

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

SUPPLEMENTAL REPORTS

DECEMBER 31, 2005

MS. JANET WOBSEY, CITY AUDITOR



**Auditor of State
Betty Montgomery**

Members of Council and Mayor
City of Findlay
318 Dorney Plaza, Room 313
Findlay, Ohio 45840

We have reviewed the *Independent Auditors' Report* of the City of Findlay, Hancock County prepared by Julian and Grube, Inc., for the audit period January 1, 2005 through December 31, 2005. 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.

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

BETTY MONTGOMERY
Auditor of State

July 17, 2006

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**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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

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

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

Our audit was performed for the purpose of forming opinions on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Findlay as of and for the year ended December 31, 2005. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 1, 2006

**CITY OF FINDLAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	CASH (A) FEDERAL DISBURSEMENTS
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT			
(B) Small Cities Community Development Block Grant	14.228	A-E-03-120-1	\$ 132,758
(B) Small Cities Community Development Block Grant	14.228	A-E-04-120-1	110,000
Small Cities Community Development Block Grant	14.228	A-F-03-120-1	180,540
Small Cities Community Development Block Grant	14.228	A-F-04-120-1	195,000
Total U.S. Department of Housing and Urban Development			<u>618,298</u>
U.S. DEPARTMENT OF JUSTICE PASSED THROUGH N/A			
Byrne Memorial Grant	16.579	N/A	<u>19,730</u>
Bulletproof Vest Partnership Grant Program	16.607	N/A	<u>1,950</u>
Total U.S. Department of Justice			<u>21,680</u>
U. S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION PASSED THROUGH THE N/A			
Airport Improvement Program	20.106	N/A	<u>897,637</u>
U. S. DEPARTMENT OF TRANSPORTATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction	20.205	N/A	<u>90,289</u>
U. S. ENVIRONMENTAL PROTECTION AGENCY PASSED THROUGH THE N/A			
Brownsfield Assessment and Cleanup Cooperative Agreements	66.818	N/A	<u>1,048</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF HEALTH			
Public Health Infrastructure	93.283	L253	<u>141,183</u>
Total Federal Financial Assistance			<u>\$ 1,770,135</u>

- (A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the City's federal award programs. This schedule has been prepared on the cash basis of accounting.
- (B) The City has established a revolving loan program to provide low-interest loans to businesses that are creating jobs and meet the other program requirements. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Expenditures of Federal Awards (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. These loans are collateralized by mortgages on the property. At December 31, 2005, the gross amount of loans outstanding under this program were \$602,313. Of this amount \$232,758 was new revolving loans issued during the year ended December 31, 2005.

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



Julian & Grube, Inc.

Serving Ohio Local Governments

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, as of and for the year ended December 31, 2005, which collectively comprise the basic financial statements and have issued our report thereon dated June 1, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Findlay's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Findlay in a separate letter dated June 1, 2006.

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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Members of Council and Mayor
City of Findlay

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

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

Julian & Grube, Inc.
June 1, 2006



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 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, 2005. The City of Findlay's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Findlay's management. Our responsibility is to express an opinion on the City of Findlay's compliance based on our audit.

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

In our opinion, the City of Findlay complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005.

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 and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

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

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



Julian & Grube, Inc.
June 1, 2006

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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

DECEMBER 31, 2005

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

**CITY OF FINDLAY
HANCOCK COUNTY, OHIO**

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

DECEMBER 31, 2005

**2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

PREPARED BY:

CITY AUDITOR'S OFFICE
JANET WOBSEY, CITY AUDITOR

CITY OF FINDLAY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

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AUDITOR'S OFFICE

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Findlay, OH 45840-3346
Telephone: 419-424-7101 • Fax: 419-424-7866

JANET R. WOBSE
CITY AUDITOR

June 1, 2006

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, 2005, is submitted herewith. The report has been prepared for the citizens of Findlay, the elected officials, bondholders, the investment community, rating agencies, and all persons interested in the financial affairs of the City. This report includes the City's implementation of accounting principles generally accepted in the United States of America (GAAP) set forth by the Governmental Accounting Standards Board (GASB).

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

The Comprehensive Annual Financial Report is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Section contains this letter of transmittal, the City's organizational chart, a listing of our elected and appointed officials, and a copy of the Certificate of Achievement awarded to the City for its 2004 CAFR. The Financial Section includes the independent auditor's report on the financial statements, the management discussion and analysis, the basic financial statements and notes, and the combining and individual fund financial statements. The Statistical Section provides pertinent and select financial, economic, and demographic information that can be referenced on a multi-year basis. We have also included in this section the data that meets the disclosure requirements of the Securities and Exchange Commission Rule 15c2-12.

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

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

As a part of the City's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's independent audit for the year ended December 31, 2005 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). Generally accepted accounting principles 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 Accountant's Report.

PROFILE OF THE CITY

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Local Economy

For the past 20 years our community leaders have focused our development efforts in the direction of diversification. They felt that the city's economy should not be dependent on one industry or employment sector. Their realization of the fact that diversification offers a more stable economic base has proven to be one of the major reasons our economy has not suffered the sharp down turns experienced in other cities. Our major employers represent office/white collar, industrial/manufacturing, and health care industries. We have been able to retain long-time corporate citizens and at the same time attract new businesses to our area. It is estimated that approximately 5,500 people from surrounding communities travel to jobs in the Findlay area on a daily basis.

One of our best economic indicators is the municipal income tax collections. The withholding category is an indication of employment base and the business category indicates profitable operations. As of December 2005 the withholders payments were 4.5% ahead of 2004 and the adjusted business payments were 18% ahead of 2004. We have seen our total cash income tax collections increase an average of 6.4% per year since 1984. In the last five years the collections have increased an average of 5.9% per year.

The values of taxable property have also increased due to both commercial and residential development. When you compare the estimated actual value of taxable property between the two most recent sexennial updates, you see an increase of approximately \$167,000,000 in property value (excluding public utility and personal property).

Long-Term Financial Planning

Planning has become a key part of managing our departments and the services they provide to the residents of the city. The Service Director has made changes to the process by which the managers of the enterprise functions approach their budgets and capital purchases. A team of managers in both water departments and water pollution control departments are charting their past performance for both operational expense and capital initiatives. The goal is to update our existing good data base with accurate historical information and then be able to predict future growth and capital needs. This then becomes an important part of the annual rate study process, as well as a valuable information tool for the administration. Since these enterprise activities support not only their departmental operations, but all the debt service and capital projects, it is increasingly important to have revenue data balanced against the cost of service. Any expenditure decisions will be first reviewed as to the impact to the fund before approval is given by the Service Director. The other operating departments, including police and fire are required to approach their future needs in the same manner.

A multi year capital improvement plan allows the administration to give Council a broader picture of funding for major projects and equipment purchases. Engineering projects as well as equipment purchases are shown on the capital improvement plan. The capital plan is a constantly changing document that must be updated as priorities change. Engineering personnel set out the projects that they feel deserve funding for the current year and into the future. This is especially important in the cases where the city wants to seek outside funding sources so that there is adequate time to prepare applications that are necessary. The city tries to make maximum use of license fees, transportation money, Public Works Commission loans and grants, and EPA/OWDA loans. Since the plan also funds capital equipment, it is also important for all managers to be planning equipment replacement in a multi-year cycle.

Major Initiatives

The Brandman tire storage site was cleaned up during 2005. This 28-acre parcel was the storage area for approximately 1 million tires. Most of the tires were removed and shredded to be used as lining at the local landfill. The future development depends on the availability of state and federal grants to be used for the actual remediation of the ground once the tires were removed. This site preparation must be completed before any construction can begin. If there is no money available for site work, then the area can be used for park and outdoor recreation area. The much preferred long range plan makes it a link between our downtown and the University of Findlay which would include a new public library, an office building and a chamber of commerce building.

Plans were finalized for the renovation of the Hancock Recreation Center in 2005, and in early 2006 \$2 million was borrowed to pay for the modifications to the building. The improvements include roof replacement, new ice equipment, installation of air conditioning and upgrading the heating systems. A 4,000 square foot addition will be built onto the northeast corner of the building and will house offices, a party room and larger lobby space. The construction will be completed during the summer of 2006 so that the arena can re-open when the fall ice-season starts. The updates to the building will encourage use of the building when the ice is off. The dry floor space and break out rooms will accommodate a variety of activities and uses that were previously not possible. Plans are in design for a 5 baseball/softball diamonds to be built adjacent to the recreation center. This piece of the complex is currently in design phase and city leaders are trying to raise money through naming rights and contributions. Construction is scheduled for early 2007.

The improvement of CR236 between SR224 and SR12 is moving forward with the purchase of right of way from the property owners. Because of the commercial and residential development that is occurring along this roadway the current 2-lane road will be unable to adequately service the traffic generated by subdivision residents and customers of the new retail businesses and restaurants. The road improvement project will be designed during the summer of 2006, and built in early 2007. All the land parcels that are designated for commercial development have been designated as a tax increment financing (TIF) area. The payments in lieu of taxes that are received from these parcels will be used to pay the debt service on the money borrowed to finance the project.

The upgrades at the water treatment facility got underway in the fall of 2005. Our application for loan money (\$4.1 million) through the Ohio Water Development Authority was approved and contracts were executed with a completion date of September 2006. This project involves the replacement and updating of chemical feed systems, computer instrumentation and controls, building windows and roof replacement, and improvements to both water storage towers.

Work was started on updating the comprehensive land use plan. \$80,000 was appropriated to pay the Hancock Regional Planning Commission for the new plan. A comprehensive land use plan predicts the type of growth and where it will occur. It will help city leaders determine how far out they can extend services through annexation before growth begins to cost more to provide services than the revenue generated. This will be a valuable tool to ensure that the proper long term considerations are discussed when future development decisions are made.

AWARDS

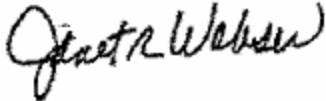
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Findlay for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2004. The Certificate of Achievement 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

I would like to express my appreciation to our Council members, to the Administration, to our Department Supervisors, and to all our City employees for their continued cooperation in our efforts to continuously improve the financial reporting of the City. A special word of thanks goes to Deputy Auditor Ginger Sampson, CPA. Her knowledge and dedication are instrumental in the issuance of this report. I would also like to acknowledge our consultant, Julian & Grube, Inc. for their efforts in the development of this CAFR. An additional word of appreciation is extended to each member of my staff for their support and assistance throughout the year.

Respectfully submitted,

A handwritten signature in black ink that reads "Janet R. Wobser". The signature is written in a cursive, flowing style.

Janet R. Wobser
City Auditor

CITY OF FINDLAY, OHIO

DECEMBER 31, 2005

ELECTED OFFICIALS

Mayor	Anthony P. Iriti
Auditor	Janet R. Wobser
Municipal Court Judge	Kevin C. Smith
Municipal Court Judge	Vernon L. Preston
Treasurer	Robert C. Sprague
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	James E. Paul
Sixth Ward	William J. Schedel, Jr

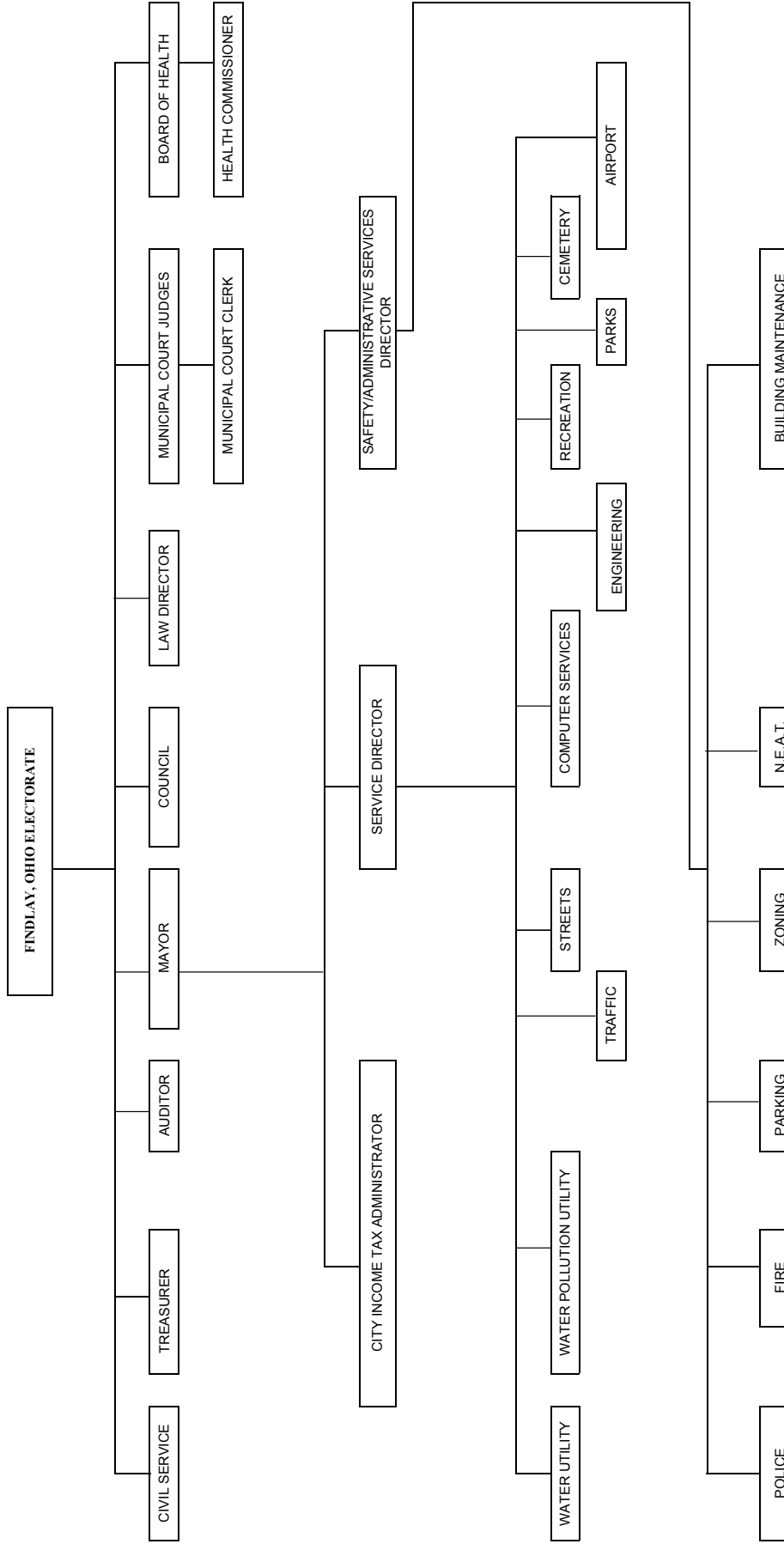
APPOINTED OFFICIALS

Service Director	Jim Staschiak II
Safety/Administrative Services Director	Eileen Bensen
Chief Engineer	Jacqueline Schroeder, PE
City Income Tax Administrator	Andrew L. Thomas
Municipal Court Clerk	Marsha Okuly

CITY AUDITOR'S OFFICE

City Auditor	Janet R. Wobser
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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emer

Executive Director



Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, Hancock County, (the "City"), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Findlay, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, street maintenance and repair fund, and city income tax administration fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of 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 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 the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.
June 1, 2006

CITY OF FINDLAY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005 UNAUDITED

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, 2005. 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 2005 are as follows:

- The total net assets of the City increased \$12,289,386. Net assets of governmental activities increased \$4,246,974 or 6.22% over 2004 and net assets of business-type activities increased \$8,042,412 or 10.24% over 2004.
- General revenues accounted for \$25,579,800 or 78.10% of total governmental activities revenue. Program specific revenues accounted for \$7,172,518 or 21.90% of total governmental activities revenue.
- The City had \$28,539,033 in expenses related to governmental activities; \$7,172,518 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$21,366,515 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$25,579,800.
- The general fund had revenues of \$10,209,995 in 2005. This represents an increase of \$1,705,206 from 2004 revenues. Transfers in amounted to \$15,814,311 and are reported under other financing sources. The expenditures of the general fund, which totaled \$22,685,544 in 2005, increased \$1,056,550 from 2004. The net increase in fund balance for the general fund was \$2,020,865 or 32.47%.
- The street maintenance and repair fund had revenues of \$2,196,739 in 2005. This represents a decrease of \$1,044,469 from 2004 revenues. The expenditures of the street maintenance and repair fund, which totaled \$5,060,763 in 2005, decreased \$303,755 from 2004. The net decrease in fund balance for the street maintenance and repair fund was \$817,196 or 45.55%.
- The city income tax administration fund had revenues of \$17,339,282 in 2005. This represents an increase of \$1,952,974 from 2004 revenues. The expenditures of the city income tax administration fund, which totaled \$690,839 in 2005, increased \$31,868 from 2004. The net decrease in fund balance for the city income tax administration fund was \$46,884 or 1.51%.
- Net assets for the business-type activities, which are made up of the Water, Water Pollution Control, Airport, Parking Facilities, and Swimming Pool enterprise funds, increased in 2005 by \$8,042,412. 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, 2005
UNAUDITED**

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

Reporting the City as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" 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, 2005
UNAUDITED**

Governmental Funds

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

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

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

Proprietary Funds

The City maintains five different types of proprietary 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, 2005
UNAUDITED

Government-Wide Financial Analysis

The table below provides a summary of the City's net assets for 2005 and 2004:

	Net Assets					
	Governmental	Business-type	Governmental	Business-type	2005	2004
	Activities	Activities	Activities	Activities	Total	Total
	2005	2005	2004	2004		
<u>Assets</u>						
Current and other assets	\$ 25,426,814	\$ 15,778,412	\$ 22,905,110	\$ 13,419,498	\$ 41,205,226	\$ 36,324,608
Capital assets, net	<u>61,311,584</u>	<u>130,779,070</u>	<u>59,235,642</u>	<u>127,072,103</u>	<u>192,090,654</u>	<u>186,307,745</u>
Total assets	<u>86,738,398</u>	<u>146,557,482</u>	<u>82,140,752</u>	<u>140,491,601</u>	<u>233,295,880</u>	<u>222,632,353</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	8,384,031	56,369,249	8,570,705	60,251,636	64,753,280	68,822,341
Other liabilities	<u>5,844,915</u>	<u>3,615,442</u>	<u>5,307,569</u>	<u>1,709,586</u>	<u>9,460,357</u>	<u>7,017,155</u>
Total liabilities	<u>14,228,946</u>	<u>59,984,691</u>	<u>13,878,274</u>	<u>61,961,222</u>	<u>74,213,637</u>	<u>75,839,496</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	57,382,919	75,311,767	55,017,907	67,742,754	132,694,686	122,760,661
Restricted	9,251,788	7,659,171	9,671,592	5,775,874	16,910,959	15,447,466
Unrestricted	<u>5,874,745</u>	<u>3,601,853</u>	<u>3,572,979</u>	<u>5,011,751</u>	<u>9,476,598</u>	<u>8,584,730</u>
Total net assets	<u>\$ 72,509,452</u>	<u>\$ 86,572,791</u>	<u>\$ 68,262,478</u>	<u>\$ 78,530,379</u>	<u>\$ 159,082,243</u>	<u>\$ 146,792,857</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2005, the City's assets exceeded liabilities by \$159,082,243. At year-end, net assets were \$72,509,452 and \$86,572,791 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 82.34% 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, 2005, were \$57,382,919 and \$75,311,767 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, 2005, 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, \$16,910,959 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 \$5,874,745 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, 2005
UNAUDITED**

The table below shows the changes in net assets for fiscal year 2005 and 2004:

	Change in Net Assets					
	Governmental	Business-type	Governmental	Business-type	2005	2004
	Activities	Activities	Activities	Activities	Total	Total
	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>		
Revenues						
Program revenues:						
Charges for services	\$ 3,051,053	\$ 16,801,317	\$ 2,912,682	\$ 15,726,169	\$ 19,852,370	\$ 18,638,851
Operating grants and contributions	2,608,882	-	4,092,055	-	2,608,882	4,092,055
Capital grants and contributions	<u>1,512,583</u>	<u>4,567,599</u>	<u>-</u>	<u>1,591,936</u>	<u>6,080,182</u>	<u>1,591,936</u>
Total program revenues	<u>7,172,518</u>	<u>21,368,916</u>	<u>7,004,737</u>	<u>17,318,105</u>	<u>28,541,434</u>	<u>24,322,842</u>
General revenues:						
Property taxes	3,156,557	-	2,929,611	-	3,156,557	2,929,611
Income taxes	17,260,892	-	15,364,985	-	17,260,892	15,364,985
Unrestricted grants and entitlements	3,505,531	-	2,286,209	-	3,505,531	2,286,209
Investment earnings	556,868	325,083	179,647	142,889	881,951	322,536
Miscellaneous	<u>1,099,952</u>	<u>377,656</u>	<u>1,109,329</u>	<u>326,049</u>	<u>1,477,608</u>	<u>1,435,378</u>
Total general revenues	<u>25,579,800</u>	<u>702,739</u>	<u>21,869,781</u>	<u>468,938</u>	<u>26,282,539</u>	<u>22,338,719</u>
Total revenues	<u>32,752,318</u>	<u>22,071,655</u>	<u>28,874,518</u>	<u>17,787,043</u>	<u>54,823,973</u>	<u>46,661,561</u>
Expenses:						
General government	6,387,634	-	6,774,481	-	6,387,634	6,774,481
Security of persons and property	14,919,051	-	13,676,481	-	14,919,051	13,676,481
Public health and welfare	1,515,801	-	1,336,638	-	1,515,801	1,336,638
Transportation	4,194,626	-	3,188,310	-	4,194,626	3,188,310
Leisure time activity	1,413,227	-	1,372,531	-	1,413,227	1,372,531
Interest and fiscal charges	108,694	-	241,547	-	108,694	241,547
Water	-	5,916,358	-	6,258,906	5,916,358	6,258,906
Water pollution control	-	6,175,336	-	5,996,566	6,175,336	5,996,566
Airport	-	1,642,345	-	1,898,137	1,642,345	1,898,137
Parking facilities	-	139,108	-	112,840	139,108	112,840
Swimming pool	-	122,407	-	105,840	122,407	105,840
Total expenses	<u>28,539,033</u>	<u>13,995,554</u>	<u>26,589,988</u>	<u>14,372,289</u>	<u>42,534,587</u>	<u>40,962,277</u>
Increase in net assets before transfers	<u>4,213,285</u>	<u>8,076,101</u>	<u>2,284,530</u>	<u>3,414,754</u>	<u>12,289,386</u>	<u>5,699,284</u>
Transfers	<u>33,689</u>	<u>(33,689)</u>	<u>(143,766)</u>	<u>143,766</u>	<u>-</u>	<u>-</u>
Increase in net assets	4,246,974	8,042,412	2,140,764	3,558,520	12,289,386	5,699,284
Net assets at beginning of year	<u>68,262,478</u>	<u>78,530,379</u>	<u>66,121,714</u>	<u>74,971,859</u>	<u>146,792,857</u>	<u>141,093,573</u>
Net assets at end of year	<u>\$ 72,509,452</u>	<u>\$ 86,572,791</u>	<u>\$ 68,262,478</u>	<u>\$ 78,530,379</u>	<u>\$ 159,082,243</u>	<u>\$ 146,792,857</u>

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Governmental Activities

Governmental activities net assets increased \$4,246,974 in 2005.

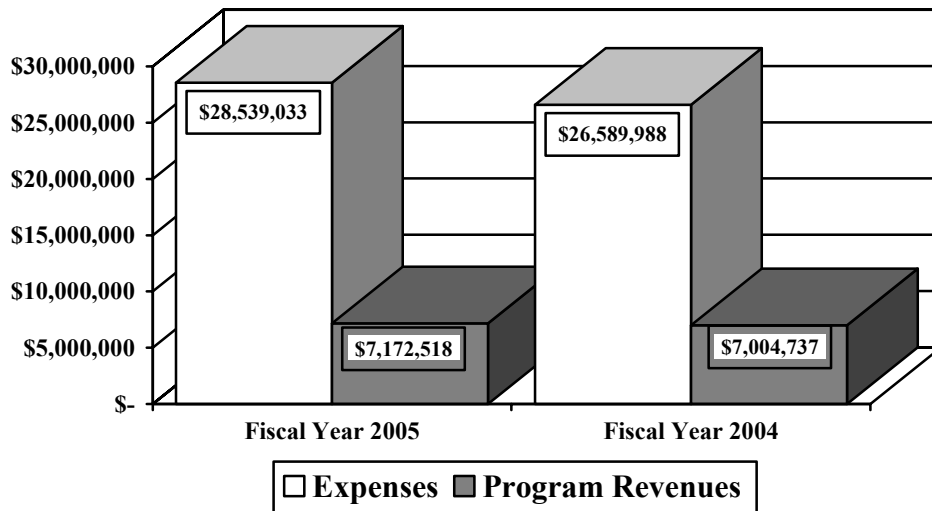
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$14,919,051 of the total expenses of the City. These expenses were partially funded by \$53,312 in direct charges to users of the services. General government expenses totaled \$6,387,634. General government expenses were partially funded by \$1,923,294 in direct charges to users of the services.

The state and federal government contributed to the City a total of \$2,608,882 in operating grants and contributions and \$1,512,583 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$2,377,462 subsidized transportation programs and \$231,420 subsidized general government operations. All \$1,512,583 of the capital grants and contributions subsidized transportation programs.

General revenues totaled \$25,579,800, and amounted to 78.10% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$3,156,557 and \$17,260,892, respectively. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$3,505,531.

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



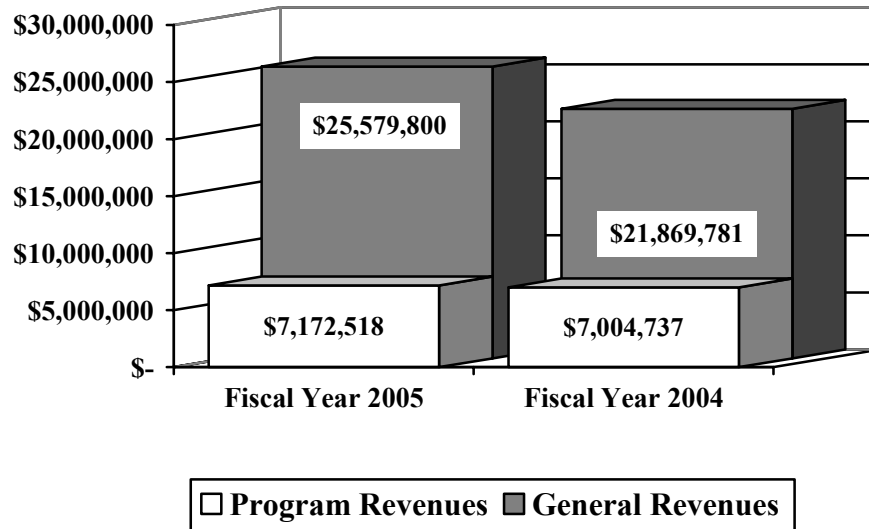
CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

	Governmental Activities			
	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
Program Expenses:				
General government	\$ 6,387,634	\$ 4,232,920	\$ 6,774,481	\$ 4,488,208
Security of persons and property	14,919,051	14,865,739	13,676,481	13,635,381
Public health and welfare	1,515,801	908,344	1,336,638	850,774
Transportation	4,194,626	287,379	3,188,310	(511,655)
Leisure time activity	1,413,227	1,075,347	1,372,531	1,040,114
Interest and fiscal charges	<u>108,694</u>	<u>(3,214)</u>	<u>241,547</u>	<u>82,429</u>
Total	<u>\$ 28,539,033</u>	<u>\$ 21,366,515</u>	<u>\$ 26,589,988</u>	<u>\$19,585,251</u>

The dependence upon general revenues for governmental activities is apparent, with 74.87% of expenses supported through taxes and other general revenues.

