

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

SUPPLEMENTAL REPORTS

DECEMBER 31, 2007

ROBERT SPRAGUE, CITY AUDITOR



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Findlay, Hancock County, prepared by Julian & Grube, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

May 19, 2008

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**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

**BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Independent Auditor's Report on Supplementary
Schedule of Expenditures of Federal Awards**

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

Our audit was performed for the purpose of forming opinions on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Hancock County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Findlay's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
April 17, 2008

CITY OF FINDLAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT			
(B) Small Cities Community Development Block Grant	14.228	N/A	\$ 67,000
Small Cities Community Development Block Grant	14.228	A-F-06-120-1	264,730
Total U.S. Department of Housing and Urban Development			<u>331,730</u>
U.S. DEPARTMENT OF JUSTICE PASSED THROUGH N/A			
(C) Byrne Memorial Grant	16.738	2006-JG-LLE-5154	18,427
Bulletproof Vest Partnership Grant Program	16.607	N/A	4,986
Total U.S. Department of Justice			<u>23,413</u>
U. S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION PASSED THROUGH THE N/A			
Airport Improvement Program	20.106	N/A	1,593,602
U. S. DEPARTMENT OF TRANSPORTATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction	20.205	78111	100,333
Highway Planning and Construction	20.205	78124	109,888
Highway Planning and Construction	20.205	78601	152,778
Total Highway Planning and Construction			<u>362,999</u>
Total U.S. Department of Transportation			<u>1,956,601</u>
U. S. ENVIRONMENTAL PROTECTION AGENCY PASSED THROUGH THE N/A			
Brownsfield Assessment and Clean-up Cooperative Agreements	66.818	N/A	233,856
Total U.S. Environmental Protection Agency			<u>233,856</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF HEALTH			
Public Health Infrastructure	93.283	03-22-0012-PIO-108	37,099
Public Health Infrastructure	93.283	03-22-0012-PIO-107	89,340
Total Public Health Infrastructure			<u>126,439</u>
Total U.S. Department of Health and Human Services			<u>126,439</u>
U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE OHIO EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF PUBLIC SAFETY			
Flood Mitigation Assistance	97.029	EMC-2007-FM-E005	208,867
Disaster Grants Public Assistance (Presidentially Declared Disasters)	97.036	063-27048-00	966,019
Total U.S. Department of Homeland Security			<u>1,174,886</u>
Total Federal Financial Assistance			<u>\$ 3,846,925</u>

-Continued

**CITY OF FINDLAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

- (A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. This schedule has been prepared on the cash basis of accounting.
- (B) The City has established a revolving loan program to provide low-interest loans to businesses that are creating jobs and meet the other program requirements. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. At December 31, 2007, the gross amount of loans outstanding under this program were \$808,977. The total amount of \$67,000 was old revolving loan money released by Ohio Department of Development to be used for the City's Park and Recreation Environmental Assessment.
- (C) Passed through the Ohio Department of Public Safety.

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



Julian & Grube, Inc.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Hancock County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Findlay's basic financial statements and have issued our report thereon dated April 17, 2008. As disclosed in note 3B, the City has reported a prior period adjustment in the amounts reported as capital assets and net assets at December 31, 2006 in the Airport enterprise fund and business-type activities. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Members of Council and Mayor
City of Findlay

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Findlay's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Findlay's financial statements that is more than inconsequential will not be prevented or detected by the City of Findlay's internal control. We consider the deficiency described in the accompanying schedule of findings and responses as 2007-COF-001 to be a significant deficiency in internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Findlay's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2007-COF-002 and 2007-COF-003.

We also noted certain other matters that we reported to the management of the City of Findlay in a separate letter dated April 17, 2008.

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

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



Julian & Grube, Inc.
April 17, 2008



Julian & Grube, Inc.
Serving Ohio Local Governments

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

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

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

Compliance

We have audited the compliance of the City of Findlay, Hancock County, Ohio, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The City of Findlay's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Findlay's management. Our responsibility is to express an opinion on the City of Findlay's compliance based on our audit.

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

In our opinion, the City of Findlay complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Members of Council and Mayor
City of Findlay

Internal Control Over Compliance

The management of the City of Findlay is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Findlay's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Findlay's internal control over compliance.

A control deficiency in the City of Findlay's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Findlay's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City of Findlay's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City of Findlay's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Julian & Grube, Inc.
April 17, 2008

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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

DECEMBER 31, 2007

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Disaster Grants Public Assistance (Preentially Declared Disasters) CFDA #97.036
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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

DECEMBER 31, 2007

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2007-COF-001

Significant Deficiency

The City had a prior period restatement to its capital assets, specifically, construction in progress. This is a result of the City's lack of ability to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles as it relates to capital assets prior to 2007.

The presentation of materially correct financial statements and the related footnotes, specifically capital assets (construction in progress) is the responsibility of management. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason.

In either case, it is important that control procedures are developed related to capital assets that enable management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes. In addition, management should not rely on its auditor to perform this control procedure as auditors must remain independent.

We recommend the City implement control procedures related to capital asset reporting that enables management to identify, prevent, detect and correct potential misstatements in the financial statements and footnotes, specifically its presentation of capital assets (construction in progress).

Client Response: The City will evaluate implementing additional policies and procedures regarding capital asset valuation and presentation in addition to those related to financial statement and related notes reported.

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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

DECEMBER 31, 2007

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
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Finding Number	2007-COF-002
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Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund should not exceed total estimated resources.

The City had appropriations in excess of estimated resources at December 31, 2007 in the following funds:

<u>Major Funds</u>	<u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Street Construction, Maintenance and Repair	\$ 6,371,511	\$ 9,093,668	\$ 2,722,157
City Income Tax	20,401,544	21,325,153	923,609
<u>Nonmajor Funds</u>			
Police Pension	278,947	284,729	5,782
Fire Pension	278,947	284,729	5,782

With appropriations exceeding estimated resources, the City is appropriating monies that are not in the Treasury or in the process of collection that have been certified with the County Auditor. Thus, over-appropriating may cause expenditures to increase and cause a deficit fund balance.

We recommend the City comply with the Ohio Revised Code by monitoring appropriations so they do not exceed estimated resources. This may be achieved by monitoring the budget more closely on a continual basis and amending estimated resources or appropriations as necessary.

Client Response: The City Auditor will attempt to update estimated resources on a more timely basis.

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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

DECEMBER 31, 2007

3. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)

Finding Number	2007-COF-003
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Ohio Revised Code Sections 5705.36, in part, requires Treasurers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

It was noted during the fiscal year ended December 31, 2007 that the City did not request enough amended certificates throughout the year or at year end upon notice of increased or decreased resources.

The City is not properly certifying its most current estimated resources to the appropriate authorities and thus causing appropriations to exceed estimated resources.

We recommend that the City certify its available sources at year end and file amended certificates as necessary throughout the year. This will facilitate the City's appropriation process.

Client Response: The City Auditor will attempt to monitor its estimated revenues more closely and will request amended certificates as needed.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .505**

DECEMBER 31, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2006-COF-001	Ohio Revised Code Sections 117.16(A); 723.52, 5543.19: 5575.01 describe force account requirements.	Yes	N/A
2006-COF-002	The City had a prior period material restatement to its capital assets.	No	Repeated as 2007-COF-001

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

PREPARED BY:

CITY AUDITOR'S OFFICE
ROBERT COLE SPRAGUE, CITY AUDITOR

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

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AUDITOR'S OFFICE

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ROBERT COLE SPRAGUE
CITY AUDITOR

April 17, 2008

To the Residents of Findlay, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Findlay (the "City"), Ohio, for the fiscal year ended December 31, 2007, is submitted herewith. The report has been prepared for the citizens of Findlay, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

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

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

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2007 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

PROFILE OF THE CITY

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

The City provides police and fire protection, health services, engineering and zoning, street construction and maintenance, parks and recreation facilities (including an indoor ice arena), a Municipal Court, a cemetery, and general government services. The City also operates several enterprise activities including water treatment and distribution, water pollution control, parking enforcement, airport maintenance and fuel sales, and an outdoor swimming pool. Private enterprises provide the citizens with trash removal and ambulance services. The City's financial statements include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. The City has no component units.

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

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

ECONOMIC CONDITION AND OUTLOOK

Local Economy

In August of 2007 Findlay suffered a 100 year storm, a flood the likes of which has not been seen in Findlay since 1913. The flood waters inexorably rose and destroyed many residences and buildings near the historical downtown area. However, the City proved to be nimble and resilient. The City Fire Department managed to command and control over 40 area fire departments and agencies who responded to our call for assistance. Later, the Fire Department's management of the flood incident would be recalled as "textbook" as they evacuated to safety over 3,000 residents, or approximately 8% of our City's population, without a single casualty. The American Red Cross opened a shelter with the City's help at the City's CUBE recreation facility, which one of the national Red Cross response members described as "wonderful". The Police Department kept order in the City, as there was no crime to speak of after the flood. The City Engineering Department responded quickly to the crisis by sandbagging our water treatment plant, defending the water supply for over 50,000 people. Other employees valiantly saved the City's rolling stock of loaders, dump trucks, police cars, engineering vehicles, communications equipment, and even sandbagged and pumped the basement of the Municipal Building itself.

After the flood waters receded, the City rolled up its collective shirtsleeves and went to work. There was an outpouring of support for residents who had homes damaged. The United Way, the Agency on Aging, the Red Cross, and many other organizations started to mobilize to help residents clean up their homes and replace things they had lost. Churches came together to help their members repair homes. The City picked up the trash and debris that the residents pulled to the curb. This was no small task; residents were placing literally tons of debris at their curbs; some of it such as paint, oil, antifreeze, appliances, electronics, and tires had to be disposed of in special ways. The Ohio Department of Transportation, the City of Findlay Street Department, and a local contractor hired by the City managed to remove the debris from the streets in a mere three weeks. This was so unusual, by the time FEMA arrived to survey the damage, they complained that the accelerated city cleanup had made it difficult to survey the extent of the damage done.

The City's assets were relatively untouched. Most of our equipment and buildings were saved from the flood; however, there were instances of equipment and infrastructure requiring repair in order for them to remain at their pre-flood levels. There were three pieces of major damage: The Anchor Teen Center, one Water Pollution Control clarifier, and the City Health Department. The Anchor Teen Center was an old facility where teen dances and other activities were held. This building was demolished in 2008 and the City has no intention of replacing it. Due to the clarifier damage, the City received partial forgiveness of one debt service payment from the Ohio Water Development Authority. The Health Department facility was a complete loss, and we need to replace that facility so our health department has a new long-term facility they can use. We approximate the cost of a new facility to be \$400,000 and we anticipate that FEMA will reimburse us for a small portion of that cost. We already have money appropriated for this facility, so we do not plan on taking further money out of our general fund unappropriated balance.

Not counting the expense or reimbursement for the Health Department, the City appropriated \$1.4 million from the general fund to deal with operational-related flood expenses. At the end of 2007, the City had spent \$1,294,797 of the \$1.4 million appropriation. While there are some expenses still to be paid, we do not anticipate making any additional appropriations from general fund for flood related expenses. On the revenue side, the City will receive financial aid because of the flood. A total of \$257,984 in Federal Aid, State Aid, and Insurance Reimbursement was received in 2007, and we have booked a receivable of \$875,509 that is expected in 2008, for a total aid amount of \$1,133,493. Once all was said and done after the flood, all of our major funds maintained healthy unappropriated balances at the end of 2007.

The City has carefully considered whether our tax revenues will decrease in 2008 because of the flood. Clearly, the flood hurt many small shops and restaurants located in the downtown area. Also, there were many houses damaged in the flood, some of which were run-down old houses near the river which have since been abandoned. While some of our residents have been impacted, on the whole we do not anticipate a large decrease in property tax collections or business income taxes. Historically, Findlay has enjoyed counter-cyclical business tax collections from two major employers, Marathon Oil Company and Cooper Tire & Rubber, and 2007 proved to be no different. Our 2007 total tax collections were up an astounding 12.5% year over year. We anticipate 2008 being another good year, since oil prices are over \$100 per barrel, while Cooper has returned to profitability. Although the majority of our tax increase was from business profits, our largest income tax source of employee withholding grew a respectable 4.3% in 2007 as well.

Having a 100-year flood event is a good test of your financial resiliency, and we passed with flying colors. Today, we are just as strong financially as we were this time last year, because City leaders have diligently been conservative with our debt burden and other fixed costs, giving us the flexibility we needed during this crisis. In fact, we may even be stronger now because of the new financial policies we put in place after the crisis. Although many of our citizens are still healing emotionally, the City of Findlay is on firm footing as we look forward to a productive and busy 2008.

Long-Term Financial Planning

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

Another exciting development is that the City has put into written policy many of its traditional, conservative financial practices. In 2008, City Council adopted a Debt Policy, which limits the type and amount of debt the City is willing to assume. City Council has also created a "Rainy Day" Reserve Balance of \$1 million to be used for operations during emergencies, and they have also adopted a Minimum Fund Balance policy of \$3 million for our general fund.

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

Major Initiatives

The City completed two large projects this past summer. First, the City widened County Road 236, which is a key component in making it easier to access our industrial park as well as the big box retail establishments on the east side of Findlay. This was a large project, costing the City nearly \$4.5 million. Also, the City made a \$3.8 million investment in our recreational facilities by building a set of five tournament-level baseball fields, adding to the \$2.3 million renovation of our ice rink facility last year. These two new recreation facilities are located together just off interstate 75, and they create a premier competition-level sports complex on the north side of the City of Findlay. These new amenities in our community should help us maintain our ranking in site-selection magazine as one of the most attractive cities for companies.

At our utility billing office, major capital improvements are under way. We are currently vetting new software to use for our water and sewer billings. Also, we have begun a multi-year project to replace all of our existing water meters with "radio read" water meters that can be read remotely, eliminating the need to manually read water meters every two months. Leveraging technology in our front office will streamline our processes and save money in years to come. This year, we are planning on a rate study to determine if our water and sewer rates need to be raised.

After the August 2007 flood, City Council took a bold step to put money aside for flood mitigation projects by redirecting 3% of our income tax collections into a flood mitigation reserve account in our city income tax administration fund. This will provide nearly \$600,000 per year for flood reduction projects. Before the flood in 2007, the City completed a small flood mitigation project by removing the Liberty Street Dam and replacing the dam with a series of lower riffle structures. The City also signed a contract with the U.S. Geological Survey to create the first of its kind mathematical model that will predict which areas will flood and give residents a 24 hour warning before the event. Since the August 2007 flood, there has been a private group formed of community leaders who are spearheading the drive to facilitate a long-term flooding solution for Findlay and our watershed. So far, we have already entered into an agreement with the U.S. Army Corp of Engineers to design the flood walls, reservoirs, or levies necessary to solve the flooding in Findlay. This project is expected to take two years to design. We are also mitigating the flood by buying up flood prone properties near the river and turning them into green space. The City has already been approved for \$2 million in federal grants to buy these properties susceptible to flooding and we have applied for an additional \$4.8 million in federal money for similar programs and are hopeful the grants will come through.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Findlay for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2006. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The staff of the Auditor's office is a very talented, knowledgeable group; thank you to Ginger Sampson, CPA, Carolyn Ehrnschwender, Susan Spangler, and Amy Baird for their accurate and diligent work during 2007, which created the foundation for these financial reports. A special thanks to Ginger Sampson for her knowledge and dedication, which are instrumental in issuing this report. I would also like to thank our consultants, Julian & Grube, Inc. for their efforts in the development of this CAFR.

Respectfully submitted,



Robert Cole Sprague
City Auditor

CITY OF FINDLAY, OHIO

DECEMBER 31, 2007

ELECTED OFFICIALS

Mayor	Anthony P. Iriti
Auditor	Robert Cole Sprague
Municipal Court Judge	Kevin C. Smith
Municipal Court Judge	Robert Fry
Treasurer	Deborah Preston
Law Director	David A. Hackenberg
Council President	Robert E. Schuck
At Large	Randy C. Ward
At Large	M. Andrew Peters
At Large	James P. Slough
First Ward	J. Michael Slough
Second Ward	H. Richard Rowe
Third Ward	K.C. Collette
Fourth Ward	R. Ronald Monday
Fifth Ward	Mike Eier
Sixth Ward	William J. Schedel, Jr

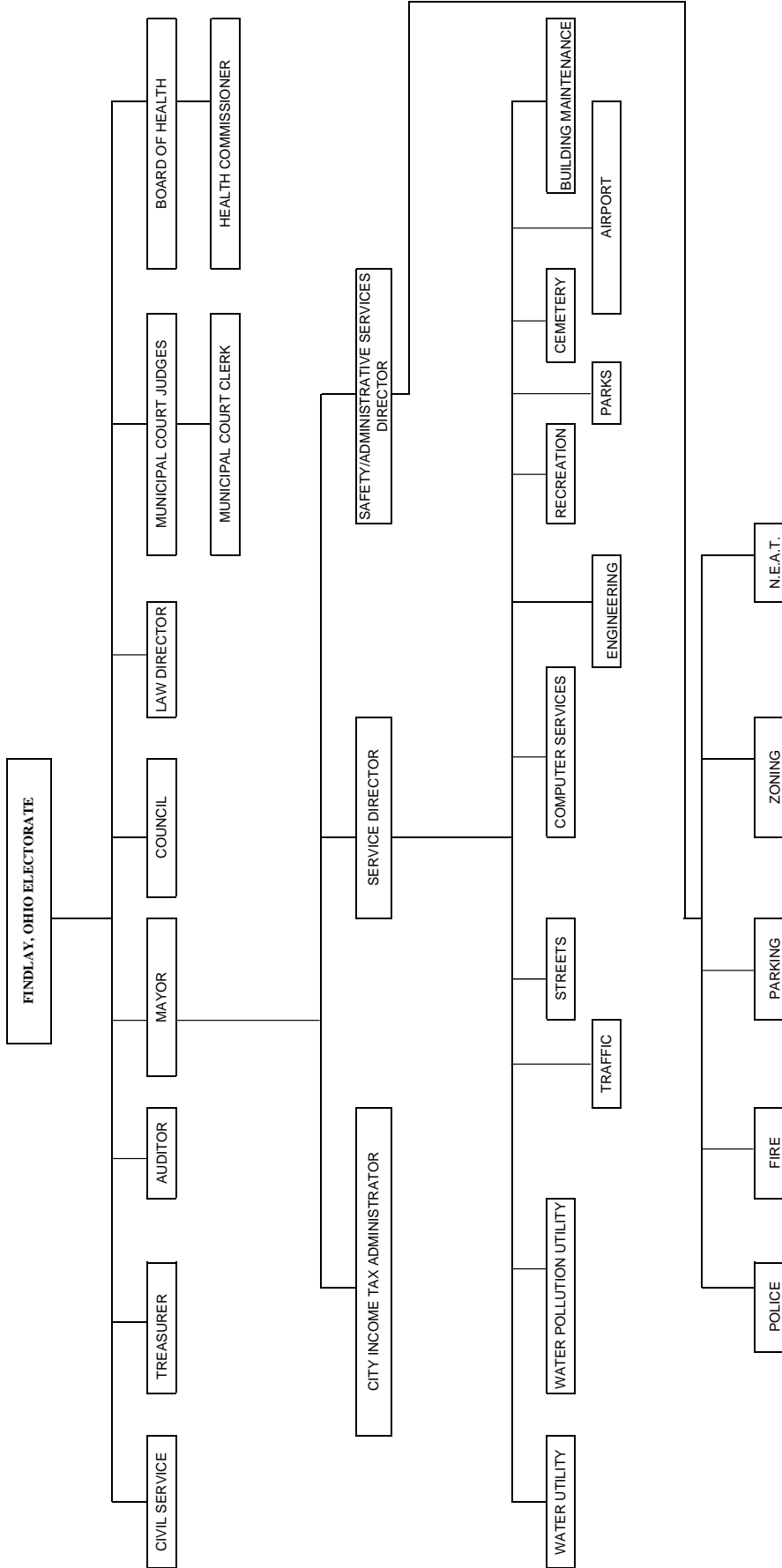
APPOINTED OFFICIALS

Service Director	Michael Sobczyk
Safety/Administrative Services Director	Eileen Bensen
Chief Engineer	Brian Hurt, PE
City Income Tax Administrator	Andrew L. Thomas
Municipal Court Clerk	Marsha Okuly

CITY AUDITOR'S OFFICE

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

CITY OF FINDLAY ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Findlay
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



Charles S. Cox

President

Jeffrey R. Emmer

Executive Director



Julian & Grube, Inc.

Serving Ohio Local Governments

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Hancock County, Ohio, as of and for the year ended December 31, 2007, which collectively comprise the City of Findlay's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Findlay's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Hancock County, Ohio, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue funds: the street maintenance and repair fund and the city income tax administration fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in note 3B, the City has reported a prior period adjustment in the amounts reported as capital assets and net assets at December 31, 2006 in the Airport enterprise fund and business-type activities.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2008, on our consideration of the City of Findlay's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



Julian & Grube, Inc.
April 17, 2008

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

The management's discussion and analysis (MD&A) City of Findlay's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2007 are as follows:

- The total net assets of the City increased \$10,502,572 over the prior year (as restated – see Note 3.A). Net assets of governmental activities increased \$4,974,785 or 6.50% over 2006 and net assets of business-type activities increased \$5,527,787 or 5.01% over 2006 (as restated).
- General revenues accounted for \$29,423,725 or 78.75% of total governmental activities revenue. Program specific revenues accounted for \$7,938,631 or 21.25% of total governmental activities revenue.
- The City had \$31,665,139 in expenses related to governmental activities; \$7,938,631 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$23,726,508 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$29,423,725.
- The general fund had revenues of \$10,923,188 in 2007. This represents a decrease of \$40,924 from 2006 revenues. Transfers-in amounted to \$18,441,637 and are reported under other financing sources. The expenditures of the general fund, which totaled \$28,743,251 in 2007, increased \$1,586,170 from 2006. The City had an extraordinary item for loss due to flood damage which totaled \$192,824. The net decrease in fund balance for the general fund was \$838,608 or 12.20%.
- The street maintenance and repair fund had revenues of \$2,560,366 in 2007. This represents a decrease of \$448,566 from 2006 revenues. The expenditures of the street maintenance and repair fund, which totaled \$8,746,721 in 2007, increased \$2,264,514 from 2006. The net decrease in fund balance for the street maintenance and repair fund was \$3,619,488 or 281.21%.
- The city income tax administration fund had revenues of \$21,055,958 in 2007. This represents an increase of \$2,497,684 from 2006 revenues. The expenditures of the city income tax administration fund, which totaled \$882,003 in 2007, increased \$58,005 from 2006. The net increase in fund balance for the city income tax administration fund was \$87,479 or 2.86%.
- Net assets for the business-type activities were restated as described in Note 3.A. The business-type activities are made up of the Water, Water Pollution Control, Airport, Parking Facilities, and Swimming Pool enterprise funds, increased in 2007 by \$5,527,787. This increase in net assets was due primarily to adequate charges for services revenue to cover operating expenses.

Using this Comprehensive Annual Financial Report

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

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

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

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Governmental Funds

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

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

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 57-92 of this report.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Government-Wide Financial Analysis

Capital assets and net assets for the business-type activities have been restated as described in Note 3.A and Note 10.B to the financial statements. The table below provides a summary of the City's net assets at December 31, 2007 and 2006:

	Net Assets					
	Governmental Activities	Business-type Activities	Governmental Activities	Restated Business-type Activities	2007 Total	Restated 2006 Total
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<u>Assets</u>						
Current and other assets	\$ 32,166,664	\$ 18,557,950	\$ 30,379,401	\$ 17,346,899	\$ 50,724,614	\$ 47,726,300
Capital assets, net	<u>74,519,324</u>	<u>151,380,130</u>	<u>65,613,097</u>	<u>150,717,910</u>	<u>225,899,454</u>	<u>216,331,007</u>
Total assets	<u>106,685,988</u>	<u>169,938,080</u>	<u>95,992,498</u>	<u>168,064,809</u>	<u>276,624,068</u>	<u>264,057,307</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	8,004,740	51,586,891	8,087,094	55,553,750	59,591,631	63,640,844
Other liabilities	<u>17,124,540</u>	<u>2,541,627</u>	<u>11,323,481</u>	<u>2,229,284</u>	<u>19,666,167</u>	<u>13,552,765</u>
Total liabilities	<u>25,129,280</u>	<u>54,128,518</u>	<u>19,410,575</u>	<u>57,783,034</u>	<u>79,257,798</u>	<u>77,193,609</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	60,888,257	100,827,108	57,094,162	96,111,991	161,715,365	153,206,153
Restricted	9,003,256	7,901,048	10,010,547	8,221,502	16,904,304	18,232,049
Unrestricted	<u>11,665,195</u>	<u>7,081,406</u>	<u>9,477,214</u>	<u>5,948,282</u>	<u>18,746,601</u>	<u>15,425,496</u>
Total net assets	<u>\$ 81,556,708</u>	<u>\$ 115,809,562</u>	<u>\$ 76,581,923</u>	<u>\$ 110,281,775</u>	<u>\$ 197,366,270</u>	<u>\$ 186,863,698</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2007, the City's assets exceeded liabilities by \$197,366,270. At year-end, net assets were \$81,556,708 and \$115,809,562 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the City's net assets. At year-end, capital assets represented 81.66% of total assets. Capital assets include land, buildings and improvements, improvements other than buildings, machinery and equipment, utility plant in service, utility lines in service, construction in progress and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2007, were \$60,888,257 and \$100,827,108 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2007, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net assets, \$16,904,304 represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$11,665,195 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

The table below shows the changes in net assets for fiscal year 2007 and 2006:

	Change in Net Assets					
	Governmental	Business-type	Governmental	Business-type	2007	2006
	Activities	Activities	Activities	Activities	Total	Total
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues						
Program revenues:						
Charges for services	\$ 3,790,619	\$ 17,433,333	\$ 2,983,251	\$ 16,765,300	\$ 21,223,952	\$ 19,748,551
Operating grants and contributions	2,607,559	-	3,450,769	-	2,607,559	3,450,769
Capital grants and contributions	<u>1,540,453</u>	<u>3,497,107</u>	<u>-</u>	<u>3,015,561</u>	<u>5,037,560</u>	<u>3,015,561</u>
Total program revenues	<u>7,938,631</u>	<u>20,930,440</u>	<u>6,434,020</u>	<u>19,780,861</u>	<u>28,869,071</u>	<u>26,214,881</u>
General revenues:						
Property taxes	3,170,345	-	3,089,143	-	3,170,345	3,089,143
Income taxes	21,067,032	-	18,966,079	-	21,067,032	18,966,079
Unrestricted grants and entitlements	2,711,937	-	3,903,190	-	2,711,937	3,903,190
Investment earnings	1,309,801	710,300	997,951	578,344	2,020,101	1,576,295
Miscellaneous	<u>1,164,610</u>	<u>324,139</u>	<u>1,184,836</u>	<u>322,056</u>	<u>1,488,749</u>	<u>1,506,892</u>
Total general revenues	<u>29,423,725</u>	<u>1,034,439</u>	<u>28,141,199</u>	<u>900,400</u>	<u>30,458,164</u>	<u>29,041,599</u>
Total revenues	<u>37,362,356</u>	<u>21,964,879</u>	<u>34,575,219</u>	<u>20,681,261</u>	<u>59,327,235</u>	<u>55,256,480</u>
Expenses:						
General government	8,023,535	-	6,504,903	-	8,023,535	6,504,903
Security of persons and property	14,680,286	-	14,848,790	-	14,680,286	14,848,790
Public health and welfare	1,640,736	-	1,540,983	-	1,640,736	1,540,983
Transportation	5,196,310	-	4,789,212	-	5,196,310	4,789,212
Leisure time activity	1,557,008	-	1,370,659	-	1,557,008	1,370,659
Interest and fiscal charges	567,264	-	211,810	-	567,264	211,810
Water	-	6,844,630	-	5,667,066	6,844,630	5,667,066
Water pollution control	-	7,418,266	-	6,355,113	7,418,266	6,355,113
Airport	-	1,718,628	-	1,673,047	1,718,628	1,673,047
Parking facilities	-	126,429	-	144,136	126,429	144,136
Swimming pool	-	<u>159,333</u>	-	<u>154,660</u>	<u>159,333</u>	<u>154,660</u>
Total expenses	<u>31,665,139</u>	<u>16,267,286</u>	<u>29,266,357</u>	<u>13,994,022</u>	<u>47,932,425</u>	<u>43,260,379</u>
Increase in net assets before extraordinary items and transfers	5,697,217	5,697,593	5,308,862	6,687,239	11,394,810	11,996,101
Extraordinary item- Loss due to flood damage	(312,238)	(580,000)	-	-	(892,238)	-
Transfers	<u>(410,194)</u>	<u>410,194</u>	<u>(40,825)</u>	<u>40,825</u>	<u>-</u>	<u>-</u>
Increase in net assets	4,974,785	5,527,787	5,268,037	6,728,064	10,502,572	11,996,101
Net assets at beginning of year (restated)	<u>76,581,923</u>	<u>110,281,775</u>	<u>71,313,886</u>	<u>103,553,711</u>	<u>186,863,698</u>	<u>174,867,597</u>
Net assets at end of year	<u>\$ 81,556,708</u>	<u>\$ 115,809,562</u>	<u>\$ 76,581,923</u>	<u>\$ 110,281,775</u>	<u>\$ 197,366,270</u>	<u>\$ 186,863,698</u>

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Governmental Activities

Governmental activities net assets increased \$4,974,785 in 2007.

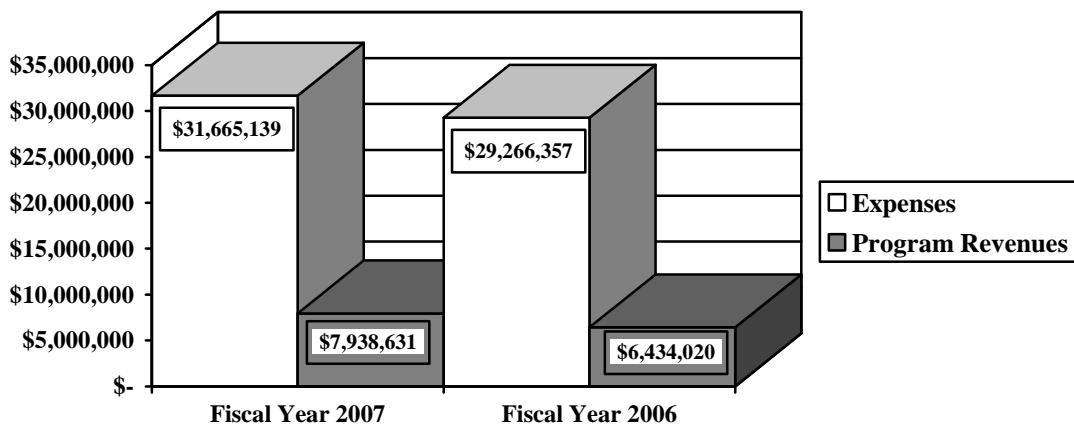
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$14,680,286 of the total expenses of the City. These expenses were partially funded by \$27,093 in direct charges to users of the services. General government expenses totaled \$8,023,535. General government expenses were partially funded by \$2,642,592 in direct charges to users of the services.

The state and federal government contributed to the City a total of \$2,607,559 in operating grants and contributions and \$1,540,453 in capital grants and contributions. These operating grants and contributions consist primarily of restricted federal and state grant revenues, property tax rollbacks, fuel taxes and motor vehicle license fees. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$2,607,559 subsidized transportation programs. All of the capital grants and contributions subsidized transportation programs.

General revenues totaled \$29,423,725, and amounted to 78.75% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$3,170,345 and \$21,067,032, respectively. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$2,711,937.

