157,210	154,710	125,028	29,682
Contractual Services	<u>1,000</u>	<u>1,000</u>	<u>14</u>	<u>986</u>
Total Administrator	<u>158,210</u>	<u>155,710</u>	<u>125,042</u>	<u>30,668</u>
General Government:				
Personal Services	30,075	30,075	29,308	767
Contractual Services	388,409	343,697	312,806	30,891
Materials and Supplies	12,973	12,973	12,187	786
Other Expenditures	5,500	12,695	11,795	900
Capital Outlay	<u>4,000</u>	<u>11,507</u>	<u>11,507</u>	<u>0</u>
Total General Government	<u>440,957</u>	<u>410,947</u>	<u>377,603</u>	<u>33,344</u>
Building and Occupancy:				
Personal Services	10,825	10,825	9,285	1,540
Contractual Services	320,696	348,196	324,417	23,779
Materials and Supplies	<u>9,413</u>	<u>22,029</u>	<u>22,027</u>	<u>2</u>
Total Building and Occupancy	<u>340,934</u>	<u>381,050</u>	<u>355,729</u>	<u>25,321</u>
Finance/Tax:				
Personal Services	100,320	100,320	98,063	2,257
Contractual Services	500	500	0	500
Materials and Supplies	6,089	6,089	4,897	1,192
Other Expenditures	10,000	10,000	0	10,000
Capital Outlay	<u>500</u>	<u>500</u>	<u>0</u>	<u>500</u>
Total Finance/Tax	<u>117,409</u>	<u>117,409</u>	<u>102,960</u>	<u>14,449</u>
Treasurer:				
Personal Services	1,185	1,185	1,179	6
Law:				
Contractual Services	207,495	310,495	275,684	34,811
Total Law	<u>208,680</u>	<u>311,680</u>	<u>276,863</u>	<u>34,817</u>
Total General Government	<u>1,357,730</u>	<u>1,468,336</u>	<u>1,324,775</u>	<u>143,561</u>

(Continued)

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Debt Service:				
Principal Retirement	50,922	51,022	51,022	0
Interest and Fiscal Charges	<u>2,837</u>	<u>2,737</u>	<u>2,737</u>	<u>0</u>
Total Expenditures	<u>4,286,820</u>	<u>4,399,926</u>	<u>4,167,282</u>	<u>232,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	390,987	277,881	46,452	(231,429)
Other Financing Sources (Uses):				
Transfers In	79,664	395,752	253,689	(142,063)
Transfers Out	<u>0</u>	<u>(459,782)</u>	<u>(351,211)</u>	<u>108,571</u>
Total Other Financing Sources (Uses)	<u>79,664</u>	<u>(64,030)</u>	<u>(97,522)</u>	<u>(33,492)</u>
Net Change in Fund Balance	470,651	213,851	(51,070)	(264,921)
Fund Balance at Beginning of Year	12,959	12,959	12,959	0
Prior Year Encumbrances	<u>139,811</u>	<u>139,811</u>	<u>139,811</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 623,421</u>	<u>\$ 366,621</u>	<u>\$ 101,700</u>	<u>\$ (264,921)</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2004**

GENERAL OBLIGATION DEBT SERVICE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	0	571,200	571,200	0
Interest and Fiscal Charges	28,440	28,440	18,249	10,191
Total Expenditures	28,440	599,640	589,449	10,191
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,440)	(599,640)	(589,449)	10,191
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	575,000	575,000	0
Transfers In	28,440	28,440	14,449	(13,991)
Total Other Financing Sources (Uses)	28,440	603,440	589,449	(13,991)
Net Change in Fund Balance	0	3,800	0	(3,800)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 3,800	\$ 0	\$ (3,800)

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Year Ended December 31, 2004**

	FIRE CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 57,449	\$ 57,449	\$ 57,874	\$ 425
Intergovernmental Revenues	4,000	4,000	6,387	2,387
Total Revenues	<u>61,449</u>	<u>61,449</u>	<u>64,261</u>	<u>2,812</u>
Expenditures:				
Capital Outlay	395,768	400,811	127,818	272,993
Debt Service:				
Principal Retirement	417,475	417,962	417,962	0
Interest and Fiscal Charges	15,466	9,936	9,936	0
Total Expenditures	<u>828,709</u>	<u>828,709</u>	<u>555,716</u>	<u>272,993</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(767,260)	(767,260)	(491,455)	275,805
Other Financing Sources (Uses):				
General Obligation Notes Issued	385,000	485,000	485,000	0
Total Other Financing Sources (Uses)	<u>385,000</u>	<u>485,000</u>	<u>485,000</u>	<u>0</u>
Net Change in Fund Balance	(382,260)	(282,260)	(6,455)	275,805
Fund Balance at Beginning of Year	370,946	370,946	370,946	0
Prior Year Encumbrances	65,768	65,768	65,768	0
Fund Balance at End of Year	<u>\$ 54,454</u>	<u>\$ 154,454</u>	<u>\$ 430,259</u>	<u>\$ 275,805</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Year Ended December 31, 2004**