Governmental Activities – General and Program Revenues



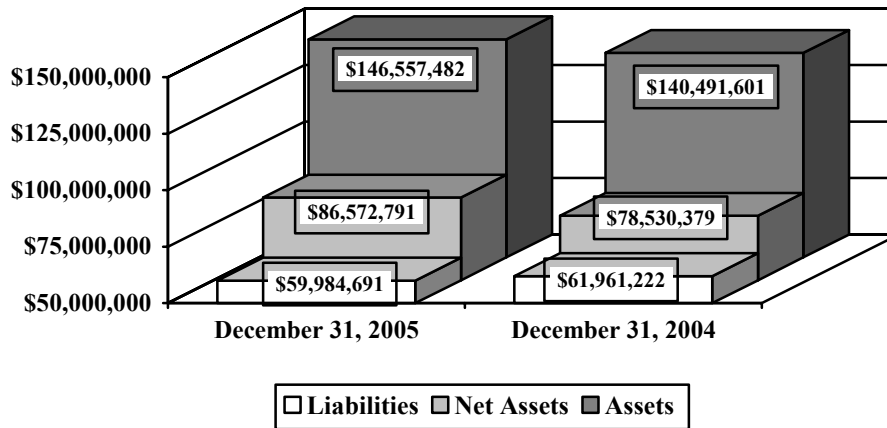
CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Business-type Activities

Business-type activities include the water, water pollution control, airport, parking facilities, and swimming pool enterprise funds. These programs had program revenues of \$21,368,916, general revenues of \$702,739 and expenses of \$13,995,554 for 2005. The graph below shows the business-type activities assets, liabilities and net assets at year-end.

Net Assets in Business - Type Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on pages 36-37) reported a combined fund balance of \$16,388,403 which is \$1,783,852 above last year's total of \$14,604,551. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2005 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/05</u>	Fund Balances <u>12/31/04</u>	Increase <u>(Decrease)</u>
Major funds:			
General	\$ 8,245,586	\$ 6,224,721	\$ 2,020,865
Street repair and maintenance	977,062	1,794,258	(817,196)
City income tax administration	3,058,914	3,105,798	(46,884)
Other nonmajor governmental funds	<u>4,106,841</u>	<u>3,479,774</u>	<u>627,067</u>
Total	<u>\$ 16,388,403</u>	<u>\$ 14,604,551</u>	<u>\$ 1,783,852</u>

CITY OF FINDLAY, OHIO

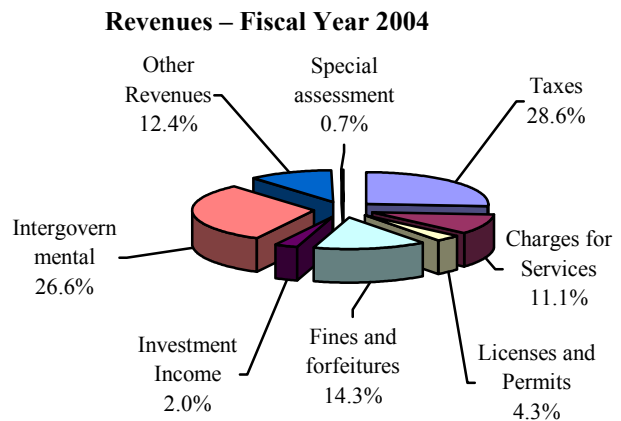
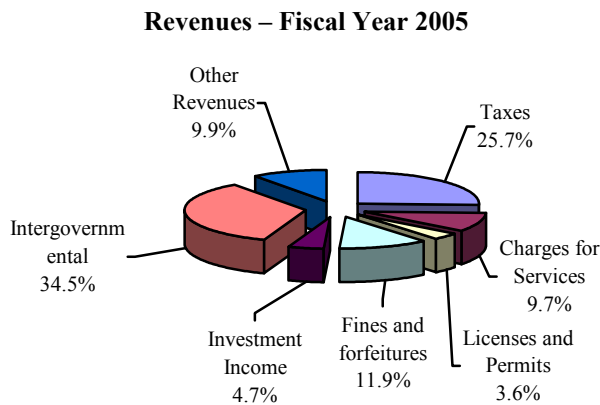
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

General Fund

The City's general fund balance increased \$2,020,865, primarily due to an increase in revenues in the amount of \$1,705,206. The table that follows assists in illustrating the revenues of the general fund for 2005 and 2004.

	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues			
Taxes	\$ 2,619,131	\$ 2,432,883	7.66 %
Charges for services	992,685	946,993	4.82 %
Licenses and permits	367,854	361,509	1.76 %
Fines and forfeitures	1,213,004	1,217,009	(0.33) %
Investment income	483,745	166,291	190.90 %
Special assessments	-	62,598	(100.00) %
Intergovernmental	3,520,988	2,261,298	55.71 %
Other	<u>1,012,588</u>	<u>1,056,208</u>	(4.13) %
Total	<u>\$ 10,209,995</u>	<u>\$ 8,504,789</u>	20.05 %

Tax revenue represents 25.7% 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 7.66% from prior year. The increase in investment income is primarily due to the increase in the fair market value of federal agency securities. These securities fluctuate in value depending upon market conditions. The value at year-end is for reporting purposes only, as it is the City's intention to hold the investments until the maturity date. The increase in charges for services revenue is due to an increase in the collections of charges. All other revenue remained comparable to 2004.



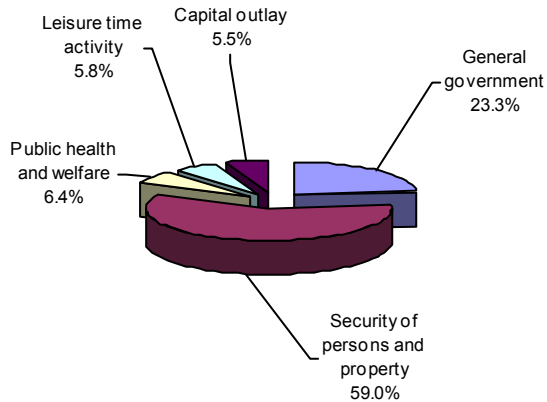
CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED

The table that follows assists in illustrating the expenditures of the general fund for 2005 and 2004.

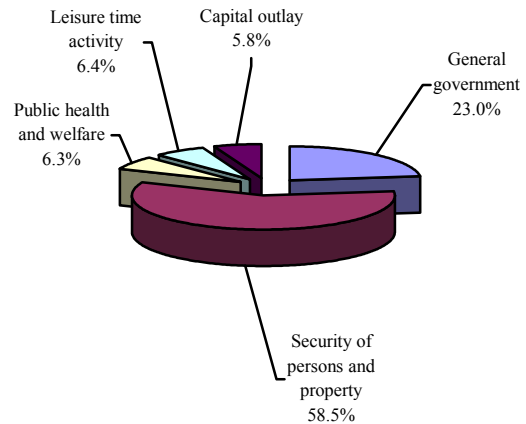
	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 5,274,875	\$ 4,981,373	5.89 %
Security of persons and property	13,390,381	12,647,208	5.88 %
Public health and welfare	1,461,958	1,368,300	6.84 %
Leisure time activity	1,305,133	1,373,950	(5.01) %
Capital outlay	1,253,197	1,258,163	(0.39) %
Total	\$ <u>22,685,544</u>	\$ <u>21,628,994</u>	4.88 %

All expenditures remained comparable to 2004.

Expenditures - Fiscal Year 2005



Expenditures - Fiscal Year 2004



Street Maintenance and Repair Fund

The street maintenance and repair fund had revenues of \$2,196,739 in 2005. This represents a decrease of \$1,044,469 from 2004 revenues. The expenditures of the street maintenance and repair fund, which totaled \$5,060,763 in 2005, decreased \$303,755 from 2004. The net decrease in fund balance for the street maintenance and repair fund was \$817,196 or 45.55%.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

City Income Tax Administration Fund

The city income tax administration fund had revenues of \$17,339,282 in 2005. This represents an increase of \$1,952,974 from 2004 revenues. The expenditures of the city income tax administration fund, which totaled \$690,839 in 2005, increased \$31,868 from 2004. The net decrease in fund balance for the city income tax administration fund was \$46,884 or 1.51%. The City Income tax rate is and has been 1.0% since it was imposed January 1, 1967. The income tax receipts are allocated between General Fund operations and capital improvement projects. The allocation is determined by ordinance of Council and can be changed, based on need. At year end 2005, the allocation was 78% to General Fund and 22% to general capital improvements that are not Enterprise Fund related. Please refer to the table titled General Government Revenues in the Statistical Section of this report for a 10-year history of the income tax collections. The average annual growth rate since 1984 has been an increase of 6% per year.

General Fund Budgeting Highlights

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

In the basic financial statements, budgetary information is presented for the general fund, street maintenance and repair fund and city income tax administration fund. In accordance with GASB Statement No. 34, only discussion of budgetary variances for the general fund is presented in the MD&A. For the general fund, the most significant changes were between the original and final budgeted amount in the area of expenditures, which increased \$1,573,324 from \$22,634,406 to \$24,207,730. Actual revenues and other financing sources of \$26,024,806 exceeded final budgeted revenues and other financing sources of \$23,330,150 by \$2,694,656 primarily due to an increase in actual intergovernmental revenues. The other significant change was between the final budgeted expenditures and actual expenditures. Actual expenditures came in \$1,522,186 lower than the final budgeted amounts.

Proprietary Funds

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

Water Fund

Our waterworks system has been municipally owned since it was first developed in 1888. Improvements have been made as needed and are financed from revenues of the system. The current facilities include two upland raw water storage reservoirs with a capacity of 6.4 billion gallons, a raw water pump station located at the reservoir, raw water lines that feed into the lime-soda softening water treatment plant, high service pumps, and a 288-mile distribution system with two elevated storage tanks. There is treated water storage capacity at the plant of 4.5 million gallons plus 2.75 million gallons in the two elevated towers. The plant is able to treat 16 million gallons per day, and in the future can be expanded to 24 million gallons per day when the customer demand for treated water increases to that level.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 2005 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	135,234	\$416,820	6.37%
Ball Metal	79,964	248,444	3.79%
Cooper Tire	82,830	180,836	2.76%
University of Findlay	38,878	107,361	1.64%
Hancock County	38,728	95,361	1.46%
City Laundry	29,743	62,431	0.95%
Findlay City Schools	20,438	60,983	0.93%
Marathon	25,743	58,505	0.89%
B V R H C	22,776	55,102	0.84%
Createc	<u>22,796</u>	<u>47,848</u>	<u>0.73%</u>
Total Top Ten	497,130	1,333,691	20.36%
All Other Customers	<u>1,884,919</u>	<u>5,218,052</u>	<u>79.64%</u>
Total	<u>2,382,049</u>	<u>\$6,551,743</u>	<u>100.00%</u>

**Total Customer Use
By Class & Location**

<u>Customer Class</u>	<u>*HCF Water Use</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Inside City/Residential	1,092,001	\$2,919,771	44.56%
Inside City/Commercial	551,670	1,445,921	22.07%
Inside City/Industrial	210,808	462,687	7.06%
Outside City/Residential	210,578	797,349	12.17%
Outside City/Commercial	51,553	221,174	3.38%
Outside City/Industrial	<u>265,439</u>	<u>704,841</u>	<u>10.76%</u>
Total	<u>2,382,049</u>	<u>\$6,551,743</u>	<u>100.00%</u>
Total Water Customers	17,201		

* Hundred Cubic Feet

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Water Pollution Control Fund

The City's wastewater treatment facility has been updated and improved to maintain compliance with all EPA discharge permit standards. During 1987 and 1988, major renovations were made to the Broad Avenue treatment plant, and a new 6.0 million gallon per day (MGD) oxidation ditch type of treatment plant was constructed on River Road which is adjacent to the original plant. In 2000 construction began on two new oxidation ditches, two final clarifiers and UV disinfecting at the River Road Plant. This expansion of the facility was fully operational in July 2001, and in 2002 the original activated sludge plant on Broad Avenue was decommissioned and demolished. The design of the River Road Plant allows for the construction of additional modules as demand on the facilities increases. Currently the treatment plant provides for a 15 MGD average design flow and a 40 MGD peak design flow. In addition, the city is working toward a comprehensive stormwater management plan to comply with EPA guidelines. Information regarding wastewater customers for 2005 is presented below:

Ten Largest Single Wastewater Customers

<u>Customer</u>	<u>Revenue</u>	Percent of <u>Total</u>
University of Findlay	\$ 123,003	1.63%
Whirlpool	111,335	1.48%
Cooper Tire	106,221	1.41%
Findlay City Schools	72,326	0.96%
Ball Metal	68,619	0.91%
Marathon	64,839	0.86%
Village of Arcadia	57,593	0.76%
B V R H C	54,165	0.72%
City Laundry	51,253	0.68%
Hancock County	<u>50,268</u>	<u>0.67%</u>
Total Top Ten	\$ 759,622	10.08%
All Other Customers	<u>6,786,153</u>	<u>89.92%</u>
Grand Total	<u>\$7,545,775</u>	<u>100.00%</u>

**Total Customer Use
By Class & Location**

<u>Customer Class</u>	<u>Revenue</u>	% of Total <u>Revenue</u>
Inside City/Residential	\$4,321,330	57.26%
Inside City/Commercial	1,512,938	20.05%
Inside City/Industrial	348,470	4.62%
Outside City/Residential	941,679	12.48%
Outside City/Commercial	156,080	2.07%
Outside City/Industrial	<u>265,278</u>	<u>3.52%</u>
Total	<u>\$7,545,775</u>	<u>100.00%</u>
Total Wastewater Customers Inside Corp		14,496
Total Wastewater Customers Outside Corp		2,071

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

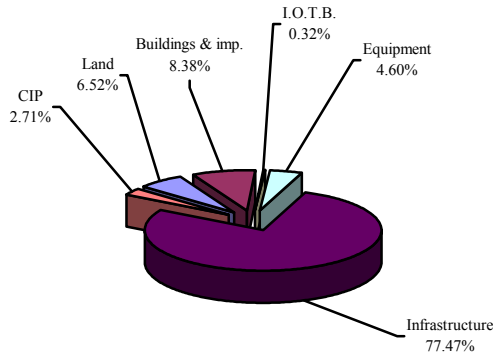
At the end of fiscal 2005, the City had \$192,090,654 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings (I.O.T.B.), machinery and equipment, utility plant in service, utility lines in service, infrastructure and construction in progress (CIP). Of this total, \$61,311,584 was reported in governmental activities and \$130,779,070 was reported in business-type activities. The following table shows fiscal 2005 balances compared to 2004:

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

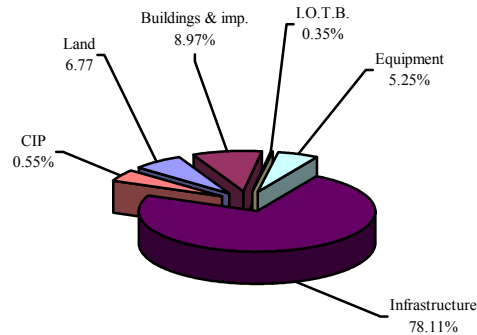
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 3,999,516	\$ 4,011,083	\$ 4,734,694	\$ 4,736,429	\$ 8,734,210	\$ 8,747,512
Buildings and improvements	5,139,329	5,313,306	640,340	721,817	5,779,669	6,035,123
I.O.T.B.	194,569	206,329	6,985,708	7,559,101	7,180,277	7,765,430
Utility plant in service	-	-	42,069,741	43,250,113	42,069,741	43,250,113
Utility lines in service	-	-	70,568,397	68,132,442	70,568,397	68,132,442
Machinery and equipment	2,818,615	3,111,695	1,673,201	1,693,787	4,491,816	4,805,482
Infrastructure	47,497,737	46,265,689	-	-	47,497,737	46,265,689
Construction in progress	1,661,818	327,540	4,106,989	978,414	5,768,807	1,305,954
Totals	\$ 61,311,584	\$ 59,235,642	\$ 130,779,070	\$ 127,072,103	\$ 192,090,654	\$ 186,307,745

The following graphs show the breakdown of governmental capital assets by category for 2005 and 2004.

Capital Assets - Governmental Activities 2005



Capital Assets - Governmental Activities 2004

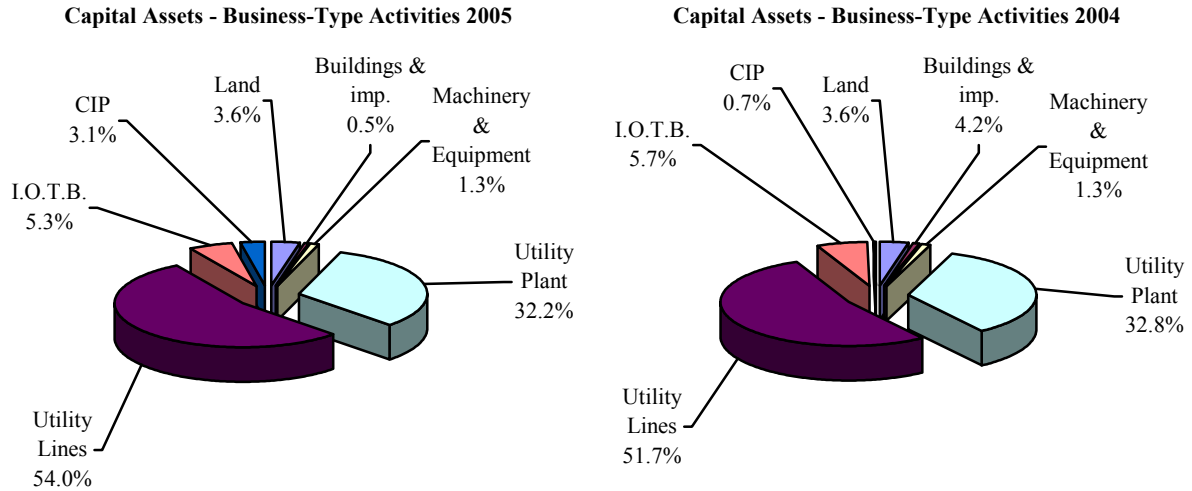


The City's largest governmental capital asset category is infrastructure which includes streets, storm sewers, and traffic signals. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 77.47% of the City's total governmental capital assets.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

The following graphs show the breakdown of business-type capital assets by category for 2005 and 2004.



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 54.0% of the City's total business-type capital assets. See Note 8 to the basic financial statements for further detail on capital assets.

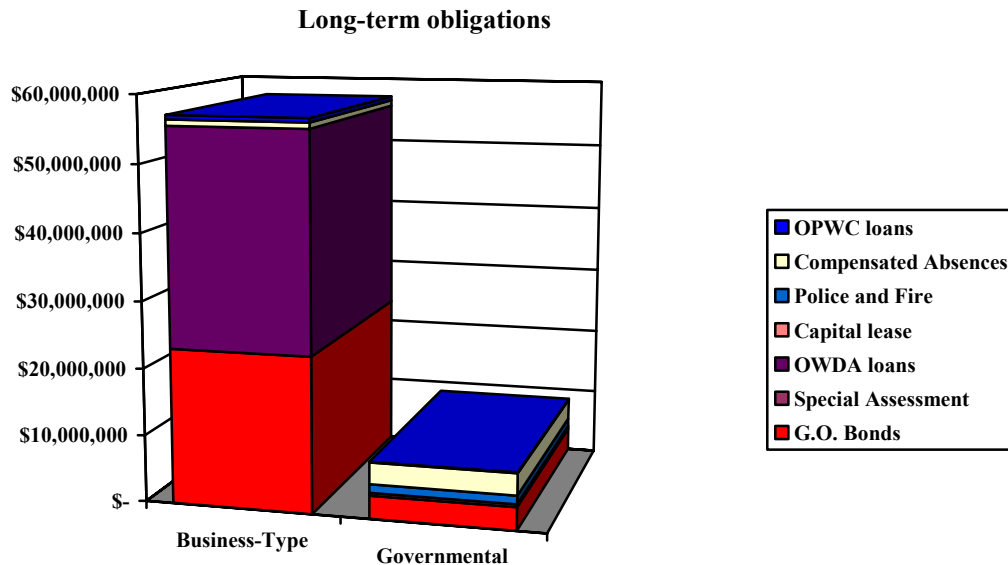
Debt Administration

The City had the following long-term obligations outstanding at December 31, 2005 and 2004:

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Compensated absences	\$ 3,204,171	\$ 3,080,753
Police and Fire past service	1,251,195	1,272,217
Capital lease obligation	2,020	4,286
OPWC loans	133,200	140,400
Special Assessment bonds	434,045	384,765
General Obligation bonds	<u>3,440,000</u>	<u>3,780,000</u>
Total long-term obligations	<u>\$ 8,464,631</u>	<u>\$ 8,662,421</u>
	<u>Business-Type Activities</u>	
	<u>2005</u>	<u>2004</u>
General Obligation bonds	\$ 23,240,000	\$ 25,980,000
OPWC loans	625,289	656,705
OWDA loans	32,381,825	33,453,275
Compensated absences	<u>901,946</u>	<u>922,287</u>
Total long-term obligations	<u>\$ 57,149,060</u>	<u>\$ 61,012,267</u>

CITY OF FINDLAY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005
UNAUDITED

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



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

During 2004, the City issued various purpose refunding bonds to advance refund the callable portion of Series 1996 Northern Corridor Sewer Bonds, the Series 1996 Aircraft Refueling System Bonds, the Series 1996 Water Pump Station Bonds, the 1996 Fire Improvement Bonds and the 1996 City-wide Radio System Bonds. The advance refundings were undertaken to reduce future debt service payments, thus resulting in an economic gain to the City.

During 2005, the City also issued special assessment bonds for sidewalk improvements and OPWC loans for Crystal/Melrose intersection improvements and to finance water improvement projects.

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

Economic Conditions and Outlook

“Steady and strong” is the term used by the major employers in our area to describe the employment numbers for the year of 2005 and look ahead into 2006. The major industries are surveyed each year in an effort to determine their forecast for employment and production output.

Change is underway at several existing locations. Marathon Oil Company has acquired Ashland Oil’s percentage of the former Marathon Ashland Petroleum. Cooper Tire and Rubber Co. will start converting its plant here to a continuous operation facility to more efficiently use equipment and other resources as well as better able to meet customer demands. Ball Metal is scheduled to begin production of a new generation of can lids. Nissin Brake Ohio has added new products because of their Honda Civic business. The increase in capital investment and expansion of these and other existing firms bodes well for the areas employment outlook.

CITY OF FINDLAY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

The work on the Blanchard Valley Regional Health Center \$95 million inpatient complex continues in 2006 to be operational in early 2007. The HeartCare Center is the most recent addition to the hospital complex and is providing vital heart treatment to patients from a multi-county area. The Birchaven Retirement Village is also in the process of a \$4.5 million expansion.

The North Central Campus for Emerging Technologies will begin operating from the former Intersil plant in 2006. This organization's mission is to accelerate emerging technologies and guide them to commercialization. Technologies targeted at this point will be aerospace, transportation, and automotive. A. Schulman Inc. will be building a \$40 million manufacturing plant in the Tall Timbers Industrial Park. This 100,000 square foot facility will produce plastic compounds and resins and should be operational by mid 2007.

The stable corporate and industrial environment has a direct effect on our local tax revenue. Our income tax collections in 2005 were \$17,331,000. This represents a 13.5% increase over the total collections of 2004. The significant increase was due to unusual payments received in 2005 in the business category which reflects corporate operational results and profits. Without the unusual revenue, the increase would have been around 7.0% over 2004. This shows positive growth overall and especially in the withholding collections which is a good barometer for the local employment levels.

We are still challenged to maintain good services to all residents as well as an aggressive capital improvement program to keep up with all the demands on our infrastructure. The development on both the east and west sides of the city will require road construction or improvement. The city administration is trying to address operating efficiencies in all departments to make maximum use of personnel and equipment. A concerted effort also needs to be made to look at all funding sources available for each capital improvement project as it is added to the long-range plan. Planning and wise use of all resources available will enable us to be "steady and strong" in the future.