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

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF FINDLAY, OHIO

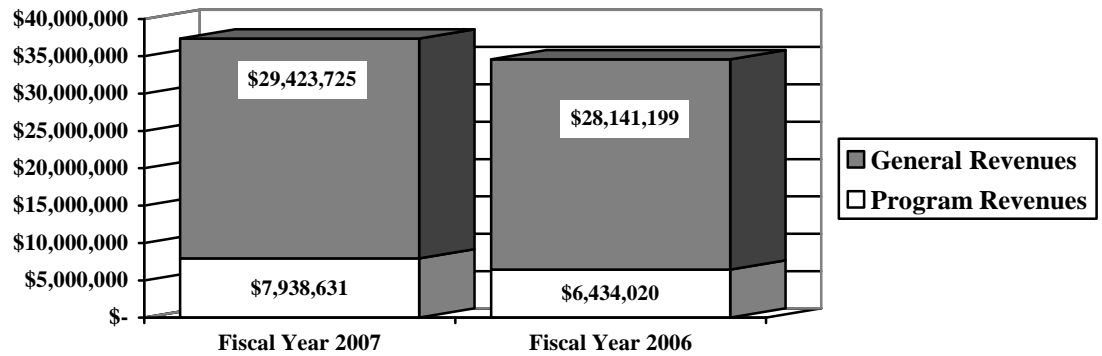
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Governmental Activities

	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>
Program Expenses:				
General government	\$ 8,023,535	\$ 5,380,943	\$ 6,504,903	\$ 4,509,001
Security of persons and property	14,680,286	14,653,193	14,848,790	14,752,376
Public health and welfare	1,640,736	1,265,594	1,540,983	878,231
Transportation	5,196,310	870,621	4,789,212	1,527,989
Leisure time activity	1,557,008	1,020,646	1,370,659	989,054
Interest and fiscal charges	<u>567,264</u>	<u>535,511</u>	<u>211,810</u>	<u>175,686</u>
Total	<u>\$ 31,665,139</u>	<u>\$ 23,726,508</u>	<u>\$ 29,266,357</u>	<u>\$22,832,337</u>

The dependence upon general revenues for governmental activities is apparent, with 74.93% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues

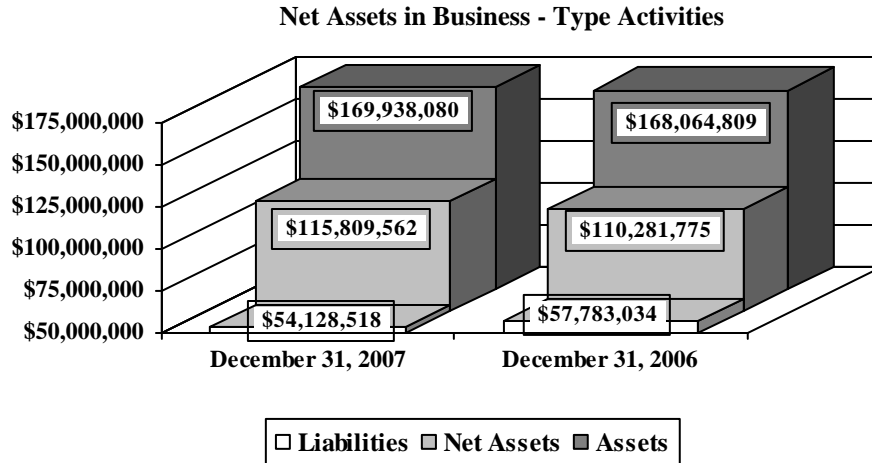


Business-type Activities

The net assets of the business-type activities were restated as described in Note 3.B. Business-type activities include the water, water pollution control, airport, parking facilities, and swimming pool enterprise funds. These programs had program revenues of \$20,930,440, general revenues of \$1,034,439, expenses of \$16,267,286 and an extraordinary item of \$580,000 for loss due to flood damage for 2007.

CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

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



Net assets of the business-type activities continued to grow despite the expenses incurred in 2007 related to flood damage. The City's charges for services revenues increased approximately \$800,000 over the prior year due to the growth being experienced by the City. The City's capital grants and contributions increased approximately \$400,000 due primarily to donated water and sewer lines from local developers. Expenses increased approximately \$1.3 million over 2006 primarily related to increased contract services related to flood administration and repairs. Despite the increase in expenses, the City has the ability to generate revenues sufficient to provide for and increase to the net assets of the business-type activities.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end. The City's governmental funds (as presented on the balance sheet on pages 36-37) reported a combined fund balance of \$11,367,642 which is \$4,014,041 below last year's total of \$15,381,683. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2007 for all governmental funds.

	Fund Balances (deficit) <u>12/31/07</u>	Fund Balances <u>12/31/06</u>	Fund Balances <u>12/31/05</u>	Increase/ (Decrease) <u>2007 - 2006</u>	Increase/ (Decrease) <u>2006 - 2005</u>
Major funds:					
General	\$ 6,034,547	\$ 6,872,285	\$ 8,245,586	\$ (837,738)	\$ (1,373,301)
Street repair and maintenance	(2,331,721)	1,287,128	977,062	(3,618,849)	310,066
City income tax administration	3,150,275	3,062,790	3,058,914	87,485	3,876
Other nonmajor governmental funds	<u>4,514,541</u>	<u>4,159,480</u>	<u>4,106,841</u>	<u>355,061</u>	<u>52,639</u>
Total	<u>\$ 11,367,642</u>	<u>\$ 15,381,683</u>	<u>\$ 16,388,403</u>	<u>\$ (4,014,041)</u>	<u>\$ (1,006,720)</u>

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

General Fund

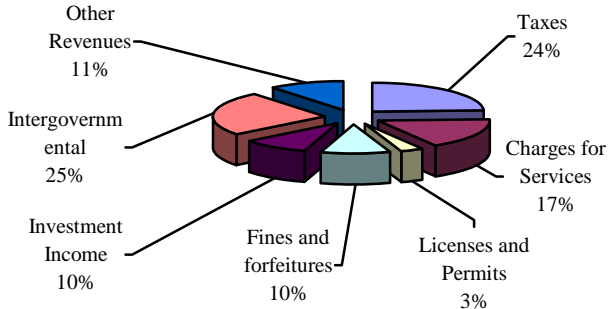
The City's general fund balance decreased \$837,738, primarily due to an extraordinary item for loss due to flood damage in the amount of \$192,824 and interest expenditures on the fund liability note of approximately \$297,000.

The table that follows assists in illustrating the revenues of the general fund for 2007, 2006 and 2005.

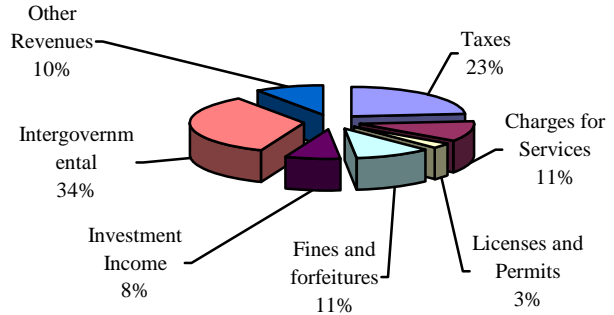
	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Increase/ Decrease</u> <u>2007 - 2006</u>	<u>Increase/ Decrease</u> <u>2006 - 2005</u>
Revenues					
Taxes	\$ 2,645,547	\$ 2,575,307	\$ 2,619,131	\$ 70,240	\$ (43,824)
Charges for services	1,879,613	1,217,693	992,685	661,920	225,008
Licenses and permits	348,671	326,340	367,854	22,331	(41,514)
Fines and forfeitures	1,115,732	1,170,267	1,213,004	(54,535)	(42,737)
Investment income	1,044,899	866,093	483,745	178,806	382,348
Intergovernmental	2,713,734	3,756,671	3,520,988	(1,042,937)	235,683
Other	<u>1,174,992</u>	<u>1,051,741</u>	<u>1,012,588</u>	<u>123,251</u>	<u>39,153</u>
Total	<u>\$ 10,923,188</u>	<u>\$ 10,964,112</u>	<u>\$ 10,209,995</u>	<u>\$ (40,924)</u>	<u>\$ 754,117</u>

Tax revenue represents 24.22% of all general fund revenue. The general fund receives 2.6 mills in real estate collections on an annual basis, and there are no voted levies in addition to that millage. Tax revenue increased slightly by 2.73% from prior year. The increase in investment income is primarily due an increase in the interest rate on applicable investments coupled with an increase in the fair market value of federal agency securities. These securities fluctuate in value depending upon market conditions. The value at year-end is for reporting purposes only, as it is the City's intention to hold the investments until the maturity date. The increase in charges for services revenue is due to an increase in the collections of charges. Intergovernmental revenues decreased as all flood related revenues were included in the calculation of the extraordinary loss rather than reported as revenue. All other revenue remained comparable to 2006.

Revenues - Fiscal Year 2007

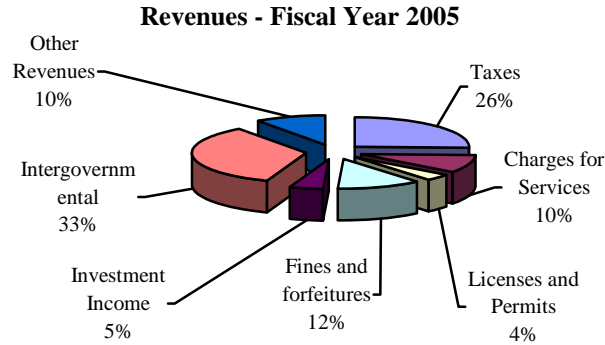


Revenues - Fiscal Year 2006



CITY OF FINDLAY, OHIO

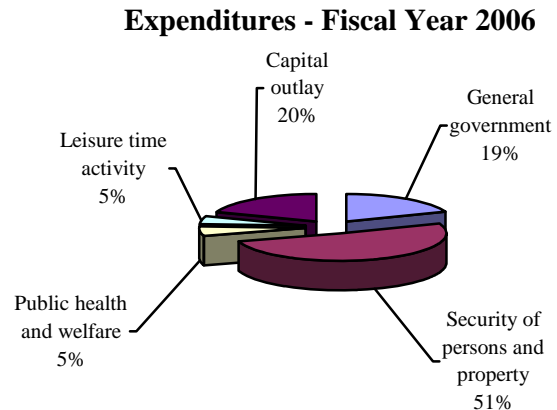
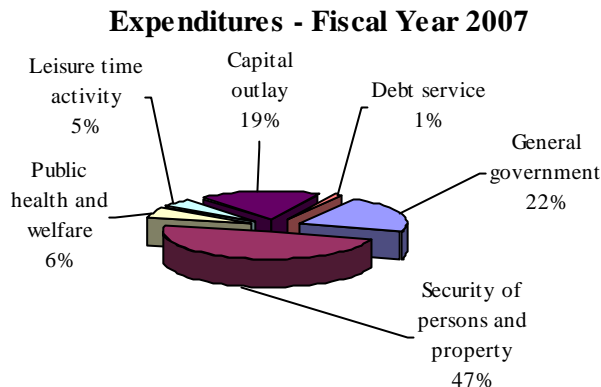
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**



The table that follows assists in illustrating the expenditures of the general fund for 2007, 2006 and 2005.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>Increase/ Decrease</u>	<u>Increase/ Decrease</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>2007 - 2006</u>	<u>2006 - 2005</u>
<u>Expenditures</u>					
General government	\$ 6,328,295	\$ 5,189,298	\$ 5,274,875	\$ 1,138,997	\$ (85,577)
Security of persons and property	13,797,301	13,929,863	13,390,381	(132,562)	539,482
Public health and welfare	1,585,466	1,467,461	1,461,958	118,005	5,503
Leisure time activity	1,408,200	1,267,736	1,305,133	140,464	(37,397)
Capital outlay	5,318,906	5,302,723	1,253,197	16,183	4,049,526
Debt service	305,103	-	-	305,103	-
Total	<u>\$ 28,743,271</u>	<u>\$ 27,157,081</u>	<u>\$ 22,685,544</u>	<u>\$ 1,586,190</u>	<u>\$ 4,471,537</u>

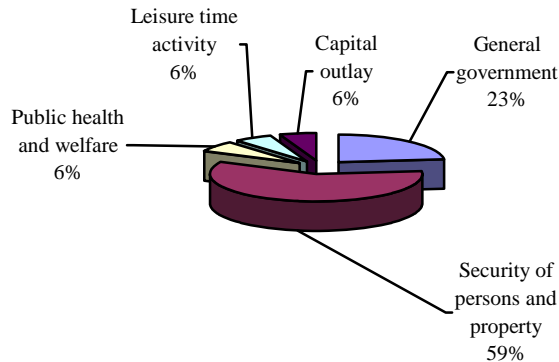
General government expenditures increased due to the residual effect and increased costs related to the flood. Capital outlay expenditures increased primarily due to two major projects: the Hancock Recreation Center rehabilitation (the "Cube") and County Road 236 widening. Debt service expenditures increased due to interest expenditures on the fund liability note payable. All other expenditures remained comparable to 2006.



CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2007

Expenditures - Fiscal Year 2005



Street Maintenance and Repair Fund

The street maintenance and repair fund had revenues of \$2,560,366 in 2007. This represents a decrease of \$448,566 from 2006 revenues. The expenditures of the street maintenance and repair fund, which totaled \$8,746,721 in 2007, increased \$2,264,514 from 2006. The net decrease in fund balance for the street maintenance and repair fund was \$3,619,488 or 281.21%. The street maintenance and repair fund reports \$4,585,000 note payable as a fund liability which causes the fund to have a deficit fund balance at year-end (see Note 8).

City Income Tax Administration Fund

The city income tax administration fund had revenues of \$21,055,958 in 2007. This represents an increase of \$2,497,684 from 2006 revenues. The expenditures of the city income tax administration fund, which totaled \$882,003 in 2007, increased \$58,005 from 2006. The net increase in fund balance for the city income tax administration fund was \$87,479 or 2.86%. The City Income tax rate is and has been 1.0% since it was imposed January 1, 1967. The income tax receipts are allocated between general fund operations and capital improvement projects. The allocation is determined by ordinance of Council and can be changed, based on need. For 2007, the allocation was 78% to general fund and 22% to general capital improvements that are not enterprise fund related. Beginning January 1, 2008, the allocation will be 75% to general fund, 22% to general capital improvements and 3% to flood mitigation. Please refer to the table titled General Government Revenues in the Statistical Section of this report for a 10-year history of the income tax collections. The average annual growth rate since 1984 has been an increase of approximately 6% per year.

General Fund Budgeting Highlights

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

In the basic financial statements, budgetary information is presented for the general fund, street maintenance and repair fund and city income tax administration fund. In accordance with GASB Statement No. 34, only discussion of budgetary variances for the general fund is presented in the MD&A. For the general fund, the most significant changes were between the original and final budgeted amount in the area of expenditures and other financing uses, which increased \$6,599,262 from \$25,237,809 to \$31,837,071.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Actual revenues and other financing sources of \$29,401,203 exceeded final budgeted revenues and other financing sources of \$28,918,158 by \$483,045 primarily due to an increase in actual transfers in, intergovernmental revenues and fines and forfeitures. The other significant change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$1,790,084 less than the final budgeted amounts.

Proprietary Funds

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

Water Fund

Our waterworks system has been municipally owned since it was first developed in 1888. Improvements have been made as needed and are financed from revenues of the system. The current facilities include two upland raw water storage reservoirs with a capacity of 6.4 billion gallons, a raw water pump station located at the reservoir, raw water lines that feed into the lime-soda softening water treatment plant, high service pumps, and a 289-mile distribution system with two elevated storage tanks. There is treated water storage capacity at the plant of 4.5 million gallons plus 2.75 million gallons in the two elevated towers. The plant is able to treat 16 million gallons per day, and in the future can be expanded to 24 million gallons per day when the customer demand for treated water increases to that level.

User charge rates are established to provide revenue for operation and maintenance of the treatment facility, the reservoir, and the distribution system. In addition, the charge rates must be set to support all capital improvements and debt service requirements. In accordance with Ohio law, the Service Director has the ability to revise the charge rates. Information regarding water customers for 2007 is presented below:

Ten Largest Single Water Customers

<u>Customer Account</u>	<u>Volume *HCF</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Whirlpool	127,758	\$408,915	5.82%
Ball Metal	80,321	259,017	3.69%
Cooper Tire	85,338	190,269	2.71%
University of Findlay	45,635	126,458	1.80%
Hancock County	41,785	103,974	1.48%
B V R H C	38,465	88,853	1.26%
Sanoh America (Hisan)	30,221	63,628	0.91%
Marathon	26,756	61,296	0.87%
Findlay City Schools	18,455	59,511	0.85%
City Laundry	<u>25,972</u>	<u>56,586</u>	<u>0.81%</u>
Total Top Ten	520,706	1,418,507	20.20%
All Other Customers	<u>1,930,276</u>	<u>5,608,950</u>	<u>79.80%</u>
Total	<u>2,450,982</u>	<u>\$7,027,457</u>	<u>100.00%</u>

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007

**Total Customer Use
By Class & Location**

<u>Customer Class</u>	<u>*HCF Water Use</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Inside City/Residential	1,116,051	\$3,094,987	44.04%
Inside City/Commercial	602,354	1,586,668	22.58%
Inside City/Industrial	242,774	546,601	7.78%
Outside City/Residential	219,004	866,827	12.33%
Outside City/Commercial	56,259	238,364	3.39%
Outside City/Industrial	<u>214,540</u>	<u>694,010</u>	<u>9.88%</u>
Total	<u>2,450,982</u>	<u>\$7,027,457</u>	<u>100.00%</u>
Total Water Customers	17,377		

* Hundred Cubic Feet

Water Pollution Control Fund

The City's wastewater treatment facility has been updated and improved to maintain compliance with all EPA discharge permit standards. During 1987 and 1988, major renovations were made to the Broad Avenue treatment plant and a 6.0 million gallon per day (MGD) oxidation ditch type of treatment plant was constructed on River Road. In 2000, construction began on two additional oxidation ditches, two additional final clarifiers and UV disinfecting at the River Road Plant. This expansion of the facility was fully operational in July 2001, and in 2002 the original activated sludge plant on Broad Avenue was decommissioned and demolished. The design of the River Road Plant allows for the construction of additional modules as demand on the facilities increases. Currently the treatment plant provides for a 15 MGD average design flow and a 40 MGD peak design flow. In addition, the city is working toward a comprehensive stormwater management plan to comply with EPA guidelines. Information regarding wastewater customers for 2007 is presented below:

Ten Largest Single Wastewater Customers

<u>Customer</u>	<u>Revenue</u>	<u>Percent of Total</u>
University of Findlay	\$ 143,138	1.77%
Cooper Tire	127,703	1.58%
Whirlpool	92,566	1.15%
B V R H C	75,735	0.94%
Ball Metal	75,268	0.93%
Findlay City Schools	66,883	0.83%
Marathon	59,832	0.74%
Sanoh America (Hisan)	56,982	0.71%
Village of Arcadia	52,642	0.65%
Hancock County	<u>51,666</u>	<u>0.64%</u>
Total Top Ten	\$ 802,415	9.94%
All Other Customers	<u>7,275,043</u>	<u>90.06%</u>
Grand Total	<u>\$8,077,458</u>	<u>100.00%</u>

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007**

**Total Customer Use
By Class & Location**

<u>Customer Class</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Inside City/Residential	\$4,533,448	56.12%
Inside City/Commercial	1,607,775	19.90%
Inside City/Industrial	445,054	5.51%
Outside City/Residential	1,062,915	13.16%
Outside City/Commercial	195,216	2.42%
Outside City/Industrial	<u>233,050</u>	<u>2.89%</u>
 Total	 <u>\$8,077,458</u>	 <u>100.00%</u>
 Total Wastewater Customers Inside Corp		14,545
 Total Wastewater Customers Outside Corp		2,304

Capital Assets and Debt Administration

Capital Assets

The City restated capital assets for the business-type activities as described in Note 3.B. and Note 10.B. At the end of fiscal year 2007, the City had \$225,899,454 (net of accumulated depreciation) invested in land, non-depreciable land improvements, buildings and improvements, improvements other than buildings (I.O.T.B.), machinery and equipment, utility plant in service, utility lines in service, infrastructure and construction in progress (CIP). Of this total, \$74,519,324 was reported in governmental activities and \$151,380,130 was reported in business-type activities. The following table shows fiscal year 2007 balances compared to 2006:

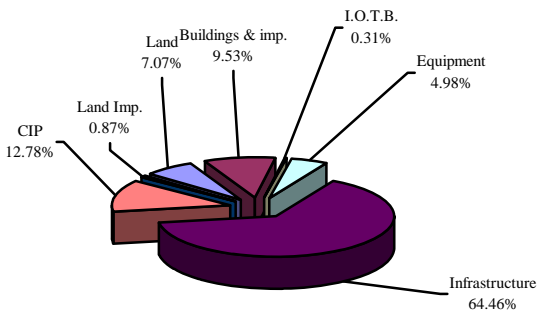
**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 5,265,291	\$ 4,098,992	\$ 4,734,694	\$ 4,734,694	\$ 9,999,985	\$ 8,833,686
Land improvements	653,392	-	-	-	653,392	-
Buildings and improvements	7,104,867	4,964,247	480,139	562,313	7,585,006	5,526,560
I.O.T.B.	229,213	247,715	8,697,004	6,577,318	8,926,217	6,825,033
Utility plant in service	-	-	49,727,951	51,149,734	49,727,951	51,149,734
Utility lines in service	-	-	78,523,873	78,367,828	78,523,873	78,367,828
Machinery and equipment	3,708,354	3,299,941	1,504,942	1,448,712	5,213,296	4,748,653
Infrastructure	48,033,316	47,078,438	-	-	48,033,316	47,078,438
Construction in progress	<u>9,524,891</u>	<u>5,923,764</u>	<u>7,711,527</u>	<u>7,877,311</u>	<u>17,236,418</u>	<u>13,801,075</u>
 Totals	 <u>\$ 74,519,324</u>	 <u>\$ 65,613,097</u>	 <u>\$ 151,380,130</u>	 <u>\$ 150,717,910</u>	 <u>\$ 225,899,454</u>	 <u>\$ 216,331,007</u>

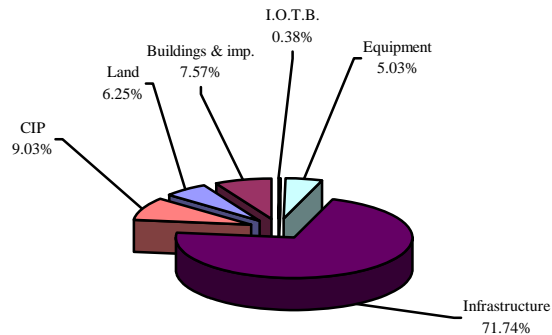
CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

The following graphs show the breakdown of governmental capital assets by category for 2007 and 2006.

Capital Assets - Governmental Activities 2007



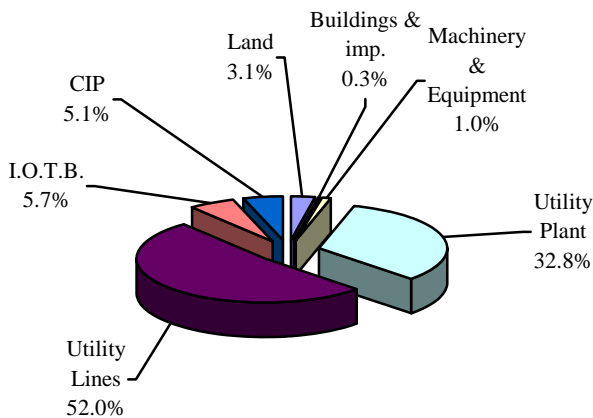
Capital Assets - Governmental Activities 2006



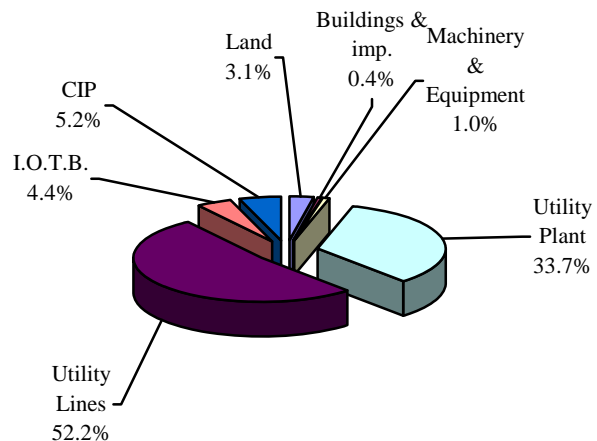
The City's largest governmental capital asset category is infrastructure which includes streets, storm sewers, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 64.46% of the City's total governmental capital assets.

The following graphs show the breakdown of business-type capital assets by category for 2007 and 2006.

Capital Assets - Business-Type Activities 2007



Capital Assets - Business-Type Activities 2006



The City's largest business-type capital asset category, are utility lines that primarily includes water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's utility lines (cost less accumulated depreciation) represents approximately 52.0% of the City's total business-type capital assets. See Note 10 to the basic financial statements for further detail on capital assets.

CITY OF FINDLAY, OHIO

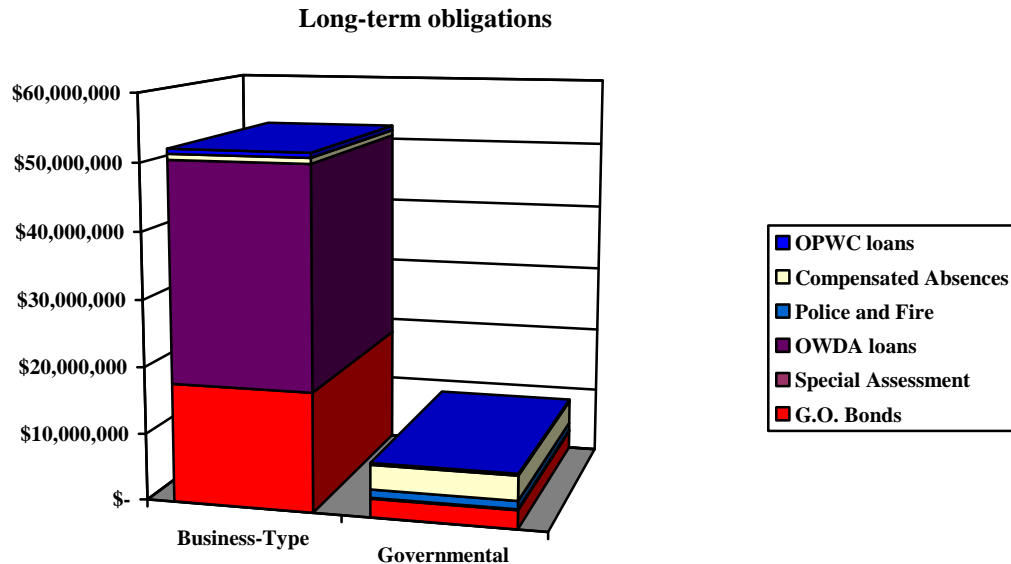
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2007 and 2006:

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Compensated absences	\$ 3,669,261	\$ 3,256,511
Police and Fire past service	1,206,404	1,229,271
OPWC loans	257,238	271,921
Special Assessment bonds	165,205	288,875
General Obligation bonds	<u>2,765,000</u>	<u>3,110,000</u>
 Total long-term obligations	 <u>\$ 8,063,108</u>	 <u>\$ 8,156,578</u>
	<u>Business-Type Activities</u>	
	<u>2007</u>	<u>2006</u>
General Obligation bonds	\$ 17,775,000	\$ 20,545,000
OPWC loans	727,397	588,873
OWDA loans	32,781,584	34,353,505
Compensated absences	<u>838,251</u>	<u>723,949</u>
 Total long-term obligations	 <u>\$ 52,122,232</u>	 <u>\$ 56,211,327</u>

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



CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

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

During 2007, the City issued a \$174,940 Ohio Public Works Commission loan for the purpose of W. Melrose waterline improvements and a \$154,580 Ohio Water Development Authority loan to finance water treatment plant improvements.

The City has issued short-term note obligations to finance various projects. The balance of the notes payable at year-end is \$10,530,000 and is reported in the general fund and street maintenance and repair fund along with the statement of net assets. Information on the City's notes payable activity for 2007 is presented in Note 8 to the financial statements.

See Note 13 to the basic financial statements for further detail on the City long-term obligations outstanding at year-end.

Economic Conditions and Outlook

In August of 2007, the City suffered a 100 year storm, a flood the likes of which has not been seen in the City of Findlay since 1913. The flood waters inexorably rose and destroyed many residences and buildings near the historical downtown area. The City performed numerous repairs to City equipment and facilities related to damages caused by the flood. Expenses incurred as a result of flood damage repairs have been recorded as an extraordinary item in the financial statements. In addition, the City had two buildings that became impaired due to flood damage. The net loss as a result of the impairment has been recorded for \$119,414. During 2007, the City received financial aid in the amount of \$257,894 from the Federal Emergency Management Association (FEMA), the State of Ohio and insurance reimbursements. In addition, the City expects to receive an additional \$875,509 in aid during 2008 for flood damage costs. This amount has been recorded as a receivable on the financial statements.

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

Because of the diverse industry base, the City had record income tax collections in 2007, an increase of nearly 12.5% over collections in 2006. The City used this extra revenue to invest in several key projects. The City spent \$4.5 million widening County Road 236, making it easier to access the industrial park as well as the big box retail establishments on the east side of the City. On the north end of the City, the City constructed a \$3.8 million set of five tournament-level baseball fields, which complement last year's \$2.3 million renovation of the neighboring ice rink facility. These two new recreation facilities create a premier competition-level sports complex in the City of Findlay, and should help us maintain our ranking in site-selection magazine as one of the most attractive smaller cities for companies.

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

In addition, during 2007 the City took bold steps to address the flooding issue. Council permanently redirected 3% of income tax revenues to flood mitigation projects, amounting to almost \$600,000 annually. In 2007, the City completed a \$750,000 construction project on the Blanchard River to lower the Liberty Street Dam and replace the dam with lower riffle-type structures. The City of Findlay also entered into a contract with the U.S. Geological Survey to create a first of its kind mathematical model that will predict 24 hours in advance which areas will flood in the City. Finally, there has been a group of community leaders organized after the flood to spearhead efforts to build the permanent earthworks to eliminate flooding in Findlay, in cooperation with the Army Corps of Engineers.

There have been many positive developments in the business community during 2007. Nissan Brake Ohio added 87 jobs to keep up with Honda's orders for production. Marathon also increased their number of employees in Findlay by adding 66 jobs. Cummins Filtration added 30 employees at their engine plant, and Cooper Tire & Rubber increased their work force by 28.

A. Shulman is opening two new factories in the city this year. One plant is part of the Invision subsidiary which manufactures plastic sheets for molding into vehicle parts and will create 25 new jobs in Findlay. The second plant will make plastic compounds for the packaging industry and is expected to employ 33 people when it opens later this year. A human resources company, The Right Thing, is doubling its facility in June with a 40,000 square foot addition and adding over 250 employees this year. Meanwhile, over 50 small businesses were started in Findlay last year, and the Drury Inn is opening a six floor, 150 room facility in Findlay near I-75 in 2008.

Findlay has a private community foundation on the scale that you might expect to see in a large city. The Community Foundation continues to make an impact in the city, giving grants totaling \$2.7 million last year. The Family Center, a building the Community Foundation created to bring together 18 local non-profit agencies, is now fully occupied and serving the community.

At our local hospital, growth is continuing. The new \$95 million in-patient pavilion is now open and a beautiful, functional addition to the community. This year, on the east side of Findlay, Blanchard Valley Hospital is planning on building an \$11 million facility that will take up 4.2 acres and include outpatient imaging, a new women's health center, and a new clubhouse for the Birchaven Estates assisted living center.

At the University of Findlay, the 8,000 square foot addition to the Fine Arts Mazza Museum was dedicated in May 2007. The project cost \$2.2 million and provides additional space for the art collection and educational programming. In addition, the University is budgeting \$1.9 million in improvements for the upcoming year.

Our local school systems educate our future workers and leaders. Findlay schools reorganized their schedules to grow the amount of time spent on math from 40 minutes in 2006 to 76 minutes in 2007. The elementary schools will roll out "Growing with Mathematics" next year, a curriculum based on hands on exercises and real world experience.

Businesses, education, and health care facilities continued to grow in our community in 2007. Our tax base continues to expand and diversify. The City of Findlay is looking forward to a busy and productive 2008

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Robert Cole Sprague, Auditor, City of Findlay, 318 Dorney Plaza, 313 Municipal Building, Findlay, Ohio 45840.