TID ROAD ACQUISITION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 201,719	\$ 201,719	\$ 141,013	\$ (60,706)
Total Revenues	<u>201,719</u>	<u>201,719</u>	<u>141,013</u>	<u>(60,706)</u>
Expenditures:				
Capital Outlay	0	4	4	0
Debt Service:				
Principal Retirement	2,550,000	2,550,000	2,540,000	10,000
Interest and Fiscal Charges	60,000	59,996	50,518	9,478
Total Expenditures	<u>2,610,000</u>	<u>2,610,000</u>	<u>2,590,522</u>	<u>19,478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,408,281)	(2,408,281)	(2,449,509)	(41,228)
Other Financing Sources (Uses):				
General Obligation Notes Issued	2,538,893	2,538,893	2,420,000	(118,893)
Total Other Financing Sources (Uses)	<u>2,538,893</u>	<u>2,538,893</u>	<u>2,420,000</u>	<u>(118,893)</u>
Net Change in Fund Balance	130,612	130,612	(29,509)	(160,121)
Fund Balance at Beginning of Year	107,321	107,321	107,321	0
Fund Balance at End of Year	<u>\$ 237,933</u>	<u>\$ 237,933</u>	<u>\$ 77,812</u>	<u>\$ (160,121)</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 19,000	\$ 19,000	\$ 23,978	\$ 4,978
Total Revenues	<u>19,000</u>	<u>19,000</u>	<u>23,978</u>	<u>4,978</u>
Expenditures:				
Transportation:				
Materials and Supplies	11,896	11,896	6,826	5,070
Total Expenditures	<u>11,896</u>	<u>11,896</u>	<u>6,826</u>	<u>5,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,104	7,104	17,152	10,048
Other Financing Sources (Uses):				
Transfers Out	(8,140)	(18,312)	(18,191)	121
Total Other Financing Sources (Uses)	<u>(8,140)</u>	<u>(18,312)</u>	<u>(18,191)</u>	<u>121</u>
Net Change in Fund Balance	(1,036)	(11,208)	(1,039)	10,169
Fund Balance at Beginning of Year	644	644	644	0
Prior Year Encumbrances	396	396	396	0
Fund Balance at End of Year	<u>\$ 4</u>	<u>\$ (10,168)</u>	<u>\$ 1</u>	<u>\$ 10,169</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 206,000	\$ 206,000	\$ 256,433	\$ 50,433
Total Revenues	<u>206,000</u>	<u>206,000</u>	<u>256,433</u>	<u>50,433</u>
Expenditures:				
Transportation:				
Personal Services	176,450	180,050	173,843	6,207
Contractual Services	77,792	75,292	60,964	14,328
Materials and Supplies	122,651	121,551	114,306	7,245
Total Expenditures	<u>376,893</u>	<u>376,893</u>	<u>349,113</u>	<u>27,780</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(170,893)	(170,893)	(92,680)	78,213
Other Financing Sources (Uses):				
Transfers In	155,450	155,450	77,237	(78,212)
Total Other Financing Sources (Uses)	<u>155,450</u>	<u>155,450</u>	<u>77,237</u>	<u>(78,212)</u>
Net Change in Fund Balance	(15,443)	(15,443)	(15,443)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	15,443	15,443	15,443	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 1,458	\$ 1,458
Total Revenues	<u>0</u>	<u>0</u>	<u>1,458</u>	<u>1,458</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	1,458	1,458
Fund Balance at Beginning of Year	<u>6,186</u>	<u>6,186</u>	<u>6,186</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,186</u>	<u>\$ 6,186</u>	<u>\$ 7,644</u>	<u>\$ 1,458</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,451</u>	<u>\$ 451</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,451</u>	<u>451</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>3,500</u>	<u>3,500</u>	<u>3,073</u>	<u>427</u>
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,073</u>	<u>427</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500)	(2,500)	(1,622)	878
Other Financing Sources (Uses):				
Transfers In	<u>2,500</u>	<u>2,500</u>	<u>1,622</u>	<u>(878)</u>
Total Other Financing Sources (Uses)	<u>2,500</u>	<u>2,500</u>	<u>1,622</u>	<u>(878)</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 1,000	\$ 1,000	\$ 784	\$ (216)
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>784</u>	<u>(216)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	784	(216)
Other Financing Sources (Uses):				
Transfers Out	<u>(2,500)</u>	<u>(2,500)</u>	<u>(1,622)</u>	<u>878</u>
Total Other Financing Sources (Uses)	<u>(2,500)</u>	<u>(2,500)</u>	<u>(1,622)</u>	<u>878</u>
Net Change in Fund Balance	(1,500)	(1,500)	(838)	662
Fund Balance at Beginning of Year	<u>6,398</u>	<u>6,398</u>	<u>6,398</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,898</u>	<u>\$ 4,898</u>	<u>\$ 5,560</u>	<u>\$ 662</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	COPS FAST GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	7	7	7	0
Fund Balance at End of Year	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 0</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

RECREATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 37,366	\$ 37,366	\$ 38,583	\$ 1,217
Intergovernmental Revenues	3,600	3,600	4,258	658
Charges for Services	88,500	88,500	80,887	(7,613)
All Other Revenues	16,500	16,500	13,619	(2,881)
Total Revenues	<u>145,966</u>	<u>145,966</u>	<u>137,347</u>	<u>(8,619)</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	164,355	164,354	155,969	8,385
Contractual Services	45,342	45,508	40,884	4,624
Materials and Supplies	35,360	35,195	28,798	6,397
Other Expenditures	1,000	1,000	780	220
Capital Outlay	1,000	1,000	394	606
Total Expenditures	<u>247,057</u>	<u>247,057</u>	<u>226,825</u>	<u>20,232</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(101,091)	(101,091)	(89,478)	11,613
Other Financing Sources (Uses):				
Transfers In	97,388	104,570	86,013	(18,557)
Total Other Financing Sources (Uses)	<u>97,388</u>	<u>104,570</u>	<u>86,013</u>	<u>(18,557)</u>
Net Change in Fund Balance	(3,703)	3,479	(3,465)	(6,944)
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	3,703	3,703	3,703	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 7,182</u>	<u>\$ 238</u>	<u>\$ (6,944)</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

FREE COMMUNITY ENTERTAINMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 5,000	\$ 5,000	\$ 4,452	\$ (548)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>4,452</u>	<u>(548)</u>
Expenditures:				
Leisure Time Activities:				
Contractual Services	5,000	8,000	7,416	584
Total Expenditures	<u>5,000</u>	<u>8,000</u>	<u>7,416</u>	<u>584</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(3,000)	(2,964)	36
Fund Balance at Beginning of Year	8,409	8,409	8,409	0
Fund Balance at End of Year	<u>\$ 8,409</u>	<u>\$ 5,409</u>	<u>\$ 5,445</u>	<u>\$ 36</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004***

	BLOCK GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 32,400	\$ 32,400
Total Revenues	<u>0</u>	<u>0</u>	<u>32,400</u>	<u>32,400</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	32,400	32,400
Fund Balance at Beginning of Year	<u>84,917</u>	<u>84,917</u>	<u>84,917</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 84,917</u>	<u>\$ 84,917</u>	<u>\$ 117,317</u>	<u>\$ 32,400</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 0	\$ 0	\$ 4,373	\$ 4,373
Total Revenues	<u>0</u>	<u>0</u>	<u>4,373</u>	<u>4,373</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	4,373	4,373
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(4,373)</u>	<u>(4,373)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(4,373)</u>	<u>(4,373)</u>	<u>0</u>
Net Change in Fund Balance	0	(4,373)	0	4,373
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (4,373)</u>	<u>\$ 0</u>	<u>\$ 4,373</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004**

LANDFILL CLOSURE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	78,560	108,560	106,644	1,916
Debt Service:				
Principal Retirement	5,000	5,000	5,000	0
Interest and Fiscal Charges	11,499	11,499	11,498	1
Total Expenditures	95,059	125,059	123,142	1,917
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,059)	(125,059)	(123,142)	1,917
Other Financing Sources (Uses):				
Transfers In	81,499	109,582	109,582	0
Total Other Financing Sources (Uses)	81,499	109,582	109,582	0
Net Change in Fund Balance	(13,560)	(15,477)	(13,560)	1,917
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	13,560	13,560	13,560	0
Fund Balance at End of Year	\$ 0	\$ (1,917)	\$ 0	\$ 1,917

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 7,700	\$ 7,700	\$ 8,632	\$ 932
Total Revenues	<u>7,700</u>	<u>7,700</u>	<u>8,632</u>	<u>932</u>
Expenditures:				
Capital Outlay	518	518	0	518
Debt Service:				
Principal Retirement	5,000	5,000	5,000	0
Interest and Fiscal Charges	<u>3,218</u>	<u>3,218</u>	<u>3,218</u>	<u>0</u>
Total Expenditures	<u>8,736</u>	<u>8,736</u>	<u>8,218</u>	<u>518</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,036)	(1,036)	414	1,450
Fund Balance at Beginning of Year	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,727</u>	<u>\$ 12,727</u>	<u>\$ 14,177</u>	<u>\$ 1,450</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004***

CAPITAL IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	10,495	10,495	10,495	0
Debt Service:				
Principal Retirement	30,000	30,000	30,000	0
Interest and Fiscal Charges	66,571	66,571	66,571	0
Total Expenditures	107,067	107,067	107,066	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(107,066)	(107,066)	(107,066)	0
Other Financing Sources (Uses):				
Transfers In	96,570	96,570	96,570	0
Total Other Financing Sources (Uses)	96,570	96,570	96,570	0
Net Change in Fund Balance	(10,496)	(10,496)	(10,496)	0
Fund Balance at Beginning of Year	1	1	1	0
Prior Year Encumbrances	10,495	10,495	10,495	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004**

PERMANENT RECREATION IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 37,366	\$ 37,366	\$ 38,583	\$ 1,217
Intergovernmental Revenues	3,600	3,600	4,258	658
Total Revenues	<u>40,966</u>	<u>40,966</u>	<u>42,841</u>	<u>1,875</u>
Expenditures:				
Capital Outlay	<u>(12,526)</u>	<u>(12,526)</u>	<u>0</u>	<u>(12,526)</u>
Total Expenditures	<u>(12,526)</u>	<u>(12,526)</u>	<u>0</u>	<u>(12,526)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,492	53,492	42,841	(10,651)
Other Financing Sources (Uses):				
Transfers Out	<u>(28,440)</u>	<u>(28,440)</u>	<u>(14,449)</u>	<u>13,991</u>
Total Other Financing Sources (Uses)	<u>(28,440)</u>	<u>(28,440)</u>	<u>(14,449)</u>	<u>13,991</u>
Net Change in Fund Balance	25,052	25,052	28,392	3,340
Fund Balance at Beginning of Year	<u>13,213</u>	<u>13,213</u>	<u>13,213</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 38,265</u>	<u>\$ 38,265</u>	<u>\$ 41,605</u>	<u>\$ 3,340</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	5,000	5,000	5,000	0
Interest and Fiscal Charges	4,297	4,297	4,297	0
Total Expenditures	9,297	9,297	9,297	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,297)	(9,297)	(9,297)	0
Other Financing Sources (Uses):				
Transfers In	9,297	9,297	9,297	0
Total Other Financing Sources (Uses)	9,297	9,297	9,297	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004**