Contacting the City's Financial Management

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

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CITY OF FINDLAY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 14,831,373	\$ 4,200,017	\$ 19,031,390
Cash in segregated accounts	179,494	-	179,494
Cash with fiduciary agent	645,239	-	645,239
Cash with escrow agent	112,607	25,818	138,425
Receivables (net of allowances for uncollectibles)	6,604,015	2,012,937	8,616,952
Internal balances	(138)	138	-
Due from other governments	1,674,213	1,065,457	2,739,670
Prepayments	124,566	73,887	198,453
Materials and supplies inventory	184,583	488,839	673,422
Deferred bond costs	36,746	-	36,746
Restricted assets:			
Equity in pooled cash and cash equivalents	1,034,116	7,659,171	8,693,287
Deferred bond costs	-	252,148	252,148
Capital assets:			
Land and construction in progress	5,661,334	8,841,683	14,503,017
Depreciable capital assets, net	55,650,250	121,937,387	177,587,637
Total capital assets	61,311,584	130,779,070	192,090,654
Total assets	86,738,398	146,557,482	233,295,880
Liabilities:			
Accounts payable	1,298,791	2,204,211	3,503,002
Retainage payable	79,398	25,818	105,216
Accrued wages and benefits	513,613	137,394	651,007
Due to other governments	9,565	-	9,565
Deferred revenue	3,041,708	-	3,041,708
Deposits held and due to others	774,826	255,558	1,030,384
Matured bonds payable	33,209	-	33,209
Accrued interest payable	93,805	992,461	1,086,266
Long-term liabilities:			
Due within one year	1,905,939	4,629,741	6,535,680
Due in more than one year	6,478,092	51,739,508	58,217,600
Total liabilities	14,228,946	59,984,691	74,213,637
Net assets:			
Invested in capital assets, net of related debt	57,382,919	75,311,767	132,694,686
Restricted for:			
Capital projects	767,872	5,026,928	5,794,800
Debt service	421,034	2,632,243	3,053,277
Transportation improvement projects	1,321,291	-	1,321,291
Income tax distribution	3,858,862	-	3,858,862
Economic development programs	774,538	-	774,538
Perpetual care:			
Expendable	2,847	-	2,847
Nonexpendable	971,777	-	971,777
Other purposes	1,133,567	-	1,133,567
Unrestricted	5,874,745	3,601,853	9,476,598
Total net assets	\$ 72,509,452	\$ 86,572,791	\$ 159,082,243

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 6,387,634	\$ 1,923,294	\$ 231,420	\$ -
Security of persons and property	14,919,051	53,312	-	-
Public health and welfare	1,515,801	607,457	-	-
Transportation	4,194,626	17,202	2,377,462	1,512,583
Leisure time activity	1,413,227	337,880	-	-
Interest and fiscal charges	108,694	111,908	-	-
Total governmental activities	<u>28,539,033</u>	<u>3,051,053</u>	<u>2,608,882</u>	<u>1,512,583</u>
Business-Type Activities:				
Water	5,916,358	7,100,619	-	1,510,622
Water pollution control	6,175,336	8,609,713	-	1,147,946
Airport	1,642,345	946,458	-	1,899,031
Nonmajor:				
Parking facilities	139,108	90,498	-	-
Swimming pool	122,407	54,029	-	10,000
Total business-type activities	<u>13,995,554</u>	<u>16,801,317</u>	<u>-</u>	<u>4,567,599</u>
Total primary government	<u>\$ 42,534,587</u>	<u>\$ 19,852,370</u>	<u>\$ 2,608,882</u>	<u>\$ 6,080,182</u>

General Revenues:

Property taxes levied for:

- General purposes
 - Police and fire pensions
- Income taxes levied for:
- General purposes
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Miscellaneous

Total general revenues

Transfers

Change in net assets

Net assets at beginning of year

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
\$ (4,232,920)	\$ -	\$ (4,232,920)
(14,865,739)	-	(14,865,739)
(908,344)	-	(908,344)
(287,379)	-	(287,379)
(1,075,347)	-	(1,075,347)
3,214	-	3,214
<u>(21,366,515)</u>	<u>-</u>	<u>(21,366,515)</u>
-	2,694,883	2,694,883
-	3,582,323	3,582,323
-	1,203,144	1,203,144
-	(48,610)	(48,610)
-	<u>(58,378)</u>	<u>(58,378)</u>
-	<u>7,373,362</u>	<u>7,373,362</u>
<u>(21,366,515)</u>	<u>7,373,362</u>	<u>(13,993,153)</u>
2,619,131	-	2,619,131
537,426	-	537,426
17,260,892	-	17,260,892
3,505,531	-	3,505,531
556,868	325,083	881,951
<u>1,099,952</u>	<u>377,656</u>	<u>1,477,608</u>
25,579,800	702,739	26,282,539
<u>33,689</u>	<u>(33,689)</u>	<u>-</u>
4,246,974	8,042,412	12,289,386
<u>68,262,478</u>	<u>78,530,379</u>	<u>146,792,857</u>
<u>\$ 72,509,452</u>	<u>\$ 86,572,791</u>	<u>\$ 159,082,243</u>

CITY OF FINDLAY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR 2004)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 9,762,570	\$ 949,199	\$ 554,985
Cash in segregated accounts	7,269	-	-
Cash with fiduciary agent	-	-	-
Cash with escrow agent	-	79,398	-
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	2,648,258	3,249	2,304,782
Due from other governments	1,107,788	508,139	-
Prepayments	103,736	19,156	1,674
Materials and supplies inventory	-	179,883	-
Restricted assets:			
Equity in pooled cash and cash equivalents	-	-	1,034,116
Total assets	<u>\$ 13,629,621</u>	<u>\$ 1,739,024</u>	<u>\$ 3,895,557</u>
Liabilities:			
Accounts payable	\$ 1,060,954	\$ 216,310	\$ 9,183
Retainage payable	-	79,398	-
Accrued wages and benefits	457,399	49,897	6,317
Compensated absences payable	-	-	-
Due to other governments	9,565	-	-
Matured bonds payable	-	-	-
Deposits held and due to others	672,601	89,927	12,298
Deferred revenue	3,183,516	326,430	808,845
Total liabilities	<u>5,384,035</u>	<u>761,962</u>	<u>836,643</u>
Fund Balances:			
Reserved for encumbrances	739,852	243,038	16,360
Reserved for prepayments	103,736	19,156	1,674
Reserved for materials and supplies inventory	-	179,883	-
Reserved for loans receivable	-	-	-
Reserved for debt service	-	-	-
Reserved for perpetual care	-	-	-
Reserved for capital improvements	-	-	1,034,116
Unreserved, undesignated, reported in:			
General fund	7,401,998	-	-
Special revenue funds	-	534,985	2,006,764
Permanent fund	-	-	-
Capital projects funds	-	-	-
Total fund balances	<u>8,245,586</u>	<u>977,062</u>	<u>3,058,914</u>
Total liabilities and fund balances	<u>\$ 13,629,621</u>	<u>\$ 1,739,024</u>	<u>\$ 3,895,557</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds 2005	Total Governmental Funds 2004
\$ 2,506,111	\$ 13,772,865	\$ 11,637,408
172,225	179,494	85,181
645,239	645,239	448,127
33,209	112,607	134,707
-	-	470,179
1,647,285	6,603,574	6,235,140
58,286	1,674,213	1,673,960
-	124,566	114,203
-	179,883	179,883
-	1,034,116	1,208,797
<u>\$ 5,062,355</u>	<u>\$ 24,326,557</u>	<u>\$ 22,187,585</u>
\$ 11,374	\$ 1,297,821	\$ 837,053
-	79,398	134,707
-	513,613	517,051
-	-	22,625
-	9,565	3,407
33,209	33,209	-
-	774,826	847,377
910,931	5,229,722	5,220,814
955,514	7,938,154	7,583,034
-	999,250	577,757
-	124,566	114,203
-	179,883	179,883
602,313	602,313	434,512
193,624	193,624	181,545
971,777	971,777	967,544
-	1,034,116	1,208,797
-	7,401,998	5,854,174
1,568,408	4,110,157	4,553,636
2,847	2,847	1,840
767,872	767,872	530,660
4,106,841	16,388,403	14,604,551
<u>\$ 5,062,355</u>	<u>\$ 24,326,557</u>	<u>\$ 22,187,585</u>

CITY OF FINDLAY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2005

Total governmental fund balances		\$ 16,388,403
<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.		61,302,639
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Income taxes	808,845	
Special assessments	321,215	
Intergovernmental revenues	1,057,954	
Total		2,188,014
Unamortized premiums on bond issuances are not recorded in the funds.		(100,805)
Unamortized deferred charges on refundings not recorded in the funds.		181,405
Unamortized bond issuance costs are not recognized in the funds.		36,746
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 \$138, is:		1,071,486
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	93,805	
Special assessment bonds	434,045	
General obligation bonds	3,440,000	
OPWC loans	133,200	
Police and fire past service liability	1,251,195	
Capital lease obligation	2,020	
Compensated absences	3,204,171	
Total		(8,558,436)
Net assets of governmental activities		\$ 72,509,452

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, 2005
 (WITH COMPARATIVE TOTALS FOR 2004)

	<u>General</u>	<u>Street Maintenance and Repair</u>	<u>City Income Tax Administration</u>
Revenues:			
Municipal income taxes	\$ -	\$ -	\$ 17,323,028
Property and other taxes	2,619,131	-	-
Charges for services	992,685	17,202	16,025
Licenses and permits	367,854	-	-
Fines and forfeitures	1,213,004	-	-
Intergovernmental	3,520,988	2,092,402	-
Special assessments	-	-	-
Investment income	483,745	-	-
Reimbursements	834,736	-	-
Other	177,852	87,135	229
Total revenues	<u>10,209,995</u>	<u>2,196,739</u>	<u>17,339,282</u>
Expenditures:			
Current:			
General government	5,274,875	-	688,331
Security of persons and property	13,390,381	774,202	-
Public health and welfare	1,461,958	-	-
Transportation	-	1,773,637	-
Leisure time activity	1,305,133	-	-
Capital outlay	1,253,197	2,512,924	-
Debt service:			
Principal retirement	-	-	2,266
Interest and fiscal charges	-	-	242
Bond issuance costs	-	-	-
Total expenditures	<u>22,685,544</u>	<u>5,060,763</u>	<u>690,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,475,549)</u>	<u>(2,864,024)</u>	<u>16,648,443</u>
Other financing sources (uses):			
Payment to refunding bond escrow agent	-	-	-
Sale of capital assets	500	-	-
Issuance of OPWC loans	-	-	-
Issuance of bonds	-	-	-
Premium on bonds sold	-	-	-
Transfers in	15,814,311	2,202,895	225,326
Transfers out	(1,326,521)	(157,733)	(16,921,226)
Total other financing sources (uses)	<u>14,488,290</u>	<u>2,045,162</u>	<u>(16,695,900)</u>
Net change in fund balances	2,012,741	(818,862)	(47,457)
Fund balances at beginning of year	6,224,721	1,794,258	3,105,798
Increase (decrease) in reserve for inventory.	-	-	-
Increase (decrease) in prepaids.	8,124	1,666	573
Fund balances at end of year.	<u>\$ 8,245,586</u>	<u>\$ 977,062</u>	<u>\$ 3,058,914</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds 2005	Total Governmental Funds 2004
\$ -	\$ 17,323,028	\$ 15,385,918
537,426	3,156,557	2,929,611
25,600	1,051,512	983,651
-	367,854	361,509
157,957	1,370,961	1,377,006
614,348	6,227,738	6,206,496
288,554	288,554	279,704
54,111	537,856	185,586
-	834,736	725,093
-	265,216	384,236
<u>1,677,996</u>	<u>31,424,012</u>	<u>28,818,810</u>
114,479	6,077,685	5,777,002
14,945	14,179,528	13,433,081
21,367	1,483,325	1,368,300
23,384	1,797,021	1,636,349
-	1,305,133	1,373,950
237,846	4,003,967	4,241,071
427,220	429,486	467,574
137,625	137,867	227,576
-	-	33,490
<u>976,866</u>	<u>29,414,012</u>	<u>28,558,393</u>
701,130	2,010,000	260,417
-	-	(2,477,100)
-	500	-
-	-	144,000
129,300	129,300	2,463,000
-	-	89,570
715,885	18,958,417	17,122,675
<u>(919,248)</u>	<u>(19,324,728)</u>	<u>(17,266,441)</u>
<u>(74,063)</u>	<u>(236,511)</u>	<u>75,704</u>
627,067	1,773,489	336,121
3,479,774	14,604,551	14,274,119
-	-	(3,353)
-	10,363	(2,336)
<u>\$ 4,106,841</u>	<u>\$ 16,388,403</u>	<u>\$ 14,604,551</u>

CITY OF FINDLAY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Net change in fund balances - total governmental funds		\$ 1,773,489
<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.		
Capital outlays	5,301,849	
Depreciation expense	(3,128,998)	2,172,851
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		
		(105,854)
Governmental funds report expenditures for and prepaids when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		10,363
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	(62,136)	
Intergovernmental	(113,325)	
Special assessments	(27,828)	(203,289)
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	44,658	
Amortization of bond premiums	10,908	
Amortization of deferred charges on refundings	(22,024)	
Amortization of bond issue costs	(4,369)	29,173
Proceeds from issuance of bonds are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		
		(129,300)
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	340,000	
Special assessment bonds	80,020	
OPWC loans	7,200	
Capital lease obligation	2,266	
Police and Fire past service liability	21,022	450,508
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.		
		(146,043)
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, is allocated among the governmental activities.		
		395,076
Change in net assets of governmental activities		\$ 4,246,974

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property and other taxes	\$ 2,626,023	\$ 2,626,023	\$ 2,619,131	\$ (6,892)
Charges for services	968,150	968,150	992,685	24,535
Licenses and permits	255,500	255,500	367,854	112,354
Fines and forfeitures	1,376,500	1,376,500	1,213,004	(163,496)
Intergovernmental	1,787,827	1,787,827	3,520,988	1,733,161
Investment income	300,000	300,000	483,745	183,745
Reimbursements	669,450	669,450	834,736	165,286
Other	123,700	123,700	177,852	54,152
Total revenues	<u>8,107,150</u>	<u>8,107,150</u>	<u>10,209,995</u>	<u>2,102,845</u>
Expenditures:				
Current:				
General government	5,735,456	5,884,541	5,274,875	609,666
Security of persons and property	13,713,862	13,798,385	13,390,381	408,004
Public health and welfare	1,596,981	1,639,975	1,461,958	178,017
Leisure time activity	1,588,107	1,631,632	1,305,133	326,499
Capital outlay	-	1,253,197	1,253,197	-
Total expenditures	<u>22,634,406</u>	<u>24,207,730</u>	<u>22,685,544</u>	<u>1,522,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,527,256)</u>	<u>(16,100,580)</u>	<u>(12,475,549)</u>	<u>3,625,031</u>
Other financing sources (uses):				
Sale of capital assets	-	-	500	500
Transfers in	12,364,000	15,223,000	15,814,311	591,311
Transfers out	(680,000)	(1,360,380)	(1,326,521)	33,859
Total other financing sources (uses)	<u>11,684,000</u>	<u>13,862,620</u>	<u>14,488,290</u>	<u>625,670</u>
Net change in fund balance	(2,843,256)	(2,237,960)	2,012,741	4,250,701
Fund balance at beginning of year	6,224,721	6,224,721	6,224,721	-
Increase in reserve for prepaids	8,124	8,124	8,124	-
Fund balance at end of year	<u>\$ 3,389,589</u>	<u>\$ 3,994,885</u>	<u>\$ 8,245,586</u>	<u>\$ 4,250,701</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 17,202	\$ 7,202
Intergovernmental	1,641,000	1,641,000	2,092,402	451,402
Other	-	-	87,135	87,135
Total revenues.	<u>1,651,000</u>	<u>1,651,000</u>	<u>2,196,739</u>	<u>545,739</u>
Expenditures:				
Current:				
Security of persons and property	832,277	891,333	774,202	117,131
Transportation	1,847,218	1,863,420	1,773,637	89,783
Capital outlay	-	2,512,924	2,512,924	-
Total expenditures	<u>2,679,495</u>	<u>5,267,677</u>	<u>5,060,763</u>	<u>206,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,028,495)</u>	<u>(3,616,677)</u>	<u>(2,864,024)</u>	<u>752,653</u>
Other financing sources (uses):				
Transfers in	500,000	3,190,000	2,202,895	(987,105)
Transfers out	-	-	(157,733)	(157,733)
Total other financing sources (uses)	<u>500,000</u>	<u>3,190,000</u>	<u>2,045,162</u>	<u>(1,144,838)</u>
Net change in fund balance	(528,495)	(426,677)	(818,862)	(392,185)
Fund balance at beginning of year	1,794,258	1,794,258	1,794,258	-
Increase in reserve for prepaids.	1,666	1,666	1,666	-
Fund balance at end of year.	<u>\$ 1,267,429</u>	<u>\$ 1,369,247</u>	<u>\$ 977,062</u>	<u>\$ (392,185)</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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Municipal income taxes	\$ 15,500,000	\$ 16,779,711	\$ 17,323,028	\$ 543,317
Charges for services	-	-	16,025	16,025
Other	-	-	229	229
Total revenues.	<u>15,500,000</u>	<u>16,779,711</u>	<u>17,339,282</u>	<u>559,571</u>
Expenditures:				
Current:				
General government	820,609	820,609	688,331	132,278
Debt service:				
Principal retirement.	3,036	3,036	2,266	770
Interest and fiscal charges	324	324	242	82
Total expenditures	<u>823,969</u>	<u>823,969</u>	<u>690,839</u>	<u>133,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,676,031</u>	<u>15,955,742</u>	<u>16,648,443</u>	<u>692,701</u>
Other financing sources (uses):				
Transfers in	-	120,289	225,326	105,037
Transfers out	<u>(14,680,000)</u>	<u>(16,915,726)</u>	<u>(16,921,226)</u>	<u>(5,500)</u>
Total other financing sources (uses)	<u>(14,680,000)</u>	<u>(16,795,437)</u>	<u>(16,695,900)</u>	<u>99,537</u>
Net change in fund balance	(3,969)	(839,695)	(47,457)	792,238
Fund balance at beginning of year	3,105,798	3,105,798	3,105,798	-
Increase in reserve for prepaids	<u>573</u>	<u>573</u>	<u>573</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 3,102,402</u>	<u>\$ 2,266,676</u>	<u>\$ 3,058,914</u>	<u>\$ 792,238</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 DECEMBER 31, 2005
 (WITH COMPARATIVE TOTALS FOR 2004)

	Business-type Activities -Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 2,888,858	\$ 931,947	\$ 152,897	\$ 226,315
Cash with escrow agent.	25,818	-	-	-
Receivables (net of allowance for uncollectibles)	1,495,507	439,917	77,513	-
Due from other funds	-	357,221	-	-
Due from other governments	-	-	1,065,457	-
Prepayments.	33,746	22,255	14,570	3,316
Materials and supplies inventory	431,706	10,068	47,065	-
Total current assets	<u>4,875,635</u>	<u>1,761,408</u>	<u>1,357,502</u>	<u>229,631</u>
Noncurrent assets:				
Restricted Assets:				
Equity in pooled cash and cash equivalents.	1,090,928	6,544,059	24,184	-
Cash and cash equivalents with fiscal agent.	-	-	-	-
Deferred bond costs.	126,609	122,410	3,129	-
Capital assets:				
Land and construction in progress	2,035,909	311,375	6,360,581	133,818
Depreciable capital assets, net	44,322,067	70,702,710	6,392,721	519,889
Total noncurrent assets	<u>47,575,513</u>	<u>77,680,554</u>	<u>12,780,615</u>	<u>653,707</u>
Total assets	<u>52,451,148</u>	<u>79,441,962</u>	<u>14,138,117</u>	<u>883,338</u>
Liabilities:				
Current liabilities:				
Accounts payable.	115,290	76,809	1,973,860	38,252
Retainage payable.	25,818	-	-	-
Accrued wages and benefits	75,882	50,835	7,541	3,136
Compensated absences payable.	195,346	164,554	16,760	6,667
Due to other funds	357,221	-	-	-
Deposits held and due to others	138,933	98,332	14,354	3,939
Current portion of loans payable	36,416	1,514,998	-	-
Current portion of bonds	1,635,000	1,020,000	40,000	-
Accrued interest payable.	123,710	863,317	5,434	-
Total current liabilities	<u>2,703,616</u>	<u>3,788,845</u>	<u>2,057,949</u>	<u>51,994</u>
Long-term liabilities:				
General obligation bonds	10,194,256	9,329,224	241,709	-
Compensated absences payable	382,624	112,219	12,961	10,815
Loans payable	977,204	30,478,496	-	-
Total long-term liabilities	<u>11,554,084</u>	<u>39,919,939</u>	<u>254,670</u>	<u>10,815</u>
Total liabilities	<u>14,257,700</u>	<u>43,708,784</u>	<u>2,312,619</u>	<u>62,809</u>
Net assets:				
Invested in capital assets, net of related debt.	33,515,100	28,671,367	12,471,593	653,707
Restricted for:				
Capital projects	602,219	4,424,709	-	-
Debt service	488,709	2,119,350	24,184	-
Unrestricted	3,587,420	517,752	(670,279)	166,822
Total net assets	<u>\$ 38,193,448</u>	<u>\$ 35,733,178</u>	<u>\$ 11,825,498</u>	<u>\$ 820,529</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

2005 Enterprise Funds Total	2004 Enterprise Funds Total	2005 Governmental Activities - Internal Service Funds	2004 Governmental Activities - Internal Service Funds
\$ 4,200,017	\$ 4,137,779	\$ 1,058,508	\$ 655,863
25,818	25,592	-	-
2,012,937	1,851,648	441	935
357,221	353,737	-	-
1,065,457	19,444	-	-
73,887	70,534	-	15,525
488,839	445,306	4,700	4,566
<u>8,224,176</u>	<u>6,904,040</u>	<u>1,063,649</u>	<u>676,889</u>
7,659,171	1,414,773	-	-
-	5,173,530	-	-
252,148	280,413	-	-
8,841,683	5,714,843	-	-
121,937,387	121,357,260	8,945	-
<u>138,690,389</u>	<u>133,940,819</u>	<u>8,945</u>	<u>-</u>
146,914,565	140,844,859	1,072,594	676,889
2,204,211	303,030	970	-
25,818	25,592	-	-
137,394	148,630	-	-
383,327	353,434	-	-
357,221	353,737	-	-
255,558	276,924	-	-
1,551,414	1,472,232	-	-
2,695,000	2,740,000	-	-
992,461	955,410	-	-
<u>8,602,404</u>	<u>6,628,989</u>	<u>970</u>	<u>-</u>
19,765,189	22,479,368	-	-
518,619	568,853	-	-
31,455,700	32,637,749	-	-
<u>51,739,508</u>	<u>55,685,970</u>	<u>-</u>	<u>-</u>
60,341,912	62,314,959	970	-
75,311,767	67,742,754	8,945	-
5,026,928	3,228,686	-	-
2,632,243	2,547,188	-	-
3,601,715	5,011,272	1,062,679	676,889
<u>86,572,653</u>	<u>78,529,900</u>	<u>\$ 1,071,624</u>	<u>\$ 676,889</u>
138	479		
<u>\$ 86,572,791</u>	<u>\$ 78,530,379</u>		

CITY OF FINDLAY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR 2004)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Operating revenues:				
Charges for services	\$ 7,032,585	\$ 8,602,089	\$ 23,308	\$ 144,527
Other	68,034	7,624	923,150	4,090
Total operating revenues	7,100,619	8,609,713	946,458	148,617
Operating expenses:				
Personal services	2,721,080	1,867,212	267,991	187,172
Contract services	234,088	225,137	114,162	8,874
Materials and supplies	769,172	260,134	639,859	19,140
Utilities	303,646	365,654	23,689	4,410
Depreciation	1,039,621	1,493,038	581,460	31,933
Other	159,561	129,495	-	9,986
Total operating expenses	5,227,168	4,340,670	1,627,161	261,515
Operating income (loss)	1,873,451	4,269,043	(680,703)	(112,898)
Nonoperating revenues (expenses):				
Other nonoperating revenues	214,173	112,235	47,158	-
Intergovernmental	168,365	-	1,899,031	10,000
Interest income	122,691	202,392	-	-
Loss on disposal of capital assets	(99,740)	(42,688)	-	-
Other nonoperating expenses	-	-	-	-
Interest expense and fiscal charges	(589,272)	(1,791,862)	(15,137)	-
Total nonoperating revenues (expenses)	(183,783)	(1,519,923)	1,931,052	10,000
Income (loss) before contributions and transfers	1,689,668	2,749,120	1,250,349	(102,898)
Capital contributions	1,342,257	1,147,946	-	-
Transfers in	320,861	-	291,150	130,000
Transfers out	(249,717)	(519,343)	(6,640)	-
Changes in net assets	3,103,069	3,377,723	1,534,859	27,102
Net assets at beginning of year	35,090,379	32,355,455	10,290,639	793,427
Net assets at end of year	\$ 38,193,448	\$ 35,733,178	\$ 11,825,498	\$ 820,529

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

2005		2004		2005		2004	
Enterprise		Enterprise		Governmental		Governmental	
Funds Total		Funds Total		Activities -		Activities -	
				Internal		Internal	
				Service Funds		Service Funds	
\$	15,802,509	\$	14,788,972	\$	22,747	\$	22,330
	1,002,898		937,197		-		-
	<u>16,805,407</u>		<u>15,726,169</u>		<u>22,747</u>		<u>22,330</u>
	5,043,455		5,023,600		-		-
	582,261		273,836		25,590		11,316
	1,688,305		1,559,058		17,914		15,112
	697,399		594,151		-		-
	3,146,052		3,560,004		1,837		-
	299,042		402,609		1,683		8,298
	<u>11,456,514</u>		<u>11,413,258</u>		<u>47,024</u>		<u>34,726</u>
	5,348,893		4,312,911		(24,277)		(12,396)
	373,566		326,049		-		-
	2,077,396		652,464		-		-
	325,083		142,889		19,012		7,539
	(142,428)		(217,392)		-		-
	-		(70,717)		-		-
	(2,396,271)		(2,671,129)		-		-
	<u>237,346</u>		<u>(1,837,836)</u>		<u>19,012</u>		<u>7,539</u>
	5,586,239		2,475,075		(5,265)		(4,857)
	2,490,203		939,472		-		-
	742,011		889,394		400,000		-
	(775,700)		(745,628)		-		-
	<u>8,042,753</u>		<u>3,558,313</u>		<u>394,735</u>		<u>(4,857)</u>
					<u>676,889</u>		<u>681,746</u>
					<u>\$ 1,071,624</u>		<u>\$ 676,889</u>
	<u>(341)</u>		<u>207</u>				
\$	<u>8,042,412</u>	\$	<u>3,558,520</u>				

CITY OF FINDLAY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR 2004)

	Business-type Activities - Enterprise Funds			
	Water	Water Pollution Control	Airport	Other Enterprise
Cash flows from operating activities:				
Cash received from customers	\$ 6,921,267	\$ 8,567,353	\$ 23,308	\$ 144,527
Cash received from other operations.	68,034	7,624	936,827	4,090
Cash payments for personal services	(2,704,144)	(1,916,386)	(269,745)	(184,757)
Cash payments for contract services	(235,994)	(225,040)	(114,531)	(10,049)
Cash payments for materials and supplies	(896,508)	(230,674)	(662,484)	(17,652)
Cash payments for utilities.	(300,162)	(365,654)	(23,689)	(4,410)
Cash payments for other expenses.	(170,945)	(138,129)	(937)	(10,397)
Net cash provided by (used in) operating activities.	<u>2,681,548</u>	<u>5,699,094</u>	<u>(111,251)</u>	<u>(78,648)</u>
Cash flows from noncapital financing activities:				
Other non-capital revenues	72,986	112,234	47,158	-
Other non-capital expenses	-	-	-	-
Grants and contributions	168,365	-	853,018	10,000
Transfers in	320,861	-	291,150	130,000
Transfers out.	(249,717)	(519,343)	(6,640)	-
Net cash provided by (used in) noncapital financing activities	<u>312,495</u>	<u>(407,109)</u>	<u>1,184,686</u>	<u>140,000</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(2,848,013)	(1,224,651)	(942,657)	(3,465)
Capital contributions	1,342,257	1,147,946	-	-
Proceeds from sale of bonds	-	-	-	-
Premium on bonds sold	-	-	-	-
Bond issuance costs	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Principal paid on bonds	(1,625,000)	(1,075,000)	(40,000)	-
Interest paid on bonds	(468,007)	(368,164)	(10,047)	-
Proceeds of loans.	388,331	-	-	-
Principal paid on loans.	(31,416)	(1,459,781)	-	-
Interest paid on loans	-	(1,362,503)	-	-
Net cash used in capital and related financing activities	<u>(3,241,848)</u>	<u>(4,342,153)</u>	<u>(992,704)</u>	<u>(3,465)</u>
Cash flows from investing activities:				
Interest received.	114,802	177,885	-	-
Net cash provided by investing activities.	<u>114,802</u>	<u>177,885</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(133,003)	1,127,717	80,731	57,887
Cash and cash equivalents at beginning of year	<u>4,138,607</u>	<u>6,348,289</u>	<u>96,350</u>	<u>168,428</u>
Cash and cash equivalents at end of year.	<u>\$ 4,005,604</u>	<u>\$ 7,476,006</u>	<u>\$ 177,081</u>	<u>\$ 226,315</u>

	2005	2004	2005	2004
	Enterprise	Enterprise	Governmental	Governmental
	Funds Total	Funds Total	Activities -	Activities -
			Internal	Internal
			Service Funds	Service Funds
\$	15,656,455	\$ 14,727,401	\$ 22,747	\$ 22,330
	1,016,575	874,991	-	-
	(5,075,032)	(4,961,477)	-	-
	(585,614)	(273,082)	(10,065)	(11,556)
	(1,807,318)	(1,451,285)	(17,078)	(14,408)
	(693,915)	(597,745)	-	-
	(320,408)	(348,147)	(1,683)	(6,479)
	<u>8,190,743</u>	<u>7,970,656</u>	<u>(6,079)</u>	<u>(10,113)</u>
	232,378	341,591	-	-
	-	(72,473)	-	-
	1,031,383	671,373	-	-
	742,011	889,394	400,000	-
	(775,700)	(745,628)	-	-
	<u>1,230,072</u>	<u>1,084,257</u>	<u>400,000</u>	<u>-</u>
	(5,018,786)	(2,822,889)	(10,782)	-
	2,490,203	939,472	-	-
	-	8,140,000	-	-
	-	329,360	-	-
	-	(111,170)	-	-
	-	(8,351,160)	-	-
	(2,740,000)	(2,490,000)	-	-
	(846,218)	(1,661,400)	-	-
	388,331	200,000	-	-
	(1,491,197)	(1,422,240)	-	-
	(1,362,503)	(1,279,901)	-	-
	<u>(8,580,170)</u>	<u>(8,529,928)</u>	<u>(10,782)</u>	<u>-</u>
	<u>292,687</u>	<u>132,822</u>	<u>19,506</u>	<u>7,185</u>
	<u>292,687</u>	<u>132,822</u>	<u>19,506</u>	<u>7,185</u>
	1,133,332	657,807	402,645	(2,928)
	10,751,674	10,093,867	655,863	658,791
\$	<u>11,885,006</u>	<u>\$ 10,751,674</u>	<u>\$ 1,058,508</u>	<u>\$ 655,863</u>

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CITY OF FINDLAY, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2005
 (WITH COMPARATIVE TOTALS FOR 2004)

	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)	\$ 1,873,451	\$ 4,269,043	\$ (680,703)	\$ (112,898)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:				
Depreciation	1,039,621	1,493,038	581,460	31,933
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(111,318)	(31,252)	13,677	-
(Increase) decrease in due from other funds	-	(3,484)	-	-
(Increase) decrease in due from other governments	-	-	-	-
(Increase) decrease in materials and supplies inventory	(33,364)	601	(10,770)	-
(Increase) decrease in prepayments.	(1,906)	97	(369)	(1,175)
Increase (decrease) in accounts payable.	(93,972)	28,859	(11,855)	1,488
Increase (decrease) in accrued wages and benefits	(5,919)	(5,940)	(436)	1,059
Increase (decrease) in compensated absences payable	22,855	(43,234)	(1,318)	1,356
Increase (decrease) in deposits held and due to others	(11,384)	(8,634)	(937)	(411)
Increase (decrease) in due to other funds	3,484	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 2,681,548</u>	<u>\$ 5,699,094</u>	<u>\$ (111,251)</u>	<u>\$ (78,648)</u>

Non-cash Transactions:

From December 31, 2004 to December 31, 2005, there was an increase in capital assets purchased on account of \$1,942,270 and \$34,391 in the Airport and Swimming Pool fund (Other Enterprise fund), respectively.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>2005 Enterprise Funds Total</u>	<u>2004 Enterprise Funds Total</u>	<u>2005 Governmental Activities - Internal Service Funds</u>	<u>2004 Governmental Activities - Internal Service Funds</u>
\$ 5,348,893	\$ 4,312,911	\$ (24,277)	\$ (12,396)
3,146,052	3,560,004	1,837	-
(128,893)	(111,101)	-	-
(3,484)	3,594	-	-
-	(16,270)	-	-
(43,533)	(86,465)	(134)	704
(3,353)	754	15,525	1,819
(75,480)	194,238	970	(240)
(11,236)	36,650	-	-
(20,341)	25,473	-	-
(21,366)	54,462	-	-
3,484	(3,594)	-	-
<u>\$ 8,190,743</u>	<u>\$ 7,970,656</u>	<u>\$ (6,079)</u>	<u>\$ (10,113)</u>

CITY OF FINDLAY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2005

	<u>Private-Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 155,012	\$ 273,946
Cash in segregated accounts	-	55,122
Receivables:		
Accrued interest.	374	-
	<hr/>	<hr/>
Total assets.	<u>155,386</u>	<u>329,068</u>
 Liabilities:		
Accounts payable	-	2,226
Deposits held and due to others	-	326,842
	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>\$ 329,068</u>
 Net Assets:		
Held in trust for private cemetery care	<u>155,386</u>	
Total net assets	<u>\$ 155,386</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FINDLAY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

	Private-Purpose Trust
Additions:	
Interest	\$ 3,365
Gifts and contributions.	363
	3,728
Total Additions.	3,728
Deductions:	
Cemetery care	3,084
Changes in net assets	644
Net assets at the beginning of the year.	154,742
	155,386
Net assets at the end of the year	\$ 155,386

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, 2005

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, 2005

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

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

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

C. Fund Accounting

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

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

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

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

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

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

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

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

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

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

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

E. Basis of Accounting

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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, 2005, but which were levied to finance fiscal year 2006 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. All changes in departmental appropriations require action by the City Council.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

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

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

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

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

G. Cash and Cash Equivalents

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

During 2005, investments were limited to STAR Ohio, federal agency securities, and certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as certificates of deposit are reported at cost.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2005. 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, 2005.

