

***CITY OF OREGON***  
**LUCAS COUNTY, OHIO**

**Audit Report**

**For the Year Ended December 31, 2005**

***CHARLES E. HARRIS & ASSOCIATES, INC.***  
Certified Public Accountants and Government Consultants





**Auditor of State  
Betty Montgomery**

Honorable Mayor and  
Members of City Council  
City of Oregon  
5330 Seaman Road  
Oregon, Ohio 43616-2633

We have reviewed the *Report of Independent Accountants* of the City of Oregon, Lucas County, prepared by Charles E. Harris & Associates, 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 Oregon is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY  
Auditor of State

September 14, 2006

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**CITY OF OREGON**  
**LUCAS COUNTY, OHIO**  
**Audit Report**  
**For the Year Ended December 31, 2005**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS REQUIRED  
BY GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members  
of City Council  
City of Oregon  
Oregon, Ohio

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Oregon as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more 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 do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 22, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters, 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*.

However, we noted certain immaterial instances of noncompliance that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 22, 2006.

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

***Charles E. Harris & Associates, Inc.***

June 22, 2006

CITY OF OREGON  
LUCAS COUNTY, OHIO  
For the Year Ended December 31, 2005

**SCHEDULE OF PRIOR AUDIT FINDINGS**

<b>FINDING NUMBER</b>	<b>FUNDING SUMMARY</b>	<b>FULLY CORRECTED?</b>	<b>Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain</b>
2004-001	Ohio Revised Code section 5705.39, appropriations exceed estimated resources	No	Partially Corrected. Reissued in the management letter.



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT



*City of Opportunity*

OREGON, OHIO  
FOR FISCAL YEAR ENDED DECEMBER 31, 2005





*City of Opportunity*

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2005

**James Austermiller**  
Director of Finance, CPA, CFE

Prepared by:  
**The Finance Department**

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LUCAS COUNTY, OHIO

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# Introductory Section



Welcome to the City of Oregon



*City of Opportunity*



*City of Opportunity*

## CITY OF OREGON

5330 Seaman Road • Oregon, Ohio 43616  
James Austermiller, Director of Finance

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fax (419)-691-6303

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July 28, 2006

### **Introduction**

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

We are pleased to submit the thirteenth Comprehensive Annual Financial Report of the City of Oregon, Ohio for the fiscal year ended December 31, 2005. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by statements of the Governmental Accounting Standards Board (GASB), other authoritative pronouncements and guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada, and audited in accordance with Generally Accepted Auditing Standards (GAAS) by Charles E. Harris & Associates, CPA, Inc. GAAP requires a narrative introduction, overview, and analysis called the Management's Discussion and Analysis (MD&A) to accompany the basic financial statements. This Letter of Transmittal (LOT) is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **The Report**

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

1. *The Introductory Section* includes this letter of transmittal, which represents the City's organization, operational structure and accomplishments; an organizational chart, and a list of elected officials.
2. *The Financial Section* contains the Independent Auditors' Report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the City's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. *The Statistical Section* presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

*State law*, along with *Administrative Rules* of the Auditor of State, requires all City Governments to publish an Annual Report within 150 days of the close of each fiscal year. This report must present a complete set of financial statements presented in conformity with GAAP. Various City debt service *Trust Agreements* require Audited Annual Reports in accordance with GAAS. Pursuant to these requirements, we hereby issue the CAFR of the City of Oregon, Ohio, for the fiscal year ended December 31, 2005.

***Letter of Transmittal  
For the Year Ended December 31, 2005***

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While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Oregon (the "City") to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge and belief, the enclosed data, as presented, is accurate in all material respects; is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

Management of the City has established various internal controls designed to compile reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's various internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

The City's financial statements have been audited by the audit staff of Charles E. Harris & Associates, CPA's, Inc. The auditors issued an unqualified opinion that the basic financial statements are presented fairly in conformity with GAAP, in all material respects, representing the financial position of the City as of December 31, 2005. The report from the auditor is presented as the first component of the financial section of this report.

***PROFILE OF THE CITY OF OREGON***

**Historical Information**

Oregon, on the shores of Maumee Bay, was once part of the Great Black Swamp. Settlements were established as sawmills were built to harvest the vast variety of trees in the area. The harvested forests created rich farmland, but the area remained swampy and in need of drainage. Ditches, draining into Maumee Bay, were constructed along the roadways that followed the path of the old Indian trails. These ditches remain today.

In 1838, the first government was formed as Oregon Township. In 1856 the township took ownership of two cemeteries that are still owned by the City today. The same area that was Oregon Township is now the City of Oregon. The City is bounded on the west by the City of Toledo, on the north by Maumee Bay/Lake Erie, on the east by Jerusalem Township (Lucas County), and on the south by the City of Northwood (Wood County).

The 1800's and 1900's saw the development of an extensive rail system. In the early 1800's, the Port of Toledo began operations. Port operations in Oregon began in 1955 in the northwest corner of the City. These operations have grown and continue today.