ELECTRICAL INDUSTRIAL COURT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 32,492	\$ 32,492	\$ 34,661	\$ 2,169
Total Revenues	<u>32,492</u>	<u>32,492</u>	<u>34,661</u>	<u>2,169</u>
Expenditures:				
Capital Outlay	(182)	(182)	0	(182)
Debt Service:				
Principal Retirement	25,000	25,000	25,000	0
Interest and Fiscal Charges	7,310	7,310	7,310	0
Total Expenditures	<u>32,128</u>	<u>32,128</u>	<u>32,310</u>	<u>(182)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	364	364	2,351	1,987
Fund Balance at Beginning of Year	37,895	37,895	37,895	0
Fund Balance at End of Year	<u>\$ 38,259</u>	<u>\$ 38,259</u>	<u>\$ 40,246</u>	<u>\$ 1,987</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004***

TIF RAMCO GERSHENSON FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	\$ 1,500	\$ 1,500	\$ 2,280	\$ 780
Special Assessments	175,000	175,000	232,411	57,411
Total Revenues	<u>176,500</u>	<u>176,500</u>	<u>234,691</u>	<u>58,191</u>
Expenditures:				
Capital Outlay	0	7,752	7,752	0
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	89,183	89,183	89,183	0
Total Expenditures	<u>139,183</u>	<u>146,935</u>	<u>146,935</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,317	29,565	87,756	58,191
Other Financing Sources (Uses):				
Transfers Out	0	(160,675)	(148,613)	12,062
Total Other Financing Sources (Uses)	<u>0</u>	<u>(160,675)</u>	<u>(148,613)</u>	<u>12,062</u>
Net Change in Fund Balance	37,317	(131,110)	(60,857)	70,253
Fund Balance at Beginning of Year	394,941	394,941	394,941	0
Fund Balance at End of Year	<u>\$ 432,258</u>	<u>\$ 263,831</u>	<u>\$ 334,084</u>	<u>\$ 70,253</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	2,500	2,500	2,500	0
Fund Balance at End of Year	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 0</u>

Fiduciary Funds

Fiduciary fund types 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.

Agency Fund

Cafeteria Plan Fund

To account for funds related to the IRS 125 Employee Benefits Plan.

CITY OF ROSSFORD, OHIO

***Combining Statement Of Changes In Assets And Liabilities
Agency Fund
For the Year Ended December 31, 2004***

	Balance December 31, 2003	Additions	Deductions	Balance December 31, 2004
<u>Cafeteria Plan</u>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$176	\$3,465	(\$2,813)	\$828
Total Assets	<u>\$176</u>	<u>\$3,465</u>	<u>(\$2,813)</u>	<u>\$828</u>
Liabilities:				
Due to Others	\$176	\$3,465	(\$2,813)	\$828
Total Liabilities	<u>\$176</u>	<u>\$3,465</u>	<u>(\$2,813)</u>	<u>\$828</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF ROSSFORD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2004***

<u>Capital Assets</u>	
Land	\$361,137
Buildings	3,261,989
Improvements Other Than Buildings	153,775
Machinery and Equipment	<u>2,998,831</u>
Total Capital Assets	<u><u>\$6,775,732</u></u>
<u>Investment in Capital Assets</u>	
Acquired Prior to 1994	\$4,512,065
General Fund	772,155
Special Revenue Funds	321,257
Capital Projects Funds	1,123,709
Proprietary Funds	1,546
Donated	<u>45,000</u>
Total Investment in Capital Assets	<u><u>\$6,775,732</u></u>

CITY OF ROSSFORD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2004***

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<u>General Government:</u>					
Council	\$0	\$0	\$0	\$700	\$700
Mayor	0	0	0	1,748	1,748
Administrator	0	0	0	5,208	5,208
Finance/Tax	0	0	0	87,868	87,868
Prosecutor	0	0	0	2,898	2,898
General Government	324,151	2,955,591	77,705	42,475	3,399,922
Civil Defense	0	0	0	34,411	34,411
Total	<u>324,151</u>	<u>2,955,591</u>	<u>77,705</u>	<u>175,308</u>	<u>3,532,755</u>
<u>Security of Persons and Property:</u>					
Police	0	0	0	533,124	533,124
Fire	36,986	0	0	1,270,661	1,307,647
Total	<u>36,986</u>	<u>0</u>	<u>0</u>	<u>1,803,785</u>	<u>1,840,771</u>
<u>Transportation:</u>					
Public Works	0	224,089	15,550	700,926	940,565
<u>Leisure Time Activities:</u>					
Park	0	82,309	60,520	318,812	461,641
Total Capital Assets	<u>\$361,137</u>	<u>\$3,261,989</u>	<u>\$153,775</u>	<u>\$2,998,831</u>	<u>\$6,775,732</u>