CITY OF FINDLAY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 19,316,723	\$ 7,083,235	\$ 26,399,958
Cash in segregated accounts	207,103	-	207,103
Cash with fiduciary agent	594,029	-	594,029
Cash with escrow agent	293,738	34,560	328,298
Receivables (net of allowances for uncollectibles)	7,035,434	2,080,387	9,115,821
Internal balances	14	(14)	-
Due from other governments	2,897,272	623,530	3,520,802
Prepayments	85,685	59,138	144,823
Materials and supplies inventory	250,209	580,448	830,657
Deferred bond costs	28,008	-	28,008
Restricted assets:			
Equity in pooled cash and cash equivalents	1,458,449	7,901,048	9,359,497
Deferred bond costs	-	195,618	195,618
Capital assets:			
Nondepreciable capital assets	15,443,574	12,446,221	27,889,795
Depreciable capital assets, net	59,075,750	138,933,909	198,009,659
Total capital assets	74,519,324	151,380,130	225,899,454
Total assets	106,685,988	169,938,080	276,624,068
Liabilities:			
Accounts payable	1,390,582	301,819	1,692,401
Contracts payable	421,267	656,151	1,077,418
Retainage payable	257,968	34,560	292,528
Insurance deposits payable	686,545	220,211	906,756
Accrued wages and benefits	562,603	142,468	705,071
Due to other governments	7,682	-	7,682
Deferred revenue	3,082,665	22,801	3,105,466
Deposits held and due to others	-	224,000	224,000
Matured bonds payable	35,770	-	35,770
Accrued interest payable	149,458	939,617	1,089,075
Notes payable	10,530,000	-	10,530,000
Long-term liabilities:			
Due within one year	1,962,980	4,999,858	6,962,838
Due in more than one year	6,041,760	46,587,033	52,628,793
Total liabilities	25,129,280	54,128,518	79,257,798
Net assets:			
Invested in capital assets, net of related debt	60,888,257	100,827,108	161,715,365
Restricted for:			
Capital projects	833,059	5,291,559	6,124,618
Debt service	198,994	2,609,489	2,808,483
Transportation improvement projects	382,853	-	382,853
Income tax distribution	4,397,516	-	4,397,516
Economic development programs	995,811	-	995,811
Perpetual care:			
Expendable	10,642	-	10,642
Nonexpendable	1,082,017	-	1,082,017
Other purposes	1,102,364	-	1,102,364
Unrestricted	11,665,195	7,081,406	18,746,601
Total net assets	\$ 81,556,708	\$ 115,809,562	\$ 197,366,270

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 8,023,535	\$ 2,642,592	\$ -	\$ -
Security of persons and property	14,680,286	27,093	-	-
Public health and welfare	1,640,736	375,142	-	-
Transportation.	5,196,310	177,677	2,607,559	1,540,453
Leisure time activity.	1,557,008	536,362	-	-
Interest and fiscal charges.	567,264	31,753	-	-
Total governmental activities	<u>31,665,139</u>	<u>3,790,619</u>	<u>2,607,559</u>	<u>1,540,453</u>
Business-Type Activities:				
Water	6,844,630	7,656,030	-	890,258
Water pollution control.	7,418,266	8,678,711	-	494,956
Airport	1,718,628	955,248	-	2,111,893
Nonmajor:				
Parking facilities	126,429	66,606	-	-
Swimming pool.	159,333	76,738	-	-
Total business-type activities	<u>16,267,286</u>	<u>17,433,333</u>	<u>-</u>	<u>3,497,107</u>
Total primary government	<u>\$ 47,932,425</u>	<u>\$ 21,223,952</u>	<u>\$ 2,607,559</u>	<u>\$ 5,037,560</u>

General Revenues:

Property taxes levied for:

 General purposes.

 Police and fire pensions

Income taxes levied for:

 General purposes.

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues.

Transfers.

Extraordinary item:

 Loss due to flood damage

Change in net assets.

Net assets at beginning of year (restated)

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,380,943)	\$ -	\$ (5,380,943)
(14,653,193)	-	(14,653,193)
(1,265,594)	-	(1,265,594)
(870,621)	-	(870,621)
(1,020,646)	-	(1,020,646)
(535,511)	-	(535,511)
<u>(23,726,508)</u>	<u>-</u>	<u>(23,726,508)</u>
-	1,701,658	1,701,658
-	1,755,401	1,755,401
-	1,348,513	1,348,513
-	(59,823)	(59,823)
-	<u>(82,595)</u>	<u>(82,595)</u>
-	<u>4,663,154</u>	<u>4,663,154</u>
<u>(23,726,508)</u>	<u>4,663,154</u>	<u>(19,063,354)</u>
2,645,547	-	2,645,547
524,798	-	524,798
21,067,032	-	21,067,032
2,711,937	-	2,711,937
1,309,801	710,300	2,020,101
<u>1,164,610</u>	<u>324,139</u>	<u>1,488,749</u>
29,423,725	1,034,439	30,458,164
(410,194)	410,194	-
<u>(312,238)</u>	<u>(580,000)</u>	<u>(892,238)</u>
4,974,785	5,527,787	10,502,572
<u>76,581,923</u>	<u>110,281,775</u>	<u>186,863,698</u>
<u>\$ 81,556,708</u>	<u>\$ 115,809,562</u>	<u>\$ 197,366,270</u>

CITY OF FINDLAY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR 2006)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 12,712,561	\$ 2,271,492	\$ 371,776
Cash in segregated accounts	20,269	-	-
Cash with fiduciary agent	-	-	-
Cash with escrow agent	92,217	165,751	-
Receivables (net of allowance for uncollectibles)	2,799,326	17,160	2,618,920
Interfund loan receivable	2,365	-	-
Due from other governments	2,199,170	633,215	-
Prepayments.	70,916	13,604	1,165
Materials and supplies inventory	-	245,927	-
Restricted assets:			
Equity in pooled cash and cash equivalents	-	-	1,458,449
Total assets	<u>\$ 17,896,824</u>	<u>\$ 3,347,149</u>	<u>\$ 4,450,310</u>
Liabilities:			
Accounts payable	\$ 1,198,178	\$ 167,595	\$ 21,002
Contracts payable	247,663	173,604	-
Retainage payable.	92,217	165,751	-
Insurance deposits payable.	601,699	74,389	10,457
Accrued wages and benefits.	496,991	59,018	6,594
Interfund loan payable	-	-	-
Due to other governments.	7,682	-	-
Matured bonds payable	-	-	-
Notes payable.	5,945,000	4,585,000	-
Accrued interest payable	39,633	30,567	-
Deferred revenue	3,233,214	422,946	1,261,982
Total liabilities	<u>11,862,277</u>	<u>5,678,870</u>	<u>1,300,035</u>
Fund Balances:			
Reserved for encumbrances.	1,124,561	477,603	4,048
Reserved for prepayments	70,916	13,604	1,165
Reserved for materials and supplies inventory	-	245,927	-
Reserved for loans receivable	-	-	-
Reserved for debt service.	-	-	-
Reserved for perpetual care.	-	-	-
Reserved for capital improvements.	-	-	1,458,449
Unreserved, undesignated (deficit), reported in:			
General fund.	4,839,070	-	-
Special revenue funds.	-	(3,068,855)	1,686,613
Permanent fund	-	-	-
Capital projects funds.	-	-	-
Total fund balances (deficit)	<u>6,034,547</u>	<u>(2,331,721)</u>	<u>3,150,275</u>
Total liabilities and fund balances.	<u>\$ 17,896,824</u>	<u>\$ 3,347,149</u>	<u>\$ 4,450,310</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds 2007	Total Governmental Funds 2006
\$ 2,818,143	\$ 18,173,972	\$ 17,433,065
186,834	207,103	136,028
594,029	594,029	482,331
35,770	293,738	130,351
1,590,935	7,026,341	7,497,676
-	2,365	4,729
64,887	2,897,272	1,994,736
-	85,685	84,170
-	245,927	245,927
-	1,458,449	1,240,130
<u>\$ 5,290,598</u>	<u>\$ 30,984,881</u>	<u>\$ 29,249,143</u>
\$ 1,105	\$ 1,387,880	\$ 1,249,455
-	421,267	121,062
-	257,968	95,940
-	686,545	1,098,973
-	562,603	512,281
2,365	2,365	4,729
-	7,682	6,023
35,770	35,770	34,411
-	10,530,000	4,950,000
-	70,200	-
736,817	5,654,959	5,794,586
776,057	19,617,239	13,867,460
6,960	1,613,172	3,140,251
-	85,685	84,170
-	245,927	245,927
808,977	808,977	870,806
160,697	160,697	199,170
1,082,017	1,082,017	1,040,735
-	1,458,449	1,240,130
-	4,839,070	4,516,854
1,619,149	236,907	3,221,237
10,642	10,642	6,856
826,099	826,099	815,547
4,514,541	11,367,642	15,381,683
<u>\$ 5,290,598</u>	<u>\$ 30,984,881</u>	<u>\$ 29,249,143</u>

CITY OF FINDLAY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2007

Total governmental fund balances		\$ 11,367,642
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		74,514,760
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income taxes	1,251,982	
Special assessments	117,555	
Intergovernmental revenues	1,202,757	
Total		2,572,294
Unamortized premiums on bond issuances are not recorded in the funds.		(78,989)
Unamortized deferred charges on refundings not recorded in the funds.		137,357
Unamortized bond issuance costs are not recognized in the funds.		28,008
Internal service funds are used by management to charge the costs of self-insurance and central stores operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. The net assets of the internal service funds, including internal balances of \$14, is:		1,158,002
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:		
Accrued interest payable	(79,258)	
Special assessment bonds	(165,205)	
General obligation bonds	(2,765,000)	
OPWC loans	(257,238)	
Police and fire past service liability	(1,206,404)	
Compensated absences	(3,669,261)	
Total		(8,142,366)
Net assets of governmental activities		\$ 81,556,708

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (WITH COMPARATIVE TOTALS FOR 2006)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
Revenues:			
Municipal income taxes	\$ -	\$ -	\$ 21,043,910
Property and other taxes	2,645,547	-	-
Charges for services	1,879,613	121,429	11,192
Licenses and permits	348,671	-	-
Fines and forfeitures	1,115,732	-	-
Intergovernmental	2,713,734	2,244,510	-
Special assessments	-	-	-
Investment income	1,044,899	127,270	-
Rental income	57,231	-	-
Contributions and donations	160,000	-	-
Reimbursements	922,229	20,308	856
Other	35,532	46,849	-
Total revenues	<u>10,923,188</u>	<u>2,560,366</u>	<u>21,055,958</u>
Expenditures:			
Current:			
General government	6,328,295	-	882,003
Security of persons and property	13,797,301	-	-
Public health and welfare	1,585,446	-	-
Transportation	-	2,673,348	-
Leisure time activity	1,408,200	-	-
Capital outlay	5,318,906	5,882,689	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	297,867	187,636	-
Note issuance costs	7,236	3,048	-
Total expenditures	<u>28,743,251</u>	<u>8,746,721</u>	<u>882,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,820,063)</u>	<u>(6,186,355)</u>	<u>20,173,955</u>
Other financing sources (uses):			
Issuance of OPWC loans	-	-	-
Premium on notes sold	36,378	32,828	-
Transfers in	18,441,637	2,569,655	338,748
Transfers out	(1,303,736)	(35,616)	(20,425,224)
Total other financing sources (uses)	<u>17,174,279</u>	<u>2,566,867</u>	<u>(20,086,476)</u>
Extraordinary item:			
Loss due to flood damage	<u>(192,824)</u>	-	-
Net change in fund balances	(838,608)	(3,619,488)	87,479
Fund balances at beginning of year	6,872,285	1,287,128	3,062,790
Increase in reserve for inventory	-	-	-
Increase (decrease) in prepaids	870	639	6
Fund balances (deficit) at end of year	<u>\$ 6,034,547</u>	<u>\$ (2,331,721)</u>	<u>\$ 3,150,275</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds 2007	Total Governmental Funds 2006
\$ -	\$ 21,043,910	\$ 18,546,064
524,798	3,170,345	3,089,143
41,100	2,053,334	1,308,721
-	348,671	326,340
124,201	1,239,933	1,312,066
404,795	5,363,039	7,201,553
103,550	103,550	170,580
78,461	1,250,630	949,884
-	57,231	50,900
-	160,000	5,269
-	943,393	835,261
-	82,381	293,406
1,276,905	35,816,417	34,089,187
57,457	7,267,755	6,043,985
15,579	13,812,880	13,944,904
51,083	1,636,529	1,467,461
20,338	2,693,686	2,414,009
-	1,408,200	1,267,736
166,924	11,368,519	9,399,548
483,353	483,353	488,132
131,452	616,955	243,875
-	10,284	-
926,186	39,298,161	35,269,650
350,719	(3,481,744)	(1,180,463)
-	-	149,663
-	69,206	39,257
671,950	22,021,990	20,905,649
(667,608)	(22,432,184)	(20,946,474)
4,342	(340,988)	148,095
-	(192,824)	-
355,061	(4,015,556)	(1,032,368)
4,159,480	15,381,683	16,388,403
-	-	66,044
-	1,515	(40,396)
\$ 4,514,541	\$ 11,367,642	\$ 15,381,683

CITY OF FINDLAY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Net change in fund balances - total governmental funds		\$ (4,015,556)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period (net of internal service fund and contributed asset activity):		
Capital outlays	10,877,755	
Depreciation expense	<u>(3,338,402)</u>	7,539,353
Contributed infrastructure from outside developers is not recorded in the governmental funds; however, the contribution is recorded as revenue in the statement of activities.		1,540,453
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and impairments) is to decrease net assets.		(171,389)
Governmental funds report expenditures for prepaids and consumable inventories when purchased. However, in the statement of activities, they are reported as an expense when consumed.		1,515
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	23,122	
Special assessments	(69,204)	
Intergovernmental	<u>(7,603)</u>	(53,685)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported on the statement of activities:		
Decrease in accrued interest payable	6,254	
Amortization of bond premiums	10,908	
Amortization of deferred charges on refundings	(22,024)	
Amortization of bond issue costs	<u>(4,369)</u>	(9,231)
Repayment of bonds, capital lease obligations and the police and fire past service liability are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net assets. Principal payments during the year were:		
General obligation bonds	345,000	
Special assessment bonds	123,670	
OPWC loans	14,683	
Police and Fire past service liability	<u>22,867</u>	506,220
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(412,750)
Internal service funds are used by management to charge the costs of self-insurance and central stores operations to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue (expense) of the internal service funds, including internal balance activity of \$247, is allocated among the governmental activities.		<u>49,855</u>
Change in net assets of governmental activities		<u>\$ 4,974,785</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and other taxes	\$ 2,735,451	\$ 2,765,522	\$ 2,645,547	\$ (119,975)
Charges for services	1,987,400	1,851,827	1,879,613	27,786
Licenses and permits.	332,000	332,000	348,671	16,671
Fines and forfeitures.	605,200	1,205,200	1,115,732	(89,468)
Intergovernmental	2,047,638	2,383,875	2,713,734	329,859
Investment income	750,000	889,304	1,044,899	155,595
Rental income	50,700	50,700	57,231	6,531
Contributions and donations	-	100,000	160,000	60,000
Reimbursements.	738,600	884,729	922,229	37,500
Other	-	4,240	35,532	31,292
Total revenues.	<u>9,246,989</u>	<u>10,467,397</u>	<u>10,923,188</u>	<u>455,791</u>
Expenditures:				
Current:				
General government	6,735,802	7,025,279	6,328,295	696,984
Security of persons and property	14,226,655	14,407,983	13,797,301	610,682
Public health and welfare.	1,683,597	1,753,509	1,585,446	168,063
Leisure time activity	1,721,755	1,722,555	1,408,200	314,355
Capital outlay	-	5,318,906	5,318,906	-
Debt service:				
Interest and fiscal charges	-	297,867	297,867	-
Note issuance costs	-	7,236	7,236	-
Total expenditures	<u>24,367,809</u>	<u>30,533,335</u>	<u>28,743,251</u>	<u>1,790,084</u>
(Deficiency) of revenues (under) expenditures	<u>(15,120,820)</u>	<u>(20,065,938)</u>	<u>(17,820,063)</u>	<u>2,245,875</u>
Other financing sources (uses):				
Premium on notes sold	-	36,378	36,378	-
Transfers in	13,240,040	18,414,383	18,441,637	27,254
Transfers out	<u>(870,000)</u>	<u>(1,303,736)</u>	<u>(1,303,736)</u>	<u>-</u>
Total other financing sources (uses)	<u>12,370,040</u>	<u>17,147,025</u>	<u>17,174,279</u>	<u>27,254</u>
Extraordinary item:				
Loss on flood damage repairs	-	-	(192,824)	192,824
Net change in fund balance	(2,750,780)	(2,918,913)	(838,608)	2,465,953
Fund balance at beginning of year	6,872,285	6,872,285	6,872,285	-
Increase in reserve for prepaids	870	870	870	-
Fund balance at end of year.	<u>\$ 4,122,375</u>	<u>\$ 3,954,242</u>	<u>\$ 6,034,547</u>	<u>\$ 2,465,953</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 STREET MAINTENANCE AND REPAIR
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 8,000	\$ 9,695	\$ 121,429	\$ 111,734
Intergovernmental	1,905,500	2,302,692	2,244,510	(58,182)
Investment income	-	127,270	127,270	-
Reimbursements	2,000	14,004	20,308	6,304
Other	27,600	27,600	46,849	19,249
Total revenues	<u>1,943,100</u>	<u>2,481,261</u>	<u>2,560,366</u>	<u>79,105</u>
Expenditures:				
Current:				
Transportation	3,223,761	2,973,398	2,673,348	300,050
Capital outlay	-	5,893,970	5,882,689	11,281
Debt service:				
Interest and fiscal charges	-	187,636	187,636	-
Note issuance costs	-	3,048	3,048	-
Total expenditures	<u>3,223,761</u>	<u>9,058,052</u>	<u>8,746,721</u>	<u>311,331</u>
(Deficiency) of revenues (under) expenditures	<u>(1,280,661)</u>	<u>(6,576,791)</u>	<u>(6,186,355)</u>	<u>390,436</u>
Other financing sources (uses):				
Premium on notes sold	-	32,828	32,828	-
Transfers in	700,000	2,569,655	2,569,655	-
Transfers out	-	(35,616)	(35,616)	-
Total other financing sources (uses)	<u>700,000</u>	<u>2,566,867</u>	<u>2,566,867</u>	<u>-</u>
Net change in fund balance	(580,661)	(4,009,924)	(3,619,488)	390,436
Fund balance at beginning of year	1,287,128	1,287,128	1,287,128	-
Increase in reserve for prepaids.	639	639	639	-
Fund balance (deficit) at end of year	<u>\$ 707,106</u>	<u>\$ (2,722,157)</u>	<u>\$ (2,331,721)</u>	<u>\$ 390,436</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP-BASIS) AND ACTUAL
 CITY INCOME TAX ADMINISTRATION
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 16,480,000	\$ 17,000,000	\$ 21,043,910	\$ 4,043,910
Charges for services	-	-	11,192	11,192
Other	-	-	856	856
Total revenues.	<u>16,480,000</u>	<u>17,000,000</u>	<u>21,055,958</u>	<u>4,055,958</u>
Expenditures:				
Current:				
General government	899,929	899,929	882,003	17,926
Total expenditures	<u>899,929</u>	<u>899,929</u>	<u>882,003</u>	<u>17,926</u>
Excess of revenues over expenditures	<u>15,580,071</u>	<u>16,100,071</u>	<u>20,173,955</u>	<u>4,073,884</u>
Other financing sources (uses):				
Transfers in	-	338,748	338,748	-
Transfers out	(12,300,000)	(20,425,224)	(20,425,224)	-
Total other financing sources (uses)	<u>(12,300,000)</u>	<u>(20,086,476)</u>	<u>(20,086,476)</u>	<u>-</u>
Net change in fund balance	3,280,071	(3,986,405)	87,479	4,073,884
Fund balance at beginning of year	3,062,790	3,062,790	3,062,790	-
Increase in reserve for prepaids	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,342,867</u>	<u>\$ (923,609)</u>	<u>\$ 3,150,275</u>	<u>\$ 4,073,884</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2007
 (WITH COMPARATIVE TOTALS FOR 2006)

	Business-type Activities -Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 4,714,128	\$ 2,098,681	\$ 184,330	\$ 86,096
Cash with escrow agent.	26,527	8,033	-	-
Receivables (net of allowance for uncollectibles)	1,532,238	460,553	87,596	-
Due from other funds	-	395,551	-	-
Due from other governments	14,244	-	609,286	-
Prepayments.	26,206	17,020	12,985	2,927
Materials and supplies inventory	479,042	11,112	90,294	-
Total current assets	<u>6,792,385</u>	<u>2,990,950</u>	<u>984,491</u>	<u>89,023</u>
Noncurrent assets:				
Restricted Assets:				
Equity in pooled cash and cash equivalents.	1,228,699	6,634,805	37,544	-
Deferred bond costs.	91,805	101,647	2,166	-
Capital assets:				
Nondepreciable capital assets.	6,032,356	311,410	6,006,493	95,962
Depreciable capital assets, net	44,182,511	86,205,663	7,965,318	580,417
Total noncurrent assets	<u>51,535,371</u>	<u>93,253,525</u>	<u>14,011,521</u>	<u>676,379</u>
Total assets	<u>58,327,756</u>	<u>96,244,475</u>	<u>14,996,012</u>	<u>765,402</u>
Liabilities:				
Current liabilities:				
Accounts payable.	159,885	75,979	61,706	4,249
Contracts payable.	26,928	-	629,223	-
Retainage payable.	26,527	8,033	-	-
Insurance deposits payable.	121,787	82,584	12,591	3,249
Accrued wages and benefits	74,797	57,556	7,954	2,161
Compensated absences payable.	224,599	148,315	16,543	7,887
Due to other funds	395,551	-	-	-
Deposits held and due to others	224,000	-	-	-
Deferred revenue	22,272	529	-	-
Current portion of loans payable	118,682	1,643,832	-	-
Current portion of bonds	1,715,000	1,080,000	45,000	-
Accrued interest payable.	167,405	768,418	3,794	-
Total current liabilities	<u>3,277,433</u>	<u>3,865,246</u>	<u>776,811</u>	<u>17,546</u>
Long-term liabilities:				
General obligation bonds	6,997,598	7,239,724	162,337	-
Compensated absences payable	248,217	147,217	30,872	14,601
Loans payable	4,489,851	27,256,616	-	-
Total long-term liabilities	<u>11,735,666</u>	<u>34,643,557</u>	<u>193,209</u>	<u>14,601</u>
Total liabilities	<u>15,013,099</u>	<u>38,508,803</u>	<u>970,020</u>	<u>32,147</u>
Net assets:				
Invested in capital assets, net of related debt.	36,985,541	49,398,548	13,766,640	676,379
Restricted for:				
Capital projects	667,440	4,624,119	-	-
Debt service	561,259	2,010,686	37,544	-
Unrestricted	5,100,417	1,702,319	221,808	56,876
Total net assets	<u>\$ 43,314,657</u>	<u>\$ 57,735,672</u>	<u>\$ 14,025,992</u>	<u>\$ 733,255</u>

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

Net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2007 Enterprise Funds Total	Restated 2006 Enterprise Funds Total	2007 Governmental Activities - Internal Service Funds	2006 Governmental Activities - Internal Service Funds
\$ 7,083,235	\$ 5,698,298	\$ 1,142,751	\$ 1,097,809
34,560	155,342	-	-
2,080,387	2,128,280	9,093	354
395,551	408,738	-	-
623,530	329,960	-	-
59,138	56,577	-	-
580,448	532,825	4,282	4,680
<u>10,856,849</u>	<u>9,310,020</u>	<u>1,156,126</u>	<u>1,102,843</u>
7,901,048	8,221,502	-	-
195,618	223,882	-	-
12,446,221	12,612,005	-	-
138,933,909	138,105,905	4,564	6,754
<u>159,476,796</u>	<u>159,163,294</u>	<u>4,564</u>	<u>6,754</u>
<u>170,333,645</u>	<u>168,473,314</u>	<u>1,160,690</u>	<u>1,109,597</u>
301,819	583,289	2,702	1,217
656,151	-	-	-
34,560	155,342	-	-
220,211	286,822	-	-
142,468	136,712	-	-
397,344	418,622	-	-
395,551	408,738	-	-
224,000	56,847	-	-
22,801	10,236	-	-
1,762,514	1,614,465	-	-
2,840,000	2,770,000	-	-
939,617	1,000,036	-	-
<u>7,937,036</u>	<u>7,441,109</u>	<u>2,702</u>	<u>1,217</u>
14,399,659	17,117,423	-	-
440,907	305,327	-	-
<u>31,746,467</u>	<u>33,327,913</u>	<u>-</u>	<u>-</u>
<u>46,587,033</u>	<u>50,750,663</u>	<u>-</u>	<u>-</u>
<u>54,524,069</u>	<u>58,191,772</u>	<u>2,702</u>	<u>1,217</u>
100,827,108	96,111,991	4,564	6,754
5,291,559	5,605,343	-	-
2,609,489	2,616,159	-	-
7,081,420	5,948,049	1,153,424	1,101,626
<u>115,809,576</u>	<u>110,281,542</u>	<u>\$ 1,157,988</u>	<u>\$ 1,108,380</u>
(14)	233		
<u>\$ 115,809,562</u>	<u>\$ 110,281,775</u>		

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR 2006)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Operating revenues:				
Charges for services	\$ 7,656,030	\$ 8,678,711	\$ 32,488	\$ 143,344
Other	94,829	11,105	922,760	22,588
Total operating revenues	7,750,859	8,689,816	955,248	165,932
Operating expenses:				
Personal services	2,777,673	2,121,602	290,779	184,077
Contract services	992,486	909,191	116,437	11,424
Materials and supplies	1,017,086	522,736	652,349	43,571
Utilities	303,633	394,592	19,417	4,208
Depreciation	1,043,073	1,865,127	628,113	38,594
Other	-	-	-	-
Total operating expenses	6,133,951	5,813,248	1,707,095	281,874
Operating income (loss)	1,616,908	2,876,568	(751,847)	(115,942)
Nonoperating revenues (expenses):				
Other nonoperating revenues	64,162	85,229	46,126	100
Intergovernmental	160,000	-	2,111,893	-
Interest revenue	312,068	398,232	-	-
Loss on disposal of capital assets	(79,049)	(4,163)	-	(3,888)
Interest expense and fiscal charges	(631,417)	(1,600,821)	(11,533)	-
Total nonoperating revenues (expenses)	(174,236)	(1,121,523)	2,146,486	(3,788)
Income (loss) before contributions and transfers	1,442,672	1,755,045	1,394,639	(119,730)
Capital contributions	730,258	494,956	-	-
Transfers in	52,976	29,650	223,804	128,950
Transfers out	(24,825)	-	(361)	-
Income before extraordinary item	2,201,081	2,279,651	1,618,082	9,220
Extraordinary item:				
Loss due to flood damage	(50,000)	(530,000)	-	-
Changes in net assets	2,151,081	1,749,651	1,618,082	9,220
Net assets at beginning of year (restated)	41,163,576	55,986,021	12,407,910	724,035
Net assets at end of year	\$ 43,314,657	\$ 57,735,672	\$ 14,025,992	\$ 733,255

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

Changes in net assets of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

2007 Enterprise Funds Total	2006 Enterprise Funds Total	2007 Governmental Activities - Internal Service Funds	2006 Governmental Activities - Internal Service Funds
\$ 16,510,573	\$ 15,749,577	\$ 25,078	\$ 26,527
1,051,282	1,119,452	-	-
<u>17,561,855</u>	<u>16,869,029</u>	<u>25,078</u>	<u>26,527</u>
5,374,131	5,073,255	-	-
2,029,538	597,519	10,948	16,212
2,235,742	1,749,506	21,503	19,435
721,850	707,426	-	-
3,574,907	3,466,579	2,190	2,191
-	76,532	-	-
<u>13,936,168</u>	<u>11,670,817</u>	<u>34,641</u>	<u>37,838</u>
<u>3,625,687</u>	<u>5,198,212</u>	<u>(9,563)</u>	<u>(11,311)</u>
195,617	218,327	-	-
2,271,893	1,572,006	-	-
710,300	578,344	59,171	48,067
(87,100)	-	-	-
(2,243,771)	(2,323,300)	-	-
<u>846,939</u>	<u>45,377</u>	<u>59,171</u>	<u>48,067</u>
4,472,626	5,243,589	49,608	36,756
1,225,214	1,443,555	-	-
435,380	896,666	-	-
(25,186)	(855,841)	-	-
<u>6,108,034</u>	<u>6,727,969</u>	<u>49,608</u>	<u>36,756</u>
<u>(580,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,528,034	6,727,969	49,608	36,756
		<u>1,108,380</u>	<u>1,071,624</u>
		<u>\$ 1,157,988</u>	<u>\$ 1,108,380</u>
<u>(247)</u>	<u>95</u>		
<u>\$ 5,527,787</u>	<u>\$ 6,728,064</u>		

CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (WITH COMPARATIVE TOTALS FOR 2006)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Cash flows from operating activities:				
Cash received from customers	\$ 7,673,115	\$ 8,695,725	\$ 32,488	\$ 143,344
Cash received from other operations.	94,829	11,105	891,149	22,588
Cash payments for personal services	(2,696,289)	(2,150,955)	(290,029)	(183,411)
Cash payments for contract services	(826,664)	(1,030,930)	(116,739)	(11,395)
Cash payments for materials and supplies	(993,876)	(506,679)	(673,120)	(43,835)
Cash payments for utilities.	(316,820)	(394,592)	(19,417)	(4,208)
Cash payments for other expenses.	-	-	-	-
Net cash provided by (used in) operating activities.	<u>2,934,295</u>	<u>4,623,674</u>	<u>(175,668)</u>	<u>(76,917)</u>
Cash flows from noncapital financing activities:				
Other non-capital revenues	64,164	85,229	46,124	100
Payments for flood damage repairs	(50,000)	(530,000)	-	-
Grants and contributions	160,000	-	1,832,567	-
Transfers in	52,976	29,650	223,804	128,950
Transfers out.	(24,825)	-	(361)	-
Net cash provided by (used in) noncapital financing activities	<u>202,315</u>	<u>(415,121)</u>	<u>2,102,134</u>	<u>129,050</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(516,677)	(217,959)	(2,038,798)	(16,753)
Principal paid on bonds	(1,675,000)	(1,055,000)	(40,000)	-
Interest paid on bonds	(398,008)	(379,287)	(8,888)	-
Proceeds of loans.	315,275	-	-	-
Principal paid on loans.	(184,869)	(1,578,048)	-	-
Interest paid on loans	(132,153)	(1,235,353)	-	-
Net cash (used in) capital and related financing activities	<u>(2,591,432)</u>	<u>(4,465,647)</u>	<u>(2,087,686)</u>	<u>(16,753)</u>
Cash flows from investing activities:				
Interest received.	<u>336,912</u>	<u>444,545</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities.	<u>336,912</u>	<u>444,545</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . .	882,090	187,451	(161,220)	35,380
Cash and cash equivalents at beginning of year . . .	<u>5,087,264</u>	<u>8,554,068</u>	<u>383,094</u>	<u>50,716</u>
Cash and cash equivalents at end of year.	<u>\$ 5,969,354</u>	<u>\$ 8,741,519</u>	<u>\$ 221,874</u>	<u>\$ 86,096</u>

2007	2006	2007	2006
Enterprise	Enterprise	Governmental	Governmental
Funds Total	Funds Total	Activities -	Activities -
		Internal	Internal
		Service Funds	Service Funds
\$ 16,544,672	\$ 15,719,902	\$ 25,078	\$ 26,527
1,019,671	1,140,980	-	-
(5,320,684)	(5,251,934)	-	-
(1,985,728)	(492,098)	(10,948)	(16,212)
(2,217,510)	(1,785,078)	(19,620)	(19,168)
(735,037)	(655,909)	-	-
-	(76,532)	-	-
<u>7,305,384</u>	<u>8,599,331</u>	<u>(5,490)</u>	<u>(8,853)</u>
195,617	348,575	-	-
(580,000)	-	-	-
1,992,567	2,307,503	-	-
435,380	896,666	-	-
(25,186)	(855,841)	-	-
<u>2,018,378</u>	<u>2,696,903</u>	<u>-</u>	<u>-</u>
(2,790,187)	(6,591,986)	-	-
(2,770,000)	(2,695,000)	-	-
(786,183)	(866,819)	-	-
315,275	3,468,384	-	-
(1,762,917)	(1,551,414)	-	-
(1,367,506)	(1,299,130)	-	-
<u>(9,161,518)</u>	<u>(9,535,965)</u>	<u>-</u>	<u>-</u>
<u>781,457</u>	<u>429,867</u>	<u>50,432</u>	<u>48,154</u>
<u>781,457</u>	<u>429,867</u>	<u>50,432</u>	<u>48,154</u>
943,701	2,190,136	44,942	39,301
14,075,142	11,885,006	1,097,809	1,058,508
<u>\$ 15,018,843</u>	<u>\$ 14,075,142</u>	<u>\$ 1,142,751</u>	<u>\$ 1,097,809</u>

-- continued

CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2007
 (WITH COMPARATIVE TOTALS FOR 2006)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,616,908	\$ 2,876,568	\$ (751,847)	\$ (115,942)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:				
Depreciation	1,043,073	1,865,127	628,113	38,594
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	4,774	3,573	(31,611)	-
Decrease in due from other funds	-	13,187	-	-
(Increase) decrease in materials and supplies inventory	(12,865)	1,164	(35,922)	-
(Increase) decrease in prepayments	(1,650)	(638)	(302)	29
Increase (decrease) in accounts payable	36,075	14,893	15,151	(264)
Increase (decrease) in accrued wages and benefits	4,443	2,250	156	(1,093)
Increase (decrease) in compensated absences payable	82,368	21,401	6,087	4,446
Increase (decrease) in insurance deposits payable	(5,427)	(53,004)	(5,493)	(2,687)
Increase in deposits held and due to others	167,153	-	-	-
Increase in deferred revenue	12,311	254	-	-
Increase (decrease) in retainage payable	319	(121,101)	-	-
(Decrease) in due to other funds	(13,187)	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 2,934,295</u>	<u>\$ 4,623,674</u>	<u>\$ (175,668)</u>	<u>\$ (76,917)</u>

Non-cash Transactions:

During 2007, the Water Pollution Control fund received \$494,956 in capital contributions primarily donated sewer lines from private developers. During 2007, the Water Pollution Control fund received capital asset contributions from the Water fund with a net book value of \$0. The contributed assets had a cost of \$10,852 and accumulated depreciation of \$10,852.