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 2005 amounted to \$483,745, which includes \$210,797 assigned from other City funds.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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 2006 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

K. Compensated Absences

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

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

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

Sick leave accumulates at the rate of 4.6 hours of sick leave for 80 hours of work completed. Sick leave may be converted into cash only upon retirement or death with 10 or more years of service with the State or any of its political subdivisions at the rate of one fourth (1/4) the value of the first 960 hours of accrued, unused sick leave credit. If applicable, accrued, unused sick leave will be paid in cash for one-half (1/2) the value of all accrued sick leave credit in excess of 960 hours. Individuals with accumulated sick leave greater than one thousand nine hundred twenty (1,920) hours receive cash at the rate of one-half (1/2) the total hours accumulated. Individuals leaving the employment of the City prior to retirement or at retirement with less than 10 years of service lose their accumulated sick leave.

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

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Interfund Activity

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

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

N. Fund Balance Reserves

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

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

O. Estimates

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

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

P. Contributions of Capital

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

Q. Net Assets

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

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

R. Comparative Data

Comparative total data for the prior year have been presented in selected sections of the financial statements in order to provide an understanding of the changes in the government's financial position and operations.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2005, the City has implemented GASB Statement No. 40 "Deposit and Investment Risk Disclosures", and GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries".

GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits.

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 40 and GASB Statement No. 42 did not have an effect on the financial statements of the City, however additional note disclosure can be found in Note 4.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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.

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. 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);

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within 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. 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 \$645,239 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, 2005. This amount is not included in the City's depository balance below.

Cash with Escrow Agent: At year-end, the City had \$138,425 on deposit with financial institutions for retainage escrow accounts and bond and coupon payments. This amount is included in the City's depository balance below.

Cash in Segregated Accounts: At year-end, the City had \$234,616 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, 2005, the carrying amount of all City deposits was \$26,266,219 and the bank balance of all City deposits was \$27,055,069. Of the bank balance, \$15,213,397 was covered by pledged collateral held by the Federal Reserve Bank of Boston in the name of the City, \$4,770,000 was covered by pledged collateral held by the Federal Home Loan Bank of Cincinnati in the name of the City, \$6,031,194, was exposed to custodial risk as discussed below and \$1,040,478 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, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of December 31, 2005, the City had the following investments and maturities:

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturities</u>	
		<u>6 months or less</u>	<u>7 to 12 months</u>
FHLB	\$ 995,401	\$ 995,401	\$ -
FHLMC DN	957,450	-	957,450
STAR Ohio	<u>307,606</u>	<u>307,606</u>	<u>-</u>
	<u>\$ 2,260,457</u>	<u>\$ 1,303,007</u>	<u>\$ 957,450</u>

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

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

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, 2005:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 995,401	44.04
FHLBC DN	957,450	42.36
STAR Ohio	<u>307,606</u>	<u>13.60</u>
	<u>\$ 2,260,457</u>	<u>100.00</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2005:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 26,266,219
Investments	2,260,457
Cash with fiduciary agent	<u>645,239</u>
 Total	 <u>\$ 29,171,915</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 16,802,829
Business type activities	11,885,006
Fiduciary funds	<u>484,080</u>
 Total	 <u>\$ 29,171,915</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2005, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>							<u>Total</u>
	<u>General</u>	<u>City Income Tax</u>	<u>Street Maintenance and Repair</u>	<u>Nonmajor Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Airport</u>	
General	\$ -	\$ 14,562,091	\$ -	\$ 871,256	\$ 165,482	\$ 215,482	\$ -	\$ 15,814,311
City Income Tax	10,521	-	157,733	27,697	22,735	-	6,640	225,326
Street Maintenance and Repair	500,000	1,621,100	-	20,295	61,500	-	-	2,202,895
Nonmajor Governmental	251,000	464,885	-	-	-	-	-	715,885
Water	-	17,000	-	-	-	303,861	-	320,861
Airport	125,000	166,150	-	-	-	-	-	291,150
Nonmajor Enterprise	40,000	90,000	-	-	-	-	-	130,000
Internal Service	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
Total	<u>\$ 1,326,521</u>	<u>\$ 16,921,226</u>	<u>\$ 157,733</u>	<u>\$ 919,248</u>	<u>\$ 249,717</u>	<u>\$ 519,343</u>	<u>\$ 6,640</u>	<u>\$ 20,100,428</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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 6 - TAXES

A. Property Tax

Property taxes include amounts levied against all real and public utility property, and tangible personal property (used in business) located in the City. Property taxes are levied each October 1 based on the assessed value as of the prior January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of all property is required to be completed not less than every six years. The most recent revaluation, which was completed in 2004, will be utilized for 2005 collections. The assessed value upon which the 2005 collections were based was \$887,482,704. The tax rate applicable to the 2005 collections was 3.2 mills.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In years 2006-2010, the City will be fully reimbursed for the lost revenue. In years 2011-2017, the reimbursements will be phased out.

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.

B. City Income Tax

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

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 7 - RECEIVABLES

The City's receivables from outside parties at December 31, 2005, by fund, are shown as follows:

	Major Funds			Major Funds			
	City		Street	Nonmajor			
	Income Tax	Administration	Maintenance	Governmental			
General	Administration	and Repair	Funds	Water	Sewer	Airport	
Income Taxes	\$ -	\$ 2,304,782	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	2,345,574	-	-	543,288	-	-	-
Hotel/Motel taxes	57,846	-	-	-	-	-	-
Economic development loans	-	-	-	602,313	-	-	-
Special assessments	-	-	-	498,837	-	-	-
Billed and unbilled							
Charges for services	-	-	-	-	1,470,363	392,565	77,513
Miscellaneous	149,597	-	3,249	-	-	-	-
Accrued interest - unrestricted	95,241	-	-	2,847	25,144	47,352	-
Total receivables, net of allowances	<u>\$ 2,648,258</u>	<u>\$ 2,304,782</u>	<u>\$ 3,249</u>	<u>\$ 1,647,285</u>	<u>\$ 1,495,507</u>	<u>\$ 439,917</u>	<u>\$ 77,513</u>
Due from other governments:							
Property tax rollbacks	\$ 87,599	\$ -	\$ -	\$ 20,224	\$ -	\$ -	\$ -
Estate taxes	451,204	-	-	-	-	-	-
Local government funds	435,467	-	-	-	-	-	-
State tax	133,518	-	-	-	-	-	-
Fuel tax	-	-	433,329	35,135	-	-	-
Motor vehicle license fees	-	-	36,104	2,927	-	-	-
Federal Airport Grant	-	-	-	-	-	-	1,065,457
CDBG Grant	-	-	38,706	-	-	-	-
Total due from other governments	<u>1,107,788</u>	<u>-</u>	<u>508,139</u>	<u>58,286</u>	<u>-</u>	<u>-</u>	<u>1,065,457</u>
Total due from outside parties	<u>\$ 3,756,046</u>	<u>\$ 2,304,782</u>	<u>\$ 511,388</u>	<u>\$ 1,705,571</u>	<u>\$ 1,495,507</u>	<u>\$ 439,917</u>	<u>\$ 1,142,970</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, 2005 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, 2005 represent the City's portion of 2005 taxes to be collected by the Hancock County Treasurer during 2006 based on the assessed value of property described in Note 6.A.

Hotel/Motel taxes accrued at December 31, 2005 represent 2005 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, 2005 represents loans to qualified businesses for the purpose of economic development. These loans are being repaid over a number of years.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 7 – RECEIVABLES – (Continued)

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

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 2005 state taxes, local government monies and property tax rollbacks (intergovernmental) anticipated to be received by the City from January 1, 2006 through June 30, 2006. Due from other governments in the special revenue funds represents 2005 motor vehicle license fees and gasoline excise taxes anticipated to be received by the City from January 1, 2006 to June 30, 2006.

Accrued interest represents the amount of interest that has accrued on investments as of December 31, 2005.

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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2005, was as follows:

	Balance			Balance
	<u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/05</u>
<u>Governmental Activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,011,083	\$ -	\$ (11,567)	\$ 3,999,516
Construction in progress	<u>327,540</u>	<u>1,398,145</u>	<u>(63,867)</u>	<u>1,661,818</u>
Total capital assets, not being depreciated	<u>4,338,623</u>	<u>1,398,145</u>	<u>(75,434)</u>	<u>5,661,334</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	8,559,020	-	-	8,559,020
Improvements other than buildings	356,142	-	-	356,142
Equipment	8,849,890	356,497	(200,601)	9,005,786
Infrastructure	<u>74,961,184</u>	<u>3,621,856</u>	<u>(615,827)</u>	<u>77,967,213</u>
Total capital assets, being depreciated	<u>92,726,236</u>	<u>3,978,353</u>	<u>(816,428)</u>	<u>95,888,161</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(3,245,714)	(173,977)	-	(3,419,691)
Improvements other than buildings	(149,813)	(11,760)	-	(161,573)
Equipment	(5,738,195)	(633,786)	184,810	(6,187,171)
Infrastructure	<u>(28,695,495)</u>	<u>(2,311,312)</u>	<u>537,331</u>	<u>(30,469,476)</u>
Total accumulated depreciation	<u>(37,829,217)</u>	<u>(3,130,835)</u>	<u>722,141</u>	<u>(40,237,911)</u>
Total capital assets, being depreciated, net	<u>54,897,019</u>	<u>847,518</u>	<u>(94,287)</u>	<u>55,650,250</u>
Governmental activities capital assets net	<u>\$ 59,235,642</u>	<u>\$ 2,245,663</u>	<u>\$ (169,721)</u>	<u>\$ 61,311,584</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8 - CAPITAL ASSETS - (Continued)

<u>Business-Type Activities:</u>	<u>Balance</u> <u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 4,736,429	\$ -	\$ (1,735)	\$ 4,734,694
Construction in progress	<u>978,414</u>	<u>3,654,957</u>	<u>(526,382)</u>	<u>4,106,989</u>
Total capital assets, not being depreciated	<u>5,714,843</u>	<u>3,654,957</u>	<u>(528,117)</u>	<u>8,841,683</u>
<i>Capital assets, being depreciated:</i>				
Buildings	1,621,489	-	-	1,621,489
Utility plant in service	59,216,071	-	-	59,216,071
Utility lines in service	80,427,174	3,472,932	(84,463)	83,815,643
Improvements other than buildings	11,393,072	-	-	11,393,072
Machinery and equipment	<u>7,333,792</u>	<u>393,940</u>	<u>(231,614)</u>	<u>7,496,118</u>
Total capital assets, being depreciated	<u>159,991,598</u>	<u>3,866,872</u>	<u>(316,077)</u>	<u>163,542,393</u>
<i>Less: accumulated depreciation:</i>				
Buildings	(899,672)	(81,477)	-	(981,149)
Utility plant in service	(15,965,958)	(1,180,372)	-	(17,146,330)
Utility lines in service	(12,294,732)	(981,000)	28,486	(13,247,246)
Improvements other than buildings	(3,833,971)	(573,393)	-	(4,407,364)
Machinery and equipment	<u>(5,640,005)</u>	<u>(329,810)</u>	<u>146,898</u>	<u>(5,822,917)</u>
Total accumulated depreciation	<u>(38,634,338)</u>	<u>(3,146,052)</u>	<u>175,384</u>	<u>(41,605,006)</u>
Total capital assets, being depreciated, net	<u>121,357,260</u>	<u>720,820</u>	<u>(140,693)</u>	<u>121,937,387</u>
Business-type activities capital assets, net	<u>\$ 127,072,103</u>	<u>\$ 4,375,777</u>	<u>\$ (668,810)</u>	<u>\$ 130,779,070</u>

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

Governmental activities:

General government	\$ 239,699
Security of persons and property	476,799
Transportation	2,279,946
Leisure time activities	107,792
Public health and welfare	<u>26,599</u>
Total	<u>\$ 3,130,835</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8 - CAPITAL ASSETS - (Continued)

Business-type activities:

Water	\$ 1,039,621
Sewer	1,493,038
Airport	581,460
Parking	13,896
Swimming Pool	<u>18,037</u>
 Total	 <u>\$ 3,146,052</u>

NOTE 9 - 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, 2005 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	<u>\$ 1,034,116</u>	<u>\$ -</u>	<u>\$ 1,034,116</u>
<u>Major enterprise funds:</u>			
Water Fund:			
Designated for Capital Improvements to Utility Lines	\$ 602,219	\$ -	\$ 602,219
Designated for Debt Service	488,709	-	488,709
Deferred Bond Costs	<u>-</u>	<u>126,609</u>	<u>126,609</u>
	<u>1,090,928</u>	<u>126,609</u>	<u>1,217,537</u>
Water Pollution Control Fund:			
Improvement and Replacement Fund Account	837,623	-	837,623
Designated for Capital Improvements to Utility Lines	3,587,086	-	3,587,086
Designated for Debt Service	2,119,350	-	2,119,350
Deferred Bond Costs	<u>-</u>	<u>122,410</u>	<u>122,410</u>
	<u>6,544,059</u>	<u>122,410</u>	<u>6,666,469</u>
Airport Fund:			
Designated for Debt Service	24,184	-	24,184
Deferred Bond Costs	<u>-</u>	<u>3,129</u>	<u>3,129</u>
	<u>24,184</u>	<u>3,129</u>	<u>27,313</u>
 Total Enterprise Funds	 <u>\$ 7,659,171</u>	 <u>\$ 252,148</u>	 <u>\$ 7,911,319</u>

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 9 - RESTRICTED ASSETS - (Continued)

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.

NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE

In a prior fiscal year, the City entered into capitalized lease for a postage machine. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standard No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The equipment acquired by the capital lease has been capitalized in the City's governmental capital assets at the present value of the future minimum lease payments at lease inception. A corresponding liability has been reported in the governmental activities statement of net assets.

The future minimum capital lease payments as of December 31, 2005 are as follows:

<u>Fiscal Year</u>	<u>City Income Tax Administration</u>
2006	<u>\$ 2,090</u>
Total minimum lease payments	2,090
Less: amount representing interest	<u>(70)</u>
Present value of future minimum capital lease payments	<u>\$ 2,020</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental activities long-term obligations

During fiscal 2005, the following changes occurred in the City's long-term obligations:

	Interest	Maturity	Balance			Balance	Amounts
<i>Governmental Activities:</i>	<u>Rate</u>	<u>Date</u>	<u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/05</u>	<u>Due in</u>
<u>General Obligation Bonds</u>							
Series 1996 Fire Improvement Project	3.85 - 5.875%	2006	\$ 215,000	\$ -	\$ (105,000)	\$ 110,000	\$ 110,000
Series 2004 Fire Improvement Refunding	2.50 - 5.25%	2016	1,615,000	-	(25,000)	1,590,000	10,000
Series 1996 City-wide Radio System	3.85 - 5.875%	2006	245,000	-	(120,000)	125,000	125,000
Series 2004 City-wide Radio Refunding	2.50 - 3.75%	2011	805,000	-	(20,000)	785,000	10,000
Series 2003 HRC Land Acquisition	2.00 - 3.60%	2015	900,000	-	(70,000)	830,000	75,000
Total general obligation bonds			<u>3,780,000</u>	<u>-</u>	<u>(340,000)</u>	<u>3,440,000</u>	<u>330,000</u>
<u>Special Assessment Bonds</u>							
Series 1994 Eagle Street Improvements	6.30%	2009	29,500	-	(5,500)	24,000	6,000
Series 1995 Canterbury Court	5.50%	2010	63,000	-	(10,500)	52,500	10,500
Series 1998 West Yates Improvements	3.65 - 4.50%	2008	80,000	-	(20,000)	60,000	20,000
Series 2001 Rockwell Avenue Improvements	4.70%	2011	101,850	-	(14,550)	87,300	14,550
Series 2002 Hunters Creek Swale	5.25%	2012	34,520	-	(4,315)	30,205	4,315
Series 2003 East Melrose Business Park	8.43%	2013	32,895	-	(3,655)	29,240	3,655
Series 2004 Sidewalk Program	3.38%	2006	43,000	-	(21,500)	21,500	21,500
Series 2005 Sidewalk Program	4.00%	2007	-	129,300	-	129,300	64,650
Total special assessment bonds			<u>384,765</u>	<u>129,300</u>	<u>(80,020)</u>	<u>434,045</u>	<u>145,170</u>
<u>OPWC Loans</u>							
Crystal/Melrose Intersection	0%	2024	140,400	-	(7,200)	133,200	7,200
Total OPWC loans payable			<u>140,400</u>	<u>-</u>	<u>(7,200)</u>	<u>133,200</u>	<u>7,200</u>
<u>Other Long-Term Obligations</u>							
Capital Lease Obligation	7.43%	2006	4,286	-	(2,266)	2,020	2,020
Police and Fire Past Service Liability	4.30%	2035	1,272,217	-	(21,022)	1,251,195	21,924
Compensated Absences			3,080,753	1,421,790	(1,298,372)	3,204,171	1,399,625
Total other long-term obligations			<u>4,357,256</u>	<u>1,421,790</u>	<u>(1,321,660)</u>	<u>4,457,386</u>	<u>1,423,569</u>
Total governmental activities							
long-term obligations			<u>\$ 8,662,421</u>	<u>\$ 1,551,090</u>	<u>\$ (1,748,880)</u>	8,464,631	<u>\$ 1,905,939</u>
Add: Unamortized premium on bond issue						100,805	
Less: Unamortized deferred charges on refundings						(181,405)	
Total reported on the Statement of Net Assets						<u>\$ 8,384,031</u>	

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 1996 Various Purpose Bonds (Fire Improvement Project Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.B.). A portion of the proceeds, \$2,425,000, were used to finance fire improvements. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds are payable semiannually and the interest rate varies according to maturity date. During 2004, the callable portion (\$1,525,000) of these bonds were advance refunded. During 2005, \$105,000 in principal payments was made on these loans leaving the non-callable portion of \$110,000 as a liability at year-end. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Series 1996 Various Purpose Bonds (City-Wide Radio Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.B.). A portion of the proceeds, \$1,775,000, were used to finance a city-wide radio project. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds are payable semiannually and the interest rate varies according to maturity date. During 2004, the callable portion (\$745,000) of these bonds were advance refunded. During 2005, \$120,000 in principal payments was made on these bonds leaving the non-callable portion of \$125,000 as a liability at year-end. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Series 2003 Various Purpose Bonds (HRC Land Portion)

On May 5, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (Also See Note 11.B.). A portion of the proceeds, \$956,500, were used to reimburse the general fund for the purchase of land adjacent to the Hancock Recreation Center. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interests on these bonds are payable semiannually and the interest rate varies according to maturity date. During 2005, the city made \$70,000 in principal payments on these bonds leaving a liability of \$830,000 at year-end. The principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

Series 2004 Various Purpose Bonds (Fire Improvement Refunding Portion)

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 11.B.). A portion of the proceeds, \$1,615,000, were used to advance refund the callable portion of the Series 1996 Fire Improvement Bonds (principal \$1,525,000) by purchasing State and Local Government Securities (SLGS) that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds 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 refunding issue is comprised of current interest serial bonds, par value \$1,615,000. During 2005, the City made principal payments of \$25,000 on these bonds leaving a liability at year-end of \$1,590,000. 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 11.B). A portion of the proceeds, \$805,000, were used to advance refund the callable portion of the Series 1996 City-wide Radio System Bonds (principal \$745,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds 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 refunding issue is comprised of current interest serial bonds, par value \$805,000. During 2005, the City made principal payments of \$20,000 on these bonds leaving a liability at year-end of \$785,000. Principal and interest payments are made from the debt service fund (a nonmajor governmental fund).

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2016. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Special Assessment Bonds

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

Capital Lease Obligation

See Note 10 for a description of the City's capital lease obligation. Principal and interest payments on the obligation are made from the City Income Tax Administration fund. The unmatured balance of the obligation is reported as a component of the City's governmental activities long-term obligations at year-end.

Ohio Public Works Commission (OPWC) Loans

The City has entered into a loan agreement with the OPWC to finance the Crystal/Melrose intersection improvements. This loan is interest free and has a twenty year term. The OPWC loan is being retired out of the debt service 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences

Compensated absences consist of vacation, holivac and compensatory time due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

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, 2005:

Year	General Obligation Bonds			Special Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 330,000	\$ 130,990	\$ 460,990	\$ 145,170	\$ 22,048	\$ 167,218
2007	345,000	116,535	461,535	123,670	14,687	138,357
2008	355,000	105,978	460,978	59,020	9,111	68,131
2009	365,000	95,609	460,609	39,020	6,034	45,054
2010	395,000	83,149	478,149	33,020	3,857	36,877
2011 - 2015	1,455,000	223,815	1,678,815	34,145	3,212	37,357
2016	195,000	10,238	205,238	-	-	-
Totals	<u>\$ 3,440,000</u>	<u>\$ 766,314</u>	<u>\$ 4,206,314</u>	<u>\$ 434,045</u>	<u>\$ 58,949</u>	<u>\$ 492,994</u>

Year	OPWC Loan		
	Principal	Interest	Total
2006	\$ 7,200	\$ -	\$ 7,200
2007	7,200	-	7,200
2008	7,200	-	7,200
2009	7,200	-	7,200
2010	7,200	-	7,200
2011 - 2015	36,000	-	36,000
2016 - 2020	36,000	-	36,000
2021 - 2024	25,200	-	25,200
Totals	<u>\$ 133,200</u>	<u>\$ -</u>	<u>\$ 133,200</u>

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type activities long-term obligations

The following changes occurred in the City's business-type long-term obligations during fiscal 2005:

<i>Business-Type Activities:</i>	<u>Interest</u>	<u>Maturity</u>	<u>Balance</u>			<u>Balance</u>	<u>Due in</u>
	<u>Rate</u>	<u>Date</u>	<u>12/31/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/05</u>	<u>One Year</u>
<u>General Obligation Bonds:</u>							
Series 2003 Water Refunding	2.25 - 3.375%	2009	\$ 5,935,000	\$ -	\$ (1,145,000)	\$ 4,790,000	\$ 1,160,000
Series 2003 Sewer Refunding	2.00 - 5.00%	2011	4,490,000	-	(605,000)	3,885,000	610,000
Series 2003 Water Refunding	2.00 - 4.00%	2018	3,595,000	-	(215,000)	3,380,000	220,000
Series 1996 Northern Corridor Sewer	3.85 - 5.875%	2006	770,000	-	(375,000)	395,000	395,000
Series 2004 Northern Corridor Sewer Refunding	2.50 - 5.25%	2017	6,480,000	-	(95,000)	6,385,000	15,000
Series 1996 Aircraft Fueling System	3.85 - 5.875%	2006	70,000	-	(35,000)	35,000	35,000
Series 2004 Aircraft Fueling System Refunding	2.50 - 3.75%	2017	270,000	-	(5,000)	265,000	5,000
Series 1996 Water Pump Station	3.85 - 5.875%	2006	185,000	-	(90,000)	95,000	95,000
Series 2004 Water Pump Station Refunding	2.50 - 5.25%	2016	1,390,000	-	(25,000)	1,365,000	5,000
Series 1998 Water Improvement	3.65 - 4.90%	2018	<u>2,795,000</u>	<u>-</u>	<u>(150,000)</u>	<u>2,645,000</u>	<u>155,000</u>
Total general obligation bonds			<u>25,980,000</u>	<u>-</u>	<u>(2,740,000)</u>	<u>23,240,000</u>	<u>2,695,000</u>
<u>OWDA Loans:</u>							
Bright Road Interceptor and Sewer Separation	1.73%	2023	3,373,820	-	(161,172)	3,212,648	158,661
Sewer System Improvements	4.36%	2021	29,194,533	-	(1,189,451)	28,005,082	1,241,876
Sewer Treatment Plant Improvements	4.80%	2011	884,922	-	(109,158)	775,764	114,461
Water Plant Improvements	3.25%		<u>-</u>	<u>388,331</u>	<u>-</u>	<u>388,331</u>	<u>-</u>
Total OWDA loans			<u>33,453,275</u>	<u>388,331</u>	<u>(1,459,781)</u>	<u>32,381,825</u>	<u>1,514,998</u>
<u>Other long-term obligations:</u>							
OPWC loans	0%	2019-2025	656,705	-	(31,416)	625,289	36,416
Compensated absences			<u>922,287</u>	<u>354,884</u>	<u>(375,225)</u>	<u>901,946</u>	<u>383,327</u>
Total other long-term obligations			<u>1,578,992</u>	<u>354,884</u>	<u>(406,641)</u>	<u>1,527,235</u>	<u>419,743</u>
Total business-type activities long-term obligations			<u>\$ 61,012,267</u>	<u>\$ 743,215</u>	<u>\$ (4,606,422)</u>	57,149,060	<u>\$ 4,629,741</u>
Add: Unamortized premium on bonds						594,846	
Less: Unamortized deferred charges on refundings						<u>(1,374,657)</u>	
Total reported on Statement of Net Assets						<u>\$ 56,369,249</u>	

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - 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 11.A). A portion of the proceeds, \$6,480,000, were used to advance refund the callable portion of the Series 1996 Northern Corridor Sewer Bonds (principal \$6,085,000) by purchasing State and Local Government Securities (SLGS) that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds 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 refunding issue is comprised of current interest serial bonds, par value \$6,480,000. During 2005, the City made principal payments of \$95,000 on these bonds leaving a liability at year-end of \$6,385,000. Principal and interest payments are made from the Sewer fund.