CITY OF ROSSFORD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2004***

Function and Activity	December 31, 2003	Additions	Deletions	December 31, 2004
<u>General Government:</u>				
Council	\$700	\$0	\$0	\$700
Mayor	1,748	0	0	1,748
Administrator	5,208	0	0	5,208
Finance/Tax	87,868	0	0	87,868
Prosecutor	2,898	0	0	2,898
General Government	3,398,264	1,658	0	3,399,922
Civil Defense	34,411	0	0	34,411
Total	3,531,097	1,658	0	3,532,755
<u>Security of Persons and Property:</u>				
Police	533,124	0	0	533,124
Fire	1,291,368	30,034	(13,755)	1,307,647
Total	1,824,492	30,034	(13,755)	1,840,771
<u>Transportation:</u>				
Public Works	940,565	0	0	940,565
<u>Leisure Time Activities:</u>				
Park	451,810	10,481	(650)	461,641
Total Capital Assets	\$6,747,964	\$42,173	(\$14,405)	\$6,775,732

STATISTICAL SECTION



STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

CITY OF ROSSFORD, OHIO

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS**

Year	Security of Persons and Property	Leisure Time Activities	Community Environment	Basic Utility Services	Trans- portation	General Government	Debt Service	Total
1995	\$1,120,538	\$169,387	\$21,621	\$211,644	\$631,096	\$865,997	\$132,280	\$3,152,563
1996	1,255,367	199,096	188,221	205,528	552,698	865,592	168,865	3,435,367
1997	1,351,688	177,616	10,314	210,245	586,279	987,399	165,031	3,488,572
1998	1,375,385	192,506	223,475	210,169	781,844	1,013,058	245,097	4,041,534
1999	1,599,527	208,846	258,382	208,283	789,415	866,887	194,173	4,125,513
2000	1,544,121	199,381	181,898	214,569	918,062	1,059,887	235,467	4,353,385
2001	1,887,972	236,888	240,586	208,181	897,282	1,067,504	171,304	4,709,717
2002	1,795,309	237,125	0	232,469	898,680	1,112,502	186,224	4,462,309
2003	1,869,529	229,826	0	218,480	863,773	1,258,426	181,758	4,621,792
2004	1,803,917	240,324	0	241,282	815,235	1,027,233	651,938	4,779,929

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

CITY OF ROSSFORD, OHIO

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS**

<u>Year</u>	<u>Taxes</u>	<u>Inter- Governmental Revenues</u>	<u>Charges for Services</u>	<u>Licenses and Permits</u>	<u>Investment Earnings</u>	<u>Special Assessments</u>	<u>Fines and Forfeitures</u>	<u>All Other</u>	<u>Total</u>
1995	\$1,936,184	\$724,148	\$90,064	\$26,153	\$121,335	\$111,270	\$57,614	\$48,977	\$3,115,745
1996	2,097,353	969,792	96,434	26,647	79,919	111,430	39,867	44,092	3,465,534
1997	2,268,951	818,327	97,779	24,668	59,669	135,035	37,813	88,458	3,530,700
1998	2,373,203	1,180,873	102,258	41,233	72,647	129,868	36,614	78,268	4,014,964
1999	2,363,444	1,216,585	110,081	43,163	45,357	132,689	30,877	80,789	4,022,985
2000	2,519,617	1,194,098	126,297	73,834	49,941	125,604	32,431	56,713	4,178,535
2001	2,876,327	1,265,406	139,019	201,775	36,700	123,844	30,495	61,521	4,735,087
2002	2,852,728	1,009,615	149,742	70,198	20,852	130,409	29,386	37,069	4,299,999
2003	2,904,450	1,063,829	181,948	64,071	14,427	134,061	32,329	40,489	4,435,604
2004	3,210,693	1,143,704	136,010	29,122	22,808	161,470	42,541	24,743	4,771,091

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

CITY OF ROSSFORD, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u>
1995	\$186,698	\$176,745	not available	\$176,745	94.67%	\$38,269	20.50%
1996	203,632	185,458	not available	185,458	91.08%	18,174	8.92%
1997	194,611	187,125	not available	187,125	96.15%	7,486	3.85%
1998	195,756	182,350	7,754	190,104	97.11%	5,647	2.88%
1999	268,751	250,351	10,646	260,997	97.11%	7,753	2.88%
2000	301,217	284,157	10,865	295,022	97.94%	6,195	2.06%
2001	302,645	284,060	8,231	292,291	96.58%	10,354	3.42%
2002	259,979	236,163	6,960	243,123	93.52%	16,857	6.48%
2003	400,832	364,624	13,267	377,891	94.28%	22,942	5.72%
2004	484,649	413,957	21,744	435,701	89.90%	48,948	10.10%

Source: Wood County Auditor

CITY OF ROSSFORD, OHIO

**TANGIBLE TAX COLLECTED
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1995	\$31,930
1996	35,223
1997	33,849
1998	37,792
1999	44,233
2000	40,015
2001	38,267
2002	35,658
2003	56,457
2004	52,671