During 2007, the Water fund received \$730,258 in capital contributions primarily donated water lines from private developers. During 2007, the Water fund contributed capital assets to the General fund and Water Pollution Control fund with a net book value of \$0. The contributed assets had a cost of \$15,712 and accumulated depreciation of \$15,712.

At December 31, 2007 and 2006, the Water fund purchased \$26,928 and \$0, respectively, in capital assets on account.

At December 31, 2007 and 2006, the Airport fund purchased \$629,223 and \$347,325, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>2007</u> <u>Enterprise</u> <u>Funds Total</u>	<u>2006</u> <u>Enterprise</u> <u>Funds Total</u>	<u>2007</u> <u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Funds</u>	<u>2006</u> <u>Governmental</u> <u>Activities -</u> <u>Internal</u> <u>Service Funds</u>
\$ 3,625,687	\$ 5,198,212	\$ (9,563)	\$ (11,311)
3,574,907	3,466,579	2,190	2,191
(23,264)	33,134	-	-
13,187	51,517	-	-
(47,623)	(43,986)	398	20
(2,561)	17,310	-	-
65,855	8,414	1,485	247
5,756	(682)	-	-
114,302	(177,997)	-	-
(66,611)	73,137	-	-
167,153	14,974	-	-
12,565	10,236	-	-
(120,782)	-	-	-
(13,187)	(51,517)	-	-
<u>\$ 7,305,384</u>	<u>\$ 8,599,331</u>	<u>\$ (5,490)</u>	<u>\$ (8,853)</u>

CITY OF FINDLAY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2007

	Private-Purpose Trust	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 160,768	\$ 189,101
Cash in segregated accounts	-	59,372
Receivables:		
Accrued interest.	1,102	-
Total assets.	161,870	\$ 248,473
Liabilities:		
Accounts payable	-	\$ 12,620
Deposits held and due to others	-	235,853
Total liabilities	-	\$ 248,473
Net Assets:		
Held in trust for private cemetery care	161,870	
Total net assets	\$ 161,870	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

		<u>Private-Purpose Trust</u>
Additions:		
Interest	\$	5,659
Gifts and contributions.		<u>200</u>
Total Additions.		<u>5,859</u>
 Deductions:		
Cemetery care		<u>3,604</u>
Changes in net assets		2,255
Net assets at the beginning of the year.		<u>159,615</u>
Net assets at the end of the year	\$	<u><u>161,870</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 1 - DESCRIPTION OF THE CITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. On the statement of activities, interfund services provided and used are not eliminated in the process of consolidation.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

C. Fund Accounting

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

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

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

City Income Tax Administration - This fund accounts for the receipts from the assessment of a 1% income tax and the cost of operating the collection department. The use of this money is determined by Council. For 2007, 78% is transferred to general fund and the remaining 22% is used for capital improvements as recommended by the administration and appropriated by Council. For 2008, 75% will be transferred to the general fund, 22% will be used for capital improvements and 3% will be used for flood mitigation as recommended by the administration and appropriated by Council.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

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

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

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

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

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

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

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are a private-purpose trust fund which accounts for monies in trusts to benefit specific cemetery lots as directed by the contributor and agency funds used to account for deposits held for the satisfactory completion of various projects, to account for the funds maintained by the Municipal Court, and to account for income tax and tax increment financing payments collected on-behalf and due to other governments.

D. Measurement Focus and Basis of Accounting

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

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

E. Basis of Accounting

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

F. Budgetary Process

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

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

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

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

G. Cash and Cash Equivalents

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

During 2007, investments were limited to STAR Ohio, federal agency securities, U.S. treasury notes and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2007. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2007.

Following Ohio statutes, the Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2007 amounted to \$1,044,899, which includes \$346,872 assigned from other City funds as not all funds of the City receive interest earnings.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

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

H. Inventories of Materials and Supplies

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

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

I. Prepaids

Amounts recorded for prepaid items represent the unamortized portion of insurance policies that expire in 2008 or later. Governmental funds use the purchase method of accounting whereby insurance is recognized as an expenditure when purchased. Proprietary funds recognize insurance expense as it is incurred.

J. Capital Assets

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

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

All reported capital assets are depreciated except for land, certain land improvements and construction in progress. Non-depreciable land improvements are improvements that are permanent and are not considered part of a structure and do not deteriorate over time. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

Depreciation is computed using the straight-line method over the following useful lives:

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

K. Compensated Absences

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

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

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

Sick leave accumulates at the rate of 4.6 hours of sick leave for 80 hours of work completed. Sick leave may be converted into cash only upon retirement or death with 10 or more years of service with the State or any of its political subdivisions at the rate of one fourth (1/4) the value of the first 960 hours of accrued, unused sick leave credit. If applicable, accrued, unused sick leave will be paid in cash for one-half (1/2) the value of all accrued sick leave credit in excess of 960 hours. Individuals with accumulated sick leave greater than one thousand nine hundred twenty (1,920) hours receive cash at the rate of one-half (1/2) the total hours accumulated. Sick leave for individuals leaving the employment of the City prior to retirement or at retirement with less than 10 years of service remains with the City; however, this amount is not eligible to be paid out as part of an accumulated sick leave settlement.

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds are eliminated for reporting on the statement of activities.

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

N. Fund Balance Reserves

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

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

O. Estimates

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

P. Contributions of Capital

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

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes consist primarily of permissive motor vehicle license tax and programs to enhance the security of persons and property and the general government.

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

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

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

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

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 13.

S. Interfund Balances

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. During fiscal year 2007, the City experienced an extraordinary item for losses due to flood damage. The City reported a net loss of \$312,238 and \$580,000 in governmental activities and business-type activities, respectively, related to damages caused by the flood. These losses are net of federal, state and insurance reimbursements received or due to the City at year-end. The extraordinary loss reported for the governmental activities also includes to losses related to the impairment of capital assets that were caused by the flood damage (see Note 17).

U. Comparative Data and Presentation of Financial Information

Comparative total data for the prior year have been presented in selected sections of the financial statements in order to provide an understanding of the changes in the government's financial position and operations. In certain cases, amounts for 2006 have been reclassified to conform with 2007 presentation.

NOTE 3 – ACCOUNTABILITY

A. Change in Accounting Principles

For 2007, the City has implemented GASB Statement No. 48 "Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues". GASB Statement No. 48 established criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the City.

B. Prior Period Adjustment

A prior period adjustment is required to properly report the capital assets of the Airport enterprise fund at December 31, 2006. The balance of construction in progress as previously reported was overstated by \$697,664. The prior period adjustment had the following effect on net assets of the Airport enterprise fund and the business-type activities as previously reported at December 31, 2006.

	Airport Enterprise Fund	Business-type Activities
Net assets at December 31, 2006	\$ 13,105,574	\$ 110,979,439
Adjustment for capital assets	(697,664)	(697,664)
Restated net assets at December 31, 2006	\$ 12,407,910	\$ 110,281,775

C. Deficit Fund Balance

The street construction maintenance and repair fund has a deficit fund balance of \$2,331,721 at December 31, 2007. The deficit fund balance is the result of reporting a fund liability for short-term notes payable under GAAP. The deficit fund balance will be eliminated as financing comes available for the notes to be refinanced on a long-term basis.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. In accordance with Ohio Revised Code, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. The City's investment policy limits security purchases to those that mature within two years of the settlement date. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash with Fiduciary Agent: At year-end, the City had \$594,029 on deposit with the Hancock County Treasurer. The data regarding insurance and collateralization can be obtained from the Hancock County Comprehensive Annual Financial Report for the year ended December 31, 2007. This amount is not included in the City's depository balance below.

Cash with Escrow Agent: At year-end, the City had \$328,298 on deposit with financial institutions for retainage escrow accounts and bond and coupon payments. These amounts are included in the City's depository balance below.

Cash in Segregated Accounts: At year-end, the City had \$266,475 deposited with a financial institution for monies related to the Revolving Loan special revenue fund (a nonmajor governmental fund), the Municipal Court agency fund and for police operations. These amounts are included in the City's depository balance below.

A. Deposits with Financial Institutions

At December 31, 2007, the carrying amount of all City deposits was \$22,542,462 and the bank balance of all City deposits was \$23,025,288. Of the bank balance, \$9,979,802 was covered by pledged collateral held by the Federal Reserve Bank of Boston in the name of the City, \$12,062,670, was exposed to custodial risk as discussed below and \$982,816 was covered by Federal Deposit Insurance Corporation.

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2007, the City had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
FHLB	\$ 4,015,127	\$ -	\$ 3,008,525	\$ 1,006,602	\$ -
FNMA	4,005,967	-	1,006,797	2,999,170	-
FHLMC	1,000,155	1,000,155	-	-	-
FFCB	996,250	-	996,250	-	-
U.S. Treasury Notes	4,038,906	-	-	2,023,750	2,015,156
STAR Ohio	105,230	105,230	-	-	-
Total	<u>\$ 14,161,635</u>	<u>\$ 1,105,385</u>	<u>\$ 5,011,572</u>	<u>\$ 6,029,522</u>	<u>\$ 2,015,156</u>

The weighted average length to maturity of investment is 1.01 years.

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

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following table includes the percentage of each investment type held by the City at December 31, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 4,015,127	28.35
FNMA	4,005,967	28.29
FHLMC	1,000,155	7.06
FFCB	996,250	7.04
U.S. Treasury Notes	4,038,906	28.52
STAR Ohio	<u>105,230</u>	<u>0.74</u>
Total	<u>\$ 14,161,635</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2007:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 22,542,462
Investments	14,161,635
Cash with fiduciary agent	<u>594,029</u>
Total	<u>\$ 37,298,126</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 21,870,042
Business type activities	15,018,843
Fiduciary funds	<u>409,241</u>
Total	<u>\$ 37,298,126</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2007, consisted of the following, as reported in the fund financial statements:

Transfers to	Transfers from						Total
	General	City Income Tax	Street Maintenance and Repair	Nonmajor Governmental	Water	Airport	
General	\$ -	\$ 17,806,881	\$ -	\$ 634,756	\$ -	\$ -	\$ 18,441,637
City Income Tax	301,908	-	11,654	-	24,825	361	338,748
Street Maintenance and Repair	700,000	1,860,131	-	9,524	-	-	2,569,655
Nonmajor Governmental	62,000	562,660	23,962	23,328	-	-	671,950
Water	32,976	20,000	-	-	-	-	52,976
Sewer	29,650	-	-	-	-	-	29,650
Airport	75,000	148,804	-	-	-	-	223,804
Nonmajor Enterprise	102,202	26,748	-	-	-	-	128,950
Total	<u>\$ 1,303,736</u>	<u>\$ 20,425,224</u>	<u>\$ 35,616</u>	<u>\$ 667,608</u>	<u>\$ 24,825</u>	<u>\$ 361</u>	<u>\$ 22,457,370</u>

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

NOTE 6 - TAXES

A. Property Tax

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenues received during 2007 for real and public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes which became a lien January 1, 2006, are levied after October 1, 2006 and collected in 2007 real property taxes.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 6 - TAXES - (Continued)

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

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

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

The assessed value upon which the 2007 collections were based was \$850,520,552. The tax rate applicable to the 2007 collections was 3.2 mills.

B. City Income Tax

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

The receipts of the City income tax and the administrative costs associated with their collection are accounted for in the City Income Tax Administration fund. Income tax receipts, net of the related administrative costs, are disbursed, appropriated, and allocated in accordance with City Ordinance by which 78% of such receipts are transferred to the general fund and 22% retained in the nonmajor governmental funds and restricted for capital improvements. Beginning January 1, 2008, 75% will be transferred to the general fund, 22% will be used for capital improvements and 3% will be used for flood mitigation.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - RECEIVABLES

The City's receivables from outside parties at December 31, 2007, by fund, are shown as follows:

	Major Funds			Major Funds		
	City	Street	Nonmajor	Water		
	Income Tax	Maintenance	Governmental	Water	Pollution	Airport
	General	Administration	and Repair	Funds	Control	Airport
Income Taxes	\$ -	\$ 2,618,920	\$ -	\$ -	\$ -	\$ -
Property taxes	2,437,251	-	-	566,010	-	-
Hotel/Motel taxes	69,636	-	-	-	-	-
Economic development loans	-	-	-	808,977	-	-
Special assessments	-	-	-	204,956	-	-
Billed and unbilled						
Charges for services	-	-	-	-	1,468,756	374,219
Miscellaneous	51,894	-	17,160	350	-	-
Accrued interest - unrestricted	240,545	-	-	10,642	63,482	86,334
Total receivables, net of allowances	<u>\$ 2,799,326</u>	<u>\$ 2,618,920</u>	<u>\$ 17,160</u>	<u>\$ 1,590,935</u>	<u>\$ 1,532,238</u>	<u>\$ 460,553</u>
Due from other governments:						
Property tax rollbacks	\$ 90,000	\$ -	\$ -	\$ 20,000	\$ -	\$ -
Estate taxes	656,345	-	-	-	-	-
Local government funds	443,797	-	-	-	-	-
State tax	133,519	-	-	-	-	-
Flood damage reimbursements	875,509	-	-	-	-	-
Fuel tax	-	-	528,548	42,855	-	-
Motor vehicle license fees	-	-	25,062	2,032	-	-
CDBG Project	-	-	79,605	-	-	-
OWDA grant	-	-	-	-	14,244	-
Federal Airport Grant	-	-	-	-	-	609,286
Total due from other governments	<u>2,199,170</u>	<u>-</u>	<u>633,215</u>	<u>64,887</u>	<u>14,244</u>	<u>-</u>
Total due from outside parties	<u>\$ 4,998,496</u>	<u>\$ 2,618,920</u>	<u>\$ 650,375</u>	<u>\$ 1,655,822</u>	<u>\$ 1,546,482</u>	<u>\$ 460,553</u>

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

City income taxes accrued at December 31, 2007 represent income taxes due the City at year-end. Delinquent income taxes represent interest, penalties, and additional taxes due as a result of audits of returns filed.

Property taxes accrued at December 31, 2007 represent the City's portion of 2007 taxes to be collected by the Hancock County Treasurer during 2008 based on the assessed value of property described in Note 6.A.

Hotel/Motel taxes accrued at December 31, 2007 represent 2007 transient lodging taxes due to the City at year-end from hotels and motels located within the City's corporation limits.

Economic development loans receivable at December 31, 2007 represents loans to qualified businesses for the purpose of economic development. These loans are being repaid over a number of years.

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 7 - RECEIVABLES - (Continued)

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

Due from other governments in the general fund represents 2007 state taxes, local government monies and property tax rollbacks (intergovernmental) anticipated to be received by the City from January 1, 2008 through June 30, 2008. Due from other governments in the special revenue funds represents 2007 motor vehicle license fees and gasoline excise taxes anticipated to be received by the City from January 1, 2008 to June 30, 2008. Due from other governments in the Water fund represents OWDA loan proceeds due to year-end.

Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2007.

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

NOTE 8 - NOTES PAYABLE

The City had the following note activity during fiscal 2007:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
Various Purpose	11/06/2007	06/06/2008	\$ -	\$ 10,530,000	\$ -	\$ 10,530,000
Various Purpose	03/21/2007	11/28/2007	-	4,505,000	(4,505,000)	-
Various Purpose	02/28/2007	11/28/2007	-	6,025,000	(6,025,000)	-
Various Purpose	11/11/2006	04/13/2007	<u>4,950,000</u>	<u>-</u>	<u>(4,950,000)</u>	<u>-</u>
Total			<u>\$ 4,950,000</u>	<u>\$ 21,060,000</u>	<u>\$ (15,480,000)</u>	<u>\$ 10,530,000</u>

Various Purpose Notes

On November 11, 2006, the City issued a \$4,950,000 in general obligation bond anticipation note to finance various projects including renovations to the Hancock Recreation Center (\$2,280,000), the purchase land adjacent to the Hancock Recreation Center for athletic fields and parking (\$385,000), improvements to County Road 236 (\$680,000), and the construction of the Hancock Recreation Center Five Plex Sports Complex (\$1,605,000).

On February 28, 2007, the City issued a \$6,025,000 general obligation bond anticipation note to finance improvements to County Road 236 (\$3,905,000) and to construct and improve athletic fields and a perimeter walkway for the Hancock Recreation Center Five Plex Sports Complex (\$2,120,000). This note bore an interest rate of 4.25% and matured November 28, 2007.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 8 - NOTES PAYABLE - (Continued)

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

On November 6, 2007, the City issued \$10,530,000 in general obligation bond anticipation notes to retire the notes issued on February 28, 2007 (\$6,025,000) and March 21, 2007 (\$4,505,000). These notes bear an interest rate of 4.00% and mature June 6, 2008. Since these notes were not financed on a long-term basis prior to the issuance of the financial statements, they will be recorded as a fund liability of the general fund (\$5,945,000) and the Street Maintenance and Repair fund (\$4,585,000) which are the funds that received the proceeds.

NOTE 9 - INTERFUND ASSETS/LIABILITIES

A. Due To/From Other Funds

Individual fund interfund asset and liability balances, as reported on the fund financial statements at December 31, 2007, were as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
Water Pollution Control	Water	<u>\$ 395,551</u>

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

B. Interfund Loan Receivable/Payable

The interfund loan receivable/payable consisted of the following at December 31, 2007, as reported on the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	<u>\$ 2,365</u>

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS

A. Governmental activities

Governmental activities capital asset activity for the year ended December 31, 2007, was as follows:

	Balance			Balance
<u>Governmental activities:</u>	<u>12/31/06</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/07</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,098,992	\$ 1,166,299	\$ -	\$ 5,265,291
Nondepreciable land improvements	-	653,392	-	653,392
Construction in progress	<u>5,923,764</u>	<u>7,884,083</u>	<u>(4,282,956)</u>	<u>9,524,891</u>
Total capital assets, not being depreciated	<u>10,022,756</u>	<u>9,703,774</u>	<u>(4,282,956)</u>	<u>15,443,574</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	8,601,020	2,454,219	(153,239)	10,902,000
Improvements other than buildings	481,105	-	-	481,105
Equipment	10,045,320	1,208,066	(242,344)	11,011,042
Infrastructure	<u>79,946,698</u>	<u>3,339,965</u>	<u>(66,929)</u>	<u>83,219,734</u>
Total capital assets, being depreciated	<u>99,074,143</u>	<u>7,002,250</u>	<u>(462,512)</u>	<u>105,613,881</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(3,636,773)	(194,185)	33,825	(3,797,133)
Improvements other than buildings	(233,390)	(18,502)	-	(251,892)
Equipment	(6,745,379)	(781,028)	223,719	(7,302,688)
Infrastructure	<u>(32,868,260)</u>	<u>(2,351,737)</u>	<u>33,579</u>	<u>(35,186,418)</u>
Total accumulated depreciation	<u>(43,483,802)</u>	<u>(3,345,452)</u>	<u>291,123</u>	<u>(46,538,131)</u>
Total capital assets, being depreciated, net	<u>55,590,341</u>	<u>3,656,798</u>	<u>(171,389)</u>	<u>59,075,750</u>
Governmental activities capital assets, net	<u>\$65,613,097</u>	<u>\$13,360,572</u>	<u>\$(4,454,345)</u>	<u>\$74,519,324</u>

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

<u>Governmental activities:</u>	
General government	\$ 255,758
Security of persons and property	508,743
Transportation	2,432,697
Leisure time activities	115,013
Public health and welfare	<u>28,381</u>
Total depreciation expense	3,340,592
Accumulated depreciation on capital assets contributed from Water fund	<u>4,860</u>
Total additions to accumulated depreciation	<u>\$ 3,345,452</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

During 2007, the Water fund contributed equipment with both a cost and accumulated depreciation of \$4,860 to the governmental activities. The net book value of the contributed asset was \$0. The additions in the above schedule reflect this activity.

B. Business-type activities

Capital assets of the business-type activities have been restated as described in Note 3.B. The construction in progress balance at December 31, 2006 has been restated by \$697,664 from \$8,574,975 to \$7,877,311. Business-type activities capital asset activity for the year ended December 31, 2007, was as follows:

	Restated Balance 12/31/06	Additions	Disposals	Balance 12/31/07
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,734,694	\$ -	\$ -	\$ 4,734,694
Construction in progress	<u>7,877,311</u>	<u>2,484,247</u>	<u>(2,650,031)</u>	<u>7,711,527</u>
Total capital assets, not being depreciated	<u>12,612,005</u>	<u>2,484,247</u>	<u>(2,650,031)</u>	<u>12,446,221</u>
<i>Capital assets, being depreciated:</i>				
Buildings	1,632,539	-	-	1,632,539
Utility plant in service	72,345,938	-	-	72,345,938
Utility lines in service	93,076,249	1,362,271	(80,679)	94,357,841
Improvements other than buildings	11,537,822	2,744,395	-	14,282,217
Machinery and equipment	<u>7,058,066</u>	<u>383,345</u>	<u>(375,087)</u>	<u>7,066,324</u>
Total capital assets, being depreciated	<u>185,650,614</u>	<u>4,490,011</u>	<u>(455,766)</u>	<u>189,684,859</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(1,070,226)	(82,174)	-	(1,152,400)
Utility plant in service	(21,196,204)	(1,421,784)	-	(22,617,988)
Utility lines in service	(14,708,421)	(1,127,177)	1,630	(15,833,968)
Improvements other than buildings	(4,960,504)	(624,708)	-	(5,585,212)
Machinery and equipment	<u>(5,609,354)</u>	<u>(319,064)</u>	<u>367,036</u>	<u>(5,561,382)</u>
Total accumulated depreciation	<u>(47,544,709)</u>	<u>(3,574,907)</u>	<u>368,666</u>	<u>(50,750,950)</u>
Total capital assets, being depreciated, net	<u>138,105,905</u>	<u>915,104</u>	<u>(87,100)</u>	<u>138,933,909</u>
Business-type activities capital assets, net	<u>\$ 150,717,910</u>	<u>\$ 3,399,351</u>	<u>\$ (2,737,131)</u>	<u>\$151,380,130</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 10 - CAPITAL ASSETS - (Continued)

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

Business-type activities:

Water	\$ 1,043,073
Water Pollution Control	1,865,127
Airport	628,113
Parking	14,732
Swimming Pool	<u>23,862</u>
Total	<u>\$ 3,574,907</u>

During 2007, the Water fund contributed equipment with both a cost and accumulated depreciation of \$4,860 to the governmental activities. The net book value of the contributed asset was \$0. The disposals in the above schedule reflect this activity.

NOTE 11 - RISK MANAGEMENT

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

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

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

The City's policy for reporting a claims liability is based on the requirements GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. It is the opinion of the City's legal counsel that, as of December 31, 2007, there were no material outstanding claims pending for the Self-Insurance fund. Claims activity for 2007 and 2006 are as follows:

	2007	2006
Claims payable, beginning of the year	\$ -	\$ -
Current year claims and changes in estimates	1,636	809
Claim payments	<u>(1,636)</u>	<u>(809)</u>
Claims payable, end of year	<u>\$ -</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 12 - RESTRICTED ASSETS

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

Restricted assets at December 31, 2007 are comprised of the following:

	<u>Cash and Cash Equivalents</u>	<u>Deferred Bond Costs</u>	<u>Total</u>
<u>Major governmental funds:</u>			
City Income Tax Administration Fund:			
Restricted for Capital Improvements	\$ 1,458,449	\$ -	\$ 1,458,449
<u>Major business-type funds:</u>			
Water Fund:			
Designated for Capital Improvements			
to Utility Lines	\$ 667,440	\$ -	\$ 667,440
Designated for Debt Service	561,259	-	561,259
Deferred Bond Costs	-	91,805	91,805
	<u>1,228,699</u>	<u>91,805</u>	<u>1,320,504</u>
Water Pollution Control Fund:			
Improvement and Replacement			
Fund Account	849,480	-	849,480
Designated for Capital Improvements			
to Utility Lines	3,774,639	-	3,774,639
Designated for Debt Service	2,010,686	-	2,010,686
Deferred Bond Costs	-	101,647	101,647
	<u>6,634,805</u>	<u>101,647</u>	<u>6,736,452</u>
Airport Fund:			
Designated for Debt Service	37,544	-	37,544
Deferred Bond Costs	-	2,166	2,166
	<u>37,544</u>	<u>2,166</u>	<u>39,710</u>
Total Business-type Funds	<u>\$ 7,901,048</u>	<u>\$ 195,618</u>	<u>\$ 8,096,666</u>

Deferred Bond Costs represent the costs associated with the issuance of various bond issues of the water, sewer and airport fund. These costs are being amortized on a straight-line basis over life of the bond issues.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental activities

During fiscal 2007, the following changes occurred in the City's governmental activities long-term obligations:

	Interest	Maturity	Balance			Balance	Amounts
<i>Governmental Activities:</i>	<u>Rate</u>	<u>Date</u>	<u>12/31/06</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/07</u>	<u>Due in</u>
							<u>One Year</u>
<u>General Obligation Bonds</u>							
Series 2004 Fire Improvement Refunding	2.50- 5.25%	2016	\$ 1,580,000	\$ -	\$ (125,000)	\$ 1,455,000	\$ 130,000
Series 2004 City-wide Radio Refunding	2.50 - 3.75%	2011	775,000	-	(145,000)	630,000	150,000
Series 2003 HRC Land Acquisition	2.00 - 3.60%	2015	755,000	-	(75,000)	680,000	75,000
Total general obligation bonds			3,110,000	-	(345,000)	2,765,000	355,000
<u>Special Assessment Bonds</u>							
Series 1994 Eagle Street Improvements	6.30%	2009	18,000	-	(6,000)	12,000	6,000
Series 1995 Canterbury Court	5.50%	2010	42,000	-	(10,500)	31,500	10,500
Series 1998 West Yates Improvements	3.65 - 4.50%	2008	40,000	-	(20,000)	20,000	20,000
Series 2001 Rockwell Avenue Improvements	4.70%	2011	72,750	-	(14,550)	58,200	14,550
Series 2002 Hunters Creek Swale	5.25%	2012	25,890	-	(4,315)	21,575	4,315
Series 2003 East Melrose Business Park	8.43%	2013	25,585	-	(3,655)	21,930	3,655
Series 2005 Sidewalk Program	4.00%	2007	64,650	-	(64,650)	-	-
Total special assessment bonds			288,875	-	(123,670)	165,205	59,020
<u>OPWC Loans</u>							
Crystal/Melrose Intersection	0%	2024	126,000	-	(7,200)	118,800	7,200
Howard Street Improvements	0%	2026	145,921	-	(7,483)	138,438	7,483
Total OPWC loans payable			271,921	-	(14,683)	257,238	14,683
<u>Other Long-Term Obligations</u>							
Police and Fire Past Service Liability	4.30%	2035	1,229,271	-	(22,867)	1,206,404	23,849
Compensated Absences			3,256,511	2,037,108	(1,624,358)	3,669,261	1,510,428
Total other long-term obligations			4,485,782	2,037,108	(1,647,225)	4,875,665	1,534,277
Total governmental activities							
long-term obligations			8,156,578	\$ 2,037,108	\$ (2,130,578)	8,063,108	\$ 1,962,980
Add: Unamortized premium on bond issue			89,897			78,989	
Less: Unamortized deferred charges on refundings			(159,381)			(137,357)	
Total reported on the Statement of Net Assets			\$ 8,087,094			\$ 8,004,740	

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Series 2004 Various Purpose Bonds (Fire Improvement Refunding Portion)

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (also see Note 13.B). A portion of the proceeds, \$1,615,000, were used to advance refund the callable portion of the Series 1996 Fire Improvement Bonds (principal \$1,525,000) by purchasing State and Local Government Securities (SLGS) that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds is July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements. The balance of the refunded bonds was \$1,410,000 at December 31, 2007.

The refunding issue is comprised of current interest serial bonds, par value \$1,615,000. During 2007, the City made principal payments of \$125,000 on these bonds leaving a liability at year-end of \$1,455,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2016. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

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

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (also see Note 13.B). A portion of the proceeds, \$805,000, were used to advance refund the callable portion of the Series 1996 City-wide Radio System Bonds (principal \$745,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds is July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements. The balance of the refunded bonds was \$610,000 at December 31, 2007.

The refunding issue is comprised of current interest serial bonds, par value \$805,000. During 2007, the City made principal payments of \$145,000 on these bonds leaving a liability at year-end of \$630,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2011. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Series 2003 Various Purpose Bonds (HRC Land Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (also see Note 13.B). A portion of the proceeds, \$956,500, were used to reimburse the general fund for the purchase of land adjacent to the Hancock Recreation Center. During 2007, the City made \$75,000 in principal payments on these bonds leaving a liability of \$680,000 at year-end. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund). The bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2015. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Special Assessment Bonds

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

Ohio Public Works Commission (OPWC) Loans

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

Police and Fire Past Service Liability

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

Compensated Absences

Compensated absences consist of vacation, holivac compensatory time and floating holiday balances due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K. Compensated absences will be paid from the general fund and the Street Construction and Repair fund.

Future Debt Service Requirements

The following is a schedule of future principal and interest payments to retire the governmental activities general obligation bonds, special assessment bonds and OPWC loans outstanding at December 31, 2007:

Year	General Obligation Bonds			Special Assessment Bonds			OPWC
	Principal	Interest	Total	Principal	Interest	Total	Loans Principal
2008	\$ 355,000	\$ 105,978	\$ 460,978	\$ 59,020	\$ 9,111	\$ 68,131	\$ 14,683
2009	365,000	95,609	460,609	39,020	6,034	45,054	14,683
2010	395,000	83,149	478,149	33,020	3,857	36,877	14,683
2011	405,000	69,311	474,311	22,520	2,062	24,582	14,684
2012	250,000	53,060	303,060	7,970	842	8,812	14,683
2013 - 2017	995,000	111,682	1,106,682	3,655	308	3,963	73,416
2018 - 2022	-	-	-	-	-	-	73,416
2023 - 2026	-	-	-	-	-	-	36,990
Totals	<u>\$2,765,000</u>	<u>\$ 518,789</u>	<u>\$3,283,789</u>	<u>\$ 165,205</u>	<u>\$ 22,214</u>	<u>\$ 187,419</u>	<u>\$ 257,238</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-type activities

During fiscal 2007, the following changes occurred in the City's business-type activities long-term obligations:

<i>Business-Type Activities:</i>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>12/31/06</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/07</u>	<u>Due in</u> <u>One Year</u>
<u>General Obligation Bonds:</u>							
Series 2003 Water Refunding	2.25 - 3.375%	2009	\$ 3,630,000	\$ -	\$ (1,185,000)	\$ 2,445,000	\$ 1,210,000
Series 2003 Sewer Refunding	2.00 - 5.00%	2011	3,275,000	-	(625,000)	2,650,000	635,000
Series 2003 Water Refunding	2.00 - 4.00%	2018	3,160,000	-	(220,000)	2,940,000	225,000
Series 2004 Northern Corridor Sewer Refunding	2.50 - 5.25%	2017	6,370,000	-	(430,000)	5,940,000	445,000
Series 2004 Aircraft Fueling System Refunding	2.50 - 3.75%	2012	260,000	-	(40,000)	220,000	45,000
Series 2004 Water Pump Station Refunding	2.50 - 5.25%	2016	1,360,000	-	(110,000)	1,250,000	110,000
Series 1998 Water Improvement	3.65 - 4.90%	2018	<u>2,490,000</u>	<u>-</u>	<u>(160,000)</u>	<u>2,330,000</u>	<u>170,000</u>
Total general obligation bonds			<u>20,545,000</u>	<u>-</u>	<u>(2,770,000)</u>	<u>17,775,000</u>	<u>2,840,000</u>
<u>OWDA Loans:</u>							
Bright Road Interceptor and							
Sewer Separation	1.73%	2023	3,053,987	-	(161,417)	2,892,570	164,222
Sewer System Improvements	4.36%	2021	26,763,206	-	(1,296,610)	25,466,596	1,353,760
Sewer Treatment Plant Improvements	4.80%	2011	661,303	-	(120,021)	541,282	125,850
Water Plant Improvements	3.25%		<u>3,875,009</u>	<u>154,580</u>	<u>(148,453)</u>	<u>3,881,136</u>	<u>76,041</u>
Total OWDA loans			<u>34,353,505</u>	<u>154,580</u>	<u>(1,726,501)</u>	<u>32,781,584</u>	<u>1,719,873</u>
<u>Other long-term obligations:</u>							
OPWC loans	0%	2019-2025	588,873	174,940	(36,416)	727,397	42,641
Compensated absences			<u>723,949</u>	<u>455,270</u>	<u>(340,968)</u>	<u>838,251</u>	<u>397,344</u>
Total other long-term obligations			<u>1,312,822</u>	<u>630,210</u>	<u>(377,384)</u>	<u>1,565,648</u>	<u>439,985</u>
Total business-type activities							
long-term obligations			56,211,327	<u>\$ 784,790</u>	<u>\$ (4,873,885)</u>	52,122,232	<u>\$ 4,999,858</u>
Add: Unamortized premium on bonds			514,810			434,777	
Less: Unamortized deferred charges on refundings			<u>(1,172,387)</u>			<u>(970,118)</u>	
Total reported on Statement of Net Assets			<u>\$ 55,553,750</u>			<u>\$ 51,586,891</u>	

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Series 2003 Water Refunding Bonds

On August 28, 2003, the City issued general obligation bonds to currently refund the callable portion of the Series 1995 Waterworks System Refunding Revenue Bonds (principal \$8,565,000; average interest rate 5.09%). The issuance proceeds were used to repay the callable portion of the 1995 bonds on the call date which was November 1, 2003. This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets. The balance of the refunded bonds was \$3,150,000 at December 31, 2007; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$7,045,000. During 2007, the City made principal payments of \$1,185,000 on these bonds leaving a liability at year-end of \$2,445,000. Principal and interest payments are made from the Water fund. The refunding bonds pay interest semiannually on May 1 and November 1 of each year and mature on November 1, 2009. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Series 2003 Various Purpose Bonds (Sewer Refunding Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (also see Note 13.A). A portion of the proceeds, \$5,070,000, were used to currently refund the callable portion of the Series 1993 Sewer Refunding Bonds (principal \$5,425,000, average interest rate 5.447%). This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets. The balance of the refunded bonds was \$2,720,000 at December 31, 2007; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$5,070,000. During 2007, the City made principal payments of \$625,000 on these bonds leaving a liability at year-end of \$2,650,000. Principal and interest payments are made from the Water Pollution Control fund. The refunding bonds pays interest semiannually on January 1 and July 1 of each year and mature on July 1, 2011. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Series 2003 Various Purpose Bonds (Water Refunding Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (also see Note 13.A). A portion of the proceeds, \$3,785,000, were used to currently refund the callable portion of the Series 1993 Water Improvement Bonds (principal \$3,690,000, average interest rate 5.526%). The issuance proceeds were used to repay the callable portion of the 1993 bonds on the call date which was July 1, 2003. This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets. The balance of the refunded bonds was \$2,970,000 at December 31, 2007; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$3,785,000. During 2007, the City made principal payments of \$220,000 on these bonds leaving a liability at year-end of \$2,940,000. Principal and interest payments are made from the Water fund. The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2018. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (also see Note 13.A). A portion of the proceeds, \$6,480,000, were used to advance refund the callable portion of the Series 1996 Northern Corridor Sewer Bonds (principal \$6,085,000) by purchasing State and Local Government Securities (SLGS) that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds was July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements. The balance of the refunded bonds was \$5,670,000 at December 31, 2007; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$6,480,000. During 2007, the City made principal payments of \$430,000 on these bonds leaving a liability at year-end of \$5,940,000. Principal and interest payments are made from the Water Pollution Control fund. The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2017. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

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

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (also see Note 13.A). A portion of the proceeds, \$270,000, were used to advance refund the callable portion of the Series 1996 Aircraft Refueling System Bonds (principal \$250,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds was July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements. The balance of the refunded bonds was \$215,000 at December 31, 2007; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$270,000. During 2007, the City made principal payments of \$40,000 these bonds leaving a liability at year-end of \$220,000. Principal and interest payments are made from the Airport fund. The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2012. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (also see Note 13.A). A portion of the proceeds, \$1,390,000, were used to advance refund the callable portion of the Series 1996 Water Pump Station Bonds (principal \$1,310,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds was July 1, 2006. The refunded bonds were not included in the City's outstanding debt since the City has satisfied its obligations through the advance refunding (in-substance defeased). The assets held in trust as a result of the advance refunding are not included in the financial statements. The balance of the refunded bonds was \$1,210,000 at December 31, 2007; however, this amount is not an obligation of the City as it was in-substance defeased as a result of the advance refunding.