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2017. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

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

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 11.A). A portion of the proceeds, \$270,000, were used to advance refund the callable portion of the Series 1996 Aircraft Refueling System Bonds (principal \$250,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds 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 refunding issue is comprised of current interest serial bonds, par value \$270,000. During 2005, the City made principal payments of \$5,000 on these bonds leaving a liability at year-end of \$265,000. 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.

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

On October 20, 2004, the City issued \$10,560,000 in various purpose general obligation refunding bonds to advance refund previous obligations (Also See Note 11.A). A portion of the proceeds, \$1,390,000, were used to advance refund the callable portion of the Series 1996 Water Pump Station Bonds (principal \$1,310,000) by purchasing SLGS that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The call date on the refunded bonds 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.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The refunding issue is comprised of current interest serial bonds, par value \$1,390,000. During 2005, the City made principal payments of \$25,000 on these bonds leaving a liability at year-end of \$1,365,000. Principal and interest payments are being made from the Water fund.

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2016. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Series 2003 Water Refunding Bonds

On August 28, 2003, the City issued general obligation bonds to currently refund the callable portion of the Series 1995 Waterworks System Refunding Revenue Bonds (principal \$8,565,000; average interest rate 5.09%). The issuance proceeds were used to repay the callable portion of the 1995 bonds on the call date which was November 1, 2003. This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$7,045,000. During 2005, the City made principal payments of \$1,145,000 on these bonds leaving a liability at year-end of \$4,790,000. 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 11.A). A portion of the proceeds, \$5,070,000, were used to currently refund the callable portion of the Series 1993 Sewer Refunding Bonds (principal \$5,425,000, average interest rate 5.447%). This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$5,070,000. During 2005, the City made principal payments of \$605,000 on these bonds leaving a liability at year-end of \$3,885,000. Principal and interest payments are made from the Sewer fund.

The refunding bonds pays interest semiannually on January 1 and July 1 of each year and mature on July 1, 2011. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Series 2003 Various Purpose Bonds (Water Refunding Portion)

On May 22, 2003, the City issued \$9,820,000 in various purpose general obligation bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$3,785,000, were used to currently refund the callable portion of the Series 1993 Water Improvement Bonds (principal \$3,690,000, average interest rate 5.526%). The issuance proceeds were used to repay the callable portion of the 1993 bonds on the call date which was July 1, 2003. This refunded debt is considered defeased and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of current interest serial bonds, par value \$3,785,000. During 2005, the City made principal payments of \$215,000 on these bonds leaving a liability at year-end of \$3,380,000. Principal and interest payments are made from the Water fund.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The refunding bonds pay interest semiannually on January 1 and July 1 of each year and mature on July 1, 2018. The refunding bonds are general obligations of the City for which the full faith and credit of the City is pledged for repayment.

Series 1996 Various Purpose Bonds (Northern Corridor Sewer Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$9,020,000, were used to finance the Northern Corridor Sewer Project. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. During 2004, the callable portion (\$6,085,000) of these bonds was advance refunded. During 2005, \$375,000 in principal payments was made on these bonds leaving a non-callable portion of \$395,000 as a liability at year-end. The principal and interest payments are made from the Sewer fund.

Series 1996 Various Purpose Bonds (Aircraft Fueling Portion)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$510,000, were used to finance an aircraft fueling system. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. During 2004, the callable portion (\$250,000) of these bonds was advance refunded. During 2005, \$35,000 in principal payments was made on these bonds leaving the non-callable portion of \$35,000 as a liability at year-end. The principal and interest payments are made from the Airport fund.

Series 1996 Various Purpose Bonds (Water Pump Station)

On July 1, 1996, the City issued \$16,420,000 in various purpose general obligations bonds to fund various projects (Also See Note 11.A). A portion of the proceeds, \$2,090,000, were used to finance a water pump station. These bonds are general obligations of the City for which the full faith and credit of the City are pledged for repayment. Interest on these bonds is payable semiannually and the interest rate varies according to maturity date. During 2004, the callable portion (\$1,310,000) of these bonds was advance refunded. During 2005, \$90,000 in principal payments was made on these bonds leaving the non-callable portion of \$95,000 as a liability at year-end. The principal and interest payments are made from the Water fund.

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%. 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.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

On July 1, 1993, the City entered into a financing agreement with OWDA under the WPCLFA for sewer system improvements. This loan bears interest at 4.80%, with principal 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 Sewer fund.

On October 28, 1999, the City entered into a financing agreement under the WPCLFA to borrow up to \$32,470,000. The loan bears interest at 4.36 percent with principal 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 Sewer fund.

On August 30, 2001, the City entered into an additional financing agreement under the WPCLFA to borrow up to \$3,672,600. The loan bears interest at 1.73%, with principal payments due semi-annually on January 1, and July 1 of each year. During 2005, there was an interest rate change on this agreement which decreased the capitalized interest due by \$18,965. This reduction in the loan balance has been reflected as a disposal in Note 11.B. The term of the loan is 20 years. Principal and interest payments are made from the Sewer fund.

On December 8, 2005, the City entered into a Financing agreement with OWDA for Water Treatment Plant Improvements. The loan bears interest at 3.25%. A total of \$388,331 has been borrowed under this agreement as of December 31, 2005. 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. Principal and interest payments will be made from the Water fund.

Ohio Public Works Commission (OPWC) Loans

The City has entered into loan agreements with the OPWC to finance various water improvement projects. These loans are interest free and have twenty year terms. The OPWC loans are being retired out of the Water fund.

Compensated Absences

Compensated absences consist of vacation, holivac and compensatory time due and payable at year-end. In addition, estimated sick time (severance) payments are also included as described in Note 2.K).

Compensated absences will be paid from the fund from which the employees' salaries are paid.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

The following is a schedule of the future principal and interest payments to retire the business-type activities long-term bonds and loans at December 31, 2005:

<u>Year</u>	<u>General Obligation Bonds</u>			<u>OWDA Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 2,695,000	\$ 866,819	\$ 3,561,819	\$ 1,514,998	\$ 1,298,405	\$ 2,813,403
2007	2,770,000	786,183	3,556,183	1,578,049	1,235,353	2,813,402
2008	2,840,000	707,796	3,547,796	1,643,832	1,169,571	2,813,403
2009	2,905,000	623,527	3,528,527	1,712,466	1,100,937	2,813,403
2010	1,800,000	518,958	2,318,958	1,784,077	1,029,325	2,813,402
2011 - 2015	6,950,000	1,605,204	8,555,204	9,453,854	4,011,801	13,465,655
2016 - 2020	3,280,000	252,426	3,532,426	11,414,233	1,901,082	13,315,315
2021 - 2023	-	-	-	2,891,985	91,412	2,983,397
Totals	<u>\$ 23,240,000</u>	<u>\$ 5,360,913</u>	<u>\$ 28,600,913</u>	<u>\$ 31,993,494</u>	<u>\$ 11,837,886</u>	<u>\$ 43,831,380</u>

	<u>OPWC Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 36,416	\$ -	\$ 36,416
2007	36,416	-	36,416
2008	36,416	-	36,416
2009	36,416	-	36,416
2010	36,416	-	36,416
2011 - 2015	182,079	-	182,079
2016 - 2020	174,154	-	174,154
2021 - 2025	86,976	-	86,976
	<u>\$ 625,289</u>	<u>\$ -</u>	<u>\$ 625,289</u>

NOTE 12 - INTERFUND ASSETS/LIABILITIES

Individual fund interfund asset and liability balances, as reported on the fund financial statements at December 31, 2005, were as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Water Pollution Control	Water	\$ 357,221

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 13 - 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 insurance coverage for 2005, 2004, or 2003. The City is fully insured through premium-based insurance policies for all other types of insurance including worker's compensation, public officials' liability, etc.

The City's policy for reporting a claims liability is based on the requirements of Financial Accounting Standards Board Statement No. 5, which requires that a liability for claims to be reported if information prior to the issuance of the combined financial statements indicates that it is probable that a liability has been incurred at the date of the combined financial statements and the amount of the loss can be reasonably estimated. It is the opinion of the City's legal counsel that, as of December 31, 2005, there were no material outstanding claims pending for the Self-Insurance fund. Claims activity for 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Claims payable, beginning of the year	\$ -	\$ -
Current year claims and changes in estimates	2,225	5,587
Claim payments	<u>(2,225)</u>	<u>(5,587)</u>
Claims payable, end of year	<u>\$ -</u>	<u>\$ -</u>

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 plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 14 - PENSION PLANS - (Continued)

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5% of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1% of their annual covered salary; members in public safety contributed 9%. For regular OPERS employees, excluding law enforcement and public safety employees, the City's required contribution rate to OPERS was 13.55% of which 9.55% was the portion used to fund pension obligations. For those law enforcement and public safety employees, the City's required contribution rate to OPERS was 16.7% of which 12.7% was the portion used to fund pension obligations. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions to OPERS for the years ended December 31, 2005, 2004, and 2003 were \$1,336,521, \$1,316,553, and \$1,300,515, respectively equal to the required employer contribution which is also 100% of the dollar amount billed by OPERS.

B. Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.0% of their annual covered salary, while the City is required to contribute 19.50% and 24.0% for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 11.75% for police officers and 16.25% for firefighters. The City's contributions to OP&F for the years ended December 31, 2005, 2004, and 2003 were \$1,646,196, \$1,541,943, and \$1,474,955, respectively, equal to the required contributions for each year.

NOTE 15 - POSTRETIREMENT BENEFIT PLANS

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55% of covered payroll (16.70% for public safety and law enforcement); 4.00% of covered payroll was the portion that was used to fund health care.

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00%, 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 6.3% based on additional annual pay increases. Health care premiums were assumed to increase 1.00% and 6.00% annually for the next eight years and 4.00% annually after nine years.

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

The number of active contributing participants in the traditional and combined plans was 376,109 as of December 31, 2005. The number of active participants for both plans used in the December 31, 2004 actuarial valuation was 355,287. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$403,401. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

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

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

B. Ohio Police and Fire Pension Fund

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

CITY OF FINDLAY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 15 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 7.75% of covered payroll was applied to the postemployment health care program during 2005. 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 2005 that were used to fund postemployment benefits was \$299,005 for police and \$294,872 for firefighters. The OP&F's total health care expense for the year ended December 31, 2004 (the latest information available) was \$102.174 million, which was net of member contributions of \$55.665 million. The number of OP&F participants eligible to receive health care benefits as of December 31, 2004 (the latest information available), was 13,812 for police and 10,528 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, 2005.

B. Contracts

As of December 31, 2005, the City had approximately \$5,416,682 open on outstanding purchase orders and contracts. Of this amount, \$5,118,043 related to ongoing capital projects and the remaining amount of \$298,639 was for various departmental purchase orders outstanding at year-end.

The City had no material operating lease commitments at December 31, 2005.

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.

CITY OF FINDLAY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 17 – SIGNIFICANT SUBSEQUENT EVENTS

On March 7, 2006, the City had a \$3,165,000 note issue to fund various projects. Of this issue, \$385,000 was used to purchase a building complex for the street department, \$275,000 was used to purchase land adjacent to the Hancock Recreation Center, \$500,000 was used to purchase right-of-way for a road improvement project and \$2,005,000 was used for remodeling and renovations to the Hancock Recreation Center ice rink and building.

In April 2006, the City took its first draw on an OPWC loan for Howard Street Improvements. The maximum borrowing under this loan agreement is \$300,000. The City also received a \$300,000 grant to help fund this project.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
GENERAL FUND

DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets:		
Equity in pooled cash and cash equivalents.	\$ 9,762,570	\$ 7,622,600
Cash in segregated accounts.	7,269	-
Receivables (net of allowances of uncollectibles).	2,648,258	2,428,415
Due from other governments	1,107,788	1,058,862
Prepayments	103,736	95,612
Total assets.	<u>\$ 13,629,621</u>	<u>\$ 11,205,489</u>
Liabilities:		
Accounts payable	\$ 1,060,954	\$ 764,608
Accrued wages and benefits	457,399	458,073
Compensated absences payable	-	22,625
Due to other governments	9,565	3,407
Deposits held and due to others	672,601	736,878
Deferred revenue	3,183,516	2,995,177
Total liabilities	<u>5,384,035</u>	<u>4,980,768</u>
Fund balance:		
Reserved for encumbrances	739,852	274,935
Reserved for prepayments	103,736	95,612
Unreserved, undesignated	7,401,998	5,854,174
Total fund balance.	<u>8,245,586</u>	<u>6,224,721</u>
Total liabilities and fund balance	<u>\$ 13,629,621</u>	<u>\$ 11,205,489</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
STREET MAINTENANCE AND REPAIR FUND

DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 949,199	\$ 1,683,081
Cash with escrow agent	79,398	134,707
Receivables (net of allowances of uncollectibles)	3,249	517
Due from other governments	508,139	545,034
Prepayments	19,156	17,490
Materials and supplies inventory	179,883	179,883
Total assets	<u>\$ 1,739,024</u>	<u>\$ 2,560,712</u>
Liabilities:		
Accounts payable	\$ 216,310	\$ 68,194
Retainage payable	79,398	134,707
Accrued wages and benefits	49,897	52,922
Compensated absences payable	-	-
Deposits held and due to others	89,927	96,922
Deferred revenue	326,430	413,709
Total liabilities	<u>761,962</u>	<u>766,454</u>
Fund balance:		
Reserved for encumbrances	243,038	97,057
Reserved for prepayments	19,156	17,490
Reserved for materials and supplies inventory	179,883	179,883
Unreserved, undesignated	534,985	1,499,828
Total fund balance	<u>977,062</u>	<u>1,794,258</u>
Total liabilities and fund balance	<u>\$ 1,739,024</u>	<u>\$ 2,560,712</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
CITY INCOME TAX ADMINISTRATION FUND

DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 554,985	\$ 414,863
Receivables (net of allowances of uncollectibles)	2,304,782	2,375,662
Prepayments	1,674	1,101
Restricted assets:		
Equity in pooled cash and cash equivalents	1,034,116	1,208,797
Total assets	<u>\$ 3,895,557</u>	<u>\$ 4,000,423</u>
Liabilities:		
Accounts payable	\$ 9,183	\$ 4,011
Accrued wages and benefits	6,317	6,056
Deposits held and due to others	12,298	13,577
Deferred revenue	808,845	870,981
Total liabilities	<u>836,643</u>	<u>894,625</u>
Fund balance:		
Reserved for encumbrances	16,360	24,746
Reserved for prepayments	1,674	1,101
Reserved for capital improvements	1,034,116	1,208,797
Unreserved, undesignated	2,006,764	1,871,154
Total fund balance	<u>3,058,914</u>	<u>3,105,798</u>
Total liabilities and fund balance	<u>\$ 3,895,557</u>	<u>\$ 4,000,423</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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 2,626,023	\$ 2,626,023	\$ 2,619,131	\$ (6,892)	\$ 2,432,883
Charges for services	968,150	968,150	992,685	24,535	946,993
Licenses and permits.	255,500	255,500	367,854	112,354	361,509
Fines and forfeitures.	1,376,500	1,376,500	1,213,004	(163,496)	1,217,009
Intergovernmental	1,787,827	1,787,827	3,520,988	1,733,161	2,261,298
Special assessments	-	-	-	-	62,598
Investment income	300,000	300,000	483,745	183,745	166,291
Reimbursements.	669,450	669,450	834,736	165,286	725,093
Other	123,700	123,700	177,852	54,152	331,115
Total revenues	8,107,150	8,107,150	10,209,995	2,102,845	8,504,789
Expenditures:					
Security of persons and property					
Police department.	6,912,298	7,014,773	6,889,420	125,353	6,368,311
Disaster services	30,013	30,013	25,915	4,098	26,110
Fire department.	6,030,945	6,012,993	5,776,603	236,390	5,585,288
Dispatch	740,606	740,606	698,443	42,163	667,499
Total security of persons and property	13,713,862	13,798,385	13,390,381	408,004	12,647,208
Public health and welfare					
Planning and zoning	110,274	110,274	100,241	10,033	103,679
Public health department	983,369	983,369	905,362	78,007	825,607
Building and zoning department	108,563	116,673	111,554	5,119	188,093
NEAT.	136,511	145,620	110,130	35,490	-
Cemetery department	258,264	284,039	234,671	49,368	250,921
Total public health and welfare.	1,596,981	1,639,975	1,461,958	178,017	1,368,300
Leisure time activities					
Park maintenance.	656,491	706,491	605,198	101,293	594,394
Reservoir recreation	26,212	19,712	3,132	16,580	3,814
Hancock Recreation Center	433,588	433,588	319,912	113,676	357,869
Recreation department	318,424	318,424	278,731	39,693	293,284
Shade tree program.	153,392	153,417	98,160	55,257	124,589
Total leisure time activities	1,588,107	1,631,632	1,305,133	326,499	1,373,950

-- Continued

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
General government					
Council	230,297	219,948	213,061	6,887	200,530
Mayors office	204,523	214,872	191,617	23,255	225,030
Auditor/treasurer	441,006	451,006	446,392	4,614	719,031
Law director	489,835	489,835	475,346	14,489	431,749
Municipal court.	1,445,870	1,445,870	1,174,128	271,742	1,110,619
Civil service.	84,151	84,151	53,842	30,309	32,601
Computer services	338,860	359,225	337,933	21,292	368,916
Service and safety directors.	413,850	419,850	392,550	27,300	582,365
Engineering department	967,327	959,217	886,849	72,368	891,095
General miscellaneous operations	645,218	764,548	742,269	22,279	-
Public building department.	474,519	476,019	360,888	115,131	419,437
Total general government	<u>5,735,456</u>	<u>5,884,541</u>	<u>5,274,875</u>	<u>609,666</u>	<u>4,981,373</u>
Capital outlay					
Security of persons and property.	-	68,285	68,285	-	140,030
Public health and welfare	-	898,227	898,227	-	924,611
Leisure time activities	-	216,674	216,674	-	114,978
General government	-	70,011	70,011	-	78,544
Total capital outlay	<u>-</u>	<u>1,253,197</u>	<u>1,253,197</u>	<u>-</u>	<u>1,258,163</u>
Total expenditures	<u>22,634,406</u>	<u>24,207,730</u>	<u>22,685,544</u>	<u>1,522,186</u>	<u>21,628,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,527,256)</u>	<u>(16,100,580)</u>	<u>(12,475,549)</u>	<u>3,625,031</u>	<u>(13,124,205)</u>
Other financing sources (uses):					
Sale of capital assets	-	-	500	500	-
Transfers in	12,364,000	15,223,000	15,814,311	591,311	13,811,998
Transfers out	<u>(680,000)</u>	<u>(1,360,380)</u>	<u>(1,326,521)</u>	<u>33,859</u>	<u>(1,190,910)</u>
Total other financing sources (uses).	<u>11,684,000</u>	<u>13,862,620</u>	<u>14,488,290</u>	<u>625,670</u>	<u>12,621,088</u>
Net change in fund balance	<u>(2,843,256)</u>	<u>(2,237,960)</u>	<u>2,012,741</u>	<u>4,250,701</u>	<u>(503,117)</u>
Fund balance at beginning of year	6,224,721	6,224,721	6,224,721	-	6,347,039
Prior year encumbrances appropriated.	-	-	-	-	383,654
Increase in reserve for prepaids.	8,124	8,124	8,124	-	(2,855)
Fund balance at end of year.	<u>\$ 3,389,589</u>	<u>\$ 3,994,885</u>	<u>\$ 8,245,586</u>	<u>\$ 4,250,701</u>	<u>\$ 6,224,721</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 10,000	\$ 10,000	\$ 17,202	\$ 7,202	\$ 5,458
Intergovernmental	1,641,000	1,641,000	2,092,402	451,402	3,183,019
Other	-	-	87,135	87,135	52,731
Total revenues	1,651,000	1,651,000	2,196,739	545,739	3,241,208
Expenditures:					
Security of persons and property					
Traffic signs	305,877	305,877	283,464	22,413	293,426
Traffic signals	526,400	585,456	490,738	94,718	478,229
Total security of persons and property	832,277	891,333	774,202	117,131	771,655
Transportation					
Street department	1,847,218	1,863,420	1,773,637	89,783	1,610,618
Capital outlay					
Street department equipment	-	74,440	74,440	-	294,939
Street improvements	-	2,370,212	2,370,212	-	2,487,637
Traffic signals	-	68,272	68,272	-	199,669
Total capital outlay	-	2,512,924	2,512,924	-	2,982,245
Total expenditures	2,679,495	5,267,677	5,060,763	206,914	5,364,518
Excess (deficiency) of revenues over (under) expenditures	(1,028,495)	(3,616,677)	(2,864,024)	752,653	(2,123,310)
Other financing sources (uses):					
Issuance of OPWC loans	-	-	-	-	144,000
Transfers in	500,000	3,190,000	2,202,895	(987,105)	2,358,933
Transfers out	-	-	(157,733)	(157,733)	(289,919)
Total other financing sources (uses)	500,000	3,190,000	2,045,162	(1,144,838)	2,213,014
Net change in fund balance	(528,495)	(426,677)	(818,862)	(392,185)	89,704
Fund balance at beginning of year (restated) . . .	1,794,258	1,794,258	1,794,258	-	1,707,388
Increase (decrease) in reserve for inventory . . .	-	-	-	-	(3,353)
Increase (decrease) in reserve for prepaids	1,666	1,666	1,666	-	519
Fund balance at end of year	\$ 1,267,429	\$ 1,369,247	\$ 977,062	\$ (392,185)	\$ 1,794,258

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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Municipal income taxes	\$ 15,500,000	\$ 16,779,711	\$ 17,323,028	\$ 543,317	\$ 15,385,918
Charges for services	-	-	16,025	16,025	-
Other	-	-	229	229	390
Total revenues	<u>15,500,000</u>	<u>16,779,711</u>	<u>17,339,282</u>	<u>559,571</u>	<u>15,386,308</u>
Expenditures:					
General government	820,609	820,609	688,331	132,278	656,463
Debt service					
Principal retirement	3,036	3,036	2,266	770	2,104
Interest and fiscal charges	324	324	242	82	404
Total expenditures	<u>823,969</u>	<u>823,969</u>	<u>690,839</u>	<u>133,130</u>	<u>658,971</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,676,031</u>	<u>15,955,742</u>	<u>16,648,443</u>	<u>692,701</u>	<u>14,727,337</u>
Other financing sources (uses):					
Transfers in	-	120,289	225,326	105,037	354,205
Transfers out	<u>(14,680,000)</u>	<u>(16,915,726)</u>	<u>(16,921,226)</u>	<u>(5,500)</u>	<u>(15,030,561)</u>
Total other financing sources (uses)	<u>(14,680,000)</u>	<u>(16,795,437)</u>	<u>(16,695,900)</u>	<u>99,537</u>	<u>(14,676,356)</u>
Net change in fund balance	(3,969)	(839,695)	(47,457)	792,238	50,981
Fund balance at beginning of year	3,105,798	3,105,798	3,105,798	-	3,054,817
Increase in reserve for prepaids	573	573	573	-	-
Fund balance at end of year	<u>\$ 3,102,402</u>	<u>\$ 2,266,676</u>	<u>\$ 3,058,914</u>	<u>\$ 792,238</u>	<u>\$ 3,105,798</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 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 an increase in court fees for the purpose of 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 only for the purchase of computer equipment and services in the area of legal research for Municipal Court.

Mediation Services:

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

CITY OF FINDLAY, OHIO

Nonmajor Special Revenue Funds (Continued)

HRC Capital Trust:

To account for contributions and donations to renovate the Hancock Recreation Center into a multi-purpose facility.

Nonmajor Debt Service Funds

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

Western Avenue Pilot Debt Service:

To account for monies received by the City as "payment in lieu of taxes" (PILOT) from certain property owners. These PILOT's are designated to be used for the payment of principal and interest for the general obligation Western Avenue Relocation Bonds.

Sixth Street Pilot Debt Service:

To account for monies received by the City as "payment in lieu of taxes" (PILOT) from certain property owners. These PILOT's are designated to be used for the payment of principal and interest for the general obligation Sixth Street Extension Bonds.