CITY OF ROSSFORD, OHIO

ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY LAST TEN YEARS

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1995	\$69,343,250	\$198,113,665	\$3,976,650	\$4,518,920	\$9,051,856	\$36,207,424	\$82,371,756	\$238,840,009	34.49%
1996	76,524,260	218,629,811	3,903,660	4,435,977	10,787,221	43,148,884	91,215,141	266,214,672	34.26%
1997	78,758,890	225,014,149	4,482,260	5,093,477	10,553,975	42,215,900	93,795,125	272,323,526	34.44%
1998	81,548,500	232,984,065	4,713,020	5,355,705	12,296,174	49,184,696	98,557,694	287,524,466	34.28%
1999	105,623,040	301,765,025	4,595,930	5,222,648	13,828,807	55,315,228	124,047,777	362,302,901	34.24%
2000	108,311,790	309,446,784	4,461,040	5,069,364	12,675,581	50,702,324	125,448,411	365,218,472	34.35%
2001	111,281,150	317,946,143	3,129,510	3,556,262	15,249,573	60,998,292	129,660,233	382,500,697	33.90%
2002	118,762,310	339,236,028	3,140,820	3,577,243	13,120,227	52,481,119	135,023,357	395,294,390	34.16%
2003	119,779,670	342,227,628	3,165,640	3,597,318	16,973,384	67,893,536	139,918,694	413,718,482	33.82%
2004	120,406,330	344,018,086	3,104,480	3,527,818	16,285,055	65,140,220	139,795,865	412,686,124	33.87%

Source: Wood County Auditor

CITY OF ROSSFORD, OHIO

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

Collection Year	City of Rossford					Total City	Rossford	Wood County	Wood County	Special	Total
	General Fund	Permanent Recreation Improvement Fund	Recreation Fund	Fire Capital Fund	Exempted Village School District		Penta Joint Vocational School District	Taxing District			
1995	1.80	0.40	0.40	0.60	3.20	45.30	2.20	11.90	2.50	65.10	
1996	1.80	0.40	0.40	0.60	3.20	45.15	2.20	11.90	2.50	64.95	
1997	1.80	0.40	0.40	0.60	3.20	45.15	2.20	11.90	2.50	64.95	
1998	1.80	0.40	0.40	0.60	3.20	45.40	2.20	11.90	2.50	65.20	
1999	1.80	0.40	0.40	0.60	3.20	47.40	2.20	12.10	2.50	67.40	
2000	1.80	0.40	0.40	0.60	3.20	46.40	2.20	12.80	2.50	67.10	
2001	1.80	0.40	0.40	0.60	3.20	46.40	2.20	14.10	2.50	68.40	
2002	1.80	0.40	0.40	0.60	3.20	54.30	2.20	14.40	3.50	77.60	
2003	1.80	0.40	0.40	0.60	3.20	52.30	3.20	14.40	3.50	76.60	
2004	1.80	0.40	0.40	0.60	3.20	52.30	3.20	14.40	3.50	76.60	

Source: Wood County Auditor
Wood County Treasurer

CITY OF ROSSFORD, OHIO

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS (1)
LAST TEN YEARS**

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1995	\$120,271	\$109,965	91.43%
1996	119,334	110,111	92.27%
1997	125,854	118,009	93.77%
1998	130,754	127,477	97.49%
1999	130,983	128,323	97.97%
2000	133,394	133,231	99.88%
2001	133,393	135,090	101.27%
2002	176,273	175,796	99.73%
2003	180,340	176,920	98.10%
2004	202,875	204,763	100.93%

(1) All assessments are for operating expenses, they are not debt related.

Source: Wood County Auditor

CITY OF ROSSFORD, OHIO

**COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2004**

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$139,795,865	\$139,795,865
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	14,678,566	7,688,773
Applicable City Debt Outstanding (2)	5,462,000	5,462,000
Less: Applicable Debt Service Fund Amounts	0	0
Net Indebtedness Subject to Limitation	5,462,000	5,462,000
Legal Debt Margin	\$9,216,566	\$2,226,773

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Notes and Bonds Only
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin.
The Total Value of the RTID Notes are included.

CITY OF ROSSFORD, OHIO

**RATIO OF NET GENERAL OBLIGATION DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross General Obligation Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of General Obligation Debt to Assessed Valuation</u>	<u>Net General Obligation Debt Per Capita</u>
1995	5,861	\$82,371,756	\$1,585,000	\$0	\$1,585,000	1.92%	\$270.43
1996	5,861	91,215,141	1,525,000	5	1,524,995	1.67%	260.19
1997	5,861	93,795,125	1,810,000	0	1,810,000	1.93%	308.82
1998	5,861	98,557,694	1,730,000	0	1,730,000	1.76%	295.17
1999	5,861	124,047,777	1,601,500	0	1,601,500	1.29%	273.25
2000	6,406	125,448,411	5,744,568	0	5,744,568	4.58%	896.75
2001	6,406	129,660,233	6,150,000	0	6,150,000	4.74%	960.04
2002	6,406	135,023,357	5,250,000	0	5,250,000	3.89%	819.54
2003	6,406	139,918,694	5,586,893	0	5,586,893	3.99%	872.13
2004	6,406	139,795,865	5,462,000	0	5,462,000	3.91%	852.64