The refunding issue is comprised of current interest serial bonds, par value \$1,390,000. During 2007, the City made principal payments of \$110,000 on these bonds leaving a liability at year-end of \$1,250,000. Principal and interest payments are being made from the Water fund. The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2016. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Series 1998 Water Improvement Bonds

On September 1, 1998, these bonds were issued for the purpose of providing funds to pay the costs of improving the City's municipal water system. The bonds are backed by the full faith and credit of the City of Findlay. Interest on the bonds is payable semiannually. Interest rates range from 3.65% to 4.90%. During 2007, the City made principal payments of \$160,000 on these bonds leaving a liability at year-end of \$2,330,000. The principal and interest payments are made from the Water fund.

Ohio Water Development Authority (OWDA) Loans

The City is eligible to borrow funds under the Water Pollution Control Loan Fund Agreement (WPCLFA) with the Ohio Water Development Authority to pay the approved eligible project costs of designing improvements to and extensions of the City's municipal sewerage system, including main sewer lines and additions to the City's water pollution control plant. In addition, the City has also borrowed funds through the OWDA (not part of the WPCLFA) to finance water treatment plant improvements.

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

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

On December 8, 2005, the City entered into a financing agreement with OWDA to borrow up to \$4,103,069 for water treatment plant improvements. The loan bears interest at 3.25% with principal and interest payments due semi-annually on January 1 and July 1 of each year. The term of the loan is 20 years. A total of \$3,881,136 (including capitalized interest) has been borrowed under this agreement as of December 31, 2007. Since this loan is currently open as of year-end (final disbursements have not been made by OWDA) a final amortization schedule is not presented below; however, the City is required to make principal and interest payments on the total amount awarded rather than on the amount actually borrowed as of year end until the project is complete. During 2007, the City recorded proceeds from this loan of \$154,580 and made principal payments of \$148,453. Principal and interest payments are made from the Water fund. The estimated principal payments due on this loan for 2008 have been included in the amount of the long-term liability that is due in one year.

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance various water improvement projects. These loans are interest free and have twenty year terms. The OPWC loans are being retired out of the Water fund. During 2007, the City entered into a new loan agreement to finance West Melrose waterline replacement and resurfacing. The City can borrow up to \$249,000 under the loan; however, only \$174,940 was received in 2007. Since this loan is currently open as of year-end (the City has not received all loan proceeds) a final amortization schedule is not presented below; however, the City is required to make principal and interest payments based upon the amounts actually borrowed. The estimated principal payments due on this loan for 2008 have been included in the amount of the long-term liability that is due in one year.

Compensated Absences

Compensated absences consist of vacation, holivac, compensatory time and floating holiday balances due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K). Compensated absences will be paid from the Water fund, Water Pollution Control fund, Airport fund and the Parking fund (a nonmajor enterprise fund).

Future Debt Service Requirements

The following is a schedule of the future principal and interest payments to retire the business-type activities long-term bonds and loans at December 31, 2007. Amounts for OWDA and OPWC loans are presented to the extent that the loans are finalized and a final amortization schedule is available.

Year	General Obligation Bonds			OWDA Loans			OPWC Loans
	Principal	Interest	Total	Principal	Interest	Total	Principal
2008	\$ 2,840,000	\$ 707,796	\$ 3,547,796	\$ 1,643,832	\$ 1,169,571	\$ 2,813,403	\$ 36,416
2009	2,905,000	623,527	3,528,527	1,712,466	1,100,937	2,813,403	36,416
2010	1,800,000	518,958	2,318,958	1,784,077	1,029,325	2,813,402	36,416
2011	1,880,000	446,985	2,326,985	1,858,792	954,611	2,813,403	36,416
2012	1,230,000	363,215	1,593,215	1,784,613	878,450	2,663,063	36,416
2013 - 2017	6,530,000	1,305,445	7,835,445	10,098,142	3,217,174	13,315,316	182,080
2018 - 2022	590,000	25,985	615,985	9,912,663	953,144	10,865,807	153,297
2023 - 2025	-	-	-	105,863	916	106,779	35,000
Totals	<u>\$ 17,775,000</u>	<u>\$ 3,991,911</u>	<u>\$ 21,766,911</u>	<u>\$ 28,900,448</u>	<u>\$ 9,304,128</u>	<u>\$ 38,204,576</u>	<u>\$ 552,457</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - PENSION PLANS

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement under the Traditional Pension Plan, were required to contribute 9.5% of their annual covered salaries. Members participating in the Traditional Pension Plan that were in law enforcement contributed 10.1% of their annual covered salary. The City's contribution rate for pension benefits for 2007 was 8.85% for the period January 1, 2007 through June 30, 2007 and 7.85% for the period July 1, 2007 through December 31, 2007, except for those plan members in law enforcement and public safety. For those classifications, the City's pension contributions were 12.17% of covered payroll for the period January 1, 2007 through June 30, 2007 and 11.17% of covered payroll for the period July 1, 2007 through December 31, 2007. The Ohio Revised Code provides statutory authority for member and employer contributions. The City's required contributions to OPERS for the Traditional Pension and Combined Plans for the years ended December 31, 2007, 2006, and 2005 were \$1,439,586, \$1,363,352, and \$1,336,521, respectively; equal to the required employer contribution which is also 100% of the dollar amount billed by OPERS.

B. Ohio Police and Fire Pension Fund

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 14 - PENSION PLANS - (Continued)

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.5% and 24.0% for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75% for police officers and 17.25% for firefighters. The City's required contributions to OP&F for the years ended December 31, 2007, 2006 and 2005, were \$1,721,197, \$1,650,820, and \$1,646,196, respectively, equal to their required contribution for each year.

NOTE 15 - POST-EMPLOYMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-employment health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. The health care coverage provided by OPERS is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the Traditional Pension or Combined Plans is set aside for the funding of post-employment health care based on authority granted by State statute. The 2007 local government employer contribution rate was 13.85% of covered payroll (17.17% for public safety and law enforcement); 5.00% of covered payroll was the portion that was used to fund health care for the period January 1, 2007 through June 30, 2007 and 6.00% of covered payroll was the portion that was used to fund health care for the period July 1, 2007 through December 31, 2007.

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus an additional factor ranging from .50% to 5.00% for the next eight years. In subsequent years, (nine and beyond) health care costs were assumed to increase at 4.00%.

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

The number of active contributing participants in the Traditional Pension and Combined Plans was 374,979 as of December 31, 2007. The City's actual employer contributions for 2007 which were used to fund post-employment benefits were \$571,659. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006 (the latest information available) were \$12.0 billion. At December 31, 2006 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 15 - POST-EMPLOYMENT BENEFIT PLANS - (Continued)

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by OP&F is considered an Other Post-employment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Post-employment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 6.75% of covered payroll was applied to the post-employment health care program during 2007. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2007 that were used to fund post-employment benefits were \$268,697 for police officers and \$271,438 for firefighters. The OP&F's total health care expense for the year ended December 31, 2006 (the latest information available) was \$120.374 million, which was net of member contributions of \$58.533 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006 (the latest information available), was 14,120 for police officers and 10,563 for firefighters.

NOTE 16 - CONTINGENCIES

A. Grants

The City receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2007.

B. Contracts

As of December 31, 2007, the City had approximately \$2,072,089 open on outstanding purchase orders and contracts. Of this amount, \$1,627,142 related to ongoing capital projects and the remaining amount of \$444,947 was for various departmental purchase orders outstanding at year-end.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 16 - CONTINGENCIES - (Continued)

The City had no material operating lease commitments at December 31, 2007.

C. Litigation

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

NOTE 17 – IMPAIRMENT OF CAPITAL ASSETS

During 2007, the City had two buildings that were impaired by a flood. The Anchor Teen Center and the City Health Department facility were determined to be permanently impaired with no value remaining at December 31, 2007. The Health Department facility was demolished in 2007 and the Anchor Teen center was demolished in 2008. These buildings had a cost and accumulated depreciation of \$153,239 and \$33,825, respectively, at the time of the impairment. A loss for the impairment of the buildings in the amount of \$119,414 has been included in the extraordinary loss related to flood damage (see Note 2.T).

NOTE 18 – COMPLIANCE

The City had appropriations in excess of estimated resources in non-compliance with Ohio Revised Code Sections 5705.39 and 5705.36.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Assets:		
Equity in pooled cash and cash equivalents.	\$ 12,712,561	\$ 12,605,578
Cash in segregated accounts.	20,269	10,269
Cash with escrow agent.	92,217	23,180
Receivables (net of allowances of uncollectibles).	2,799,326	2,977,568
Interfund loan receivable	2,365	4,729
Due from other governments	2,199,170	1,419,338
Prepayments	70,916	70,046
Total assets.	<u>\$ 17,896,824</u>	<u>\$ 17,110,708</u>
Liabilities:		
Accounts payable	\$ 1,198,178	\$ 1,090,052
Contracts payable	247,663	50,077
Accrued wages and benefits	496,991	455,474
Retainage payable	92,217	23,180
Due to other governments	7,682	6,023
Insurance deposits payable.	601,699	956,622
Deferred revenue	3,233,214	3,386,995
Accrued interest payable	39,633	-
Notes payable	5,945,000	4,270,000
Total liabilities	<u>11,862,277</u>	<u>10,238,423</u>
Fund balance:		
Reserved for encumbrances	1,124,561	2,285,385
Reserved for prepayments	70,916	70,046
Unreserved, undesignated	4,839,070	4,516,854
Total fund balance.	<u>6,034,547</u>	<u>6,872,285</u>
Total liabilities and fund balance	<u>\$ 17,896,824</u>	<u>\$ 17,110,708</u>

CITY OF FINDLAY, OHIO

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

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 2,271,492	\$ 1,937,480
Cash with escrow agent	165,751	72,760
Receivables (net of allowances of uncollectibles).	17,160	13,880
Due from other governments	633,215	513,189
Prepayments	13,604	12,965
Materials and supplies inventory	245,927	245,927
	<hr/>	<hr/>
Total assets.	\$ 3,347,149	\$ 2,796,201
	<hr/>	<hr/>
Liabilities:		
Accounts payable	\$ 167,595	\$ 126,679
Contracts payable	173,604	70,985
Retainage payable	165,751	72,760
Accrued wages and benefits	59,018	50,195
Insurance deposits payable.	74,389	124,728
Deferred revenue	422,946	383,726
Accrued interest payable	30,567	-
Notes payable	4,585,000	680,000
	<hr/>	<hr/>
Total liabilities	5,678,870	1,509,073
	<hr/>	<hr/>
Fund balance:		
Reserved for encumbrances	477,603	822,494
Reserved for prepayments	13,604	12,965
Reserved for materials and supplies inventory.	245,927	245,927
Unreserved, undesignated (deficit)	(3,068,855)	205,742
	<hr/>	<hr/>
Total fund balance (deficit)	(2,331,721)	1,287,128
	<hr/>	<hr/>
Total liabilities and fund balance (deficit)	\$ 3,347,149	\$ 2,796,201
	<hr/>	<hr/>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
CITY INCOME TAX ADMINISTRATION FUND

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 371,776	\$ 368,232
Receivables (net of allowances of uncollectibles)	2,618,920	2,727,867
Prepayments	1,165	1,159
Restricted assets:		
Equity in pooled cash and cash equivalents	<u>1,458,449</u>	<u>1,240,130</u>
Total assets	<u>\$ 4,450,310</u>	<u>\$ 4,337,388</u>
Liabilities:		
Accounts payable	\$ 21,002	\$ 21,503
Accrued wages and benefits	6,594	6,612
Insurance deposits payable	10,457	17,623
Deferred revenue	<u>1,261,982</u>	<u>1,228,860</u>
Total liabilities	<u>1,300,035</u>	<u>1,274,598</u>
Fund balance:		
Reserved for encumbrances	4,048	31,872
Reserved for prepayments	1,165	1,159
Reserved for capital improvements	1,458,449	1,240,130
Unreserved, undesignated	<u>1,686,613</u>	<u>1,789,629</u>
Total fund balance	<u>3,150,275</u>	<u>3,062,790</u>
Total liabilities and fund balance	<u>\$ 4,450,310</u>	<u>\$ 4,337,388</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 2,735,451	\$ 2,765,522	\$ 2,645,547	\$ (119,975)	\$ 2,575,307
Charges for services	1,987,400	1,851,827	1,879,613	27,786	1,217,693
Licenses and permits.	332,000	332,000	348,671	16,671	326,340
Fines and forfeitures.	605,200	1,205,200	1,115,732	(89,468)	1,170,267
Intergovernmental	2,047,638	2,383,875	2,713,734	329,859	3,756,671
Investment income	750,000	889,304	1,044,899	155,595	866,093
Rental income.	50,700	50,700	57,231	6,531	50,900
Contributions and donations	-	100,000	160,000	60,000	5,269
Reimbursements.	738,600	884,729	922,229	37,500	835,261
Other	-	4,240	35,532	31,292	160,311
Total revenues	9,246,989	10,467,397	10,923,188	455,791	10,964,112
Expenditures:					
General government					
Council	213,067	213,067	208,750	4,317	205,571
Mayors office	183,046	183,045	166,896	16,149	174,334
Auditor/treasurer	500,307	500,307	495,794	4,513	465,135
Law director	528,421	681,659	663,833	17,826	493,971
Municipal court.	1,306,872	1,306,873	1,207,616	99,257	1,138,975
Civil service.	88,451	88,451	67,173	21,278	53,403
Computer services	436,161	423,008	368,667	54,341	354,576
Service and safety directors.	346,781	327,076	285,605	41,471	278,415
Engineering department	1,091,133	1,091,132	862,690	228,442	876,163
General miscellaneous operations	1,648,374	1,763,539	1,583,008	180,531	803,191
Public building department.	393,189	447,122	418,263	28,859	345,564
Total general government	6,735,802	7,025,279	6,328,295	696,984	5,189,298
Security of persons and property					
Police department.	6,782,897	6,788,041	6,480,223	307,818	7,027,654
Disaster services	27,533	27,533	19,685	7,848	24,789
Fire department.	6,617,137	6,698,299	6,501,342	196,957	6,164,532
Dispatch	799,088	894,110	796,051	98,059	712,888
Total security of persons and property	14,226,655	14,407,983	13,797,301	610,682	13,929,863
Public health and welfare					
Planning and zoning	112,747	112,747	112,485	262	115,211
Public health department	1,032,486	1,079,693	1,033,070	46,623	960,405
Building and zoning department	96,338	119,043	112,407	6,636	74,620
Neighborhood Enhancement and Abatement Team (NEAT)	124,023	124,023	73,867	50,156	79,954
Cemetery department	318,003	318,003	253,617	64,386	237,271
Total public health and welfare.	1,683,597	1,753,509	1,585,446	168,063	1,467,461

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CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Leisure time activities					
Park maintenance.	890,878	875,678	686,340	189,338	692,779
Reservoir recreation	1,017	10,017	4,450	5,567	3,215
CUBE.	463,834	470,834	399,660	71,174	280,606
Recreation department	366,026	366,026	317,750	48,276	291,136
Total leisure time activities	1,721,755	1,722,555	1,408,200	314,355	1,267,736
Capital outlay					
Security of persons and property.	-	257,212	257,212	-	717,355
Public health and welfare	-	154,950	154,950	-	586,853
Leisure time activities	-	3,454,499	3,454,499	-	2,365,350
General government	-	1,452,245	1,452,245	-	1,633,165
Total capital outlay	-	5,318,906	5,318,906	-	5,302,723
Debt service					
Interest and fiscal charges	-	297,867	297,867	-	-
Note issuance costs	-	7,236	7,236	-	-
Total debt service	-	305,103	305,103	-	-
Total other	-	305,103	305,103	-	-
Total expenditures	24,367,809	30,533,335	28,743,251	1,790,084	27,157,081
Excess (deficiency) of revenues over (under) expenditures	(15,120,820)	(20,065,938)	(17,820,063)	2,245,875	(16,192,969)
Other financing sources (uses):					
Premium on notes sold.	-	36,378	36,378	-	36,177
Transfers in	13,240,040	18,414,383	18,441,637	27,254	16,083,361
Transfers out	(870,000)	(1,303,736)	(1,303,736)	-	(1,266,180)
Total other financing sources (uses).	12,370,040	17,147,025	17,174,279	27,254	14,853,358
Extraordinary item:					
Loss due to flood damage	-	-	(192,824)	192,824	-
Net change in fund balance	(2,750,780)	(2,918,913)	(838,608)	2,465,953	(1,339,611)
Fund balance at beginning of year	6,872,285	6,872,285	6,872,285	-	8,245,586
Increase (decrease) in reserve for prepaids.	870	870	870	-	(33,690)
Fund balance at end of year.	\$ 4,122,375	\$ 3,954,242	\$ 6,034,547	\$ 2,465,953	\$ 6,872,285

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 8,000	\$ 9,695	\$ 121,429	\$ 111,734	\$ 10,454
Intergovernmental	1,905,500	2,302,692	2,244,510	(58,182)	2,860,102
Investment income	-	127,270	127,270	-	5,867
Reimbursements.	2,000	14,004	20,308	6,304	-
Other	27,600	27,600	46,849	19,249	132,509
Total revenues	1,943,100	2,481,261	2,560,366	79,105	3,008,932
Expenditures:					
Security of persons and property					
Traffic signs.	-	-	-	-	66
Total security of persons and property	-	-	-	-	66
Transportation					
Street department.	2,643,510	2,416,242	2,179,697	236,545	1,941,842
Traffic signals.	580,251	557,156	493,651	63,505	450,696
Total transportation.	3,223,761	2,973,398	2,673,348	300,050	2,392,538
Capital outlay					
Street improvements	-	5,787,251	5,775,970	11,281	3,431,186
Traffic signals	-	58,763	58,763	-	585,752
Storm sewers.	-	47,956	47,956	-	72,665
Total capital outlay	-	5,893,970	5,882,689	11,281	4,089,603
Debt service					
Interest and fiscal charges	-	187,636	187,636	-	-
Note issuance costs	-	3,048	3,048	-	-
Total debt service	-	190,684	190,684	-	-
Total expenditures	3,223,761	9,058,052	8,746,721	311,331	6,482,207
(Deficiency) of revenues (under) expenditures	(1,280,661)	(6,576,791)	(6,186,355)	390,436	(3,473,275)
Other financing sources (uses):					
Premium on notes sold	-	32,828	32,828	-	3,080
Issuance of OPWC loans	-	-	-	-	149,663
Transfers in	700,000	2,569,655	2,569,655	-	3,755,365
Transfers out	-	(35,616)	(35,616)	-	(184,620)
Total other financing sources (uses)	700,000	2,566,867	2,566,867	-	3,723,488
Net change in fund balance	(580,661)	(4,009,924)	(3,619,488)	390,436	250,213
Fund balance at beginning of year	1,287,128	1,287,128	1,287,128	-	977,062
Increase in reserve for inventory.	-	-	-	-	66,044
Increase (decrease) in reserve for prepaids	639	639	639	-	(6,191)
Fund balance (deficit) at end of year.	\$ 707,106	\$ (2,722,157)	\$ (2,331,721)	\$ 390,436	\$ 1,287,128

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Municipal income taxes	\$ 16,480,000	\$ 17,000,000	\$ 21,043,910	\$ 4,043,910	\$ 18,546,064
Charges for services	-	-	11,192	11,192	11,624
Other	-	-	856	856	586
Total revenues	<u>16,480,000</u>	<u>17,000,000</u>	<u>21,055,958</u>	<u>4,055,958</u>	<u>18,558,274</u>
Expenditures:					
General government	899,929	899,929	882,003	17,926	821,908
Debt service					
Principal retirement	-	-	-	-	2,020
Interest and fiscal charges	-	-	-	-	70
Total expenditures	<u>899,929</u>	<u>899,929</u>	<u>882,003</u>	<u>17,926</u>	<u>823,998</u>
Excess of revenues over expenditures	<u>15,580,071</u>	<u>16,100,071</u>	<u>20,173,955</u>	<u>4,073,884</u>	<u>17,734,276</u>
Other financing sources (uses):					
Transfers in	-	338,748	338,748	-	494,379
Transfers out	<u>(12,300,000)</u>	<u>(20,425,224)</u>	<u>(20,425,224)</u>	<u>-</u>	<u>(18,224,264)</u>
Total other financing sources (uses)	<u>(12,300,000)</u>	<u>(20,086,476)</u>	<u>(20,086,476)</u>	<u>-</u>	<u>(17,729,885)</u>
Net change in fund balance	3,280,071	(3,986,405)	87,479	4,073,884	4,391
Fund balance at beginning of year	3,062,790	3,062,790	3,062,790	-	3,058,914
Increase (decrease) in reserve for prepaids	6	6	6	-	(515)
Fund balance at end of year	<u>\$ 6,342,867</u>	<u>\$ (923,609)</u>	<u>\$ 3,150,275</u>	<u>\$ 4,073,884</u>	<u>\$ 3,062,790</u>

CITY OF FINDLAY, OHIO

Nonmajor Special Revenue Funds

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

State Highway:

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

County Permissive Motor Vehicle License (MVL) Tax:

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

Drug Law Enforcement:

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

Law Enforcement Trust:

To account for monies collected from the sale of contraband.

Indigent Drivers Alcohol Treatment:

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

METRICH Drug Law Enforcement Trust:

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

Enforcement and Education:

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

Police Pension:

To account for a 0.3 mill real estate tax levy.

Fire Pension:

To account for a 0.3 mill real estate tax levy.

Revolving Loan:

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

Court Computerization:

To account for monies received for specific court costs that are designated for funding the acquisition and maintenance of computerized equipment or software for courts.

Legal Research:

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

Mediation Services:

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

CITY OF FINDLAY, OHIO

Nonmajor Special Revenue Funds (Continued)

Nonmajor Debt Service Funds

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

Debt Service:

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

Nonmajor Capital Projects Funds

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

Municipal Court Improvements:

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

Capital Improvement Projects:

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

Nonmajor Permanent Fund

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

Cemetery Trust:

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

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents.	\$ 827,406	\$ 73,296	\$ 835,424	\$ 1,082,017	\$ 2,818,143
Cash in segregated accounts.	186,834	-	-	-	186,834
Cash with fiduciary agent	594,029	-	-	-	594,029
Cash with escrow agent.	-	35,770	-	-	35,770
Receivables (net of allowances of uncollectibles).	1,374,987	204,956	-	10,992	1,590,935
Due from other governments	64,887	-	-	-	64,887
Total assets	\$ 3,048,143	\$ 314,022	\$ 835,424	\$ 1,093,009	\$ 5,290,598
Liabilities:					
Accounts payable	\$ 1,105	\$ -	\$ -	\$ -	\$ 1,105
Interfund payable	-	-	2,365	-	2,365
Matured bonds payable	-	35,770	-	-	35,770
Deferred revenue	618,912	117,555	-	350	736,817
Total liabilities	620,017	153,325	2,365	350	776,057
Fund balance:					
Reserved for encumbrances.	-	-	6,960	-	6,960
Reserved for loans receivable.	808,977	-	-	-	808,977
Reserved for debt service.	-	160,697	-	-	160,697
Reserved for perpetual care.	-	-	-	1,082,017	1,082,017
Unreserved, undesignated, reported in:					
Special revenue funds	1,619,149	-	-	-	1,619,149
Permanent funds.	-	-	-	10,642	10,642
Capital projects funds	-	-	826,099	-	826,099
Total fund balance.	2,428,126	160,697	833,059	1,092,659	4,514,541
Total liabilities and fund balance	\$ 3,048,143	\$ 314,022	\$ 835,424	\$ 1,093,009	\$ 5,290,598

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property and other local taxes	\$ 524,798	\$ -	\$ -	\$ -	\$ 524,798
Charges for services	-	-	-	41,100	41,100
Fines and forfeitures	88,626	-	35,575	-	124,201
Intergovernmental	404,795	-	-	-	404,795
Special assessments	-	100,957	2,593	-	103,550
Investment income	23,410	-	-	55,051	78,461
Total revenues	<u>1,041,629</u>	<u>100,957</u>	<u>38,168</u>	<u>96,151</u>	<u>1,276,905</u>
Expenditures:					
Current:					
General government	57,457	-	-	-	57,457
Security of persons and property.	15,579	-	-	-	15,579
Public health and welfare.	-	-	-	51,083	51,083
Transportation	20,338	-	-	-	20,338
Capital outlay	83,997	-	82,927	-	166,924
Debt service:					
Principal retirement	-	483,353	-	-	483,353
Interest and fiscal charges.	-	131,223	229	-	131,452
Total expenditures.	<u>177,371</u>	<u>614,576</u>	<u>83,156</u>	<u>51,083</u>	<u>926,186</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>864,258</u>	<u>(513,619)</u>	<u>(44,988)</u>	<u>45,068</u>	<u>350,719</u>
Other financing sources (uses):					
Transfers in	47,290	562,660	62,000	-	671,950
Transfers out	<u>(580,094)</u>	<u>(87,514)</u>	<u>-</u>	<u>-</u>	<u>(667,608)</u>
Total other financing sources (uses)	<u>(532,804)</u>	<u>475,146</u>	<u>62,000</u>	<u>-</u>	<u>4,342</u>
Net change in fund balances	331,454	(38,473)	17,012	45,068	355,061
Fund balances at beginning of year	<u>2,096,672</u>	<u>199,170</u>	<u>816,047</u>	<u>1,047,591</u>	<u>4,159,480</u>
Fund balances at end of year.	<u>\$ 2,428,126</u>	<u>\$ 160,697</u>	<u>\$ 833,059</u>	<u>\$ 1,092,659</u>	<u>\$ 4,514,541</u>

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2006)

	<u>State Highway</u>	<u>County Permissive MVL Tax</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 339,071	\$ 58,865	\$ 15,842	\$ 2,436
Cash in segregated accounts	-	-	-	-
Cash with fiduciary agent.	-	594,029	-	-
Receivables (net of allowances of uncollectibles)	-	-	-	-
Due from other governments.	44,887	-	-	-
Total assets	<u>\$ 383,958</u>	<u>\$ 652,894</u>	<u>\$ 15,842</u>	<u>\$ 2,436</u>
Liabilities:				
Accounts payable.	\$ 1,105	\$ -	\$ -	\$ -
Deferred revenue	32,902	-	-	-
Total liabilities.	<u>34,007</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Reserved for loans receivable	-	-	-	-
Unreserved, undesignated	349,951	652,894	15,842	2,436
Total fund balance	<u>349,951</u>	<u>652,894</u>	<u>15,842</u>	<u>2,436</u>
Total liabilities and fund balance	<u>\$ 383,958</u>	<u>\$ 652,894</u>	<u>\$ 15,842</u>	<u>\$ 2,436</u>

Indigent Drivers Alcohol Treatment	METRICH Drug Law Enforcement Trust	Enforcement and Education	Police Pension	Fire Pension	Revolving Loan	Court Computerization
\$ 136,452	\$ 2,863	\$ 51,061	\$ -	\$ -	\$ -	\$ 46,285
-	-	-	-	-	186,834	-
-	-	-	-	-	-	-
-	-	-	283,005	283,005	808,977	-
-	-	-	10,000	10,000	-	-
<u>\$ 136,452</u>	<u>\$ 2,863</u>	<u>\$ 51,061</u>	<u>\$ 293,005</u>	<u>\$ 293,005</u>	<u>\$ 995,811</u>	<u>\$ 46,285</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	293,005	293,005	-	-
-	-	-	293,005	293,005	-	-
-	-	-	-	-	808,977	-
136,452	2,863	51,061	-	-	186,834	46,285
<u>136,452</u>	<u>2,863</u>	<u>51,061</u>	<u>-</u>	<u>-</u>	<u>995,811</u>	<u>46,285</u>
<u>\$ 136,452</u>	<u>\$ 2,863</u>	<u>\$ 51,061</u>	<u>\$ 293,005</u>	<u>\$ 293,005</u>	<u>\$ 995,811</u>	<u>\$ 46,285</u>

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CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2006)

	Legal Research	Mediation Services	Totals	
			2007	2006
Assets:				
Equity in pooled cash and cash equivalents	\$ 93,681	\$ 80,850	\$ 827,406	\$ 617,140
Cash in segregated accounts	-	-	186,834	125,759
Cash with fiduciary agent.	-	-	594,029	482,331
Receivables (net of allowances of uncollectibles) . .	-	-	1,374,987	1,428,700
Due from other governments.	-	-	64,887	62,209
Total assets	<u>\$ 93,681</u>	<u>\$ 80,850</u>	<u>\$ 3,048,143</u>	<u>\$ 2,716,139</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 1,105	\$ 11,221
Deferred revenue	-	-	618,912	608,246
Total liabilities.	<u>-</u>	<u>-</u>	<u>620,017</u>	<u>619,467</u>
Fund balance:				
Reserved for loans receivable	-	-	808,977	870,806
Unreserved, undesignated	93,681	80,850	1,619,149	1,225,866
Total fund balance	<u>93,681</u>	<u>80,850</u>	<u>2,428,126</u>	<u>2,096,672</u>
Total liabilities and fund balance	<u>\$ 93,681</u>	<u>\$ 80,850</u>	<u>\$ 3,048,143</u>	<u>\$ 2,716,139</u>