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, 2005

	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.	\$ 740,460	\$ 16,002	\$ 777,872	\$ 971,777	\$ 2,506,111
Cash in segregated accounts.	172,225	-	-	-	172,225
Cash with fiduciary agent	645,239	-	-	-	645,239
Cash with escrow agent.	-	33,209	-	-	33,209
Receivables (net of allowances of uncollectibles).	1,145,601	498,837	-	2,847	1,647,285
Due from other governments	58,286	-	-	-	58,286
Total assets	\$ 2,761,811	\$ 548,048	\$ 777,872	\$ 974,624	\$ 5,062,355
Liabilities:					
Accounts payable	\$ 1,374	\$ -	\$ 10,000	\$ -	\$ 11,374
Matured bonds payable	-	33,209	-	-	33,209
Deferred revenue	589,716	321,215	-	-	910,931
Total liabilities	591,090	354,424	10,000	-	955,514
Fund balance:					
Reserved for loans receivable.	602,313	-	-	-	602,313
Reserved for debt service.	-	193,624	-	-	193,624
Reserved for perpetual care.	-	-	-	971,777	971,777
Unreserved, undesignated, reported in:					
Special revenue funds	1,568,408	-	-	-	1,568,408
Permanent funds.	-	-	-	2,847	2,847
Capital projects funds	-	-	767,872	-	767,872
Total fund balance.	2,170,721	193,624	767,872	974,624	4,106,841
Total liabilities and fund balance	\$ 2,761,811	\$ 548,048	\$ 777,872	\$ 974,624	\$ 5,062,355

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005

	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	\$ 537,426	\$ -	\$ -	\$ -	\$ 537,426
Charges for services	-	-	-	25,600	25,600
Fines and forfeitures	89,465	-	68,492	-	157,957
Intergovernmental	614,348	-	-	-	614,348
Special assessments	-	139,736	148,818	-	288,554
Investment income	23,425	-	-	30,686	54,111
Total revenues	<u>1,264,664</u>	<u>139,736</u>	<u>217,310</u>	<u>56,286</u>	<u>1,677,996</u>
Expenditures:					
Current:					
General government	114,479	-	-	-	114,479
Security of persons and property	14,945	-	-	-	14,945
Public health and welfare	-	-	-	21,367	21,367
Transportation	23,384	-	-	-	23,384
Capital outlay	-	-	237,846	-	237,846
Debt service:					
Principal retirement	-	427,220	-	-	427,220
Interest and fiscal charges	-	137,625	-	-	137,625
Total expenditures	<u>152,808</u>	<u>564,845</u>	<u>237,846</u>	<u>21,367</u>	<u>976,866</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,111,856</u>	<u>(425,109)</u>	<u>(20,536)</u>	<u>34,919</u>	<u>701,130</u>
Other financing sources (uses):					
Issuance of bonds	-	-	129,300	-	129,300
Transfers in	-	464,885	251,000	-	715,885
Transfers out	<u>(558,301)</u>	<u>(27,697)</u>	<u>(303,571)</u>	<u>(29,679)</u>	<u>(919,248)</u>
Total other financing sources (uses)	<u>(558,301)</u>	<u>437,188</u>	<u>76,729</u>	<u>(29,679)</u>	<u>(74,063)</u>
Net change in fund balances	553,555	12,079	56,193	5,240	627,067
Fund balances at beginning of year	<u>1,617,166</u>	<u>181,545</u>	<u>711,679</u>	<u>969,384</u>	<u>3,479,774</u>
Fund balances at end of year	<u><u>\$ 2,170,721</u></u>	<u><u>\$ 193,624</u></u>	<u><u>\$ 767,872</u></u>	<u><u>\$ 974,624</u></u>	<u><u>\$ 4,106,841</u></u>

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	<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	\$ 272,102	\$ 36,600	\$ 12,592	\$ 3,093
Cash in segregated accounts	-	-	-	-
Cash with fiduciary agent.	-	645,239	-	-
Receivables (net of allowances of uncollectibles)	-	-	-	-
Due from other governments.	38,062	-	-	-
Total assets	<u>\$ 310,164</u>	<u>\$ 681,839</u>	<u>\$ 12,592</u>	<u>\$ 3,093</u>
Liabilities:				
Accounts payable.	\$ 1,120	\$ -	\$ -	\$ -
Deferred revenue	26,204	-	-	-
Total liabilities.	<u>27,324</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Reserved for loans receivable	-	-	-	-
Unreserved, undesignated	282,840	681,839	12,592	3,093
Total fund balance	<u>282,840</u>	<u>681,839</u>	<u>12,592</u>	<u>3,093</u>
Total liabilities and fund balance	<u><u>\$ 310,164</u></u>	<u><u>\$ 681,839</u></u>	<u><u>\$ 12,592</u></u>	<u><u>\$ 3,093</u></u>

Indigent Drivers Alcohol Treatment	METRICH Drug Law Enforcement Trust	Enforcement and Education	Police Pension	Fire Pension	Revolving Loan	Court Computerization
\$ 88,318	\$ 2,863	\$ 49,364	\$ -	\$ -	\$ -	\$ 15,449
-	-	-	-	-	172,225	-
-	-	-	-	-	-	-
-	-	-	271,644	271,644	602,313	-
-	-	-	10,112	10,112	-	-
<u>\$ 88,318</u>	<u>\$ 2,863</u>	<u>\$ 49,364</u>	<u>\$ 281,756</u>	<u>\$ 281,756</u>	<u>\$ 774,538</u>	<u>\$ 15,449</u>
\$ 254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	281,756	281,756	-	-
<u>254</u>	<u>-</u>	<u>-</u>	<u>281,756</u>	<u>281,756</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	602,313	-
88,064	2,863	49,364	-	-	172,225	15,449
<u>88,064</u>	<u>2,863</u>	<u>49,364</u>	<u>-</u>	<u>-</u>	<u>774,538</u>	<u>15,449</u>
<u>\$ 88,318</u>	<u>\$ 2,863</u>	<u>\$ 49,364</u>	<u>\$ 281,756</u>	<u>\$ 281,756</u>	<u>\$ 774,538</u>	<u>\$ 15,449</u>

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CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	Legal Research	Mediation Services	HRC Capital Trust	Totals	
				2005	2004
Assets:					
Equity in pooled cash and cash equivalents	\$ 80,371	\$ 67,491	\$ 112,217	\$ 740,460	\$ 638,938
Cash in segregated accounts	-	-	-	172,225	85,181
Cash with fiduciary agent.	-	-	-	645,239	448,127
Receivables (net of allowances of uncollectibles)	-	-	-	1,145,601	967,000
Due from other governments.	-	-	-	58,286	70,064
Total assets	<u>\$ 80,371</u>	<u>\$ 67,491</u>	<u>\$ 112,217</u>	<u>\$ 2,761,811</u>	<u>\$ 2,209,310</u>
Liabilities:					
Accounts payable.	\$ -	\$ -	\$ -	\$ 1,374	\$ 240
Deferred revenue	-	-	-	589,716	591,904
Total liabilities.	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,090</u>	<u>592,144</u>
Fund balance:					
Reserved for loans receivable	-	-	-	602,313	434,512
Unreserved, undesignated	80,371	67,491	112,217	1,568,408	1,182,654
Total fund balance	<u>80,371</u>	<u>67,491</u>	<u>112,217</u>	<u>2,170,721</u>	<u>1,617,166</u>
Total liabilities and fund balance	<u>\$ 80,371</u>	<u>\$ 67,491</u>	<u>\$ 112,217</u>	<u>\$ 2,761,811</u>	<u>\$ 2,209,310</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, 2005
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004)

	<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	-	-	7,500	-
Intergovernmental	139,216	243,712	-	-
Investment income	-	-	-	-
Total revenues	<u>139,216</u>	<u>243,712</u>	<u>7,500</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	4,360	1,165
Transportation	<u>23,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>23,384</u>	<u>-</u>	<u>4,360</u>	<u>1,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>115,832</u>	<u>243,712</u>	<u>3,140</u>	<u>(1,165)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(20,295)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(20,295)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	95,537	233,712	3,140	(1,165)
Fund balances, January 1	<u>187,303</u>	<u>448,127</u>	<u>9,452</u>	<u>4,258</u>
Fund balances, December 31	<u>\$ 282,840</u>	<u>\$ 681,839</u>	<u>\$ 12,592</u>	<u>\$ 3,093</u>

Indigent Drivers Alcohol Treatment	METRICH Drug Law Enforcement Trust	Enforcement and Education	Police Pension	Fire Pension	Revolving Loan	Court Computerization
\$ -	\$ -	\$ -	\$ 268,713	\$ 268,713	\$ -	\$ -
27,676	-	6,272	-	-	-	33,067
-	-	-	-	-	231,420	-
-	-	-	-	-	23,425	-
<u>27,676</u>	<u>-</u>	<u>6,272</u>	<u>268,713</u>	<u>268,713</u>	<u>254,845</u>	<u>33,067</u>
7,886	-	-	-	-	-	105,249
-	-	-	4,710	4,710	-	-
-	-	-	-	-	-	-
<u>7,886</u>	<u>-</u>	<u>-</u>	<u>4,710</u>	<u>4,710</u>	<u>-</u>	<u>105,249</u>
19,790	-	6,272	264,003	264,003	254,845	(72,182)
-	-	-	-	-	-	-
-	-	-	(264,003)	(264,003)	-	-
-	-	-	(264,003)	(264,003)	-	-
19,790	-	6,272	-	-	254,845	(72,182)
68,274	2,863	43,092	-	-	519,693	87,631
<u>\$ 88,064</u>	<u>\$ 2,863</u>	<u>\$ 49,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 774,538</u>	<u>\$ 15,449</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, 2005
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004)

	Legal Research	Mediation Services	HRC Capital Trust	Totals	
				2005	2004
Revenues:					
Property and other local taxes	\$ -	\$ -	\$ -	\$ 537,426	\$ 496,728
Fines and forfeitures	7,663	7,287	-	89,465	86,593
Intergovernmental	-	-	-	614,348	762,179
Investment income	-	-	-	23,425	5,817
Total revenues	7,663	7,287	-	1,264,664	1,351,317
Expenditures:					
Current:					
General government	-	1,344	-	114,479	139,166
Security of persons and property	-	-	-	14,945	14,218
Transportation	-	-	-	23,384	25,731
Total expenditures	-	1,344	-	152,808	179,115
Excess (deficiency) of revenues over (under) expenditures.	7,663	5,943	-	1,111,856	1,172,202
Other financing sources (uses):					
Transfers in	-	-	-	-	2,225
Transfers out	-	-	-	(558,301)	(547,556)
Total other financing sources (uses)	-	-	-	(558,301)	(545,331)
Net change in fund balances	7,663	5,943	-	553,555	626,871
Fund balances, January 1	72,708	61,548	112,217	1,617,166	990,295
Fund balances, December 31.	\$ 80,371	\$ 67,491	\$ 112,217	\$ 2,170,721	\$ 1,617,166

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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Intergovernmental	\$ 132,000	\$ 132,000	\$ 139,216	\$ 7,216	\$ 128,745
Total revenues	132,000	132,000	139,216	7,216	128,745
Expenditures:					
Transportation					
Street department	29,347	29,347	23,384	5,963	25,731
Total expenditures	29,347	29,347	23,384	5,963	25,731
Excess (deficiency) of revenues over (under) expenditures	102,653	102,653	115,832	13,179	103,014
Other financing sources (uses):					
Transfers in	-	-	-	-	2,225
Transfers out	-	(20,295)	(20,295)	-	-
Total other financing sources (uses)	-	(20,295)	(20,295)	-	2,225
Net change in fund balance	102,653	82,358	95,537	13,179	105,239
Fund balance at beginning of year	187,303	187,303	187,303	-	82,064
Fund balance at end of year	\$ 289,956	\$ 269,661	\$ 282,840	\$ 13,179	\$ 187,303

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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2004 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Intergovernmental	\$ -	\$ 44,728	\$ 243,712	\$ 198,984	\$ 280,564
Total revenues	-	44,728	243,712	198,984	280,564
Other financing uses:					
Transfers out	-	(10,000)	(10,000)	-	(60,000)
Total other financing uses	-	(10,000)	(10,000)	-	(60,000)
Net change in fund balance.	-	34,728	233,712	198,984	220,564
Fund balance at beginning of year.	<u>448,127</u>	<u>448,127</u>	<u>448,127</u>	<u>-</u>	<u>227,563</u>
Fund balance at end of year	<u>\$ 448,127</u>	<u>\$ 482,855</u>	<u>\$ 681,839</u>	<u>\$ 198,984</u>	<u>\$ 448,127</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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Actual</u>
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ -	\$ -	\$ 7,500	\$ 7,500	\$ 7,500
Total revenues	-	-	7,500	7,500	7,500
Expenditures:					
Security of persons and property	9,452	9,452	4,360	5,092	2,500
Total expenditures	9,452	9,452	4,360	5,092	2,500
Net change in fund balance	(9,452)	(9,452)	3,140	12,592	5,000
Fund balance at beginning of year	<u>9,452</u>	<u>9,452</u>	<u>9,452</u>	<u>-</u>	<u>4,452</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,592</u>	<u>\$ 12,592</u>	<u>\$ 9,452</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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Security of persons and property	\$ 4,086	\$ 4,086	\$ 1,165	\$ 2,921	\$ 2,546
Total expenditures	4,086	4,086	1,165	2,921	2,546
Net change in fund balance	(4,086)	(4,086)	(1,165)	2,921	(2,546)
Fund balance at beginning of year	<u>4,258</u>	<u>4,258</u>	<u>4,258</u>	<u>-</u>	<u>6,804</u>
Fund balance at end of year	<u>\$ 172</u>	<u>\$ 172</u>	<u>\$ 3,093</u>	<u>\$ 2,921</u>	<u>\$ 4,258</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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 27,676	\$ (2,324)	\$ 26,409
Total revenues	30,000	30,000	27,676	(2,324)	26,409
Expenditures:					
General government	48,333	48,333	7,886	40,447	16,779
Total expenditures	48,333	48,333	7,886	40,447	16,779
Net change in fund balance	(18,333)	(18,333)	19,790	38,123	9,630
Fund balance at beginning of year	68,274	68,274	68,274	-	58,644
Fund balance at end of year	\$ 49,941	\$ 49,941	\$ 88,064	\$ 38,123	\$ 68,274

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Expenditures:					
Security of persons and property	\$ 2,863	\$ 2,863	\$ -	\$ 2,863	\$ -
Total expenditures	2,863	2,863	-	2,863	-
Net change in fund balance	(2,863)	(2,863)	-	2,863	-
Fund balance at beginning of year.	\$ 2,863	\$ 2,863	\$ 2,863	\$ -	\$ 2,863
Fund balance at end of year	\$ -	\$ -	\$ 2,863	\$ 2,863	\$ 2,863

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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 4,000	\$ 4,000	\$ 6,272	\$ 2,272	\$ 4,244
Total revenues	4,000	4,000	6,272	2,272	4,244
Expenditures:					
General government	45,826	45,826	-	45,826	-
Total expenditures	45,826	45,826	-	45,826	-
Net change in fund balance	(41,826)	(41,826)	6,272	48,098	4,244
Fund balance at beginning of year	43,092	43,092	43,092	-	38,848
Fund balance at end of year	\$ 1,266	\$ 1,266	\$ 49,364	\$ 48,098	\$ 43,092

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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Actual</u>
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 266,245	\$ 268,713	\$ 268,713	\$ -	\$ 248,364
Total revenues	266,245	268,713	268,713	-	248,364
Expenditures:					
Security of persons and property	4,455	4,455	4,710	(255)	4,586
Total expenditures	4,455	4,455	4,710	(255)	4,586
Excess (deficiency) of revenues over (under) expenditures	261,790	264,258	264,003	(255)	243,778
Other financing uses:					
Transfers out	(242,358)	(263,045)	(264,003)	(958)	(243,778)
Total other financing uses	(242,358)	(263,045)	(264,003)	(958)	(243,778)
Net change in fund balance	19,432	1,213	-	(1,213)	-
Fund balance at beginning of year	-	-	-	-	-
Fund balance at end of year	\$ 19,432	\$ 1,213	\$ -	\$ (1,213)	\$ -

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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Property and other local taxes	\$ 266,245	\$ 268,713	\$ 268,713	\$ -	\$ 248,364
Total revenues	266,245	268,713	268,713	-	248,364
Expenditures:					
Security of persons and property	4,455	4,455	4,710	(255)	4,586
Total expenditures	4,455	4,455	4,710	(255)	4,586
Excess (deficiency) of revenues over (under) expenditures	261,790	264,258	264,003	(255)	243,778
Other financing uses:					
Transfers out	(242,358)	(263,045)	(264,003)	(958)	(243,778)
Total other financing uses	(242,358)	(263,045)	(264,003)	(958)	(243,778)
Net change in fund balance	19,432	1,213	-	(1,213)	-
Fund balance at beginning of year	-	-	-	-	-
Fund balance at end of year	\$ 19,432	\$ 1,213	\$ -	\$ (1,213)	\$ -

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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 45,000	\$ 45,000	\$ 33,067	\$ (11,933)	\$ 33,636
Total revenues	45,000	45,000	33,067	(11,933)	33,636
Expenditures:					
General government	108,640	108,640	105,249	3,391	122,387
Total expenditures	108,640	108,640	105,249	3,391	122,387
Net change in fund balance	(63,640)	(63,640)	(72,182)	(8,542)	(88,751)
Fund balance at beginning of year	<u>87,631</u>	<u>87,631</u>	<u>87,631</u>	<u>-</u>	<u>176,382</u>
Fund balance at end of year	<u>\$ 23,991</u>	<u>\$ 23,991</u>	<u>\$ 15,449</u>	<u>\$ (8,542)</u>	<u>\$ 87,631</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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 7,663	\$ (2,337)	\$ 7,437
Total revenues	10,000	10,000	7,663	(2,337)	7,437
Expenditures:					
General government	20,000	20,000	-	20,000	-
Total expenditures	20,000	20,000	-	20,000	-
Net change in fund balance	(10,000)	(10,000)	7,663	17,663	7,437
Fund balance at beginning of year	<u>72,708</u>	<u>72,708</u>	<u>72,708</u>	<u>-</u>	<u>65,271</u>
Fund balance at end of year	<u>\$ 62,708</u>	<u>\$ 62,708</u>	<u>\$ 80,371</u>	<u>\$ 17,663</u>	<u>\$ 72,708</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 7,287	\$ (2,713)	\$ 7,367
Total revenues	10,000	10,000	7,287	(2,713)	7,367
Expenditures:					
General government	10,000	10,000	1,344	8,656	-
Total expenditures	10,000	10,000	1,344	8,656	-
Net change in fund balance	-	-	5,943	5,943	7,367
Fund balance at beginning of year	61,548	61,548	61,548	-	54,181
Fund balance at end of year	\$ 61,548	\$ 61,548	\$ 67,491	\$ 5,943	\$ 61,548

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>	<u>2004 Actual</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
Fund balance at beginning of year	<u>\$ 112,217</u>	<u>\$ 112,217</u>	<u>\$ 112,217</u>	<u>\$ -</u>	<u>\$ 112,217</u>
Fund balance at end of year	<u>\$ 112,217</u>	<u>\$ 112,217</u>	<u>\$ 112,217</u>	<u>\$ -</u>	<u>\$ 112,217</u>

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	Debt Service	Totals	
		2005	2004
Assets:			
Equity in pooled cash and cash equivalents.	\$ 16,002	\$ 16,002	\$ 68,882
Cash with escrow agent.	33,209	33,209	-
Receivables (net of allowances of uncollectibles).	498,837	498,837	461,706
Total assets.	\$ 548,048	\$ 548,048	\$ 530,588
Liabilities:			
Matured bonds payable	\$ 33,209	\$ 33,209	\$ -
Deferred revenue.	321,215	321,215	349,043
Total liabilities.	354,424	354,424	349,043
Fund balance:			
Reserved for debt service.	193,624	193,624	181,545
Total fund balance.	193,624	193,624	181,545
Total liabilities and fund balance.	\$ 548,048	\$ 548,048	\$ 530,588

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004)

	Sixth Street Pilot	Debt Service	Totals	
			2005	2004
Revenues:				
Special assessments	\$ 27,697	\$ 112,039	\$ 139,736	\$ 217,106
Total revenues	<u>27,697</u>	<u>112,039</u>	<u>139,736</u>	<u>217,106</u>
Expenditures:				
Current:				
Debt service:				
Principal retirement	-	427,220	427,220	465,470
Interest and fiscal charges	-	137,625	137,625	227,172
Bond issuance costs	-	-	-	33,490
Total expenditures	<u>-</u>	<u>564,845</u>	<u>564,845</u>	<u>726,132</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>27,697</u>	<u>(452,806)</u>	<u>(425,109)</u>	<u>(509,026)</u>
Other financing sources (uses):				
Issuance of bonds	-	-	-	2,420,000
Premium and accrued interest on bonds sold	-	-	-	89,570
Transfers in	-	464,885	464,885	595,314
Transfers out	(27,697)	-	(27,697)	(194,504)
Payment to refunded bond escrow agent.	-	-	-	(2,477,100)
Total other financing sources (uses)	<u>(27,697)</u>	<u>464,885</u>	<u>437,188</u>	<u>433,280</u>
Net change in fund balances	-	12,079	12,079	(75,746)
Fund balances, January 1	<u>-</u>	<u>181,545</u>	<u>181,545</u>	<u>257,291</u>
Fund balances, December 31.	<u>\$ -</u>	<u>\$ 193,624</u>	<u>\$ 193,624</u>	<u>\$ 181,545</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2004 Actual</u>
	<u>Original</u>	<u>Final</u>			
Expenditures:					
Debt service					
Principal retirement	\$ -	\$ -	\$ -	\$ -	\$ 80,000
Interest and fiscal charges	-	-	-	-	4,200
Total expenditures	-	-	-	-	84,200
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(84,200)
Other financing sources:					
Transfers in	-	-	-	-	84,200
Total other financing sources	-	-	-	-	84,200
Net change in fund balance.	-	-	-	-	-
Fund balance at beginning of year.	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	<u>Actual</u>
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Special assessments	\$ 33,000	\$ 33,000	\$ 27,697	\$ (5,303)	\$ 112,166
Total revenues	33,000	33,000	27,697	(5,303)	112,166
Other financing uses:					
Transfers out	-	(27,697)	(27,697)	-	(194,504)
Total other financing uses	-	(27,697)	(27,697)	-	(194,504)
Net change in fund balance	33,000	5,303	-	(5,303)	(82,338)
Fund balance at beginning of year.	-	-	-	-	82,338
Fund balance at end of year	<u>\$ 33,000</u>	<u>\$ 5,303</u>	<u>\$ -</u>	<u>\$ (5,303)</u>	<u>\$ -</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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Special assessments	\$ 116,110	\$ 116,110	\$ 112,039	\$ (4,071)	\$ 104,940
Total revenues	116,110	116,110	112,039	(4,071)	104,940
Expenditures:					
Debt service:					
Principal retirement	427,220	427,220	427,220	-	385,470
Interest and fiscal charges	137,625	137,625	137,625	-	222,973
Bond issuance costs	-	-	-	-	33,489
Total debt service	564,845	564,845	564,845	-	641,932
Total expenditures	564,845	564,845	564,845	-	641,932
Excess (deficiency) of revenues over (under) expenditures	(448,735)	(448,735)	(452,806)	(4,071)	(536,992)
Other financing sources (uses):					
Payment to refunded bond escrow agent	-	-	-	-	(2,477,100)
Premium on bonds sold	-	-	-	-	89,570
Issuance of bonds	-	-	-	-	2,420,000
Transfers in	463,860	463,860	464,885	1,025	511,114
Total other financing sources (uses)	463,860	463,860	464,885	1,025	543,584
Net change in fund balance	15,125	15,125	12,079	(3,046)	6,592
Fund balance at beginning of year	181,545	181,545	181,545	-	174,953
Fund balance at end of year	\$ 196,670	\$ 196,670	\$ 193,624	\$ (3,046)	\$ 181,545

CITY OF FINDLAY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	Municipal Court Improvements	Capital Improvement Projects	Totals	
			2005	2004
Assets:				
Equity in pooled cash and cash equivalents.	\$ 719,827	\$ 58,045	\$ 777,872	\$ 711,679
Total assets.	<u>\$ 719,827</u>	<u>\$ 58,045</u>	<u>\$ 777,872</u>	<u>\$ 711,679</u>
Liabilities:				
Accounts payable.	\$ 10,000	\$ -	\$ 10,000	\$ -
Total liabilities.	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Fund balance:				
Reserved for encumbrances.	-	-	-	181,019
Unreserved, undesignated (deficit)	709,827	58,045	767,872	530,660
Total fund balance	<u>709,827</u>	<u>58,045</u>	<u>767,872</u>	<u>711,679</u>
Total liabilities and fund equity.	<u>\$ 719,827</u>	<u>\$ 58,045</u>	<u>\$ 777,872</u>	<u>\$ 711,679</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, 2005
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004)

	Municipal Court Improvements	Capital Improvement Projects	Totals	
			2005	2004
Revenues:				
Fines and forfeitures	\$ 68,492	\$ -	\$ 68,492	\$ 73,404
Special assessments	-	148,818	148,818	-
Total revenues	68,492	148,818	217,310	73,404
Expenditures:				
Current:				
Capital outlay	28,007	209,839	237,846	663
Total expenditures	28,007	209,839	237,846	663
Excess (deficiency) of revenues over (under) expenditures.	40,485	(61,021)	(20,536)	72,741
Other financing sources (uses):				
Issuance of bonds	-	129,300	129,300	43,000
Transfers in	-	251,000	251,000	-
Transfers out	-	(303,571)	(303,571)	-
Total other financing sources (uses)	-	76,729	76,729	43,000
Net change in fund balances	40,485	15,708	56,193	115,741
Fund balances, January 1	669,342	42,337	711,679	595,938
Fund balances, December 31.	\$ 709,827	\$ 58,045	\$ 767,872	\$ 711,679

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2004 Actual</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
Special assessments	\$ -	\$ -	\$ 148,818	\$ 148,818	\$ -
Total revenues	-	-	148,818	148,818	-
Expenditures:					
Capital outlay	-	209,839	209,839	-	663
Total expenditures	-	209,839	209,839	-	663
Excess (deficiency) of revenues over (under) expenditures	-	(209,839)	(61,021)	148,818	(663)
Other financing sources (uses):					
Issuance of bonds	-	-	129,300	129,300	43,000
Transfers in	-	251,000	251,000	-	-
Transfers out	-	-	(303,571)	(303,571)	-
Total other financing sources (uses)	-	251,000	76,729	(174,271)	43,000
Net change in fund balance	-	41,161	15,708	(25,453)	42,337
Fund balance at beginning of year	<u>42,337</u>	<u>42,337</u>	<u>42,337</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 42,337</u>	<u>\$ 83,498</u>	<u>\$ 58,045</u>	<u>\$ (25,453)</u>	<u>\$ 42,337</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Fines and forfeitures	\$ 80,000	\$ 80,000	\$ 68,492	\$ (11,508)	\$ 73,404
Total revenues	80,000	80,000	68,492	(11,508)	73,404
Expenditures:					
Capital outlay	244,000	244,000	28,007	215,993	-
Total expenditures	244,000	244,000	28,007	215,993	-
Net change in fund balance	(164,000)	(164,000)	40,485	204,485	73,404
Fund balance at beginning of year	<u>669,342</u>	<u>669,342</u>	<u>669,342</u>	<u>-</u>	<u>595,938</u>
Fund balance at end of year	<u>\$ 505,342</u>	<u>\$ 505,342</u>	<u>\$ 709,827</u>	<u>\$ 204,485</u>	<u>\$ 669,342</u>