(1) Source: U.S. Bureau of Census, 1990 Federal Census, 2000 Federal Census

(2) Source: Wood County Auditor

(3) Includes all general obligation debt supported by property taxes

CITY OF ROSSFORD, OHIO

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS**

Year	Debt Principal	Debt Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Governmental Expenditures
1995	\$70,000	\$60,120	\$130,120	\$3,408,959	3.82%
1996	75,000	58,045	133,045	3,435,367	3.87%
1997	75,000	55,270	130,270	3,488,572	3.73%
1998	80,000	52,270	132,270	4,041,534	3.27%
1999	80,000	48,910	128,910	4,125,513	3.12%
2000	85,000	45,430	130,430	4,353,385	3.00%
2001	90,000	41,605	131,605	4,709,717	2.79%
2002	95,000	37,465	132,465	4,462,309	2.97%
2003	95,000	33,000	128,000	4,621,792	2.77%
2004	560,000	38,179	598,179	4,779,929	12.51%

CITY OF ROSSFORD, OHIO

**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 2004**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Rossford</u>	<u>Amount Applicable to City of Rossford</u>
Direct:			
City of Rossford	\$5,462,000	100.00%	\$5,462,000
Overlapping Subdivisions:			
Wood County	10,501,572	5.33%	<u>559,734</u>
		Subtotal	<u>559,734</u>
		Total	<u><u>\$6,021,734</u></u>

Source: Wood County

CITY OF ROSSFORD, OHIO

DEMOGRAPHIC STATISTICS LAST TEN YEARS

<u>Year</u>	<u>City of Rossford Population (1)</u>	<u>Wood County Population (1)</u>	<u>Unemployment Rate County Area (2)</u>	<u>Per Capita Income County Area (2)</u>	<u>School Enrollment (3)</u>
1995	5,861	116,820	3.95%	22,469	2,276
1996	5,861	116,820	3.68%	23,541	2,183
1997	5,861	116,820	3.50%	24,801	2,190
1998	5,861	116,820	3.38%	25,892	2,127
1999	5,861	116,820	3.41%	26,737	2,172
2000	6,406	116,820	3.20%	N/A	2,084
2001	6,406	116,820	3.52%	N/A	2,038
2002	6,406	116,820	4.63%	N/A	2,026
2003	6,406	116,820	5.26%	N/A	2,059
2004	6,406	116,820	5.39%	N/A	2,029

Source: (1) U.S. Bureau of Census of Population: 1990 Federal Census, 2000 Federal Census
 (2) Ohio Department of Development, Office of Strategic Research
 (3) Rossford City School District, Board of Education

CITY OF ROSSFORD, OHIO

**PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS**

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1995	67	\$4,202,250	4	\$225,280
1996	59	4,116,975	12	7,415,760
1997	39	1,607,500	22	7,173,800
1998	12	1,358,215	1	60,000
1999	46	1,589,265	11	42,392,086
2000	54	2,121,225	35	22,632,480
2001	43	1,926,855	31	16,020,400
2002	47	2,584,875	17	2,763,520
2003	38	2,037,960	15	7,641,200
2004	26	1,727,700	12	1,549,350

Source: Wood County Building Inspection Department

CITY OF ROSSFORD, OHIO

PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX) DECEMBER 31, 2004

Taxpayer	Type of Business	Assessed Valuation (Tax Duplicate)	Percentage of Total Assessed Valuation
1 Pilkington North America	Float Glass Manufacturer	\$6,415,480	37.80%
2 Tamarkin Company	Grocery Store	1,664,050	9.80%
3 Home Depot USA Inc.	Home Improvement Retailer	1,330,430	7.84%
4 Target Corporation	General Merchandise Retailer	910,340	5.36%
5 Hammill Manufacturing Corporation	Tool and Die Manufacturer	860,070	5.07%
6 National City Leasing	Leasing Company	512,200	3.02%
7 Block Communications Inc.	Newspaper/Television/Cable	447,440	2.64%
8 LNT Inc.	Housewares Retailer	387,540	2.28%
9 Seaway Food Town Inc.	Grocery Store	224,950	1.33%
10 Michaels Stores	Craft Supply Retailer	210,060	1.24%
	Sub-Total	12,962,560	76.38%
	All Others	4,010,824	23.62%
	Total	\$16,973,384	100.00%

Based on 2003 Property Tax Assessed Valuations
Source: Wood County Auditor - Land and Buildings

CITY OF ROSSFORD, OHIO

PRINCIPAL TAXPAYERS (REAL PROPERTY TAX) DECEMBER 31, 2004

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Pilkington North America	Float Glass Manufacturer	\$2,626,230	2.19%
2	JG Rossford Hotel North & South LTD	Hotels	1,705,210	1.42%
3	Port Lawrence Title	Apartments/Land Holding	1,375,690	1.15%
4	Rossford Arena Amphitheater Authority	Sports Facility	1,273,780	1.06%
5	Toledo Edison	Utility Company - Electric	953,570	0.79%
6	Hunger US Special Hydraulic Cylinders Corporation	Hydraulic Cylinder Manufacturer	874,280	0.73%
7	Rossford Hills Apartments	Apartments	809,970	0.68%
8	Hammill Manufacturing Corp.	Tool and Die Manufacturer	650,760	0.54%
9	Toledo Terminal Railroad	Railroad	618,230	0.52%
10	Charles Crest Inc.	Medical Center/Housing	593,150	0.49%
		Sub-Total	11,480,870	9.57%
		All Others	108,511,750	90.43%
		Total	<u>\$119,992,620</u>	<u>100.00%</u>