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CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>State Highway</u>	<u>County Permissive MVL Tax</u>	<u>Drug Law Enforcement</u>	<u>Law Enforcement Trust</u>
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	5,625	-
Intergovernmental	149,537	210,598	-	-
Investment income	-	-	-	-
Total revenues	<u>149,537</u>	<u>210,598</u>	<u>5,625</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	6,090	125
Transportation	20,338	-	-	-
Capital outlay	-	83,997	-	-
Total expenditures.	<u>20,338</u>	<u>83,997</u>	<u>6,090</u>	<u>125</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>129,199</u>	<u>126,601</u>	<u>(465)</u>	<u>(125)</u>
Other financing sources (uses):				
Transfers in	3,328	43,962	-	-
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(16,672)</u>	<u>43,962</u>	<u>-</u>	<u>-</u>
Net change in fund balances	112,527	170,563	(465)	(125)
Fund balances, January 1	<u>237,424</u>	<u>482,331</u>	<u>16,307</u>	<u>2,561</u>
Fund balances, December 31.	<u>\$ 349,951</u>	<u>\$ 652,894</u>	<u>\$ 15,842</u>	<u>\$ 2,436</u>

Indigent Drivers Alcohol Treatment	METRICH Drug Law Enforcement Trust	Enforcement and Education	Police Pension	Fire Pension	Revolving Loan	Court Computerization
\$ -	\$ -	\$ -	\$ 262,399	\$ 262,399	\$ -	\$ -
33,749	-	6,551	-	-	-	30,105
-	-	-	22,330	22,330	-	-
-	-	-	-	-	23,410	-
<u>33,749</u>	<u>-</u>	<u>6,551</u>	<u>284,729</u>	<u>284,729</u>	<u>23,410</u>	<u>30,105</u>
11,293	-	12,000	-	-	24,164	10,000
-	-	-	4,682	4,682	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,293</u>	<u>-</u>	<u>12,000</u>	<u>4,682</u>	<u>4,682</u>	<u>24,164</u>	<u>10,000</u>
22,456	-	(5,449)	280,047	280,047	(754)	20,105
-	-	-	-	-	-	-
-	-	-	(280,047)	(280,047)	-	-
-	-	-	(280,047)	(280,047)	-	-
22,456	-	(5,449)	-	-	(754)	20,105
<u>113,996</u>	<u>2,863</u>	<u>56,510</u>	<u>-</u>	<u>-</u>	<u>996,565</u>	<u>26,180</u>
<u>\$ 136,452</u>	<u>\$ 2,863</u>	<u>\$ 51,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 995,811</u>	<u>\$ 46,285</u>

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CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

	Legal Research	Mediation Services	Totals	
			2007	2006
Revenues:				
Property and other local taxes	\$ -	\$ -	\$ 524,798	\$ 513,836
Fines and forfeitures	6,301	6,295	88,626	93,287
Intergovernmental	-	-	404,795	584,780
Investment income	-	-	23,410	28,125
Total revenues	<u>6,301</u>	<u>6,295</u>	<u>1,041,629</u>	<u>1,220,028</u>
Expenditures:				
Current:				
General government	-	-	57,457	32,779
Security of persons and property	-	-	15,579	14,975
Transportation	-	-	20,338	21,471
Capital outlay	-	-	83,997	
Total expenditures	<u>-</u>	<u>-</u>	<u>177,371</u>	<u>69,225</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>6,301</u>	<u>6,295</u>	<u>864,258</u>	<u>1,150,803</u>
Other financing sources (uses):				
Transfers in	-	-	47,290	439
Transfers out	-	-	(580,094)	(1,225,291)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(532,804)</u>	<u>(1,224,852)</u>
Net change in fund balances	6,301	6,295	331,454	(74,049)
Fund balances, January 1	<u>87,380</u>	<u>74,555</u>	<u>2,096,672</u>	<u>2,170,721</u>
Fund balances, December 31.	<u>\$ 93,681</u>	<u>\$ 80,850</u>	<u>\$ 2,428,126</u>	<u>\$ 2,096,672</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ 154,500	\$ 154,500	\$ 149,537	\$ (4,963)	\$ 148,665
Total revenues	154,500	154,500	149,537	(4,963)	148,665
Expenditures:					
Transportation					
Street department	24,458	24,458	20,338	4,120	21,471
Total expenditures	24,458	24,458	20,338	4,120	21,471
Excess (deficiency) of revenues over (under) expenditures	130,042	130,042	129,199	(843)	127,194
Other financing sources (uses):					
Transfers in	-	3,328	3,328	-	-
Transfers out	-	(20,000)	(20,000)	-	(172,610)
Total other financing sources (uses)	-	(16,672)	(16,672)	-	(172,610)
Net change in fund balance	130,042	113,370	112,527	(843)	(45,416)
Fund balance at beginning of year	237,424	237,424	237,424	-	282,840
Fund balance at end of year	\$ 367,466	\$ 350,794	\$ 349,951	\$ (843)	\$ 237,424

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 210,598	\$ 210,598	\$ 191,553
Total revenues	-	-	210,598	210,598	191,553
Expenditures:					
Capital outlay	-	83,997	83,997	-	-
Total expenditures	-	83,997	83,997	-	-
Excess (deficiency) of revenues over (under) expenditures	-	(83,997)	126,601	210,598	191,553
Other financing sources (uses):					
Transfers in	-	43,962	43,962	-	439
Transfers out	-	-	-	-	(391,500)
Total other financing source (uses)	-	43,962	43,962	-	(391,061)
Net change in fund balance.	-	(40,035)	170,563	210,598	(199,508)
Fund balance at beginning of year.	<u>482,331</u>	<u>482,331</u>	<u>482,331</u>	<u>-</u>	<u>681,839</u>
Fund balance at end of year	<u>\$ 482,331</u>	<u>\$ 442,296</u>	<u>\$ 652,894</u>	<u>\$ 210,598</u>	<u>\$ 482,331</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ -	\$ 5,625	\$ 5,625	\$ 8,724
Total revenues	-	-	5,625	5,625	8,724
Expenditures:					
Security of persons and property	16,307	16,307	6,090	10,217	5,009
Total expenditures	16,307	16,307	6,090	10,217	5,009
Net change in fund balance	(16,307)	(16,307)	(465)	15,842	3,715
Fund balance at beginning of year	<u>16,307</u>	<u>16,307</u>	<u>16,307</u>	<u>-</u>	<u>12,592</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,842</u>	<u>\$ 15,842</u>	<u>\$ 16,307</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Security of persons and property	\$ 2,561	\$ 2,561	\$ 125	\$ 2,436	\$ 532
Total expenditures	2,561	2,561	125	2,436	532
Net change in fund balance	(2,561)	(2,561)	(125)	2,436	(532)
Fund balance at beginning of year	<u>2,561</u>	<u>2,561</u>	<u>2,561</u>	<u>-</u>	<u>3,093</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,436</u>	<u>\$ 2,436</u>	<u>\$ 2,561</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ -	\$ 33,749	\$ 33,749	\$ 31,713
Total revenues	-	-	33,749	33,749	31,713
Expenditures:					
General government	46,000	46,000	11,293	34,707	5,781
Total expenditures	46,000	46,000	11,293	34,707	5,781
Net change in fund balance	(46,000)	(46,000)	22,456	68,456	25,932
Fund balance at beginning of year	113,996	113,996	113,996	-	88,064
Fund balance at end of year	\$ 67,996	\$ 67,996	\$ 136,452	\$ 68,456	\$ 113,996

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Current:					
Security of persons and property	\$ 2,863	\$ 2,863	\$ -	\$ 2,863	\$ -
Total expenditures	<u>2,863</u>	<u>2,863</u>	<u>-</u>	<u>2,863</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,863)</u>	<u>(2,863)</u>	<u>-</u>	<u>2,863</u>	<u>-</u>
Net change in fund balance	(2,863)	(2,863)	-	2,863	-
Fund balance at beginning of year.	<u>2,863</u>	<u>2,863</u>	<u>2,863</u>	<u>-</u>	<u>2,863</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,863</u>	<u>\$ 2,863</u>	<u>\$ 2,863</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 6,551	\$ (449)	\$ 7,146
Total revenues	7,000	7,000	6,551	(449)	7,146
Expenditures:					
General government	61,868	61,868	12,000	49,868	-
Total expenditures	61,868	61,868	12,000	49,868	-
Net change in fund balance	(54,868)	(54,868)	(5,449)	49,419	7,146
Fund balance at beginning of year	<u>56,510</u>	<u>56,510</u>	<u>56,510</u>	<u>-</u>	<u>49,364</u>
Fund balance at end of year	<u>\$ 1,642</u>	<u>\$ 1,642</u>	<u>\$ 51,061</u>	<u>\$ 49,419</u>	<u>\$ 56,510</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 257,126	\$ 257,078	\$ 262,399	\$ 5,321	\$ 256,918
Intergovernmental	21,874	21,869	22,330	461	22,281
Total revenues	<u>279,000</u>	<u>278,947</u>	<u>284,729</u>	<u>5,782</u>	<u>279,199</u>
Expenditures:					
Security of persons and property	5,005	4,682	4,682	-	4,717
Total expenditures	<u>5,005</u>	<u>4,682</u>	<u>4,682</u>	<u>-</u>	<u>4,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>273,995</u>	<u>274,265</u>	<u>280,047</u>	<u>5,782</u>	<u>274,482</u>
Other financing uses:					
Transfers out	(274,000)	(280,047)	(280,047)	-	(274,482)
Total other financing uses	<u>(274,000)</u>	<u>(280,047)</u>	<u>(280,047)</u>	<u>-</u>	<u>(274,482)</u>
Net change in fund balance	(5)	(5,782)	-	5,782	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (5)</u>	<u>\$ (5,782)</u>	<u>\$ -</u>	<u>\$ 5,782</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 257,126	\$ 257,078	\$ 262,399	\$ 5,321	\$ 256,918
Intergovernmental	21,874	21,869	22,330	461	22,281
Total revenues	<u>279,000</u>	<u>278,947</u>	<u>284,729</u>	<u>5,782</u>	<u>279,199</u>
Expenditures:					
Security of persons and property	5,005	4,682	4,682	-	4,717
Total expenditures	<u>5,005</u>	<u>4,682</u>	<u>4,682</u>	<u>-</u>	<u>4,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>273,995</u>	<u>274,265</u>	<u>280,047</u>	<u>5,782</u>	<u>274,482</u>
Other financing uses:					
Transfers out	<u>(274,000)</u>	<u>(280,047)</u>	<u>(280,047)</u>	<u>-</u>	<u>(274,482)</u>
Total other financing uses	<u>(274,000)</u>	<u>(280,047)</u>	<u>(280,047)</u>	<u>-</u>	<u>(274,482)</u>
Net change in fund balance	(5)	(5,782)	-	5,782	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (5)</u>	<u>\$ (5,782)</u>	<u>\$ -</u>	<u>\$ 5,782</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 33,000	\$ 33,000	\$ 30,105	\$ (2,895)	\$ 31,631
Total revenues	33,000	33,000	30,105	(2,895)	31,631
Expenditures:					
General government	52,400	52,400	10,000	42,400	20,900
Total expenditures	52,400	52,400	10,000	42,400	20,900
Net change in fund balance	(19,400)	(19,400)	20,105	39,505	10,731
Fund balance at beginning of year	26,180	26,180	26,180	-	15,449
Fund balance at end of year	<u>\$ 6,780</u>	<u>\$ 6,780</u>	<u>\$ 46,285</u>	<u>\$ 39,505</u>	<u>\$ 26,180</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 7,500	\$ 7,500	\$ 6,301	\$ (1,199)	\$ 7,009
Total revenues	7,500	7,500	6,301	(1,199)	7,009
Net change in fund balance	7,500	7,500	6,301	(1,199)	7,009
Fund balance at beginning of year.	87,380	87,380	87,380	-	80,371
Fund balance at end of year	\$ 94,880	\$ 94,880	\$ 93,681	\$ (1,199)	\$ 87,380

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 7,300	\$ 7,300	\$ 6,295	\$ (1,005)	\$ 7,064
Total revenues	7,300	7,300	6,295	(1,005)	7,064
Net change in fund balance	7,300	7,300	6,295	(1,005)	7,064
Fund balance at beginning of year.	<u>74,555</u>	<u>74,555</u>	<u>74,555</u>	<u>-</u>	<u>67,491</u>
Fund balance at end of year	<u>\$ 81,855</u>	<u>\$ 81,855</u>	<u>\$ 80,850</u>	<u>\$ (1,005)</u>	<u>\$ 74,555</u>

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2006)

	Debt Service	Totals	
		2007	2006
Assets:			
Equity in pooled cash and cash equivalents.	\$ 73,296	\$ 73,296	\$ 43,124
Cash with escrow agent.	35,770	35,770	34,411
Receivables (net of allowances of uncollectibles). . .	204,956	204,956	342,805
Total assets.	\$ 314,022	\$ 314,022	\$ 420,340
Liabilities:			
Matured bonds payable	\$ 35,770	\$ 35,770	\$ 34,411
Deferred revenue.	117,555	117,555	186,759
Total liabilities.	153,325	153,325	221,170
Fund balance:			
Reserved for debt service.	160,697	160,697	199,170
Total fund balance.	160,697	160,697	199,170
Total liabilities and fund balance.	\$ 314,022	\$ 314,022	\$ 420,340

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

	Debt Service	Totals	
		2007	2006
Revenues:			
Special assessments	\$ 100,957	\$ 100,957	\$ 170,580
Total revenues	<u>100,957</u>	<u>100,957</u>	<u>170,580</u>
Expenditures:			
Current:			
Debt service:			
Principal retirement	483,353	483,353	486,112
Interest and fiscal charges	<u>131,223</u>	<u>131,223</u>	<u>243,805</u>
Total expenditures	<u>614,576</u>	<u>614,576</u>	<u>729,917</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(513,619)</u>	<u>(513,619)</u>	<u>(559,337)</u>
Other financing sources (uses):			
Transfers in	562,660	562,660	564,883
Transfers out	<u>(87,514)</u>	<u>(87,514)</u>	<u>-</u>
Total other financing sources (uses)	<u>475,146</u>	<u>475,146</u>	<u>564,883</u>
Net change in fund balances	(38,473)	(38,473)	5,546
Fund balances, January 1	<u>199,170</u>	<u>199,170</u>	<u>193,624</u>
Fund balances, December 31.	<u>\$ 160,697</u>	<u>\$ 160,697</u>	<u>\$ 199,170</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Special assessments	\$ 140,965	\$ 140,965	\$ 100,957	\$ (40,008)	\$ 170,580
Total revenues	<u>140,965</u>	<u>140,965</u>	<u>100,957</u>	<u>(40,008)</u>	<u>170,580</u>
Expenditures:					
Debt service:					
Principal retirement	489,833	483,353	483,353	-	486,112
Interest and fiscal charges	<u>127,338</u>	<u>144,102</u>	<u>131,223</u>	<u>12,879</u>	<u>243,805</u>
Total debt service	<u>617,171</u>	<u>627,455</u>	<u>614,576</u>	<u>12,879</u>	<u>729,917</u>
Total expenditures	<u>617,171</u>	<u>627,455</u>	<u>614,576</u>	<u>12,879</u>	<u>729,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(476,206)</u>	<u>(486,490)</u>	<u>(513,619)</u>	<u>(27,129)</u>	<u>(559,337)</u>
Other financing sources (uses):					
Transfers in	575,837	562,660	562,660	-	564,883
Transfers out	<u>-</u>	<u>(87,514)</u>	<u>(87,514)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>575,837</u>	<u>475,146</u>	<u>475,146</u>	<u>-</u>	<u>564,883</u>
Net change in fund balance.	99,631	(11,344)	(38,473)	(27,129)	5,546
Fund balance at beginning of year.	<u>199,170</u>	<u>199,170</u>	<u>199,170</u>	<u>-</u>	<u>193,624</u>
Fund balance (deficit) at end of year	<u>\$ 298,801</u>	<u>\$ 187,826</u>	<u>\$ 160,697</u>	<u>\$ (27,129)</u>	<u>\$ 199,170</u>

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2006)

	Capital Improvement Projects	Municipal Court Improvements	Totals	
			2007	2006
Assets:				
Equity in pooled cash and cash equivalents.	\$ 69,427	\$ 765,997	\$ 835,424	\$ 820,776
Total assets.	<u>\$ 69,427</u>	<u>\$ 765,997</u>	<u>\$ 835,424</u>	<u>\$ 820,776</u>
Liabilities:				
Interfund loan payable	\$ 2,365	\$ -	\$ 2,365	\$ 4,729
Total liabilities.	<u>2,365</u>	<u>-</u>	<u>2,365</u>	<u>4,729</u>
Fund balance:				
Reserved for encumbrances.	6,960	-	6,960	500
Unreserved, undesignated.	60,102	765,997	826,099	815,547
Total fund balance	<u>67,062</u>	<u>765,997</u>	<u>833,059</u>	<u>816,047</u>
Total liabilities and fund equity.	<u>\$ 69,427</u>	<u>\$ 765,997</u>	<u>\$ 835,424</u>	<u>\$ 820,776</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

	Capital Improvement Projects	Municipal Court Improvements	Totals	
			2007	2006
Revenues:				
Fines and forfeitures	\$ -	\$ 35,575	\$ 35,575	\$ 48,512
Special assessments	2,593	-	2,593	-
Total revenues	<u>2,593</u>	<u>35,575</u>	<u>38,168</u>	<u>48,512</u>
Expenditures:				
Current:				
Capital outlay	55,010	27,917	82,927	7,222
Debt service:				
Interest and fiscal charges	229	-	229	-
Total expenditures	<u>55,239</u>	<u>27,917</u>	<u>83,156</u>	<u>7,222</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(52,646)</u>	<u>7,658</u>	<u>(44,988)</u>	<u>41,290</u>
Other financing sources (uses):				
Transfers in	62,000	-	62,000	7,222
Transfers out	-	-	-	(337)
Total other financing sources (uses)	<u>62,000</u>	<u>-</u>	<u>62,000</u>	<u>6,885</u>
Net change in fund balances	9,354	7,658	17,012	48,175
Fund balances, January 1	<u>57,708</u>	<u>758,339</u>	<u>816,047</u>	<u>767,872</u>
Fund balances, December 31.	<u>\$ 67,062</u>	<u>\$ 765,997</u>	<u>\$ 833,059</u>	<u>\$ 816,047</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Special assessments	\$ -	\$ -	\$ 2,593	\$ 2,593	\$ -
Total revenues	-	-	2,593	2,593	-
Expenditures:					
Capital outlay	-	55,010	55,010	-	7,222
Debt service					
Interest and fiscal charges	-	229	229	-	-
Total expenditures	-	55,239	55,239	-	7,222
Excess (deficiency) of revenues over (under) expenditures	-	(55,239)	(52,646)	2,593	(7,222)
Other financing sources (uses):					
Transfers in	-	62,000	62,000	-	7,222
Transfers out	-	-	-	-	(337)
Total other financing sources (uses)	-	62,000	62,000	-	6,885
Net change in fund balance	-	6,761	9,354	2,593	(337)
Fund balance at beginning of year	<u>57,708</u>	<u>57,708</u>	<u>57,708</u>	<u>-</u>	<u>58,045</u>
Fund balance at end of year	<u>\$ 57,708</u>	<u>\$ 64,469</u>	<u>\$ 67,062</u>	<u>\$ 2,593</u>	<u>\$ 57,708</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 35,575	\$ (14,425)	\$ 48,512
Total revenues	50,000	50,000	35,575	(14,425)	48,512
Expenditures:					
Capital outlay	223,050	223,050	27,917	195,133	-
Total expenditures	223,050	223,050	27,917	195,133	-
Net change in fund balance	(173,050)	(173,050)	7,658	180,708	48,512
Fund balance at beginning of year	<u>758,339</u>	<u>758,339</u>	<u>758,339</u>	<u>-</u>	<u>709,827</u>
Fund balance at end of year	<u>\$ 585,289</u>	<u>\$ 585,289</u>	<u>\$ 765,997</u>	<u>\$ 180,708</u>	<u>\$ 758,339</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
NONMAJOR CEMETERY TRUST PERMANENT FUND

DECEMBER 31, 2007

	2007 Nonmajor Permanent Fund	2006 Nonmajor Permanent Fund
	<u> </u>	<u> </u>
Assets:		
Equity in pooled cash and cash equivalents.	\$ 1,082,017	\$ 1,040,735
Receivables (net of allowances of uncollectibles).	10,992	6,856
	<u> </u>	<u> </u>
Total assets	<u>\$ 1,093,009</u>	<u>\$ 1,047,591</u>
 Liabilities:		
Deferred revenue	\$ 350	\$ -
	<u> </u>	<u> </u>
Total liabilities	350	-
 Fund balance:		
Reserved for perpetual care.	1,082,017	1,040,735
Unreserved, undesignated	10,642	6,856
	<u> </u>	<u> </u>
Total fund balance.	<u>1,092,659</u>	<u>1,047,591</u>
 Total liabilities and fund balance	 <u>\$ 1,093,009</u>	 <u>\$ 1,047,591</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2006</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 25,000	\$ 25,000	\$ 41,100	\$ 16,100	\$ 68,950
Investment income	52,000	52,000	55,051	3,051	49,799
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>96,151</u>	<u>19,151</u>	<u>118,749</u>
Expenditures:					
Public health and welfare	<u>52,000</u>	<u>52,000</u>	<u>51,083</u>	<u>917</u>	<u>-</u>
Total expenditures	<u>52,000</u>	<u>52,000</u>	<u>51,083</u>	<u>917</u>	<u>-</u>
Net change in fund balance	25,000	25,000	45,068	20,068	72,967
Fund balance at beginning of year.	<u>1,047,591</u>	<u>1,047,591</u>	<u>1,047,591</u>	<u>-</u>	<u>974,624</u>
Fund balance at end of year	<u>\$ 1,072,591</u>	<u>\$ 1,072,591</u>	<u>\$ 1,092,659</u>	<u>\$ 20,068</u>	<u>\$ 1,047,591</u>

CITY OF FINDLAY, OHIO

Enterprise Funds

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

The City has the following major enterprise funds:

Water Fund

Water Pollution Control Fund

Airport Fund

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

The City has the following nonmajor enterprise funds:

Swimming Pool:

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

Parking Facilities:

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

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF NET ASSETS
WATER FUND**

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 4,714,128	\$ 3,842,420
Cash with escrow agent.	26,527	26,208
Receivables (net of allowances of uncollectibles) . . .	1,532,238	1,561,856
Due from other governments	14,244	-
Materials and supplies inventory	479,042	466,177
Prepayments	<u>26,206</u>	<u>24,556</u>
Total current assets	<u>6,792,385</u>	<u>5,921,217</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents	1,228,699	1,218,636
Deferred bond costs	91,805	109,207
Capital assets:		
Nondepreciable capital assets.	6,032,356	5,774,921
Depreciable capital assets, net	<u>44,182,511</u>	<u>44,288,205</u>
Total noncurrent assets	<u>51,535,371</u>	<u>51,390,969</u>
Total assets	<u>58,327,756</u>	<u>57,312,186</u>
Liabilities:		
Current liabilities:		
Accounts payable.	159,885	123,810
Contracts payable.	26,928	-
Retainage payable	26,527	26,208
Insurance deposits payable	121,787	127,214
Accrued wages and benefits	74,797	70,354
Compensated absences payable.	224,599	240,566
Due to other funds	395,551	408,738
Deposits held and due to others	224,000	56,847
Deferred revenue.	22,272	9,961
Current portion of loans payable	118,682	36,416
Current portion of bonds	1,715,000	1,675,000
Accrued interest payable	<u>167,405</u>	<u>180,222</u>
Total current liabilities	<u>3,277,433</u>	<u>2,955,336</u>
Long-term liabilities:		
Loans payable	4,489,851	4,427,466
Compensated absences payable.	248,217	149,882
General obligation bonds	<u>6,997,598</u>	<u>8,615,926</u>
Total liabilities.	<u>15,013,099</u>	<u>16,148,610</u>
Net assets:		
Invested in capital assets, net of related debt	36,985,541	35,417,525
Restricted for:		
Capital projects	667,440	653,266
Debt service.	561,259	565,370
Unrestricted	<u>5,100,417</u>	<u>4,527,415</u>
Total net assets	<u>\$ 43,314,657</u>	<u>\$ 41,163,576</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Operating revenues:		
Charges for services	\$ 7,656,030	\$ 7,085,719
Other	94,829	84,060
Total operating revenues	<u>7,750,859</u>	<u>7,169,779</u>
Operating expenses:		
Personal services	2,777,673	2,645,666
Contract services	992,486	274,904
Materials and supplies.	1,017,086	731,960
Utilities	303,633	307,702
Depreciation.	1,043,073	1,027,188
Other.	-	65,992
Total operating expenses	<u>6,133,951</u>	<u>5,053,412</u>
Operating income.	<u>1,616,908</u>	<u>2,116,367</u>
Nonoperating revenues (expenses):		
Other nonoperating revenues.	64,162	72,154
Interest income	312,068	239,490
Loss on disposal of capital assets.	(79,049)	-
Intergovernmental.	160,000	-
Interest expense and fiscal charges	<u>(631,417)</u>	<u>(613,739)</u>
Total nonoperating revenues (expenses)	<u>(174,236)</u>	<u>(302,095)</u>
Income before contributions and transfers	1,442,672	1,814,272
Capital contributions.	730,258	912,772
Transfers in	52,976	551,145
Transfers out	<u>(24,825)</u>	<u>(309,511)</u>
Income before extraordinary item	2,201,081	2,968,678
Extraordinary item:		
Loss due to flood damage	<u>(50,000)</u>	<u>-</u>
Change in net assets.	2,151,081	2,968,678
Net assets, January 1	<u>41,163,576</u>	<u>38,194,898</u>
Net assets, December 31	<u>\$ 43,314,657</u>	<u>\$ 41,163,576</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Cash received from customers	\$ 7,673,115	\$ 7,092,513
Cash received from other operations	94,829	84,060
Cash payments for personal services	(2,696,289)	(2,838,716)
Cash payments for contract services.	(826,664)	(220,586)
Cash payments for materials and supplies.	(993,876)	(757,911)
Cash payments for utilities.	(316,820)	(256,185)
Cash payments for other operating expenses	-	(65,992)
Net cash provided by operating activities.	<u>2,934,295</u>	<u>3,037,183</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	64,164	72,543
Grants and contributions	160,000	-
Payments for flood damage repairs	(50,000)	-
Transfers in	52,976	551,145
Transfers out	<u>(24,825)</u>	<u>(309,511)</u>
Net cash provided by noncapital financing activities	<u>202,315</u>	<u>314,177</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(516,677)	(3,799,822)
Principal paid on bonds	(1,675,000)	(1,635,000)
Interest paid on bonds.	(398,008)	(443,154)
Proceeds of loans	315,275	3,468,384
Principal paid on loans	(184,869)	(36,416)
Interest paid on loans	<u>(132,153)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(2,591,432)</u>	<u>(2,446,008)</u>
Cash flows from investing activities:		
Interest received.	336,912	176,308
Net cash provided by investing activities	<u>336,912</u>	<u>176,308</u>
Net increase in cash and cash equivalents	882,090	1,081,660
Cash and cash equivalents at beginning of year . .	<u>5,087,264</u>	<u>4,005,604</u>
Cash and cash equivalents at end of year.	<u>\$ 5,969,354</u>	<u>\$ 5,087,264</u>

- - continued

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,616,908	\$ 2,116,367
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,043,073	1,027,188
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable.	4,774	(3,167)
(Increase) in materials and supplies inventory	(12,865)	(34,471)
Decrease (increase) in prepayments	(1,650)	9,190
Increase in accounts payable	36,075	8,520
Increase (decrease) in accrued wages and benefits.	4,443	(5,528)
Increase (decrease) in compensated absences payable.	82,368	(187,522)
Increase (decrease) in insurance deposits payable	(5,427)	30,154
Increase in deposits held and due to others	167,153	14,974
Increase in retainage payable.	319	-
Increase (decrease) in due to other funds.	(13,187)	51,517
Increase in deferred revenue	12,311	9,961
Net cash provided by operating activities	<u>\$ 2,934,295</u>	<u>\$ 3,037,183</u>

Non-cash Transactions:

During 2006, the Water fund received \$730,258 in capital contributions primarily donated water lines from private developers.

During 2007, the Water fund contributed capital assets to the General fund and Water Pollution Control fund with a net book value of \$0. The contributed assets had a cost of \$15,713 and accumulated depreciation of \$15,713.

CITY OF FINDLAY, OHIO

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

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 2,098,681	\$ 1,456,512
Cash with escrow agent.	8,033	129,134
Receivables (net of allowances of uncollectibles) . .	460,553	510,439
Due from other funds.	395,551	408,738
Prepayments	17,020	16,382
Materials and supplies inventory	<u>11,112</u>	<u>12,276</u>
Total current assets	<u>2,990,950</u>	<u>2,533,481</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents . . .	6,634,805	6,968,422
Deferred bond costs	101,647	112,028
Capital assets:		
Nondepreciable capital assets	311,410	311,375
Depreciable capital assets, net	<u>86,205,663</u>	<u>87,362,075</u>
Total noncurrent assets	<u>93,253,525</u>	<u>94,753,900</u>
Total assets	<u>96,244,475</u>	<u>97,287,381</u>
Liabilities:		
Current liabilities:		
Accounts payable.	75,979	61,086
Retainage payable	8,033	129,134
Insurance deposits payable	82,584	135,588
Accrued wages and benefits	57,556	55,306
Compensated absences payable.	148,315	154,399
Deferred revenue.	529	275
Current portion of loans payable	1,643,832	1,578,049
Current portion of bonds	1,080,000	1,055,000
Accrued interest payable	<u>768,418</u>	<u>815,370</u>
Total current liabilities	<u>3,865,246</u>	<u>3,984,207</u>
Long term liabilities:		
Loans payable	27,256,616	28,900,447
Compensated absences payable.	147,217	119,732
General obligation bonds payable	<u>7,239,724</u>	<u>8,296,974</u>
Total liabilities.	<u>38,508,803</u>	<u>41,301,360</u>
Net assets:		
Invested in capital assets, net of related debt	49,398,548	47,955,008
Restricted for:		
Capital projects	4,624,119	4,952,077
Debt service.	2,010,686	2,016,345
Unrestricted	<u>1,702,319</u>	<u>1,062,591</u>
Total net assets	<u>\$ 57,735,672</u>	<u>\$ 55,986,021</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Operating revenues:		
Charges for services	\$ 8,678,711	\$ 8,505,966
Other	11,105	15,198
Total operating revenues	<u>8,689,816</u>	<u>8,521,164</u>
Operating expenses:		
Personal services	2,121,602	1,935,170
Contract services	909,191	185,763
Materials and supplies.	522,736	311,451
Utilities	394,592	373,912
Depreciation.	1,865,127	1,845,799
Other.	-	6,640
Total operating expenses	<u>5,813,248</u>	<u>4,658,735</u>
Operating income	<u>2,876,568</u>	<u>3,862,429</u>
Nonoperating revenues (expenses):		
Other nonoperating revenues.	85,229	94,825
Interest income	398,232	338,854
Loss on disposal of capital assets.	(4,163)	-
Interest expense and fiscal charges	<u>(1,600,821)</u>	<u>(1,696,388)</u>
Total nonoperating revenues (expenses).	<u>(1,121,523)</u>	<u>(1,262,709)</u>
Income before contributions and transfers	1,755,045	2,599,720
Capital contributions.	494,956	530,783
Transfers in	29,650	1,171
Transfers out	-	<u>(541,640)</u>
Income before extraordinary item	2,279,651	2,590,034
Extraordinary item:		
Loss due to flood damage	<u>(530,000)</u>	-
Change in net assets	1,749,651	2,590,034
Net assets, January 1	<u>55,986,021</u>	<u>53,395,987</u>
Net assets, December 31	<u>\$ 57,735,672</u>	<u>\$ 55,986,021</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Cash received from customers	\$ 8,695,725	\$ 8,469,497
Cash received from other operations	11,105	15,198
Cash payments for personal services	(2,150,955)	(1,933,341)
Cash payments for contract services.	(1,030,930)	(142,634)
Cash payments for materials and supplies.	(506,679)	(329,382)
Cash payments for utilities.	(394,592)	(373,912)
Cash payments for other operating expenses	-	(6,640)
Net cash provided by operating activities.	<u>4,623,674</u>	<u>5,698,786</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	85,229	224,684
Payments for flood damage repairs	(530,000)	-
Transfers in	29,650	1,171
Transfers out	-	(541,640)
Net cash (used in) noncapital financing activities	<u>(415,121)</u>	<u>(315,785)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(217,957)	(311,572)
Principal paid on bonds.	(1,055,000)	(1,020,000)
Interest paid on bonds.	(379,288)	(412,798)
Principal paid on loans	(1,578,048)	(1,514,998)
Interest paid on loans	(1,235,354)	(1,299,130)
Net cash (used in) capital and related financing activities	<u>(4,465,647)</u>	<u>(4,558,498)</u>
Cash flows from investing activities:		
Interest received.	444,545	253,559
Net cash provided by investing activities	<u>444,545</u>	<u>253,559</u>
Net increase in cash and cash equivalents.	187,451	1,078,062
Cash and cash equivalents at beginning of year . .	<u>8,554,068</u>	<u>7,476,006</u>
Cash and cash equivalents at end of year.	<u><u>\$ 8,741,519</u></u>	<u><u>\$ 8,554,068</u></u>

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CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 2,876,568	\$ 3,862,429
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,865,127	1,845,799
Changes in assets and liabilities:		
Decrease in accounts receivable	3,573	14,773
(Increase) decrease in due from other funds	13,187	(51,517)
(Increase) decrease in materials and supplies inventory.	1,164	(2,208)
(Decrease) increase in prepayments	(638)	5,873
Increase (decrease) in accounts payable	14,893	(15,723)
Increase in accrued wages and benefits	2,250	4,471
Increase (decrease) in compensated absences payable .	21,401	(2,642)
(Decrease) in retainage payable	(121,101)	-
(Decrease) increase in insurance deposits payable. . .	(53,004)	37,256
Increase in deferred revenue	254	275
Net cash provided by operating activities	<u>\$ 4,623,674</u>	<u>\$ 5,698,786</u>

Non-cash Transactions:

During 2007, the Water Pollution Control fund received \$494,956 in capital contributions primarily donated sewer lines from private developers.