CITY OF FINDLAY, OHIO

COMPARATIVE BALANCE SHEET
NONMAJOR CEMETERY TRUST PERMANENT FUND

DECEMBER 31, 2005

	2005	2004
	Nonmajor	Nonmajor
	Permanent	Permanent
	Fund	Fund
	<hr/>	<hr/>
Assets:		
Equity in pooled cash and cash equivalents.	\$ 971,777	\$ 497,365
Investments	-	470,179
Receivables (net of allowances of uncollectibles).	2,847	1,840
	<hr/>	<hr/>
Total assets	<u>\$ 974,624</u>	<u>\$ 969,384</u>
Fund balance:		
Reserved for perpetual care.	971,777	967,544
Unreserved, undesignated	2,847	1,840
	<hr/>	<hr/>
Total fund balance.	<u>\$ 974,624</u>	<u>\$ 969,384</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, 2005
(WITH COMPARATIVE ACTUAL AMOUNTS FOR 2004)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>	<u>2004</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>	
				<u>Positive</u>	
				<u>(Negative)</u>	
Revenues:					
Charges for services	\$ 30,000	\$ 30,000	\$ 25,600	\$ (4,400)	\$ 31,200
Investment income	15,000	15,000	30,686	15,686	13,478
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>56,286</u>	<u>11,286</u>	<u>44,678</u>
Expenditures:					
Public health and welfare	-	-	21,367	(21,367)	-
Total expenditures	<u>-</u>	<u>-</u>	<u>21,367</u>	<u>(21,367)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,000</u>	<u>45,000</u>	<u>34,919</u>	<u>(10,081)</u>	<u>44,678</u>
Other financing uses:					
Transfers out	<u>(20,000)</u>	<u>(29,680)</u>	<u>(29,679)</u>	<u>1</u>	<u>(12,991)</u>
Total other financing uses	<u>(20,000)</u>	<u>(29,680)</u>	<u>(29,679)</u>	<u>1</u>	<u>(12,991)</u>
Net change in fund balance	25,000	15,320	5,240	(10,080)	31,687
Fund balance at beginning of year	<u>969,384</u>	<u>969,384</u>	<u>969,384</u>	<u>-</u>	<u>937,697</u>
Fund balance at end of year	<u>\$ 994,384</u>	<u>\$ 984,704</u>	<u>\$ 974,624</u>	<u>\$ (10,080)</u>	<u>\$ 969,384</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, collection of meter and 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, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 2,888,858	\$ 3,054,462
Cash with escrow agent.	25,818	25,592
Receivables (net of allowances of uncollectibles)	1,495,507	1,376,300
Materials and supplies inventory	431,706	398,342
Prepayments	33,746	31,840
Total current assets	<u>4,875,635</u>	<u>4,886,536</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents	1,090,928	579,955
Cash and cash equivalents with fiscal agent	-	478,598
Deferred bond costs	126,609	144,010
Capital assets:		
Land and construction in progress	2,035,909	1,804,742
Depreciable capital assets, net	44,322,067	42,844,582
Total noncurrent assets	<u>47,575,513</u>	<u>45,851,887</u>
Total assets	<u>52,451,148</u>	<u>50,738,423</u>
Liabilities:		
Current liabilities:		
Accounts payable.	115,290	209,262
Retainage payable	25,818	25,592
Accrued wages and benefits	75,882	81,801
Compensated absences payable.	195,346	165,102
Due to other funds	357,221	353,737
Deposits held and due to others	138,933	150,317
Current portion of loans payable	36,416	31,416
Current portion of bonds	1,635,000	1,625,000
Accrued interest payable	123,710	116,516
Total current liabilities	<u>2,703,616</u>	<u>2,758,743</u>
Long term liabilities:		
Loans payable	977,204	625,289
Compensated absences payable.	382,624	390,013
General obligation bonds	10,194,256	11,873,999
Total liabilities.	<u>14,257,700</u>	<u>15,648,044</u>
Net assets:		
Invested in capital assets, net of related debt	33,515,100	30,493,620
Restricted for:		
Capital projects	602,219	579,955
Debt service.	488,709	478,598
Unrestricted	3,587,420	3,538,206
Total net assets	<u>\$ 38,193,448</u>	<u>\$ 35,090,379</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Charges for services	\$ 7,032,585	\$ 6,554,396
Other	68,034	78,090
Total operating revenues	<u>7,100,619</u>	<u>6,632,486</u>
Operating expenses:		
Personal services	2,721,080	2,722,897
Contract services	234,088	134,786
Materials and supplies.	769,172	852,761
Utilities	303,646	257,515
Depreciation.	1,039,621	1,031,978
Other.	159,561	150,768
Total operating expenses	<u>5,227,168</u>	<u>5,150,705</u>
Operating income.	<u>1,873,451</u>	<u>1,481,781</u>
Nonoperating revenues (expenses):		
Other nonoperating revenues.	214,173	305,276
Interest income	122,691	66,136
Loss on disposal of capital assets.	(99,740)	(214,858)
Intergovernmental.	168,365	131,635
Other nonoperating expenses.	-	(68,750)
Interest and fiscal charges	(589,272)	(824,746)
Total nonoperating revenues (expenses)	<u>(183,783)</u>	<u>(605,307)</u>
Income before contributions and transfers	1,689,668	876,474
Capital contributions.	1,342,257	389,727
Transfers in	320,861	706,289
Transfers out	<u>(249,717)</u>	<u>(235,919)</u>
Change in net assets.	3,103,069	1,736,571
Net assets, January 1	<u>35,090,379</u>	<u>33,353,808</u>
Net assets, December 31	<u>\$ 38,193,448</u>	<u>\$ 35,090,379</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND**

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Cash received from customers	\$ 6,921,267	\$ 6,497,541
Cash received from other operations	68,034	78,090
Cash payments for personal services	(2,704,144)	(2,671,868)
Cash payments for contract services.	(235,994)	(133,992)
Cash payments for materials and supplies.	(896,508)	(754,157)
Cash payments for utilities.	(300,162)	(261,109)
Cash payments for other operating expenses	<u>(170,945)</u>	<u>(120,890)</u>
Net cash provided by operating activities.	<u>2,681,548</u>	<u>2,633,615</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	72,986	332,276
Other non-capital expenses	-	(70,506)
Grants and contributions	168,365	131,635
Transfers in	320,861	706,289
Transfers out	<u>(249,717)</u>	<u>(235,919)</u>
Net cash provided by noncapital financing activities	<u>312,495</u>	<u>863,775</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(2,848,013)	(1,444,561)
Capital contributions	1,342,257	389,727
Proceeds from sale of bonds	-	1,390,000
Premium on bonds sold	-	63,900
Bond issuance costs	-	(18,999)
Payment to refunding bond escrow agent	-	(1,430,828)
Principal paid on bonds	(1,625,000)	(1,525,000)
Interest paid on bonds.	(468,007)	(903,637)
Proceeds of loans	388,331	200,000
Principal paid on loans	<u>(31,416)</u>	<u>(26,416)</u>
Net cash (used in) capital and related financing activities	<u>(3,241,848)</u>	<u>(3,305,814)</u>
Cash flows from investing activities:		
Interest received.	<u>114,802</u>	<u>61,638</u>
Net cash provided by investing activities	<u>114,802</u>	<u>61,638</u>
Net increase (decrease) in cash and cash equivalents	(133,003)	253,214
Cash and cash equivalents at beginning of year	<u>4,138,607</u>	<u>3,885,393</u>
Cash and cash equivalents at end of year.	<u>\$ 4,005,604</u>	<u>\$ 4,138,607</u>

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CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER FUND (CONTINUED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	<u>2005</u>	<u>2004</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,873,451	\$ 1,481,781
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,039,621	1,031,978
Changes in assets and liabilities:		
(Increase) in accounts receivable.	(111,318)	(56,855)
(Increase) in materials and supplies inventory.	(33,364)	(82,350)
Decrease (increase) in prepayments	(1,906)	794
Increase (decrease) in accounts payable	(93,972)	180,954
Increase (decrease) in accrued wages and benefits.	(5,919)	20,805
Increase in compensated absences payable.	22,855	30,224
Increase (decrease) in deposits held and due to others.	(11,384)	29,878
Increase (decrease) in due to other funds.	3,484	(3,594)
Net cash provided by operating activities	<u>\$ 2,681,548</u>	<u>\$ 2,633,615</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
WATER POLLUTION CONTROL FUND

DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 931,947	\$ 840,928
Receivables (net of allowances of uncollectibles) . . .	439,917	384,158
Due from other funds	357,221	353,737
Prepayments	22,255	22,352
Materials and supplies inventory	<u>10,068</u>	<u>10,669</u>
Total current assets	<u>1,761,408</u>	<u>1,611,844</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents	6,544,059	812,429
Cash and cash equivalents with fiscal agent	-	4,694,932
Deferred bond costs	122,410	132,792
Capital assets:		
Land and construction in progress	311,375	311,375
Depreciable capital assets, net	<u>70,702,710</u>	<u>71,013,785</u>
Total noncurrent assets	<u>77,680,554</u>	<u>76,965,313</u>
Total assets	<u>79,441,962</u>	<u>78,577,157</u>
Liabilities:		
Current liabilities:		
Accounts payable	76,809	47,950
Accrued wages and benefits	50,835	56,775
Compensated absences payable	164,554	167,085
Deposits held and due to others	98,332	106,966
Current portion of loans payable	1,514,998	1,440,816
Current portion of bonds	1,020,000	1,075,000
Accrued interest payable	<u>863,317</u>	<u>835,254</u>
Total current liabilities	<u>3,788,845</u>	<u>3,729,846</u>
Long term liabilities:		
Loans payable	30,478,496	32,012,460
Compensated absences payable	112,219	152,922
Bonds payable	<u>9,329,224</u>	<u>10,326,474</u>
Total liabilities	<u>43,708,784</u>	<u>46,221,702</u>
Net assets:		
Invested in capital assets, net of related debt	28,671,367	26,470,410
Restricted for:		
Capital projects	4,424,709	2,626,342
Debt service	2,119,350	2,068,590
Unrestricted	<u>517,752</u>	<u>1,190,113</u>
Total net assets	<u>\$ 35,733,178</u>	<u>\$ 32,355,455</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, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Charges for services	\$ 8,602,089	\$ 8,079,955
Other	7,624	99,824
Total operating revenues	<u>8,609,713</u>	<u>8,179,779</u>
Operating expenses:		
Personal services	1,867,212	1,868,707
Contract services	225,137	99,685
Materials and supplies.	260,134	238,795
Utilities	365,654	313,737
Depreciation.	1,493,038	1,493,210
Other.	129,495	147,079
Total operating expenses	<u>4,340,670</u>	<u>4,161,213</u>
Operating income	<u>4,269,043</u>	<u>4,018,566</u>
Nonoperating revenues (expenses):		
Other nonoperating revenues.	112,235	2,949
Interest income	202,392	76,753
Loss on disposal of capital assets.	(42,688)	(2,534)
Other nonoperating expenses.	-	(943)
Interest and fiscal charges	<u>(1,791,862)</u>	<u>(1,831,901)</u>
Total nonoperating revenues (expenses).	<u>(1,519,923)</u>	<u>(1,755,676)</u>
Income before contributions and transfers	2,749,120	2,262,890
Capital contributions.	1,147,946	529,525
Transfers in	-	11,000
Transfers out	<u>(519,343)</u>	<u>(473,695)</u>
Change in net assets.	3,377,723	2,329,720
Net assets, January 1	<u>32,355,455</u>	<u>30,025,735</u>
Net assets, December 31	<u>\$ 35,733,178</u>	<u>\$ 32,355,455</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
WATER POLLUTION CONTROL FUND

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Cash received from customers	\$ 8,567,353	\$ 8,075,239
Cash received from other operations	7,624	99,824
Cash payments for personal services	(1,916,386)	(1,875,566)
Cash payments for contract services.	(225,040)	(99,615)
Cash payments for materials and supplies.	(230,674)	(245,647)
Cash payments for utilities.	(365,654)	(313,737)
Cash payments for other operating expenses	<u>(138,129)</u>	<u>(125,708)</u>
Net cash provided by operating activities.	<u>5,699,094</u>	<u>5,514,790</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	112,234	9,315
Other non-capital expenses	-	(943)
Transfers in	-	11,000
Transfers out	<u>(519,343)</u>	<u>(473,695)</u>
Net cash (used in) noncapital financing activities	<u>(407,109)</u>	<u>(454,323)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,224,651)	(843,321)
Capital contributions.	1,147,946	529,525
Proceeds from sale of bonds.	-	6,480,000
Premium on bonds sold	-	259,846
Bond issuance costs	-	(88,560)
Payment to refunding bond escrow agent.	-	(6,647,762)
Principal paid on bonds.	(1,075,000)	(935,000)
Interest paid on bonds.	(368,164)	(737,243)
Principal paid on loans	(1,459,781)	(1,395,824)
Interest paid on loans	<u>(1,362,503)</u>	<u>(1,279,901)</u>
Net cash (used in) capital and related financing activities	<u>(4,342,153)</u>	<u>(4,658,240)</u>
Cash flows from investing activities:		
Interest received.	<u>177,885</u>	<u>71,184</u>
Net cash provided by investing activities	<u>177,885</u>	<u>71,184</u>
Net increase in cash and cash equivalents.	1,127,717	473,411
Cash and cash equivalents at beginning of year . .	<u>6,348,289</u>	<u>5,874,878</u>
Cash and cash equivalents at end of year.	<u>\$ 7,476,006</u>	<u>\$ 6,348,289</u>

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CITY OF FINDLAY, OHIO

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	<u>2005</u>	<u>2004</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,269,043	\$ 4,018,566
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,493,038	1,493,210
Changes in assets and liabilities:		
(Increase) in accounts receivable	(31,252)	(8,310)
(Increase) decrease in due from other funds	(3,484)	3,594
Decrease in materials and supplies inventory	601	191
Decrease in prepayments	97	70
Increase (decrease) in accounts payable	28,859	(7,043)
Increase (decrease) in accrued wages and benefits	(5,940)	15,113
(Decrease) in compensated absences payable.	(43,234)	(21,972)
Increase (decrease) in deposits held and due to others.	(8,634)	21,371
Net cash provided by operating activities	<u>\$ 5,699,094</u>	<u>\$ 5,514,790</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
AIRPORT FUND

DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 152,897	\$ 73,961
Receivables (net of allowances of uncollectibles):	77,513	91,190
Due from other governments	1,065,457	19,444
Materials and supplies inventory	47,065	36,295
Prepayments	<u>14,570</u>	<u>14,201</u>
Total current assets	<u>1,357,502</u>	<u>235,091</u>
Noncurrent assets:		
Restricted assets:		
Equity in pooled cash and cash equivalents.	24,184	22,389
Deferred bond costs	3,129	3,611
Capital assets:		
Land and construction in progress	6,360,581	3,502,764
Depreciable capital assets, net	<u>6,392,721</u>	<u>6,947,071</u>
Total noncurrent assets	<u>12,780,615</u>	<u>10,475,835</u>
Total assets	<u>14,138,117</u>	<u>10,710,926</u>
Liabilities:		
Current liabilities:		
Accounts payable.	1,973,860	43,445
Accrued wages and benefits	7,541	7,977
Compensated absences payable.	16,760	15,178
Accrued interest payable	5,434	3,640
Deposits held and due to others	14,354	15,291
Current portion of bonds	<u>40,000</u>	<u>40,000</u>
Total current liabilities	<u>2,057,949</u>	<u>125,531</u>
Long term liabilities:		
General obligation bonds	241,709	278,895
Compensated absences payable.	<u>12,961</u>	<u>15,861</u>
Total liabilities.	<u>2,312,619</u>	<u>420,287</u>
Net assets:		
Invested in capital assets, net of related debt	12,471,593	10,130,940
Restricted for:		
Debt service.	24,184	22,389
Unrestricted (deficit)	<u>(670,279)</u>	<u>137,310</u>
Total net assets	<u>\$ 11,825,498</u>	<u>\$ 10,290,639</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Charges for services	\$ 23,308	\$ 19,515
Other	923,150	756,912
Total operating revenues	<u>946,458</u>	<u>776,427</u>
Operating expenses:		
Personal services	267,991	279,709
Contract services	114,162	34,889
Materials and supplies.	639,859	451,569
Utilities	23,689	18,882
Depreciation.	581,460	1,001,648
Other.	-	96,987
Total operating expenses	<u>1,627,161</u>	<u>1,883,684</u>
Operating loss.	<u>(680,703)</u>	<u>(1,107,257)</u>
Nonoperating revenues (expenses):		
Interest and fiscal charges	(15,137)	(14,482)
Other nonoperating revenues.	47,158	17,824
Intergovernmental	1,899,031	520,829
Total nonoperating revenues (expenses)	<u>1,931,052</u>	<u>524,171</u>
Income (loss) before transfers.	1,250,349	(583,086)
Capital contributions.	-	20,220
Transfers in	291,150	137,105
Transfers out	<u>(6,640)</u>	<u>(36,014)</u>
Change in net assets.	1,534,859	(461,775)
Net assets, January 1	<u>10,290,639</u>	<u>10,752,414</u>
Net assets, December 31	<u>\$ 11,825,498</u>	<u>\$ 10,290,639</u>

CITY OF FINDLAY, OHIO

**COMPARATIVE STATEMENT OF CASH FLOWS
AIRPORT FUND**

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Cash received from customers	\$ 23,308	\$ 19,515
Cash received from other operations	936,827	694,706
Cash payments for personal services	(269,745)	(261,784)
Cash payments for contract services	(114,531)	(35,033)
Cash payments for materials and supplies	(662,484)	(434,365)
Cash payments for utilities	(23,689)	(18,882)
Cash payments for other operating expenses	(937)	(94,700)
Net cash (used in) operating activities	<u>(111,251)</u>	<u>(130,543)</u>
Cash flows from noncapital financing activities:		
Other non-capital revenues	47,158	-
Grants and contributions	853,018	539,738
Transfers in	291,150	137,105
Transfers out	(6,640)	(36,014)
Net cash provided by noncapital financing activities	<u>1,184,686</u>	<u>640,829</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(942,657)	(535,007)
Capital contributions	-	20,220
Proceeds from sale bonds	-	270,000
Premium on bonds sold	-	5,614
Bond issuance costs	-	(3,611)
Payment to refunding bond escrow agent	-	(272,570)
Principal paid on bonds	(40,000)	(30,000)
Interest paid on bonds	(10,047)	(20,520)
Net cash (used in) capital and related financing activities	<u>(992,704)</u>	<u>(565,874)</u>
Net (decrease) in cash and cash equivalents	80,731	(55,588)
Cash and cash equivalents at beginning of year	<u>96,350</u>	<u>151,938</u>
Cash and cash equivalents at end of year	<u><u>\$ 177,081</u></u>	<u><u>\$ 96,350</u></u>
Reconciliation of operating loss to net cash (used in) operating activities:		
Operating (loss)	\$ (680,703)	\$ (1,107,257)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation	581,460	1,001,648
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	13,677	(45,936)
(Increase) decrease in due from other governments	-	(16,270)
(Increase) in materials and supplies inventory	(10,770)	(4,306)
(Increase) in prepayments	(369)	(144)
Increase (decrease) in accounts payable	(11,855)	21,510
Increase (decrease) in accrued wages and benefits	(436)	1,180
Increase (decrease) in compensated absences payable	(1,318)	16,745
Increase (decrease) in deposits held and due to others	(937)	2,287
Net cash (used in) operating activities	<u><u>\$ (111,251)</u></u>	<u><u>\$ (130,543)</u></u>

Non-cash Transactions:

From December 31, 2004 to December 31, 2005, there was an increase in capital assets purchased on account of \$1,942,270.

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 107,533	\$ 118,782	\$ 226,315
Prepayments	1,425	1,891	3,316
Noncurrent assets:			
Capital assets:			
Land and construction in progress	39,487	94,331	133,818
Depreciable capital assets, net	477,730	42,159	519,889
Total noncurrent assets	<u>517,217</u>	<u>136,490</u>	<u>653,707</u>
Total assets	<u>626,175</u>	<u>257,163</u>	<u>883,338</u>
Liabilities:			
Current liabilities:			
Accounts payable	36,041	2,211	38,252
Accrued wages and benefits	-	3,136	3,136
Compensated absences payable	-	6,667	6,667
Deposits held and due to others	-	3,939	3,939
Long-term liabilities:			
Compensated absences payable	-	10,815	10,815
Total liabilities	<u>36,041</u>	<u>26,768</u>	<u>62,809</u>
Net assets:			
Invested in capital assets, net of related debt	517,217	136,490	653,707
Unrestricted	72,917	93,905	166,822
Total net assets	<u>\$ 590,134</u>	<u>\$ 230,395</u>	<u>\$ 820,529</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Swimming Pool	Parking Facilities	Total
Operating revenues:			
Charges for services	\$ 54,029	\$ 90,498	\$ 144,527
Other	3,995	95	4,090
Total operating revenues	58,024	90,593	148,617
Operating expenses:			
Personal services	80,217	106,955	187,172
Contract services	3,926	4,948	8,874
Materials and supplies.	16,195	2,945	19,140
Utilities	4,032	378	4,410
Depreciation.	18,037	13,896	31,933
Other.	-	9,986	9,986
Total operating expenses	122,407	139,108	261,515
Operating loss	(64,383)	(48,515)	(112,898)
Nonoperating revenues:			
Intergovernmental.	10,000	-	10,000
Total nonoperating revenues	10,000	-	10,000
Loss before transfers.	(54,383)	(48,515)	(102,898)
Transfers in	130,000	-	130,000
Change in net assets.	75,617	(48,515)	27,102
Net assets, January 1	514,517	278,910	793,427
Net assets, December 31	\$ 590,134	\$ 230,395	\$ 820,529

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Swimming Pool</u>	<u>Parking Facilities</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 54,029	\$ 90,498	\$ 144,527
Cash received from other operations	3,995	95	4,090
Cash payments for personal services	(80,217)	(104,540)	(184,757)
Cash payments for contract services.	(4,481)	(5,568)	(10,049)
Cash payments for materials and supplies.	(15,517)	(2,135)	(17,652)
Cash payments for utilities.	(4,032)	(378)	(4,410)
Cash payments for other operating expenses	-	(10,397)	(10,397)
	<hr/>	<hr/>	<hr/>
Net cash (used in) operating activities.	(46,223)	(32,425)	(78,648)
Cash flows from noncapital financing activities:			
Grants and contributions	10,000	-	10,000
Transfers in	130,000	-	130,000
	<hr/>	<hr/>	<hr/>
Net cash provided by noncapital financing activities	140,000	-	140,000
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(3,465)	-	(3,465)
	<hr/>	<hr/>	<hr/>
Net cash (used in) capital and related financing activities	(3,465)	-	(3,465)
Net increase (decrease) in cash and cash equivalents	90,312	(32,425)	57,887
Cash and cash equivalents at beginning of year	<hr/>	<hr/>	<hr/>
	17,221	151,207	168,428
Cash and cash equivalents at end of year.	<hr/> <u>\$ 107,533</u>	<hr/> <u>\$ 118,782</u>	<hr/> <u>\$ 226,315</u>
Reconciliation of operating loss to net cash (used in) operating activities:			
Operating loss	\$ (64,383)	\$ (48,515)	\$ (112,898)
Adjustments to reconcile operating loss to net cash (used in) operating activities:			
Depreciation	18,037	13,896	31,933
Changes in assets and liabilities:			
(Increase) in prepaids.	(555)	(620)	(1,175)
Increase in accrued wages and benefits	-	1,059	1,059
Increase in compensated absences payable	-	1,356	1,356
(Decrease) in deposits held and due to others	-	(411)	(411)
Increase in accounts payable	678	810	1,488
	<hr/>	<hr/>	<hr/>
Net cash (used in) operating activities	<u>\$ (46,223)</u>	<u>\$ (32,425)</u>	<u>\$ (78,648)</u>

Non-cash Transactions:

From December 31, 2004 to December 31, 2005, there was an increase in capital assets purchased on account of \$34,391 in the Swimming Pool fund.

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
SWIMMING POOL FUND

DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	<u>2005</u>	<u>2004</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 107,533	\$ 17,221
Prepayments	1,425	870
Noncurrent assets:		
Capital assets:		
Land and construction in progress	39,487	1,631
Depreciable capital assets, net	477,730	495,767
Total noncurrent assets	<u>517,217</u>	<u>497,398</u>
Total assets	<u>626,175</u>	<u>515,489</u>
Liabilities:		
Current liabilities:		
Accounts payable.	<u>36,041</u>	<u>972</u>
Total liabilities.	<u>36,041</u>	<u>972</u>
Net assets:		
Invested in capital assets, net of related debt	517,217	497,398
Unrestricted	<u>72,917</u>	<u>17,119</u>
Total net assets	<u>\$ 590,134</u>	<u>\$ 514,517</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Charges for services	\$ 54,029	\$ 42,975
Other	3,995	2,371
Total operating revenues	<u>58,024</u>	<u>45,346</u>
Operating expenses:		
Personal services	80,217	65,956
Contract services	3,926	539
Materials and supplies.	16,195	14,663
Utilities	4,032	3,668
Depreciation.	18,037	18,086
Other.	-	2,928
Total operating expenses	<u>122,407</u>	<u>105,840</u>
Operating loss.	<u>(64,383)</u>	<u>(60,494)</u>
Nonoperating revenues:		
Intergovernmental.	10,000	-
Total nonoperating revenues	<u>10,000</u>	<u>-</u>
Loss before transfers	(54,383)	(60,494)
Transfers in	<u>130,000</u>	<u>35,000</u>
Change in net assets.	75,617	(25,494)
Net assets, January 1	<u>514,517</u>	<u>540,011</u>
Net assets, December 31	<u>\$ 590,134</u>	<u>\$ 514,517</u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
SWIMMING POOL FUND

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	2005		2004
Cash flows from operating activities:			
Cash received from customers	\$ 54,029	\$	42,975
Cash received from other operations	3,995		2,371
Cash payments for personal services	(80,217)		(65,956)
Cash payments for contract services.	(4,481)		(550)
Cash payments for materials and supplies.	(15,517)		(14,618)
Cash payments for utilities.	(4,032)		(3,668)
Cash payments for other operating expenses	-		(2,928)
	(46,223)		(42,374)
Cash flows from noncapital financing activities:			
Grants and contributions	10,000		-
Transfers in	130,000		35,000
Net cash provided by noncapital financing activities	140,000		35,000
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(3,465)		-
Net cash (used in) capital and related financing activities.	(3,465)		-
Net increase (decrease) in cash and cash equivalents	90,312		(7,374)
Cash and cash equivalents at beginning of year	17,221		24,595
Cash and cash equivalents at end of year.	\$ 107,533		\$ 17,221
Reconciliation of operating loss to net cash (used in) operating activities:			
Operating loss	\$ (64,383)	\$	(60,494)
Adjustments to reconcile operating loss to net cash (used in) operating activities:			
Depreciation	18,037		18,086
Changes in assets and liabilities:			
(Increase) in prepaids.	(555)		(11)
Increase in accounts payable	678		45
Net cash (used in) operating activities	\$ (46,223)	\$	(42,374)

Non-cash Transactions:

From December 31, 2004 to December 31, 2005, there was an increase in capital assets purchased on account of \$34,391.