Around the turn of the century, two major oil refineries, British Petroleum (BP) and Sun Marketing, located in Oregon. These two refineries took advantage of the water, rail, pipeline and surface transportation available in the City, and have historically been two of the City's largest employers.

## ***CITY OF OREGON, OHIO***

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### ***Letter of Transmittal***

***For the Year Ended December 31, 2005***

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Northwestern Oregon grew as an industrial center with a coal powered electrical generating facility, the refinery, and several chemical plants. Pipelines were laid to carry petroleum products to and from the port facilities and other states East of the Mississippi. Buckeye Pipeline has the largest pipeline distribution system in Oregon.

As industrialization continued, commercial and residential growth followed. Generally, urban growth continued eastward from Interstate 280. Recently, residential growth has also occurred south of Maumee Bay in the waterfront areas and in the more rural areas of the City's perimeter.

In 1954 Oregon Township trustees sought to zone the area. At about the same time, City of Toledo officials sought to annex the northwest industrial area of Oregon Township. The annexation failed, and in 1957 there was an election for Oregon to become an incorporated City. The vote was 3,660 in favor and 2,925 opposed. A key issue in incorporation was to have Oregon own and operate a water and a wastewater plant.

The City of Oregon adopted a home rule Charter in 1958. The City's slogan was "City of Opportunity," which was amended in the 1980's to, *Oregon on the Bay, City of Opportunity*. In 1959 voters approved a municipal income tax. The City's first major project was a seven million-gallon per day regional water plant constructed with federal and local funds in 1964. The treated water coming from Lake Erie, services over 90% of the land in Oregon and also provides water to surrounding communities. A multi-phase \$17.9 million expansion to double the capacity of the water plant is now underway. The water plant expansion is being financed through a combination of grants, loans and debt. The City also has a wastewater treatment plant, constructed in 1977 with local and federal funds, which can process up to eight million gallons per day. In 1997 a major upgrade to the wastewater plant was completed. Sanitary sewer lines service approximately one-third of the land in the City. The City's water and wastewater operations also service portions of Jerusalem Township, northern Wood County and northwest Ottawa County.

### **Form of Government**

The original Charter adopted in 1958 called for a Mayor/Council form of government. The City was divided into five wards, each represented by a councilman, and there were two at-large members for a total of seven councilmen. The Charter named the Mayor as the Administrator. The Mayor and Council were elected for two-year terms. In 1968, the Charter was amended to elect all councilmen at large and to eliminate the ward system. In 1988, the Charter was amended to change the term of the Mayor from two to four years. Five years later, in 1993, there were two charter changes: The first created the position of City Administrator, who reports to the Mayor, the second created the positions of Finance Director and Clerk of Council. Other technical charter changes, such as reading the title of an ordinance instead of the entire ordinance, have been periodically approved by the voters.

***Letter of Transmittal  
For the Year Ended December 31, 2005***

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**Location**

The City of Oregon is located in northwestern Ohio in the Toledo Metropolitan area. Oregon is Lucas County's largest suburb with 28.5 square miles and a population of 19,355. The City has approximately five miles of shoreline along Maumee Bay/Lake Erie. The City's elevation is approximately 606 feet above sea level. Local temperatures average 73 degrees in the summer and 25 degrees in the winter. The City has approximately 120 miles of roads with I-280 (linking east - west to the Ohio Turnpike, I-80/90 and linking north-south to I-75), State Route 2 (Lake Erie access road) and State Route 51 (Wood County and Ottawa County access road). The port facilities service foreign and domestic cargo shipments in the Saint Lawrence Seaway and the Great Lakes.

The City of Oregon provides a variety of recreational opportunities for residents, workers, and visitors to the area. The City is home to Pearson Metropark, Maumee Bay State Park, South Shore Park, South Shore Boardwalk, and the Koontz Recreational Complex. Maumee Bay State Park has over 1,800 acres, with one mile of Lake Erie shoreline, and over one million visitors annually. Maumee Bay is a full service state park that includes the eighteen-hole Arthur Hill's golf course. Pearson Metropark has 320 acres for biking, a nature center, fishing, picnicking, and paddleboats. There are two municipal parks: Koontz Park with eight-lit ball fields and South Shore Park (across the street from the Maumee Bay shoreline) with a sledding hill, picnic area, and a fitness trail. The South Shore Boardwalk is a landscaped walkway along the shoreline.

Oregon schools offer a full range of programs from advanced placement courses to vocational education. The Oregon City School District includes a high school, two middle schools, and four elementary schools, one of which is located in Jerusalem Township. As well, there is a private coeducational parochial school, Cardinal Stritch High School. In addition to Oregon City Schools, the region is serviced by the University of Toledo, Bowling Green State University, Medical College of Ohio, Lourde's College, and Michael J. Owen's Technical College, a leading two-year college. All of these schools are within approximately one-half hour drive time of the City.