During 2007, the Water Pollution fund received capital asset contributions from the Water fund with a net book value of \$0. The contributed assets had a cost of \$10,852 and accumulated depreciation of \$10,852.

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF NET ASSETS
AIRPORT FUND**

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>Restated 2006</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 184,330	\$ 348,650
Receivables (net of allowances of uncollectibles):	87,596	55,985
Due from other governments	609,286	329,960
Materials and supplies inventory	90,294	54,372
Prepayments	12,985	12,683
Total current assets	<u>984,491</u>	<u>801,650</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents.	37,544	34,444
Deferred bond costs	2,166	2,647
Capital assets:		
Nondepreciable capital assets	6,006,493	6,429,747
Depreciable capital assets, net	7,965,318	5,849,479
Total noncurrent assets	<u>14,011,521</u>	<u>12,316,317</u>
Total assets	<u>14,996,012</u>	<u>13,117,967</u>
Liabilities:		
Current liabilities:		
Accounts payable.	61,706	46,555
Contracts payable.	629,223	347,325
Insurance deposits payable.	12,591	18,084
Accrued wages and benefits	7,954	7,798
Compensated absences payable.	16,543	16,527
Accrued interest payable	3,794	4,444
Current portion of bonds	45,000	40,000
Total current liabilities	<u>776,811</u>	<u>480,733</u>
Long term liabilities:		
General obligation bonds	162,337	204,523
Compensated absences payable.	30,872	24,801
Total liabilities.	<u>970,020</u>	<u>710,057</u>
Net assets:		
Invested in capital assets, net of related debt	13,766,640	12,037,350
Restricted for:		
Debt service.	37,544	34,444
Unrestricted	221,808	336,116
Total net assets	<u>\$ 14,025,992</u>	<u>\$ 12,407,910</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>Restated 2006</u>
Operating revenues:		
Charges for services	\$ 32,488	\$ 26,371
Other	922,760	1,015,723
Total operating revenues	<u>955,248</u>	<u>1,042,094</u>
Operating expenses:		
Personal services	290,779	280,224
Contract services	116,437	126,536
Materials and supplies.	652,349	674,571
Utilities	19,417	20,976
Depreciation.	628,113	557,567
Total operating expenses	<u>1,707,095</u>	<u>1,659,874</u>
Operating loss.	<u>(751,847)</u>	<u>(617,780)</u>
Nonoperating revenues (expenses):		
Interest expense and fiscal charges	(11,533)	(13,173)
Other nonoperating revenues.	46,126	51,348
Intergovernmental	2,111,893	1,919,331
Total nonoperating revenues (expenses)	<u>2,146,486</u>	<u>1,957,506</u>
Income before transfers.	1,394,639	1,339,726
Transfers in	223,804	273,350
Transfers out	<u>(361)</u>	<u>-</u>
Change in net assets.	1,618,082	1,613,076
Net assets, January 1 (restated)	<u>12,407,910</u>	<u>10,794,834</u>
Net assets, December 31	<u>\$ 14,025,992</u>	<u>\$ 12,407,910</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
AIRPORT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Cash received from customers	\$ 32,488	\$ 26,371
Cash received from other operations	891,149	1,037,251
Cash payments for personal services	(290,029)	(268,360)
Cash payments for contract services.	(116,739)	(120,919)
Cash payments for materials and supplies.	(673,120)	(666,913)
Cash payments for utilities.	(19,417)	(20,976)
Net cash (used in) operating activities.	<u>(175,668)</u>	<u>(13,546)</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	46,124	51,348
Grants and contributions	1,832,567	2,307,503
Transfers in	223,804	273,350
Transfers out	(361)	-
Net cash provided by noncapital financing activities	<u>2,102,134</u>	<u>2,632,201</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(2,038,798)	(2,361,775)
Principal paid on bonds	(40,000)	(40,000)
Interest paid on bonds	(8,888)	(10,867)
Net cash (used in) capital and related financing activities	<u>(2,087,686)</u>	<u>(2,412,642)</u>
Net increase (decrease) in cash and cash equivalents . .	(161,220)	206,013
Cash and cash equivalents at beginning of year . . .	<u>383,094</u>	<u>177,081</u>
Cash and cash equivalents at end of year.	<u>\$ 221,874</u>	<u>\$ 383,094</u>
Reconciliation of operating loss to net cash (used in) operating activities:		
Operating (loss).	\$ (751,847)	\$ (617,780)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation	628,113	557,567
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(31,611)	21,528
(Increase) in materials and supplies inventory	(35,922)	(7,307)
(Increase) decrease in prepayments	(302)	1,887
Increase in accounts payable	15,151	14,965
Increase in accrued wages and benefits	156	257
Increase in compensated absences payable.	6,087	11,607
Increase (decrease) in insurance deposits payable. . . .	(5,493)	3,730
Net cash (used in) operating activities	<u>\$ (175,668)</u>	<u>\$ (13,546)</u>

Non-cash Transactions:

At December 31, 2007 and 2006, the Airport fund purchased \$629,223 and \$347,325, respectively, in capital assets on account.

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2007

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 75,813	\$ 10,283	\$ 86,096
Prepayments	1,321	1,606	2,927
Noncurrent assets:			
Capital assets:			
Nondepreciable capital assets	1,631	94,331	95,962
Depreciable capital assets, net	555,485	24,932	580,417
Total noncurrent assets	<u>557,116</u>	<u>119,263</u>	<u>676,379</u>
Total assets.	<u>634,250</u>	<u>131,152</u>	<u>765,402</u>
Liabilities:			
Current liabilities:			
Accounts payable.	2,208	2,041	4,249
Insurance deposits payable	-	3,249	3,249
Accrued wages and benefits	-	2,161	2,161
Compensated absences payable.	-	7,887	7,887
Long-term liabilities:			
Compensated absences payable.	-	14,601	14,601
Total liabilities.	<u>2,208</u>	<u>29,939</u>	<u>32,147</u>
Net assets:			
Invested in capital assets, net of related debt	557,116	119,263	676,379
Unrestricted (deficit)	74,926	(18,050)	56,876
Total net assets	<u>\$ 632,042</u>	<u>\$ 101,213</u>	<u>\$ 733,255</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Swimming Pool	Parking Facilities	Total
Operating revenues:			
Charges for services	\$ 76,738	\$ 66,606	\$ 143,344
Other	22,192	396	22,588
Total operating revenues	98,930	67,002	165,932
Operating expenses:			
Personal services	88,491	95,586	184,077
Contract services	6,077	5,347	11,424
Materials and supplies.	37,077	6,494	43,571
Utilities	3,826	382	4,208
Depreciation.	23,862	14,732	38,594
Total operating expenses	159,333	122,541	281,874
Operating loss	(60,403)	(55,539)	(115,942)
Nonoperating revenues (expenses):			
Loss on disposal of capital assets.	-	(3,888)	(3,888)
Nonoperating revenues.	100	-	100
Total nonoperating revenues (expenses)	100	(3,888)	(3,788)
Loss before transfers.	(60,303)	(59,427)	(119,730)
Transfers in	121,748	7,202	128,950
Change in net assets.	61,445	(52,225)	9,220
Net assets, January 1	570,597	153,438	724,035
Net assets, December 31	\$ 632,042	\$ 101,213	\$ 733,255

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

	Swimming Pool	Parking Facilities	Total
Cash flows from operating activities:			
Cash received from customers	\$ 76,738	\$ 66,606	\$ 143,344
Cash received from other operations	22,192	396	22,588
Cash payments for personal services	(88,491)	(94,920)	(183,411)
Cash payments for contract services.	(6,073)	(5,322)	(11,395)
Cash payments for materials and supplies.	(36,840)	(6,995)	(43,835)
Cash payments for utilities.	(3,826)	(382)	(4,208)
	(36,300)	(40,617)	(76,917)
Net cash (used in) operating activities.			
Cash flows from noncapital financing activities:			
Other non-capital expenses	100	-	100
Transfers in	121,748	7,202	128,950
Net cash provided by noncapital financing activities	121,848	7,202	129,050
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(16,753)	-	(16,753)
Net cash (used in) capital and related financing activities	(16,753)	-	(16,753)
Net increase (decrease) in cash and cash equivalents	68,795	(33,415)	35,380
Cash and cash equivalents at beginning of year . . .	7,018	43,698	50,716
Cash and cash equivalents at end of year.	\$ 75,813	\$ 10,283	\$ 86,096
Reconciliation of operating loss to net cash (used in) operating activities:			
Operating loss	\$ (60,403)	\$ (55,539)	\$ (115,942)
Adjustments to reconcile operating loss to net cash (used in) operating activities:			
Depreciation	23,862	14,732	38,594
Changes in assets and liabilities:			
Decrease in prepaids.	4	25	29
(Decrease) in accrued wages and benefits	-	(1,093)	(1,093)
Increase in compensated absences payable	-	4,446	4,446
(Decrease) in insurance deposits payable	-	(2,687)	(2,687)
Increase (decrease) in accounts payable.	237	(501)	(264)
Net cash (used in) operating activities	\$ (36,300)	\$ (40,617)	\$ (76,917)

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
SWIMMING POOL FUND

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 75,813	\$ 7,018
Prepayments	1,321	1,325
Noncurrent assets:		
Capital assets:		
Nondepreciable capital assets	1,631	1,631
Depreciable capital assets, net	555,485	562,594
Total noncurrent assets	<u>557,116</u>	<u>564,225</u>
Total assets	<u>634,250</u>	<u>572,568</u>
Liabilities:		
Current liabilities:		
Accounts payable.	<u>2,208</u>	<u>1,971</u>
Total liabilities.	<u>2,208</u>	<u>1,971</u>
Net assets:		
Invested in capital assets, net of related debt	557,116	564,225
Unrestricted	<u>74,926</u>	<u>6,372</u>
Total net assets	<u>\$ 632,042</u>	<u>\$ 570,597</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Operating revenues:		
Charges for services	\$ 76,738	\$ 64,620
Other	22,192	4,193
Total operating revenues	<u>98,930</u>	<u>68,813</u>
Operating expenses:		
Personal services	88,491	95,788
Contract services	6,077	4,969
Materials and supplies.	37,077	28,770
Utilities	3,826	4,467
Depreciation.	23,862	20,666
Total operating expenses	<u>159,333</u>	<u>154,660</u>
Operating loss.	<u>(60,403)</u>	<u>(85,847)</u>
Nonoperating revenues:		
Nonoperating revenues.	100	-
Total nonoperating revenues	<u>100</u>	<u>-</u>
Loss before transfers	(60,303)	(85,847)
Transfers in	121,748	71,000
Transfers out	-	(4,690)
Change in net assets.	61,445	(19,537)
Net assets, January 1	<u>570,597</u>	<u>590,134</u>
Net assets, December 31	<u>\$ 632,042</u>	<u>\$ 570,597</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	2007	2006	
Cash flows from operating activities:			
Cash received from customers	\$ 76,738	\$ 64,620	
Cash received from other operations	22,192	4,193	
Cash payments for personal services	(88,491)	(95,788)	
Cash payments for contract services.	(6,073)	(4,869)	
Cash payments for materials and supplies.	(36,840)	(28,449)	
Cash payments for utilities.	(3,826)	(4,467)	
	<u>(36,300)</u>	<u>(64,760)</u>	
Net cash (used in) operating activities.			
Cash flows from noncapital financing activities:			
Other non-capital revenues	100	-	
Transfers in	121,748	71,000	
Transfers out	-	(4,690)	
	<u>121,848</u>	<u>66,310</u>	
Net cash provided by noncapital financing activities			
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(16,753)	(102,065)	
	<u>(16,753)</u>	<u>(102,065)</u>	
Net cash (used in) capital and related financing activities.			
Net increase (decrease) in cash and cash equivalents	68,795	(100,515)	
Cash and cash equivalents at beginning of year	<u>7,018</u>	<u>107,533</u>	
Cash and cash equivalents at end of year.	<u>\$ 75,813</u>	<u>\$ 7,018</u>	
Reconciliation of operating loss to net cash (used in) operating activities:			
Operating loss	\$ (60,403)	\$ (85,847)	
Adjustments to reconcile operating loss to net cash (used in) operating activities:			
Depreciation	23,862	20,666	
Changes in assets and liabilities:			
Decrease in prepaids.	4	100	
Increase in accounts payable	237	321	
	<u>241</u>	<u>421</u>	
Net cash (used in) operating activities	<u>\$ (36,300)</u>	<u>\$ (64,760)</u>	

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 10,283	\$ 43,698
Prepayments	1,606	1,631
Noncurrent assets:		
Capital assets:		
Nondepreciable capital assets	94,331	94,331
Depreciable capital assets, net	24,932	43,552
Total noncurrent assets	<u>119,263</u>	<u>137,883</u>
Total assets	<u>131,152</u>	<u>183,212</u>
Liabilities:		
Current liabilities:		
Accounts payable.	2,041	2,542
Insurance deposits payable.	3,249	5,936
Accrued wages and benefits	2,161	3,254
Compensated absences payable.	7,887	7,130
Long term liabilities:		
Compensated absences payable.	14,601	10,912
Total liabilities.	<u>29,939</u>	<u>29,774</u>
Net assets:		
Invested in capital assets, net of related debt	119,263	137,883
Unrestricted (deficit)	(18,050)	15,555
Total net assets	<u>\$ 101,213</u>	<u>\$ 153,438</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Operating revenues:		
Charges for services	\$ 66,606	\$ 66,901
Other	396	278
Total operating revenues	<u>67,002</u>	<u>67,179</u>
Operating expenses:		
Personal services	95,586	116,407
Contract services	5,347	5,347
Materials and supplies.	6,494	2,754
Utilities	382	369
Depreciation.	14,732	15,359
Other.	-	3,900
Total operating expenses	<u>122,541</u>	<u>144,136</u>
Operating (loss)	<u>(55,539)</u>	<u>(76,957)</u>
Nonoperating expenses:		
Loss on disposal of capital assets.	(3,888)	-
Total nonoperating expenses	<u>(3,888)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures		
Income (loss) before transfers.	(59,427)	(76,957)
Transfers in	<u>7,202</u>	<u>-</u>
Change in net assets.	(52,225)	(76,957)
Net assets, January 1	<u>153,438</u>	<u>230,395</u>
Net assets, December 31	<u>\$ 101,213</u>	<u>\$ 153,438</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Cash flows from operating activities:		
Cash received from customers	\$ 66,606	\$ 66,901
Cash received from other operations	396	278
Cash payments for personal services	(94,920)	(115,729)
Cash payments for contract services.	(5,322)	(3,090)
Cash payments for materials and supplies.	(6,995)	(2,423)
Cash payments for utilities.	(382)	(369)
Cash payments for other operating expenses	-	(3,900)
	(40,617)	(58,332)
Cash flows from noncapital financing activities:		
Transfers in from other funds.	7,202	-
Net cash provided by noncapital financing activities	7,202	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(16,752)
Net cash (used in) capital and related financing activities	-	(16,752)
Net (decrease) in cash and cash equivalents	(33,415)	(75,084)
Cash and cash equivalents at beginning of year	43,698	118,782
Cash and cash equivalents at end of year.	\$ 10,283	\$ 43,698
Reconciliation of operating loss to net cash (used in) operating activities:		
Operating (loss)	\$ (55,539)	\$ (76,957)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation	14,732	15,359
Changes in assets and liabilities:		
Decrease in prepaids.	25	260
Increase (decrease) in accrued wages and benefits.	(1,093)	118
Increase (decrease) in accounts payable.	(501)	331
Increase (decrease) in insurance deposits payable	(2,687)	1,997
Increase in compensated absences payable	4,446	560
Net cash (used in) operating activities	\$ (40,617)	\$ (58,332)

CITY OF FINDLAY, OHIO

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

Central Stores:

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

Self Insurance:

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

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR INTERNAL SERVICE FUNDS

DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2006)

	Central Stores	Self-Insurance	Totals	
			2007	2006
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 55,767	\$ 1,086,984	\$ 1,142,751	\$ 1,097,809
Receivables (net of allowances of uncollectibles)	-	9,093	9,093	354
Materials and supplies inventory	4,282	-	4,282	4,680
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net	4,564	-	4,564	6,754
Total noncurrent assets	4,564	-	4,564	6,754
Total assets.	64,613	1,096,077	1,160,690	1,109,597
Liabilities:				
Current liabilities:				
Accounts payable.	2,702	-	2,702	1,217
Total liabilities.	2,702	-	2,702	1,217
Net assets:				
Invested in capital assets, net of related debt	4,564	-	4,564	6,754
Unrestricted	57,347	1,096,077	1,153,424	1,101,626
Total net assets.	\$ 61,911	\$ 1,096,077	\$ 1,157,988	\$ 1,108,380

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

	Central Stores	Self-Insurance	Totals	
			2007	2006
Operating revenues:				
Charges for services	\$ 25,078	\$ -	\$ 25,078	\$ 26,527
Total operating revenues	25,078	-	25,078	26,527
Operating expenses:				
Contract services	1,512	9,436	10,948	16,212
Materials and supplies.	21,503	-	21,503	19,435
Depreciation.	2,190	-	2,190	2,191
Total operating expenses	25,205	9,436	34,641	37,838
Operating income (loss)	(127)	(9,436)	(9,563)	(11,311)
Nonoperating revenues:				
Interest revenue	-	59,171	59,171	48,067
Total nonoperating revenues	-	59,171	59,171	48,067
Change in net assets	(127)	49,735	49,608	36,756
Net assets, January 1.	62,038	1,046,342	1,108,380	1,071,624
Net assets, December 31	\$ 61,911	\$ 1,096,077	\$ 1,157,988	\$ 1,108,380

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2006)

			Totals	
	Central Stores	Self-Insurance	2007	2006
Cash flows from operating activities:				
Cash received from customers	\$ 25,078	\$ -	\$ 25,078	\$ 26,527
Cash payments for contract services.	(1,512)	(9,436)	(10,948)	(16,212)
Cash payments for materials and supplies.	(19,620)	-	(19,620)	(19,168)
Cash payments for other operating expenses	-	-	-	-
Net cash provided by (used in) operating activities.	3,946	(9,436)	(5,490)	(8,853)
Cash flows from investing activities:				
Interest received.	-	50,432	50,432	48,154
Net cash provided by investing activities	-	50,432	50,432	48,154
Net increase in cash and cash equivalents	3,946	40,996	44,942	39,301
Cash and cash equivalents at beginning of year	51,821	1,045,988	1,097,809	1,058,508
Cash and cash equivalents at end of year.	\$ 55,767	\$ 1,086,984	\$ 1,142,751	\$ 1,097,809
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (127)	\$ (9,436)	\$ (9,563)	\$ (11,311)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	2,190	-	2,190	2,191
Changes in assets and liabilities:				
Decrease in materials and supplies inventory.	398	-	398	20
Increase in accounts payable	1,485	-	1,485	247
Net cash provided by (used in) operating activities.	\$ 3,946	\$ (9,436)	\$ (5,490)	\$ (8,853)

CITY OF FINDLAY, OHIO

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

Private Purpose Trust Fund

Private Trust:

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

Agency Funds

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

Guaranteed Deposits:

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

Municipal Court:

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

Tax Collection:

This fund accounts for the income taxes collected on-behalf of the Village of Arlington.

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUND
DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 160,768	\$ 158,897
Receivables:		
Accrued interest.	<u>1,102</u>	<u>718</u>
Total assets.	<u>161,870</u>	<u>159,615</u>
 Net Assets:		
Held in trust for private cemetery care	<u>161,870</u>	<u>159,615</u>
Total net assets	<u>\$ 161,870</u>	<u>\$ 159,615</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Additions:		
Interest	\$ 5,659	\$ 5,493
Gifts and contributions.	200	1,984
Total Additions.	5,859	7,477
 Deductions:		
Cemetery care	3,604	3,248
Changes in net assets	2,255	4,229
Net assets at the beginning of the year.	159,615	155,386
Net assets at the end of the year	\$ 161,870	\$ 159,615

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Balance 12/31/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/07</u>
Guaranteed Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 237,079	\$ 176,481	\$ 237,079	\$ 176,481
Total assets	<u>\$ 237,079</u>	<u>\$ 176,481</u>	<u>\$ 237,079</u>	<u>\$ 176,481</u>
Liabilities:				
Deposits held and due to others.	\$ 237,079	\$ 176,481	\$ 237,079	\$ 176,481
Total liabilities.	<u>\$ 237,079</u>	<u>\$ 176,481</u>	<u>\$ 237,079</u>	<u>\$ 176,481</u>
Municipal Court				
Assets:				
Cash in segregated accounts	\$ 95,436	\$ 3,146,225	\$ 3,182,289	\$ 59,372
Total assets	<u>\$ 95,436</u>	<u>\$ 3,146,225</u>	<u>\$ 3,182,289</u>	<u>\$ 59,372</u>
Liabilities:				
Deposits held and due to others.	\$ 95,436	\$ 3,146,225	\$ 3,182,289	\$ 59,372
Total liabilities.	<u>\$ 95,436</u>	<u>\$ 3,146,225</u>	<u>\$ 3,182,289</u>	<u>\$ 59,372</u>
Tax Collection				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 4,374	\$ 12,620	\$ 4,374	\$ 12,620
Total assets	<u>\$ 4,374</u>	<u>\$ 12,620</u>	<u>\$ 4,374</u>	<u>\$ 12,620</u>
Liabilities:				
Accounts payable.	\$ 4,374	\$ 12,620	\$ 4,374	\$ 12,620
Total liabilities.	<u>\$ 4,374</u>	<u>\$ 12,620</u>	<u>\$ 4,374</u>	<u>\$ 12,620</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 241,453	\$ 189,101	\$ 241,453	\$ 189,101
Cash in segregated accounts	95,436	3,146,225	3,182,289	59,372
Total assets	<u>\$ 336,889</u>	<u>\$ 3,335,326</u>	<u>\$ 3,423,742</u>	<u>\$ 248,473</u>
Liabilities:				
Accounts payable.	\$ 4,374	\$ 12,620	\$ 4,374	\$ 12,620
Deposits held and due to others.	332,515	3,322,706	3,419,368	235,853
Total liabilities.	<u>\$ 336,889</u>	<u>\$ 3,335,326</u>	<u>\$ 3,423,742</u>	<u>\$ 248,473</u>

STATISTICAL SECTION

CITY OF FINDLAY, OHIO
STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	165-171
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	172-181
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	182-186
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	187-189
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	190-195

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

CITY OF FINDLAY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities					
Invested in capital assets, net of related debt	\$ 60,888,257	\$ 57,094,162	\$ 57,382,919	\$ 55,017,907	\$ 53,250,549
Restricted for:					
Capital projects	833,059	816,047	767,872	711,679	2,160,578
Debt service	198,994	300,417	421,034	392,125	607,989
Transportation projects	382,853	1,682,254	1,321,291	2,176,368	1,707,388
Income tax distribution	4,397,516	4,284,626	3,858,862	-	-
Economic development programs	995,811	996,565	774,538	-	-
Perpetual care:					
Expendable	10,642	6,856	2,847	1,840	1,157
Nonexpendable	1,082,017	1,040,735	971,777	967,544	936,540
Other projects	1,102,364	883,047	1,133,567	5,422,036	3,390,659
Unrestricted	11,665,195	9,477,214	5,874,745	3,572,979	4,066,854
Total governmental activities net assets	<u>\$ 81,556,708</u>	<u>\$ 76,581,923</u>	<u>\$ 72,509,452</u>	<u>\$ 68,262,478</u>	<u>\$ 66,121,714</u>
Business-type Activities					
Invested in capital assets, net of related debt (1)	\$ 100,827,108	\$ 96,111,991	\$ 92,990,351	\$ 85,421,338	\$ 81,980,224
Capital projects	5,291,559	5,605,343	5,026,928	3,228,686	2,582,786
Debt service	2,609,489	2,616,159	2,632,243	2,547,188	2,897,822
Unrestricted	7,081,406	5,948,282	3,601,853	5,011,751	5,189,611
Total business-type activities net assets	<u>\$ 115,809,562</u>	<u>\$ 110,281,775</u>	<u>\$ 104,251,375</u>	<u>\$ 96,208,963</u>	<u>\$ 92,650,443</u>
Total Primary Government					
Invested in capital assets, net of related debt	\$ 161,715,365	\$ 153,206,153	\$ 150,373,270	\$ 140,439,245	\$ 135,230,773
Restricted for:					
Capital projects	6,124,618	6,421,390	5,794,800	3,940,365	4,743,364
Debt service	2,808,483	2,916,576	3,053,277	2,939,313	3,505,811
Transportation projects	382,853	1,682,254	1,321,291	2,176,368	1,707,388
Income tax distribution	4,397,516	4,284,626	3,858,862	-	-
Economic development programs	995,811	996,565	774,538	-	-
Perpetual care:					
Expendable	10,642	6,856	2,847	1,840	1,157
Nonexpendable	1,082,017	1,040,735	971,777	967,544	936,540
Other projects	1,102,364	883,047	1,133,567	5,422,036	3,390,659
Unrestricted	18,746,601	15,425,496	9,476,598	8,584,730	9,256,465
Total primary government net assets	<u>\$ 197,366,270</u>	<u>\$ 186,863,698</u>	<u>\$ 176,760,827</u>	<u>\$ 164,471,441</u>	<u>\$ 158,772,157</u>

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

(1) The Business-type Activities Invested in capital assets, net of related debt for the years 2003 - 2006 are different from prior CAFR's due to a prior period restatement of capital assets.

TABLE 2

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues:					
Governmental activities					
Charges for services:					
General government	\$ 2,642,592	\$ 1,795,902	\$ 1,923,294	\$ 1,933,403	\$ 1,177,697
Security of persons and property	27,093	96,414	53,312	41,100	1,564,861
Public health services	375,142	662,752	607,457	441,186	-
Transportation	177,677	10,454	17,202	5,458	2,219
Leisure time activities	536,362	381,605	337,880	332,417	66,340
Interest and fiscal charges	31,753	36,124	111,908	159,118	186,366
Operating grants & contributions	2,607,559	3,450,769	2,608,882	4,092,055	2,641,376
Capital grants & contributions	1,540,453	-	1,512,583	-	412,249
Total governmental activities program revenues	<u>7,938,631</u>	<u>6,434,020</u>	<u>7,172,518</u>	<u>7,004,737</u>	<u>6,051,108</u>
Business-type activities:					
Charges for services:					
Water	7,656,030	7,085,719	7,100,619	6,632,486	6,854,205
Water pollution control	8,678,711	8,505,966	8,609,713	8,179,779	7,540,853
Airport	955,248	1,042,094	946,458	776,427	677,746
Parking facilities	66,606	66,901	90,498	92,131	105,518
Swimming pool	76,738	64,620	54,029	45,346	50,070
Capital grants & contributions	3,497,107	3,015,561	4,567,599	1,591,936	2,678,509
Total business-type activities program revenues	<u>20,930,440</u>	<u>19,780,861</u>	<u>21,368,916</u>	<u>17,318,105</u>	<u>17,906,901</u>
Total primary government	<u>\$ 28,869,071</u>	<u>\$ 26,214,881</u>	<u>\$ 28,541,434</u>	<u>\$ 24,322,842</u>	<u>\$ 23,958,009</u>
Expenses:					
Governmental Activities					
General government	\$ 8,023,535	\$ 6,504,903	\$ 6,387,634	\$ 6,774,481	\$ 5,695,708
Security of persons and property	14,680,286	14,848,790	14,919,051	13,676,481	12,866,966
Public health services	1,640,736	1,540,983	1,515,801	1,336,638	1,347,065
Transportation	5,196,310	4,789,212	4,194,626	3,188,310	1,106,317
Leisure time activities	1,557,008	1,370,659	1,413,227	1,372,531	1,337,577
Other	-	-	-	-	1,807
Interest and fiscal charges	567,264	211,810	108,694	241,547	201,871
Total governmental activities expenses	<u>31,665,139</u>	<u>29,266,357</u>	<u>28,539,033</u>	<u>26,589,988</u>	<u>22,557,311</u>
Business-type activities:					
Water	6,844,630	5,667,066	5,916,358	6,258,906	6,398,700
Water pollution control	7,418,266	6,355,113	6,175,336	5,996,566	6,843,341
Airport	1,718,628	1,673,047	1,642,345	1,898,137	1,306,254
Parking facilities	126,429	144,136	139,108	112,840	138,441
Swimming pool	159,333	154,660	122,407	105,840	129,661
Total business-type activities expenses	<u>16,267,286</u>	<u>13,994,022</u>	<u>13,995,554</u>	<u>14,372,289</u>	<u>14,816,397</u>
Total primary government	<u>\$ 47,932,425</u>	<u>\$ 43,260,379</u>	<u>\$ 42,534,587</u>	<u>\$ 40,962,277</u>	<u>\$ 37,373,708</u>

- - Continued

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense) Revenue					
Governmental activities	\$ (23,726,508)	\$ (22,832,337)	\$ (21,366,515)	\$ (19,585,251)	\$ (16,506,203)
Business-type activities	4,663,154	5,786,839	7,373,362	2,945,816	3,090,504
Total primary government net expense	<u>\$ (19,063,354)</u>	<u>\$ (17,045,498)</u>	<u>\$ (13,993,153)</u>	<u>\$ (16,639,435)</u>	<u>\$ (13,415,699)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities					
Taxes:					
Property & other local taxes levied for:					
General purposes	\$ 2,645,547	\$ 2,575,307	\$ 2,619,131	\$ 2,432,883	\$ 2,348,596
Police and fire pensions	524,798	513,836	537,426	496,728	478,210
Municipal income taxes levied for:					
General purposes	21,067,032	18,966,079	17,260,892	15,364,985	14,095,110
Grants and entitlements					
not restricted to specific programs	2,711,937	3,903,190	3,505,531	2,286,209	2,818,716
Investment earnings	1,309,801	997,951	556,868	179,647	278,548
Miscellaneous	1,164,610	1,184,836	1,099,952	1,109,329	1,000,037
Transfers	(410,194)	(40,825)	33,689	(143,766)	96,932
Extraordinary item	(312,238)	-	-	-	-
Total governmental activities	<u>28,701,293</u>	<u>28,100,374</u>	<u>25,613,489</u>	<u>21,726,015</u>	<u>21,116,149</u>
Business-type activities					
Investment earnings	710,300	578,344	325,083	142,889	213,697
Miscellaneous	324,139	322,056	377,656	326,049	711,210
Transfers	410,194	40,825	(33,689)	143,766	(96,932)
Extraordinary item	(580,000)	-	-	-	-
Total business-type activities	<u>864,633</u>	<u>941,225</u>	<u>669,050</u>	<u>612,704</u>	<u>827,975</u>
Total primary government	<u>\$ 29,565,926</u>	<u>\$ 29,041,599</u>	<u>\$ 26,282,539</u>	<u>\$ 22,338,719</u>	<u>\$ 21,944,124</u>
Change in Net Assets					
Governmental activities	\$ 4,974,785	\$ 5,268,037	\$ 4,246,974	\$ 2,140,764	\$ 4,609,946
Business-type activities	5,527,787	6,728,064	8,042,412	3,558,520	3,918,479
Total primary government	<u>\$ 10,502,572</u>	<u>\$ 11,996,101</u>	<u>\$ 12,289,386</u>	<u>\$ 5,699,284</u>	<u>\$ 8,528,425</u>

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

CITY OF FINDLAY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund				
Reserved	\$ 1,195,477	\$ 2,355,431	\$ 843,588	\$ 370,547
Unreserved	<u>4,839,070</u>	<u>4,516,854</u>	<u>7,401,998</u>	<u>5,854,174</u>
Total general fund	<u>\$ 6,034,547</u>	<u>\$ 6,872,285</u>	<u>\$ 8,245,586</u>	<u>\$ 6,224,721</u>
All Other Governmental Funds				
Reserved	\$ 4,259,447	\$ 4,465,758	\$ 3,261,941	\$ 3,293,694
Unreserved, reported in:				
Special revenue funds	236,907	3,221,237	4,110,157	4,553,636
Permanent fund	10,642	6,856	2,847	1,840
Capital projects funds	<u>826,099</u>	<u>815,547</u>	<u>767,872</u>	<u>530,660</u>
Total all other governmental funds	<u>\$ 5,333,095</u>	<u>\$ 8,509,398</u>	<u>\$ 8,142,817</u>	<u>\$ 8,379,830</u>