Based on 2003 Property Tax Assessed Valuations
Source: Wood County Auditor - Land and Buildings

CITY OF ROSSFORD, OHIO

**PRINCIPAL TAXPAYERS (INCOME TAX)
DECEMBER 31, 2004**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2004</u>	<u>Percentage of Total</u>
1	Pilkington North America	Float Glass Manufacturer	\$348,704	12.75%
2	Rossford Board of Education	Education	258,972	9.47%
3	Adecco USA Inc	Emploment Agency	64,795	2.37%
4	Tamarkin Company	Giant Eagle Grocery Stores	56,956	2.08%
5	Home Depot USA	Home Improvement Retailer	50,079	1.83%
6	Meijer Stores LP	General Merchandise Retailer	47,769	1.75%
7	Target Corporation	General Merchandise Retailer	46,501	1.70%
8	Chrysler Corporation	Automobile Parts Manufacturer	43,396	1.59%
9	City of Rossford	Local Government	42,740	1.56%
10	Hammill Manufacturing Corp.	Tool and Die Manufacturer	42,607	1.56%
		Sub-Total	1,002,519	36.66%
		All Others	1,732,475	63.34%
		Total	<u>\$2,734,994</u>	<u>100.00%</u>

Source: Finance Department

CITY OF ROSSFORD, OHIO

PRINCIPAL EMPLOYERS DECEMBER 31, 2004

	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1	Pilkington North America	Float Glass Manufacturer	300
2	Rossford Board of Education	Education	289
3	Target Corporation	General Merchandise Retailer	185
4	Tamarken Company	Giant Eagle Grocery Stores	164
5	Home Depot USA	Home Improvement Retailer	153
6	Adecco Employment Services	Employment Agency	149
7	JCIA Enterprises	Labor Union	115
8	Hammill Manufacturing Corp.	Tool and Die Manufacturer	74
9	IBEW Local 8 - Electrical	Labor Union	67
10	Courtyard By Marriott	Motel	49

Source: City of Rossford Income Tax Department

CITY OF ROSSFORD, OHIO

MISCELLANEOUS STATISTICS DECEMBER 31, 2004

Date of Incorporation	1939		Location:	Northwest Ohio
Charter Adopted	1970	Population:		Wood County
Form of Government	Council / Mayor	Area (square miles)	Major Highway:	I-75
Facilities and Services:		Education:	Water System:	
Miles of Streets	27	Elementary Schools	Miles of Water Service Line	33.5
Number of Street Lights	936	Elementary School Student	Number of Fire Hydrants	277
		Pupil / Teacher Ratio	Number of Service Connections	2,217
		Middle Schools		
Police Services:		Middle School Students	Sewerage System:	
Number of Stations	1	Pupil / Teacher Ratio	Miles of Sanitary Sewers	29
Number of Uniformed Police Personnel and Officers	17	High Schools	Miles of Storm Sewers	16
Number of Patrol Units	13	High School Students		
Criminal/Juvenile Citations	292	Pupil / Teacher Ratio	Recreation and Culture:	
Traffic Citations Issued	615		Community Center	
Parking Tickets Written	198	Number of Libraries	(square feet)	21,500
		Number of Cemeteries	Number of Parks	3
Fire/Emergency Medical Services:		Cemetery Area (acres)	Park Area (acres)	21
Number of Stations	1		Number of Ball Fields:	
Number of Officers and Fire Personnel - Volunteers	35		Lighted	2
Number of Calls Answered	655		Number of Tennis Courts:	
Number of Inspections	50		Lighted	2
			Marina:	
			Number of Dock Spaces	250



CITY OF ROSSFORD

**Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards***

2004

CLARK JOHNSON & ROBSON

Certified Public Accountants

CLARK JOHNSON & ROBSON

Certified Public Accountants
7854 West Central Avenue, Toledo, OH 43617

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

The Honorable Mayor and
Members of Council
City of Rossford, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rossford, Wood County, Ohio, (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 18, 2005. The accompanying financial statements have been prepared assuming the Rossford Arena Amphitheater Authority (a discretely presented component unit) will continue as a going concern. As discussed in Note 2, the Authority has been unable to pay debt obligations when due. Accordingly, there is substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also discussed in Note 2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

This report is intended solely for the information and use of management and City Council and is not intended to be and should not be used by anyone other than those specified parties.



Clark Johnson & Robson
July 18, 2005

**CITY OF ROSSFORD
OHIO**

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

CITATIONS	STATUS	EXPLANATION IF NOT FULLY IMPLEMENTED
There were no citations in the prior year.	N/A	N/A
<hr/> RECOMMENDATIONS <hr/>		
There were no recommendations in the prior year.	N/A	N/A



**Auditor of State
Betty Montgomery**

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800-282-0370
Facsimile 614-466-4490

CITY OF ROSSFORD

WOOD 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
OCTOBER 20, 2005**