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF NET ASSETS
PARKING FACILITIES FUND

DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	<u>2005</u>	<u>2004</u>
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents.	\$ 118,782	\$ 151,207
Prepayments	1,891	1,271
Noncurrent assets:		
Capital assets:		
Land and construction in progress	94,331	94,331
Depreciable capital assets, net	42,159	56,055
Total noncurrent assets	<u>136,490</u>	<u>150,386</u>
Total assets	<u>257,163</u>	<u>302,864</u>
Liabilities:		
Current liabilities:		
Accounts payable.	2,211	1,401
Accrued wages and benefits	3,136	2,077
Compensated absences payable.	6,667	6,069
Deposits held and due to others	3,939	4,350
Long term liabilities:		
Compensated absences payable.	10,815	10,057
Total liabilities.	<u>26,768</u>	<u>23,954</u>
Net assets:		
Invested in capital assets, net of related debt	136,490	150,386
Unrestricted	93,905	128,524
Total net assets	<u>\$ 230,395</u>	<u>\$ 278,910</u>

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	<u>2005</u>	<u>2004</u>
Operating revenues:		
Charges for services	\$ 90,498	\$ 92,131
Other	95	-
Total operating revenues	<u>90,593</u>	<u>92,131</u>
Operating expenses:		
Personal services	106,955	86,331
Contract services	4,948	3,937
Materials and supplies.	2,945	1,270
Utilities	378	349
Depreciation.	13,896	15,082
Other.	<u>9,986</u>	<u>4,847</u>
Total operating expenses	<u>139,108</u>	<u>111,816</u>
Operating (loss)	<u>(48,515)</u>	<u>(19,685)</u>
Nonoperating expenses:		
Other nonoperating expenses.	-	(1,024)
Total nonoperating expenses	<u>-</u>	<u>(1,024)</u>
Change in net assets.	(48,515)	(20,709)
Net assets, January 1	<u>278,910</u>	<u>299,619</u>
Net assets, December 31	<u><u>\$ 230,395</u></u>	<u><u>\$ 278,910</u></u>

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF CASH FLOWS
PARKING FACILITIES FUND

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Cash received from customers	\$ 90,498	\$ 92,131
Cash received from other operations	95	-
Cash payments for personal services	(104,540)	(86,303)
Cash payments for contract services.	(5,568)	(3,892)
Cash payments for materials and supplies.	(2,135)	(2,498)
Cash payments for utilities.	(378)	(349)
Cash payments for other operating expenses	<u>(10,397)</u>	<u>(3,921)</u>
Net cash (used in) operating activities.	<u>(32,425)</u>	<u>(4,832)</u>
Cash flows from noncapital financing activities:		
Other non-capital expenses	-	(1,024)
Net cash (used in) noncapital financing activities	<u>-</u>	<u>(1,024)</u>
Net (decrease) in cash and cash equivalents	(32,425)	(5,856)
Cash and cash equivalents at beginning of year . . .	<u>151,207</u>	<u>157,063</u>
Cash and cash equivalents at end of year.	<u><u>\$ 118,782</u></u>	<u><u>\$ 151,207</u></u>
Reconciliation of operating loss to net cash (used in) operating activities:		
Operating (loss)	\$ (48,515)	\$ (19,685)
Adjustments to reconcile operating loss to net cash (used in) operating activities:		
Depreciation	13,896	15,082
Changes in assets and liabilities:		
(Increase) decrease in prepaids.	(620)	45
Increase (decrease) in accrued wages and benefits. . .	1,059	(448)
Increase (decrease) in accounts payable	810	(1,228)
Increase (decrease) in deposits held and due to others	(411)	926
Increase in compensated absences payable	<u>1,356</u>	<u>476</u>
Net cash (used in) operating activities	<u><u>\$ (32,425)</u></u>	<u><u>\$ (4,832)</u></u>

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, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	Central Stores	Self-Insurance	Totals	
			2005	2004
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 46,900	\$ 1,011,608	\$ 1,058,508	\$ 655,863
Receivables (net of allowances of uncollectibles)	-	441	441	-
Prepayments	-	-	-	15,525
Due from other funds	-	-	-	935
Materials and supplies inventory	4,700	-	4,700	4,566
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net	8,945	-	8,945	-
Total noncurrent assets	8,945	-	8,945	-
Total assets	60,545	1,012,049	1,072,594	676,889
Liabilities:				
Current liabilities:				
Accounts payable	970	-	970	-
Total liabilities	970	-	970	-
Net assets:				
Invested in capital assets, net of related debt	8,945	-	8,945	-
Unrestricted	50,630	1,012,049	1,062,679	676,889
Total net assets	\$ 59,575	\$ 1,012,049	\$ 1,071,624	\$ 676,889

CITY OF FINDLAY, OHIO

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

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004)

	Central Stores	Self-Insurance	Totals	
			2005	2004
Operating revenues:				
Charges for services	\$ 22,747	\$ -	\$ 22,747	\$ 22,330
Total operating revenues	22,747	-	22,747	22,330
Operating expenses:				
Contract services	-	25,590	25,590	-
Materials and supplies.	17,914	-	17,914	11,316
Depreciation.	1,837	-	1,837	15,112
Other.	1,683	-	1,683	8,298
Total operating expenses	21,434	25,590	47,024	34,726
Operating income (loss)	1,313	(25,590)	(24,277)	(12,396)
Nonoperating revenues:				
Interest revenue	-	19,012	19,012	7,539
Total nonoperating revenues	-	19,012	19,012	7,539
Income (loss) before transfers	1,313	(6,578)	(5,265)	(4,857)
Transfers in	-	400,000	400,000	-
Change in net assets	1,313	393,422	394,735	(4,857)
Net assets, January 1.	<u>58,262</u>	<u>618,627</u>	<u>676,889</u>	<u>681,746</u>
Net assets, December 31	<u>\$ 59,575</u>	<u>\$ 1,012,049</u>	<u>\$ 1,071,624</u>	<u>\$ 676,889</u>

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004)

	Central Stores	Self-Insurance	Totals	
			2005	2004
Cash flows from operating activities:				
Cash received from customers	\$ 22,747	\$ -	\$ 22,747	\$ 22,330
Cash payments for contract services	-	(10,065)	(10,065)	(11,556)
Cash payments for materials and supplies	(17,078)	-	(17,078)	(14,408)
Cash payments for other operating expenses	(1,683)	-	(1,683)	(6,479)
Net cash provided by (used in) operating activities	3,986	(10,065)	(6,079)	(10,113)
Cash flows from noncapital financing activities:				
Transfers in	-	400,000	400,000	-
Net cash provided by noncapital financing activities	-	400,000	400,000	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(10,782)	-	(10,782)	-
Net cash used in capital and related financing activities	(10,782)	-	(10,782)	-
Cash flows from investing activities:				
Interest received	-	19,506	19,506	7,185
Net cash provided by investing activities	-	19,506	19,506	7,185
Net increase (decrease) in cash and cash equivalents	(6,796)	409,441	402,645	(2,928)
Cash and cash equivalents at beginning of year	53,696	602,167	655,863	658,791
Cash and cash equivalents at end of year	\$ 46,900	\$ 1,011,608	\$ 1,058,508	\$ 655,863
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,313	\$ (25,590)	\$ (24,277)	\$ (12,396)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,837	-	1,837	-
Changes in assets and liabilities:				
(Increase) decrease in materials and supplies inventory	(134)	-	(134)	704
(Increase) decrease in prepaids	-	15,525	15,525	1,819
Increase (decrease) in accounts payable	970	-	970	(240)
Net cash provided by (used in) operating activities	\$ 3,986	\$ (10,065)	\$ (6,079)	\$ (10,113)

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 and for tax increment financing payments collected on-behalf of school districts.

CITY OF FINDLAY, OHIO

COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUND
DECEMBER 31, 2005
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2004)

	2005	2004
Assets:		
Equity in pooled cash and cash equivalents	\$ 155,012	\$ 154,564
Receivables:		
Accrued interest.	374	178
Total assets.	155,386	154,742
 Net Assets:		
Held in trust for private cemetery care	155,386	154,742
Total net assets	\$ 155,386	\$ 154,742

CITY OF FINDLAY, OHIO

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

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2004)

	2005	2004
Additions:		
Interest	\$ 3,365	\$ 1,380
Gifts and contributions.	363	563
Total Additions.	3,728	1,943
Deductions:		
Cemetery care	3,084	2,810
Changes in net assets	644	(867)
Net assets at the beginning of the year.	154,742	155,609
Net assets at the end of the year	\$ 155,386	\$ 154,742

CITY OF FINDLAY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
Guaranteed Deposits				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 463,518	\$ 271,720	\$ 463,518	\$ 271,720
Total assets	<u>\$ 463,518</u>	<u>\$ 271,720</u>	<u>\$ 463,518</u>	<u>\$ 271,720</u>
Liabilities:				
Deposits held and due to others.	\$ 463,518	\$ 271,720	\$ 463,518	\$ 271,720
Total liabilities.	<u>\$ 463,518</u>	<u>\$ 271,720</u>	<u>\$ 463,518</u>	<u>\$ 271,720</u>
Municipal Court				
Assets:				
Cash in segregated accounts	\$ 202,187	\$ 3,229,600	\$ 3,376,665	\$ 55,122
Total assets	<u>\$ 202,187</u>	<u>\$ 3,229,600</u>	<u>\$ 3,376,665</u>	<u>\$ 55,122</u>
Liabilities:				
Deposits held and due to others.	\$ 202,187	\$ 3,229,600	\$ 3,376,665	\$ 55,122
Total liabilities.	<u>\$ 202,187</u>	<u>\$ 3,229,600</u>	<u>\$ 3,376,665</u>	<u>\$ 55,122</u>
Tax Collection				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,958	\$ 2,226	\$ 1,958	\$ 2,226
Total assets	<u>\$ 1,958</u>	<u>\$ 2,226</u>	<u>\$ 1,958</u>	<u>\$ 2,226</u>
Liabilities:				
Accounts payable.	\$ 1,958	\$ 2,226	\$ 1,958	\$ 2,226
Total liabilities.	<u>\$ 1,958</u>	<u>\$ 2,226</u>	<u>\$ 1,958</u>	<u>\$ 2,226</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 465,476	\$ 273,946	\$ 465,476	\$ 273,946
Cash in segregated accounts	202,187	3,229,600	3,376,665	55,122
Total assets	<u>\$ 667,663</u>	<u>\$ 3,503,546</u>	<u>\$ 3,842,141</u>	<u>\$ 329,068</u>
Liabilities:				
Accounts payable.	\$ 1,958	\$ 2,226	\$ 1,958	\$ 2,226
Deposits held and due to others.	665,705	3,501,320	3,840,183	326,842
Total liabilities.	<u>\$ 667,663</u>	<u>\$ 3,503,546</u>	<u>\$ 3,842,141</u>	<u>\$ 329,068</u>

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CITY OF FINDLAY, OHIO

TABLE 1

GENERAL GOVERNMENT EXPENDITURES (1)
LAST TEN FISCAL YEARS

Fiscal Year	Security of Persons and Property	Public Health and Welfare	Leisure Time Activities	Transportation	General Government	Capital Outlay	Other	Debt Service	Total
1996	\$ 8,563,774	\$ 970,508	\$ 598,474	\$ 1,173,431	\$ 4,026,826	\$ 3,631,190	\$ -	\$ -	\$18,964,203
1997	9,501,196	1,014,831	661,609	1,288,336	4,336,992	4,937,050	-	-	21,740,014
1998	9,817,349	1,030,722	654,402	1,221,917	4,420,483	1,985,443	-	-	19,130,316
1999	10,387,007	1,128,912	696,805	1,379,006	4,612,742	2,973,670	-	-	21,178,142
2000	10,805,889	1,114,922	674,902	1,499,571	4,955,208	2,902,229	-	-	21,952,721
2001	11,601,542	1,264,665	820,908	1,563,537	5,702,120	3,946,183	-	-	24,898,955
2002	11,473,558	1,341,562	884,368	1,620,918	5,664,145	4,950,754	-	772,787	26,708,092
2003	12,659,590	1,334,612	1,305,622	1,618,551	5,542,145	4,913,419	1,807	603,712	27,979,458
2004	13,433,081	1,368,300	1,373,950	1,636,349	5,777,002	4,241,071	-	728,640	28,558,393
2005	14,179,528	1,483,325	1,305,133	1,797,021	6,077,685	4,003,967	-	567,353	29,414,012

(1) Years 1996 - 2001 include general and special revenue funds. Years 2002 - 2005 include total governmental funds (general, special revenue, debt service, capital projects and permanent fund).

CITY OF FINDLAY, OHIO

GENERAL GOVERNMENT REVENUES (1)
LAST TEN FISCAL YEARS

Fiscal Year	City Income Tax (2)	Other Local Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Investment Earnings
1996	\$ 9,881,857	\$ 2,146,679	\$ 82,631	\$ 3,778,635	\$ 474,630	\$ 629,300
1997	10,612,877	2,286,406	102,034	3,642,035	470,116	725,230
1998	11,971,583	2,421,604	110,535	4,009,104	523,498	580,976
1999	13,039,592	2,670,514	96,613	4,358,959	466,650	688,561
2000	13,210,815	2,671,228	104,710	4,086,594	528,254	957,950
2001	14,806,202	2,876,539	256,264	4,489,752	528,138	769,202
2002	14,447,353	2,864,133	294,599	4,527,289	572,362	454,434
2003	14,002,165	2,826,806	319,748	5,396,980	916,668	269,067
2004	15,385,918	2,929,611	361,509	6,206,496	983,651	185,586
2005	17,323,028	3,156,557	367,854	6,227,738	1,051,512	537,856

(1) Years 1996 - 2001 include general and special revenue funds. Years 2002 - 2005 include total governmental funds (general, special revenue, debt service, capital projects and permanent fund).

(2) The amount of cash collected in 2005, 2004, 2003, 2002, 2001, 2000, 1999, 1998, 1997, and 1996 was \$ 17,331,771, \$15,265,817, \$14,278,805, \$14,930,706, \$14,360,692, \$13,097,275, \$13,122,926, \$11,720,360, \$10,530,692, and \$9,958,154, respectively. The difference between the amount collected and the revenues recognized is the change in receivables for income taxes withheld in the fourth quarter and remitted to the City in the first quarter of the following year.

TABLE 2

<u>Fines and Forfeitures</u>	<u>All Other</u>	<u>Total</u>
\$ 1,231,933	\$ 1,132,455	\$ 19,358,120
1,263,007	954,200	20,055,905
1,407,323	1,248,658	22,273,281
1,441,953	904,049	23,666,891
1,437,798	981,262	23,978,611
1,378,926	1,130,911	26,235,934
1,518,046	1,333,064	26,011,280
1,538,397	1,731,981	27,001,812
1,377,006	1,389,033	28,818,810
1,370,961	1,388,506	31,424,012

CITY OF FINDLAY, OHIO

TABLE 3

PROPERTY TAX LEVIES AND COLLECTIONS

REAL ESTATE AND PUBLIC UTILITY

LAST TEN FISCAL YEARS

<u>Collection Year</u>	<u>Billed (1)</u>	<u>Collected (2)</u>	<u>% Collected</u>
1996	\$ 1,564,762	\$ 1,514,910	96.8%
1997	1,608,999	1,565,917	97.3%
1998	1,634,556	1,599,203	97.8%
1999	1,896,708	1,841,703	97.1%
2000	1,949,594	1,879,701	96.4%
2001	1,992,482	1,956,575	98.2%
2002	2,090,064	2,025,332	96.9%
2003	2,133,732	2,073,489	97.2%
2004	2,247,562	2,126,072	94.6%
2005	2,456,096	2,351,636	95.7%

Source: Hancock County Auditor

(1) The amounts shown as billed are inclusive of outstanding delinquencies billed and the state reimbursement (rollback) amounts. The amounts are exclusive of any special assessments.

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

CITY OF FINDLAY, OHIO

TABLE 4

PERSONAL PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

<u>Collection Year</u>	<u>Billed</u>	<u>Collected (1)</u>	<u>% Collected</u>
1996	\$ 429,149	\$ 421,722	98.3%
1997	433,622	479,082	110.5%
1998	502,047	516,610	102.9%
1999	527,992	516,903	97.9%
2000	486,134	476,429	98.0%
2001	613,077	614,527	100.2%
2002	551,864	492,563	89.3%
2003	480,632	468,412	97.5%
2004	487,566	484,739	99.4%
2005	479,751	464,403	96.8%

Source: Hancock County Auditor

(1) The amounts shown as billed are the totals of the tax bills as mailed to the taxpayers by the County Treasurer.

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

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Calendar Year (1)	Real Estate Other Than Public Utility (2)	Public Utility Real and Tangible Personal Property (3)	Tangible Personal Property Other Than Public Utility (4)	Total	Estimated Actual Value (5)
1997	\$ 460,980,100	\$ 28,205,230	\$ 134,109,133	\$ 623,294,463	\$ 1,934,109,760
1998	472,667,350	28,093,070	153,103,629	653,864,049	2,043,158,573
1999 (6)	551,462,520	28,395,260	156,889,861	736,747,641	2,284,295,958
2000	564,268,950	25,705,800	164,997,670	754,972,420	2,345,632,822
2001	574,141,030	26,603,490	151,916,904	752,661,424	2,324,080,530
2002	611,410,130	20,339,970	191,586,739	823,336,839	2,571,347,241
2003	626,960,430	20,705,880	172,457,599	820,123,909	2,540,305,567
2004	645,430,870	20,894,840	144,017,614	810,343,324	2,479,858,199
2005 (6)	718,179,890	21,185,600	148,117,214	887,482,704	2,704,941,684
2006	731,113,130	20,830,810	110,179,715 (7)	862,123,655	2,589,130,117

Source: Hancock County Auditor

(1) Valuations are amounts for collection year.

(2) Real property taxes collected in a calendar year are levied as of January 1 of that year based on the assessed values as of January 1 of the preceding year.

(3) Public utility real and tangible personal property taxes collected in a calendar year are levied in the preceding calendar year based on assessed values determined as of December 31 of the second preceding year.

(4) Tangible personal property taxes collected in a calendar year are levied in the same calendar year as assessed on values at the close of the most recent fiscal year of the taxpayer (ending on or before March 31st of such calendar year) at tax rates determined in the preceding year.

(5) Real estate assessed value is 35% of appraised value and tangible personal property assessed value is 25% of appraised value by state statute.

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

(7) The amount of 2006 tangible personal property taxes has been reduced by 25% in compliance with Ohio House Bill 66, which mandated a reduction of Personal Property tax. The original value prior to reduction was \$146,906,286.

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)

LAST TEN FISCAL YEARS

Calendar Year Collected (1)	City	Hancock County	Hancock County Park District	Findlay City School District	Total
1997	\$ 3.20	\$ 5.18	\$ 0.80	\$ 53.35	\$ 62.53
1998	3.20	5.18	0.80	53.35	62.53
1999	3.20	5.14	0.80	53.35	62.49
2000	3.20	5.15	0.80	53.35	62.50
2001	3.20	5.14	0.80	53.35	62.49
2002	3.20	5.12	0.80	53.35	62.47
2003	3.20	5.12	0.80	53.35	62.47
2004	3.20	5.40	0.80	53.35	62.75
2005	3.20	5.40	0.80	58.25	67.65
2006	3.20	7.30	0.80	58.25	69.55

Source: Hancock County Auditor

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

CITY OF FINDLAY, OHIO

TABLE 7

REAL ESTATE AND PUBLIC UTILITY
PRINCIPAL TAXPAYERS

DECEMBER 31, 2005

Name of Taxpayer	Assessed Values	Percentage of Total Assessed Valuation
Ohio Power Company	\$ 13,885,560	1.61%
Marathon/Ashland Petroleum Company	11,631,500	1.35%
Cooper Tire & Rubber Company	8,900,060	1.03%
Findlay Shopping Center, Inc.	5,873,060	0.68%
Kohl's Department Stores, Inc. - Distribution Center	5,250,000	0.61%
Ohio Bell Telephone Co.	4,259,500	0.49%
Logistics Solutions of Ohio	3,696,730	0.43%
Best Buy Distribution Center	2,775,400	0.32%
Meijer Stores	2,547,210	0.30%
Owens Illinois/Brockway Plastics Co.	2,491,020	0.29%
Totals	\$ 61,310,040	7.11%

Source: Hancock County Auditor

SPECIAL ASSESSMENT COLLECTIONS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Current Assessments Due</u>	<u>Total Assessments Collected (1)</u>	<u>Rate of Collections to Amount Due</u>	<u>Total Outstanding Assessments</u>
1996	\$ 57,010	\$ 58,498	102.6%	\$ 358,339
1997	51,674	57,380	111.0%	300,959
1998	37,087	36,649	98.8%	573,398
1999	75,427	76,569	101.5%	492,933
2000	64,044	64,683	101.0%	428,250
2001	81,631	77,017	94.3%	573,926
2002	102,943	98,333	95.5%	614,867
2003	135,518	133,140	98.2%	584,896
2004	168,695	153,122	90.8%	488,412
2005	109,520	112,297	102.5%	530,435

Source: Hancock County Auditor

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

COMPUTATION OF LEGAL DEBT MARGINS

DECEMBER 31, 2005

DIRECT DEBT LIMITATION

Assessed Value		<u>\$ 862,123,655</u>
Overall Debt Limitation 10 1/2 Percent of Assessed Valuation		\$ 90,522,984
TOTAL INDEBTEDNESS:	\$ 60,254,359	
Less: Debt outside limitations (1)		
Water General Obligation Bonds	2,740,000	
Sewer General Obligation Bonds	395,000	
OWDA Loans	32,381,825	
Ohio Public Works Commission Loans	758,489	
Water Refunding Bonds - 2003 Issue	8,170,000	
Water Refunding Bonds - 2004 Issue	1,365,000	
Sewer Refunding Bonds - 2003 Issue	3,885,000	
Sewer Refunding Bonds - 2004 Issue	6,385,000	
Airport General Obligation Bonds	35,000	
Airport Refunding Bonds - 2004 Issue	265,000	
Special Assessment Bonds	434,045	
Total Outside Limits	<u>56,814,359</u>	
Debt Within 10 1/2 Percent Limitation	3,440,000	
Less: Debt Service Fund Balance	<u>193,624</u>	
Net Debt Subject to 10 1/2 Percent Limitation		<u>3,246,376</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		<u>\$ 87,276,608</u>

INDIRECT DEBT LIMITATION

Unvoted Debt Limitation 5 1/2 Percent of Assessed Valuation		\$ 47,416,801
TOTAL INDEBTEDNESS:	\$ 60,254,359	
Less: Debt outside limitations (1)	<u>56,814,359</u>	
Debt Within 5 1/2 Percent Limitation	3,440,000	
Less: Debt Service Fund Balance	<u>193,624</u>	
Net Debt Subject to 5 1/2 Percent Limitation		<u>3,246,376</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		<u>\$ 44,170,425</u>

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

CITY OF FINDLAY, OHIO

TABLE 10

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT

DECEMBER 31, 2005

Jurisdiction	Assessed Valuation	General Obligation Debt	Percent Applicable to City of Findlay (1)	Amount Applicable to City of Findlay
City of Findlay	\$ 862,123,655	\$ -	100% (2) \$	-
Hancock County	1,584,371,588	6,979,000	54.73%	3,819,607
Allen Township	100,647,419	-	0.48%	-
Marion Township	87,251,027	-	3.76%	-
Findlay City School District	833,161,453	-	92.92%	-
Liberty-Benton Local School District	153,848,322	3,578,427	20.38%	729,283
Van Buren Local School District	218,234,871	<u>9,865,000</u>	27.07%	<u>2,670,456</u>
Total Direct and Overlapping Debt		<u>\$ 20,422,427</u>		<u>\$ 7,219,346</u>

(1) Source: Ohio Municipal Advisory Council

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

DEBT SERVICE COVERAGE FOR ENTERPRISE FUND DEBT (1)

LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
1996	\$ 10,721,445	\$ 5,841,884	\$ 4,879,561	\$ 1,516,228	\$ 2,002,443	\$ 3,518,671	1.39
1997	11,482,769	6,473,213	5,009,556	1,589,689	2,162,064	3,751,753	1.34
1998	13,008,877	6,831,392	6,177,485	2,083,317	2,139,558	4,222,875	1.46
1999	13,303,935	7,134,087	6,169,848	2,217,121	2,137,338	4,354,459	1.42
2000	14,380,162	7,484,038	6,896,124	2,320,073	2,014,519	4,334,592	1.59
2001	14,934,831	8,330,582	6,604,249	2,423,218	2,652,004	5,075,222	1.30
2002	15,810,297	7,921,290	7,889,007	3,568,452	3,210,304	6,778,756	1.16
2003	15,997,711	7,549,229	8,448,482	3,826,545	3,139,605	6,966,150	1.21
2004	16,710,094	7,738,459	8,971,635	3,417,241	2,671,129	6,088,370	1.47
2005	19,422,835	8,080,880	11,341,955	4,212,232	2,208,719	6,420,951	1.77

(1) Water fund, Water Pollution Control fund and Airport fund. Includes all revenue sources included in "income (loss) before contributions and transfers".

(2) Includes all expenses included in "income (loss) before contributions and transfers" except depreciation expense and loss on disposal of capital assets. These items have not been included in direct operating expenses as they do not require the outlay of working capital.

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

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

Fiscal Year	Property Value	Commercial		Residential		Bank Deposits (2)
		Number of Units	Construction Value (1)	Number of Units	Construction Value (1)	
1996	\$ 1,280,041,542	102	\$ 16,832,097	377	\$ 21,463,137	\$ 666,501,000
1997	1,317,086,000	117	28,332,110	562	27,885,972	708,092,000
1998	1,350,478,142	163	34,823,784	657	37,219,838	725,770,000
1999	1,575,607,200	137	32,084,295	540	25,894,507	736,464,000
2000	1,612,197,000	111	78,267,638	525	24,194,546	796,580,000
2001	1,640,402,942	97	19,521,233	552	22,206,943	804,542,000
2002	1,746,886,086	87	17,930,974	680	27,836,181	870,754,000
2003	1,791,315,514	84	20,849,510	670	36,145,947	826,967,000
2004	1,844,088,200	63	31,845,998	738	49,676,277	823,745,000
2005	2,051,942,542	12	25,020,000	148	25,811,240	827,708,000

(1) Source: City of Findlay Engineering Department

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

CITY OF FINDLAY, OHIO

TABLE 13

FIFTEEN LARGEST EMPLOYERS

DECEMBER 31, 2005

Employer	Business		Number of Employees
Whirlpool Corporation	Home Appliances	(1)	2,100
Cooper Tire & Rubber Company	General Offices & Tire Manufacturing		2,061
Blanchard Valley Hospital	Hospital Service		1,639
Marathon Ashland Petroleum LLC	Petroleum Products		1,409
Findlay City Schools	Education		878
HiSan Corporation	Automotive - Small Tubing		838
Nissin Brake	Automotive & Recreational Vehicle Brake Parts		759
Lowe's Distribution	Distribution Center		750
Hancock County	County Government		625
Kohl's Distribution Center	Retail Distribution Center		571
University of Findlay	Education		505
Best Buy Company	Distribution Center		467
Ball Metal Container Group	Beverage Cans	(1)	435
City of Findlay	City Government		407
Wal-Mart	Department Store		405

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

MISCELLANEOUS STATISTICS

DECEMBER 31, 2005

Founded in 1812 as Fort Findlay	
Form of government	Mayor - Council
Area - square miles	19.139
Miles of streets	189.24
Population (2000 Census)	38,967
Unemployment Rate	4.93%
Number of Full-time Employees (including Police & Fire)	407
Fire Protection:	
Number of stations	4
Number of firefighters	74
Police Protection:	
Number of stations	1
Number of police officers	74
Number of auxiliary police officers	13
Water and Wastewater Utilities:	
Number of accounts	18,453
Average daily water consumption (gallons)	6,330,000
Reservoir capacity (gallons)	6.4 billion
Miles of water mains	294.96
Water Treatment Plants	1
Miles of sanitary sewer lines	283.49
Sewage Treatment Plants	1
Recreation:	
Number of parks	19 (356.1 acres)
Findlay Reservoir (Boating and Fishing)	775 acres
Ballfields (Baseball and Softball)	37
Tennis Courts, Volleyball and Basketball	32 (2 lighted)
Soccer Fields	25
Swimming Pool	1
Education Enrollment:	
Findlay City School District (grades K-12)	6,499
St. Michael's Catholic School (grades K-8)	546
University of Findlay	4,744
Winebrenner Theological Seminary	136
Owens Community College	2,808
Brown-Mackie College	575

CITY OF FINDLAY, OHIO

COMPLIANCE INFORMATION

**SECURITIES AND EXCHANGE COMMISSION RULE
15c2-12**

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

Description of Material Events

1. There were no delinquencies of principal and/or interest payments.
2. There were no non-payment related defaults.
3. There were no unscheduled draws on debt service reserves reflecting financial difficulties.
4. There were no unscheduled draws on credit enhancements reflecting financial difficulties.
5. There was no substitution of credit or liquidity providers, nor was there a failure to perform.
6. There have been no adverse tax opinions affecting the tax exempt status of any of the City's outstanding obligations.
7. There were no modifications to rights of bond holders.
8. There were no calls issued for the City's outstanding obligations during 2005.
9. The City did not release, substitute or sell any property securing repayment of its obligations.
10. The City has a credit rating for General Obligation bonds from Moody's Investors Services, Inc. of Aa3. The City also has a rating from Standard and Poors Corporation of AA-.

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



**Auditor of State
Betty Montgomery**

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CITY OF FINDLAY

HANCOCK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 23, 2006**