TABLE 3

2003	2002	2001	2000	1999	1998
\$ 335,338	\$ 603,616	\$ 1,487,585	\$ 579,666	\$ 767,908	\$ 936,364
6,395,355	4,681,068	5,888,284	6,864,161	6,095,743	5,428,293
<u>\$ 6,730,693</u>	<u>\$ 5,284,684</u>	<u>\$ 7,375,869</u>	<u>\$ 7,443,827</u>	<u>\$ 6,863,651</u>	<u>\$ 6,364,657</u>
\$ 3,458,102	\$ 2,327,006	\$ 1,903,002	\$ 2,315,295	\$ 1,935,130	\$ 1,601,323
3,669,248	3,290,213	4,209,368	2,435,732	2,581,670	3,078,315
1,157	-	-	-	-	-
414,919	505,253	389,121	157,425	349,347	267,466
<u>\$ 7,543,426</u>	<u>\$ 6,122,472</u>	<u>\$ 6,501,491</u>	<u>\$ 4,908,452</u>	<u>\$ 4,866,147</u>	<u>\$ 4,947,104</u>

CITY OF FINDLAY, OHIO

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues				
Municipal income taxes	\$ 21,043,910	\$ 18,546,064	\$ 17,323,028	\$ 15,385,918
Property and other taxes	3,170,345	3,089,143	3,156,557	2,929,611
Charges for services	2,053,334	1,308,721	1,051,512	983,651
Licenses and permits	348,671	326,340	367,854	361,509
Fines and forfeitures	1,239,933	1,312,066	1,370,961	1,377,006
Intergovernmental	5,363,039	7,201,553	6,227,738	6,206,496
Special assessments	103,550	170,580	288,554	279,704
Investment income	1,250,630	949,884	537,856	185,586
Rental income	57,231	50,900	-	-
Contributions and donations	160,000	5,269	-	-
Reimbursements	943,393	835,261	834,736	725,093
Other	82,381	293,406	265,216	384,236
Total revenues	<u>35,816,417</u>	<u>34,089,187</u>	<u>31,424,012</u>	<u>28,818,810</u>
Expenditures				
Current:				
General government	7,267,755	6,043,985	6,077,685	5,777,002
Security of persons and property	13,812,880	13,944,904	14,179,528	13,433,081
Public health and welfare	1,636,529	1,467,461	1,483,325	1,368,300
Transportation	2,693,686	2,414,009	1,797,021	1,636,349
Leisure time activity	1,408,200	1,267,736	1,305,133	1,373,950
Other	-	-	-	-
Capital outlay	11,368,519	9,399,548	4,003,967	4,241,071
Debt service:				
Principal retirement	483,353	488,132	429,486	467,574
Interest and fiscal charges	616,955	243,875	137,867	227,576
Bond/note issuance costs	10,284	-	-	33,490
Total expenditures	<u>39,298,161</u>	<u>35,269,650</u>	<u>29,414,012</u>	<u>28,558,393</u>
Excess of revenues over (under) expenditures	(3,481,744)	(1,180,463)	2,010,000	260,417
Other Financing Sources (Uses)				
Transfers in	22,021,990	20,905,649	18,958,417	17,122,675
Transfers (out)	(22,432,184)	(20,946,474)	(19,324,728)	(17,266,441)
Payment to refunding bond escrow agent	-	-	-	(2,477,100)
Premium on notes/bonds	69,206	39,257	-	89,570
Capital lease financing	-	-	-	-
Sale of capital assets	-	-	500	-
Bonds issued	-	-	129,300	2,463,000
OPWC loans issued	-	149,663	-	144,000
Total other financing sources (uses)	<u>(340,988)</u>	<u>148,095</u>	<u>(236,511)</u>	<u>75,704</u>
Extraordinary item				
Loss due to flood damage	<u>(192,824)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in reserve for inventory	-	66,044	-	(3,353)
Increase (decrease) in prepaids	1,515	(40,396)	10,363	(2,336)
Net change in fund balances	<u>\$ (4,014,041)</u>	<u>\$ (1,006,720)</u>	<u>\$ 1,783,852</u>	<u>\$ 330,432</u>
Capital expenditures	10,877,755	8,779,039	5,301,849	4,676,770
Debt service as a percentage of noncapital expenditures	3.91%	2.76%	2.35%	3.05%

TABLE 4

	2003	2002	2001	2000	1999	1998
\$	14,002,165	\$ 14,447,353	\$ 15,287,570	\$ 13,653,787	\$ 13,483,300	\$ 14,393,187
	2,826,806	2,864,133	2,395,171	2,228,256	2,226,806	-
	916,668	572,362	528,138	528,254	466,650	523,498
	319,748	294,599	256,264	104,710	96,613	110,535
	1,538,397	1,518,046	1,458,975	1,531,249	1,530,985	1,488,997
	5,396,980	4,146,327	4,489,752	4,086,594	4,387,084	4,009,104
	592,222	383,256	405,244	290,126	250,094	311,907
	269,067	417,326	834,236	1,080,238	664,448	586,105
	-	-	-	-	-	-
	139,511	-	-	-	-	-
	677,682	707,314	823,052	554,348	576,679	-
	322,566	213,694	307,859	426,914	327,370	1,245,780
	<u>27,001,812</u>	<u>25,564,410</u>	<u>26,786,261</u>	<u>24,484,476</u>	<u>24,010,029</u>	<u>22,669,113</u>
	5,542,145	5,810,189	5,710,231	4,998,973	4,613,512	4,489,092
	12,659,590	12,560,392	11,601,542	10,805,889	10,387,007	9,817,349
	1,334,612	1,345,087	1,264,665	1,114,922	1,128,912	1,030,722
	1,618,551	1,708,562	1,563,537	1,499,571	1,379,006	1,221,917
	1,305,622	888,587	820,908	674,902	696,805	654,402
	1,807	-	-	-	-	-
	4,913,419	4,918,956	3,977,394	3,391,275	2,981,243	2,171,824
	385,169	401,322	541,000	571,000	1,940,960	810,960
	209,146	371,465	241,995	268,718	394,562	440,549
	9,397	-	-	-	-	-
	<u>27,979,458</u>	<u>28,004,560</u>	<u>25,721,272</u>	<u>23,325,250</u>	<u>23,522,007</u>	<u>20,636,815</u>
	(977,646)	(2,440,150)	1,064,989	1,159,226	488,022	2,032,298
	16,467,546	16,659,895	16,939,295	15,421,014	15,570,137	13,708,957
	(16,370,614)	(16,871,989)	(16,725,857)	(15,914,105)	(15,656,806)	(13,787,833)
	-	-	-	-	-	-
	26,956	-	-	-	-	-
	-	9,116	-	-	-	-
	-	-	-	-	-	-
	1,001,550	119,850	145,500	-	-	255,000
	-	-	-	-	-	-
	<u>1,125,438</u>	<u>(83,128)</u>	<u>358,938</u>	<u>(493,091)</u>	<u>(86,669)</u>	<u>176,124</u>
	-	-	-	-	-	-
	(9,484)	37,824	15,423	(55,095)	7,849	24,980
	9,398	17,105	(75,235)	11,441	8,835	4,759
\$	<u>147,706</u>	<u>(2,468,349)</u>	<u>1,364,115</u>	<u>622,481</u>	<u>418,037</u>	<u>2,238,161</u>
	4,913,419	4,918,956	3,977,394	3,391,275	2,981,243	2,171,824
	2.62%	3.35%	3.60%	4.21%	11.37%	6.78%

CITY OF FINDLAY, OHIO

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

Calander Year (1)	Real Property (a)		Real and Personal Public Utility (b)		Tangible Personal Property (c)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2008	\$ 793,505,110	\$ 2,267,157,457	\$ 17,749,490	\$ 20,169,875	\$ 39,237,296	\$ 234,252,513
2007	750,904,400	2,145,441,143	20,951,930	23,809,011	78,664,222	469,637,144
2006	731,113,130	2,088,894,657	20,830,810	23,671,375	110,179,715	440,718,860
2005 (2)	718,179,890	2,051,942,543	21,185,600	24,074,545	148,117,214	592,468,856
2004	645,430,870	1,844,088,200	20,894,840	23,744,136	144,017,614	576,070,456
2003	626,960,430	1,791,315,514	20,705,880	23,529,409	172,457,599	689,830,396
2002	611,410,130	1,746,886,086	20,339,970	23,113,602	191,586,739	766,346,956
2001	574,141,030	1,640,402,943	26,603,490	30,231,239	151,916,904	607,667,616
2000	564,268,950	1,612,197,000	25,705,800	29,211,136	164,997,670	659,990,680
1999 (2)	551,462,520	1,575,607,200	28,395,260	32,267,341	156,889,861	627,559,444

Source: Hancock County, Ohio; Auditor

(1) Valuations are amounts for collection year.

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

(a) Real property is assessed at 35% of actual value. Real property taxes collected in a calander year are levied as of January 1 of that year based on assessed values as of January 1 of the preceding year.

(b) Public utility is assessed at 88% of actual value. Public utility real and tangible property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.

(c) For 2005 and prior, tangible personal is assessed at 25% of true value for capital assets and 23% percent of true value for inventory. For 2006, tangible personal personal property tax is assessed at 18.75% of property value, including inventory. For 2007, tangible personal personal property tax is assessed at 12.50% of property value, including inventory. For 2008, tangible personal personal property tax is assessed at 6.25% of property value, including inventory.

TABLE 5

Total		
Assessed Value	Estimated Actual Value	%
\$ 850,491,896	\$ 2,521,579,846	33.73%
850,520,552	2,638,887,298	32.23%
862,123,655	2,553,284,892	33.77%
887,482,704	2,668,485,944	33.26%
810,343,324	2,443,902,792	33.16%
820,123,909	2,504,675,319	32.74%
823,336,839	2,536,346,644	32.46%
752,661,424	2,278,301,797	33.04%
754,972,420	2,301,398,816	32.80%
736,747,641	2,235,433,985	32.96%

CITY OF FINDLAY, OHIO

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

City Direct Rates (1)							
Collection Year (1)	General Rate		Total Direct Rate				
2008	\$	3.20	\$	3.20			
2007		3.20		3.20			
2006		3.20		3.20			
2005		3.20		3.20			
2004		3.20		3.20			
2003		3.20		3.20			
2002		3.20		3.20			
2001		3.20		3.20			
2000		3.20		3.20			
1999		3.20		3.20			
Overlapping Rates (1)							
Collection Year (1)	Hancock County		Park District		Findlay City School District		Total
2008	\$	7.80	\$	0.80	\$	60.75	\$ 72.55
2007		7.30		0.80		60.75	72.05
2006		7.30		0.80		58.25	69.55
2005		5.40		0.80		58.25	67.65
2004		5.40		0.80		53.35	62.75
2003		5.12		0.80		53.35	62.47
2002		5.12		0.80		53.35	62.47
2001		5.14		0.80		53.35	62.49
2000		5.15		0.80		53.35	62.50
1999		5.14		0.80		53.35	62.49

Source: Hancock County Auditor's Office

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

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Marathon Oil Co.	\$ 10,605,130	1	1.34%
Cooper Tire & Rubber Company	8,972,530	2	1.13%
Findlay Shopping Center, Inc.	6,460,380	3	0.81%
Kohl's Department Stores, Inc. - Distribution Center	5,250,000	4	0.66%
Logistics Solutions of Ohio	3,837,860	5	0.48%
RG Findlay LTD	3,051,060	6	0.38%
Meijer Stores	3,050,660	7	0.38%
BB Findlay Limited Partnership	2,969,670	8	0.37%
Lowe's Home Centers Inc.	2,348,110	9	0.30%
L P Investment Company	2,285,420	10	0.29%
Total, Top Ten Principal Real Property Taxpayers	<u>\$ 48,830,820</u>		<u>\$ 793,505,110</u>

December 31, 1998 (1)			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Marathon/Ashland Petroleum Company	\$ 11,176,560	1	2.03%
Cooper Tire & Rubber Company	6,667,950	2	1.21%
Findlay Shopping Center, Inc.	5,830,950	3	1.06%
Ohio Logistics, Ltd.	3,588,720	4	0.65%
GE Subsidiary, Inc. (Harris Corp)	2,388,040	5	0.43%
Thrifty Findlay, Inc.	2,188,150	6	0.40%
B B Findlay Partnership (Best Buy)	2,141,130	7	0.39%
Total, Top Seven Principal Real Property Taxpayers	<u>\$ 33,981,500</u>		<u>\$ 551,462,520</u>

Source: Hancock County Auditor

(1) For December 31, 1998, only the top seven real property taxpayer information was available.

CITY OF FINDLAY, OHIO

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

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cooper Tire & Rubber	\$ 9,041,180	1	23.04%
Nissan Brake Ohio	5,997,120	2	15.28%
Best Buy Stores LP	5,946,230	3	15.15%
Marathon Oil Co.	4,518,530	4	11.52%
Graham Packaging	4,358,820	5	11.11%
Filtech Inc.	1,974,250	6	5.03%
SANHO	1,865,880	7	4.76%
Ohio Bell Telephone	1,849,120	8	4.71%
Kohls	1,797,040	9	4.58%
Findlay Products	1,480,160	10	3.77%
Total, Top Ten Principal Personal Property Taxpayers	\$ 38,828,330		\$ 39,237,296

December 31, 1998			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cooper Tire & Rubber	\$ 24,086,450	1	15.35%
Harris Corporation	14,319,560	2	9.13%
Findlex Corporation	6,850,600	3	4.37%
Findlay Products	4,908,700	4	3.13%
Findlay Industries	3,334,300	5	2.13%
Hisan	2,614,170	6	1.67%
Bridgestone APM	2,554,010	7	1.63%
Filtech Inc.	2,507,710	8	1.60%
Hitachi Data	2,049,230	9	1.31%
P&A Industries	2,032,670	10	1.30%
Total, Top Ten Principal Personal Property Taxpayers	\$ 65,257,400		\$ 156,889,861

Source: Hancock County Auditor

CITY OF FINDLAY, OHIO

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

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Power Company	\$ 5,312,440	1	29.93%
Columbia Gas of Ohio, Inc.	717,240	2	4.04%
Norfolk Southern Combined	75,970	3	0.43%
CSX Transportation Inc.	48,780	4	0.27%
Hancock-Wood Electric Co-Op Inc.	30,900	5	0.17%
Total, Top Five Principal Public Utility Taxpayers	<u>\$ 6,185,330</u>		<u>\$ 17,749,490</u>
December 31, 1998 (1)			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ohio Power Company	\$ 13,151,100	1	46.31%
Ohio Bell Telephone	8,037,210	2	28.30%
Columbia Gas of Ohio	5,803,750	3	20.44%
Total, Top Three Principal Public Utility Taxpayers	<u>\$ 26,992,060</u>		<u>\$ 28,395,260</u>

Source: Hancock County Auditor

(1) For December 31, 1998, only the top three public utility property taxpayer information was available.

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

Collection Year	Current Levy (1)	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2007	\$ 2,467,139	\$ 111,912	\$ 2,579,051	\$ 2,177,218	88.25%
2006	2,398,800	107,212	2,506,012	2,329,710	97.12%
2005	2,358,522	97,574	2,456,096	2,288,109	97.01%
2004	2,138,332	109,230	2,247,562	2,046,887	95.72%
2003	2,073,019	60,713	2,133,732	1,995,917	96.28%
2002	2,021,591	68,473	2,090,064	1,969,658	97.43%
2001	1,922,516	69,966	1,992,482	1,875,468	97.55%
2000	1,894,571	55,023	1,949,594	1,884,103	99.45%
1999	1,855,535	41,173	1,896,708	1,813,980	97.76%
1998	1,602,445	32,111	1,634,556	1,576,159	98.36%

Source: Hancock County Auditor

(1) includes rollbacks reimbursed by the State.

TABLE 10

Delinquent Collection		Total Collection	Total Collection as a Percent of Total Levy
82,611	\$	2,259,829	87.62%
64,333		2,394,043	95.53%
63,527		2,351,636	95.75%
79,183		2,126,070	94.59%
55,691		2,051,608	96.15%
47,316		2,016,974	96.50%
56,894		1,932,362	96.98%
46,077		1,930,180	99.00%
27,723		1,841,703	97.10%
22,727		1,598,886	97.82%

CITY OF FINDLAY, OHIO

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

Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits
2007	1.00%	\$ 21,185,963	\$ 12,926,239	61.01%	\$ 6,748,538
2006	1.00%	18,542,994	12,266,198	66.15%	4,714,847
2005	1.00%	17,331,772	12,004,951	69.27%	3,865,817
2004	1.00%	15,265,818	11,487,766	75.25%	2,424,514
2003	1.00%	14,278,805	11,168,674	78.22%	1,844,709
2002	1.00%	14,930,706	11,086,396	74.25%	2,468,483
2001	1.00%	14,318,131	10,824,788	75.60%	2,409,620
2000	1.00%	13,052,856	10,349,064	79.29%	1,579,556
1999	1.00%	13,084,314	9,898,733	75.65%	1,984,944
1998	1.00%	11,695,212	9,072,423	77.57%	1,570,678

Source: City income tax department.

TABLE 11

Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
31.85%	\$ 1,511,186	7.13%
25.43%	1,561,949	8.42%
22.30%	1,461,004	8.43%
15.88%	1,353,538	8.87%
12.92%	1,265,422	8.86%
16.53%	1,375,827	9.21%
16.83%	1,083,723	7.57%
12.10%	1,124,236	8.61%
15.17%	1,200,637	9.18%
13.43%	1,052,111	9.00%

CITY OF FINDLAY, OHIO

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

Governmental Activities								
Year	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Capital Leases	OPWC Loans	Police and Fire Past Service		
2007	\$ 2,765,000	\$ 165,205	\$ -	\$ -	\$ 257,238	\$ 1,206,404		
2006	3,110,000	288,875	-	-	271,921	1,229,271		
2005	3,440,000	434,045	-	2,020	133,200	1,251,195		
2004	3,780,000	384,765	-	4,286	140,400	1,272,217		
2003	3,990,000	443,635	-	6,390	-	1,292,373		
2002	3,305,000	510,300	-	8,344	-	1,311,699		
2001	3,645,000	504,000	-	-	-	1,330,230		
2000	4,140,000	561,500	-	-	-	1,347,997		
1999	4,665,000	397,500	-	-	-	1,365,032		
1998	6,550,000	453,460	995,000	-	-	1,381,366		

Sources:

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

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

Business-Type Activities									
General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans	(a) Total Primary Government	(b) Total Personal Income	Percentage of Personal Income	(b) Population	Per Capita	
\$ 17,775,000	\$ -	\$ 32,781,584	\$ 727,397	\$ 55,677,828	\$1,058,697,465	5.26%	40,515	\$ 1,374	
20,545,000	-	34,353,505	588,873	60,387,445	1,034,451,756	5.84%	40,372	1,496	
23,240,000	-	32,381,825	625,289	61,507,574	999,682,580	6.15%	40,135	1,533	
25,980,000	-	33,453,275	656,705	65,671,648	965,423,638	6.80%	40,114	1,637	
27,975,000	-	34,849,100	483,121	69,039,619	951,319,134	7.26%	39,906	1,730	
22,050,000	9,377,072	34,916,575	1,088,303	72,567,293	910,148,810	7.97%	39,670	1,829	
23,325,000	10,465,302	31,478,900	1,182,983	71,931,415	960,563,170	7.49%	39,319	1,829	
24,555,000	11,503,532	17,334,483	1,273,277	60,715,789	868,106,826	6.99%	38,967	1,558	
25,740,000	12,491,762	8,724	1,359,387	46,027,405	827,014,528	5.57%	38,776	1,187	
26,875,000	13,434,992	-	1,441,508	51,131,326	794,212,154	6.44%	38,483	1,329	

CITY OF FINDLAY, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

Year	General Obligation Bonds	Special Assessment Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2007	\$ 2,765,000	\$ 165,205	\$ 2,930,205	0.12%	\$ 72
2006	3,110,000	288,875	3,398,875	0.13%	84
2005	3,440,000	434,045	3,874,045	0.15%	97
2004	3,780,000	384,765	4,164,765	0.16%	104
2003	3,990,000	443,635	4,433,635	0.18%	111
2002	3,305,000	510,300	3,815,300	0.15%	96
2001	3,645,000	504,000	4,149,000	0.16%	106
2000	4,140,000	561,500	4,701,500	0.21%	121
1999	4,665,000	397,500	5,062,500	0.22%	131
1998	6,550,000	453,460	7,003,460	0.31%	182

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

CITY OF FINDLAY, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
City of Findlay	\$ -	100.00% (1)	\$ -
Findlay City School District	-	0.00%	-
Liberty-Benton Local School District	2,558,427	16.85%	431,095
Van Buren Local School District	8,895,000	34.00%	3,024,300
Overlapping debt:			
Hancock County	3,700,000	54.65%	2,022,050
Hancock County Park District	-	0.00%	-
Total direct and overlapping debt	<u>\$ 15,153,427</u>		<u>\$ 5,477,445</u>

Source: Ohio Municipal Advisory Council

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

CITY OF FINDLAY, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

Fiscal Year	Debt Limit (1)	Total Net Debt Applicable to Limit	Debt Service Available Balance	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2007	\$ 85,144,308	\$ 2,765,000	\$ 160,697	\$ 82,540,005	3.25%
2006	89,304,658	3,110,000	199,170	86,393,828	3.48%
2005	90,522,984	3,440,000	193,624	87,276,608	3.80%
2004	93,185,684	3,780,000	181,545	89,587,229	4.06%
2003	85,086,049	3,990,000	257,291	81,353,340	4.69%
2002	86,113,010	3,305,000	146,493	82,954,503	3.84%
2001	86,450,368	3,645,000	103,115	82,908,483	4.22%
2000	79,029,450	4,140,000	101,449	74,990,899	5.24%
1999	79,272,104	4,665,000	76,550	74,683,654	5.88%
1998	77,358,502	6,550,000	129,570	70,938,072	8.47%

Source: City financial records.

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

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

CITY OF FINDLAY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rates (3)		
				Hancock County	Ohio	United States
2007	40,515	\$ 1,058,697,465	\$ 26,131	4.6%	5.6%	4.6%
2006	40,372	1,034,451,756	25,623	4.4%	5.5%	4.6%
2005	40,135	999,682,580	24,908	4.9%	5.9%	5.1%
2004	40,114	965,423,638	24,067	5.1%	6.2%	5.5%
2003	39,906	951,319,134	23,839	5.2%	6.2%	6.0%
2002	39,670	910,148,810	22,943	4.4%	5.7%	5.8%
2001	39,319	960,563,170	24,430	3.7%	4.4%	4.7%
2000	38,967	868,106,826	22,278	3.3%	4.0%	4.0%
1999	38,776	827,014,528	21,328	2.8%	5.0%	4.8%
1998	38,483	794,212,154	20,638	3.2%	4.3%	4.5%

Sources:

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

CITY OF FINDLAY, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Employer	December 31, 2007		
	Employees	Rank	Percentage of Total City Employment
Whirlpool Corporation	2,000	1	17.15%
Blanchard Valley Regional Health Center	1,956	2	16.77%
Cooper Tire & Rubber Company	1,913	3	16.40%
Marathon Oil Company	1,528	4	13.10%
Nissan Brake	831	5	7.12%
Findlay City Schools	804	6	6.89%
Lowe's Distribution Center	785	7	6.73%
Wal-Mart Stores	633	8	5.43%
Hancock County	625	9	5.36%
Sanoh America, Inc.	589	10	5.05%
Total	11,664		100.00%

Employer	December 31, 1998		
	Employees	Rank	Percentage of Total
Cooper Tire & Rubber Company	1,928	1	19.33%
Whirlpool Corporation	1,750	2	17.55%
Blanchard Valley Regional Health Center	1,200	3	12.03%
Marathon Oil Company	966	4	9.69%
Findlay Industries	802	5	8.04%
Kohl's Distribution Center	802	6	8.04%
Findlay City Schools	750	7	7.52%
Harris Corporation	636	8	6.38%
Hancock County	580	9	5.82%
Findlex Corporation	558	10	5.60%
Total	9,972		100.00%

Source: City Auditor's Office Contacted Businesses

CITY OF FINDLAY, OHIO

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

Function/Program	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Government										
Mayor	2	2	3	4	3	3	3	3	3	3
Council	11	11	11	11	11	11	11	11	11	11
Civil Service	4	4	4	4	4	4	4	4	4	4
Safety Director	2	2	2	2	1	1	1	1	1	1
Building Maintenance	3	1	1	2	2	2	2	2	1	1
Service Director	1	0	2	1	2	2	2	2	2	2
Auditor	5	5	6	5	5	4	4	4	4	4
Treasurer	1	1	1	1	1	1	1	1	1	1
Computer Services	3	3	3	4	4	4	4	4	3	3
City Income Tax	5	5	5	5	4	4	5	4	4	4
Law Director	6	6	6	6	5	5	5	5	5	5
Municipal Court	17	17	18	16	18	17	18	18	18	18
Cemetery	4	2	4	4	4	5	6	7	5	5
Security of Persons and Property										
Police	72	70	73	74	70	74	73	70	68	64
Fire	75	71	74	73	72	73	74	74	72	73
School Police	3	4	4	4	6	7	12	11	8	12
Fire Clerks	2	1	1	1	1	1	1	1	1	1
Police Clerks	7	7	6	6	5	5	6	6	6	7
Dispatch	11	10	11	9	10	11	11	9	8	8
Parking	1	2	2	1	2	2	2	2	2	2
Community Environment										
Engineering	12	13	14	12	12	12	15	17	15	16
Zoning	2	1	1	2	3	4	3	3	3	3
Health	14	14	13	13	13	13	12	10	9	11
Streets	27	25	25	24	24	28	27	29	25	29
Lights	5	5	5	5	5	5	5	5	5	5
NEAT	1	1	1	0	0	0	0	0	0	0
Leisure Time Activity										
Parks	9	11	9	9	9	8	10	8	7	8
Hancock Recreation Center	11	6	9	15	13	0	0	0	0	0
Recreation	7	4	2	3	3	3	3	3	8	8
Pool	9	10	13	12	11	12	12	10	11	13
Utility Services										
Sewer Maintenance	14	14	14	14	13	14	14	12	12	12
Water Pollution Control	18	17	16	18	19	17	19	21	20	21
Water Treatment	18	18	19	20	19	15	21	22	20	20
Water Distribution	15	15	15	15	16	16	15	16	16	16
Utility Billing	9	8	10	9	9	9	9	9	9	9
Service Department	1	1	2	2	2	1	2	2	2	2
Airport	5	5	5	5	6	6	6	6	6	6
Total	412	392	410	411	407	399	418	412	395	408

Source: City of Findlay records

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

CITY OF FINDLAY, OHIO

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2007	2006	2005	2004
General Government				
Auditor's Office				
Purchase orders issued	4,517	3,949	4,039	3,948
Checks issued	7,847	7,609	7,891	7,839
Computer Services				
Computers maintained	265	258	247	237
City website hits	313,518	263,781	188,533	140,620
Cemetery				
Number of internments	159	216	213	235
Graves sold	119	336	125	148
Safety Services				
Municipal Court				
Cases filed	16,112	18,791	18,396	17,661
Arraignments	11,782	14,326	14,553	14,366
Jury trials	1	95	55	27
Police				
Charges from arrests	2,687	2,961	2,590	3,301
Parking violations	6,914	6,914	10,835	9,748
Traffic violations	6,838	4,478	3,403	4,885
Fire				
Emergency responses/calls answered	2,003	1,734	1,628	1,437
Fires extinguished	200	160	192	218
Inspections conducted	472	752	558	581
Community Environment				
Health Department				
Food service licenses issued	434	415	414	376
Vaccinations given - Clinic	8,848	7,129	7,732	7,793
Births	1,145	1,082	1,084	1,019
Deaths	447	487	396	453
Plumbing inspection permits issued	480	586	692	726
Zoning				
New commercial permits issued	9	9	2	10
New residential permits issued	68	127	82	99
New industrial permits issued	0	1	1	0
Inspections conducted	250	1,032	812	3,779
Street				
Miles of street maintained	193.07	192.85	189.24	188.05
Pot holes repaired	160	76	151	199
Limbs removed	141	53	232	253
Visibility complaints received	22	11	11	19
Repairs to concrete	26	65	84	79

TABLE 19

2003	2002	2001	2000	1999	1998
3,971	4,129	3,999	3,913	3,591	3,493
7,912	7,737	7,967	7,795	7,249	6,958
235	228	208	188	161	161
45,752	39,167	25,697	14,973	5,175	0
224	170	201	217	212	211
136	150	136	343	184	180
23,021	25,545	26,388	23,946	23,715	25,722
23,063	26,617	26,857	23,711	23,855	23,115
82	58	62	54	96	72
3,178	3,170	6,021	6,245	8,599	8,592
11,099	11,840	10,645	8,776	11,345	15,481
5,112	4,430	5,847	4,860	5,886	6,268
1,028	902	799	721	776	777
177	252	149	158	191	175
667	654	512	725	507	743
363	380	409	536	525	456
7,628	7,430	8,177	7,813	8,593	8,380
981	1,000	1,020	1,036	1,055	1,117
455	421	473	471	490	506
678	791	788	712	812	891
13	10	4	8	10	13
147	139	122	132	128	156
0	0	1	6	5	4
3,136	3,095	2,465	2,737	2,578	2,844
182.63	179.77	179.29	177.40	176.60	175.40
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

CITY OF FINDLAY, OHIO

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

Function/Program	2007	2006	2005	2004
Leisure Time Activities				
Shade Tree				
Trees planted	125	132	155	188
Trees removed	200	265	260	266
Utility Services				
Water				
New connections	145	234	271	275
Water main breaks	77	69	89	71
Avg. daily consumption (MGD)	6.5920	6.0150	6.3825	6.0820
Sewer Maintenance				
Sewer calls	132	111	106	100
Feet of sanitary sewer cleaned	83,433	153,872	170,817	173,954
Catch basin repair	79	78	78	99
Airport				
Fuel sales - Jet A (in gallons)	210,151	249,610	243,063	246,298
Fuel sales - Octane (in gallons)	24,619.3	27,250.9	31,905.6	26,736.9
Landing fees charged	127	181	173	2,684

Source: City of Findlay Department Directors

2003	2002	2001	2000	1999	1998
182	171	183	N/A	N/A	N/A
256	199	245	N/A	N/A	N/A
242	316	293	403	360	346
74	108	79	86	103	54
6.1000	6.5267	6.4023	6.5356	6.7393	5.9914
100	122	151	176	152	127
173,954	115,925	129,423	175,697	162,307	132,104
99	95	112	88	96	111
231,357	248,177	291,715	346,796	339,471	335,648
27,939.3	33,040.7	26,655.5	31,455.6	30,587.4	35,189.1
2,905	2,455	3,244	3,809	9,445	10,099

CITY OF FINDLAY, OHIO

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2007	2006	2005	2004	2003	2002
Safety Services						
Police						
Stations	1	1	1	1	1	1
Patrol units	45	44	42	43	44	41
Fire						
Fire stations	4	4	4	4	4	4
Fire trucks	18	17	16	16	14	12
Community Environment						
Street						
Miles of street maintained	193.07	192.85	189.24	188.05	182.63	179.77
Traffic signals	95	94	94	93	85	85
Leisure Time Activities						
Parks and Recreation						
Number of parks	19	19	19	19	19	17
Number of ballfields	37	37	37	37	37	33
Number of soccer fields	25	25	25	25	25	23
Swimming pool	1	1	1	1	1	1
Ice Rink	1	1	1	1	1	0
Utility Services						
Water						
Water mains (miles)	302.19	289.2	285.19	288.36	285.19	280.91
Number of hydrants	2,333	2,279	2,180	2,142	2,052	1,994
Storage capacity (BG)	6.4	6.4	6.4	6.4	6.4	6.4
Water treatment plants	1	1	1	1	1	1
Sewer Maintenance						
Sanitary sewers (miles)	301.41	299.64	276.71	279.03	276.71	268.93
Sewage treatment plants	1	1	1	1	1	1
Airport						
Number of runways	2	2	2	2	2	2

Source: City of Findlay Department Directors

TABLE 20

2001	2000	1999	1998
1	1	1	1
37	34	34	34
4	4	4	4
12	11	11	10
179.29	177.40	176.60	175.40
77	72	71	66
17	17	17	17
28	28	28	28
26	21	21	21
1	1	1	1
0	0	0	0
277.09	266.85	259.16	255.11
1,946	1,888	N/A	1,734
6.4	6.4	6.4	6.4
1	1	1	1
265.64	261.41	257.46	249.07
1	1	1	1
2	2	2	2

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Mary Taylor, CPA
Auditor of State

CITY OF FINDLAY

HANCOCK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 3, 2008**