**Municipal Services**

The City provides a wide variety of services authorized by its Charter and administrative codes. City services include police and fire protection, emergency medical service, municipal court, planning and engineering, zoning, code enforcement, street maintenance, traffic control, parks and recreation, building inspection, cemetery, community development, curbside recycling, solid waste collection and disposal and general administrative services. The City does not operate hospitals, schools or landfills. In 2005, the City continued to receive federal funding for persons, with qualifying income levels, to rehabilitate and/or receive down payments to purchase homes.

The City also operates two enterprise activities: water treatment and distribution, and wastewater collection and treatment. The enterprise funds are used to account for activities operated in a manner similar to a private business. The intent of the City is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. The cost of capitalizing the water and wastewater plants is subsidized with a voter-approved designation of approximately twenty percent of income tax revenues for said purpose.



***Letter of Transmittal  
For the Year Ended December 31, 2005***

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The City's enterprise activities are not subject to rate review or determination by the Public Utilities Commission of Ohio or any similar regulatory body. The City Council has the necessary authority to establish and to amend appropriate user rates as required. The rates are monitored on an ongoing basis to insure their adequacy to meet operational and maintenance needs. The rates remain competitive in northwest Ohio. Responsibility for the frequency and amount of rate change lies solely with the City Council.

**The Reporting Entity**

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

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which includes the following services as authorized by its Charter: police and fire protection, emergency medical services, parks and recreation, planning, zoning, street maintenance, and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system, each of which is reported as an enterprise fund.

**Internal Control, Budgetary Control and Accounting System**

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

1. The City's assets are protected against loss and other unauthorized use or disposition; and
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2005***

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All internal control evaluations occur within this framework. It is the belief of the administration and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. Administrative policies 59 and 60 provide the policies for purchase requisitions and invoice approval. These policies are reviewed annually to determine if there are better methods available, which will improve efficiency and reduce redundancy, as well as lower the overall cost of purchases. The Finance Department is responsible for the auditing and analysis of all purchase orders and vouchers of the City. Finance Department personnel review and process requisitions, purchase orders and vouchers. Personnel responsibilities are carefully managed to ensure the availability of moneys in the proper funds and accounts prior to the certification and payment of approved invoices. The City utilizes a fully automated accounting system as well as an automated system of controls for fixed assets, accounting and payroll. These systems, coupled with the review and examination performed by the Finance Department, ensure that the financial information generated is both accurate and reliable.

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

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

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

***INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION***

**Local Economy**

The City of Oregon is located in the eastern Toledo Metropolitan Statistical Area (MSA) in Lucas County, and is the largest in the M.S.A. area. According to the World Almanac, the Toledo MSA is the 56<sup>th</sup> largest MSA in the United States and lists Lucas County as the sixth most populous of the 88 counties in the State of Ohio. The Toledo area is a key intermodal transportation hub with one-half of the United States population living within one day's driving time. The following are the primary transportation routes within the City of Oregon: I-280 connecting with I-75 and I-80/90 and State Routes 2 and 51; rail access from the CSX, Norfolk and Southern and Conrail lines; and the Lucas County Port general cargo and loading docks.

***Letter of Transmittal  
For the Year Ended December 31, 2005***

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The City's largest employers are St. Charles Hospital with 1,429 employees, Oregon City Schools with 686 and Bay Park Community Hospital with 411 employees.

The City maintains a solid manufacturing base with two major refineries, Sun Marketing and Refining and British Petroleum (BP). These two employers provided 17% of the income tax revenue in 2005. Both Sun Petroleum and B.P. continue to invest in upgrading the refineries, primarily to meet environmental requirements and technology changes.

The City has a 500-acre industrial park with infrastructure in place for businesses to locate. The City works with the Oregon on the Bay regional Economic Development Foundation to attract and retain industry in the City.

The City offers economic incentives to businesses that locate in the industrial area. These include municipal link deposits, an enterprise zone, a community reinvestment area, and an approved foreign trade zone. For businesses receiving real and personal property tax abatement, the City requires a contract for direct payment to the schools in lieu of all or a portion of the abated school taxes.

Major transportation improvements continue in the community. The regional \$240 million Maumee River Crossing continues in 2005 with the northern touchdown in Toledo and the southern touchdown in Oregon. This project is the State of Ohio's largest bridge project and first ever signature bridge. The project is scheduled for completion in 2007. The State Route 2, \$27 million project, including an overpass and four miles of widening, on the seven mile City stretch, was completed in 2001 and is spurring interest in retail establishments. Several large retailers are located along State Route 2, and other retailers continue to express an interest in Oregon locations. Additional sewer lines are or will be under construction in the next several years providing opportunities for additional development.

**Unemployment Rate**

The 2005 unemployment rate for Lucas County was 6.9% compared to 7.4% in 2004. The Toledo Metropolitan area rates were about the same as the national and state unemployment rates of 5.7 % and 5.9% respectively. There are no statistics specifically for the City of Oregon, because statistics are not kept for communities with a population of less than 50,000. As in 2005, the estimate for unemployment in the City of Oregon is estimated to be below the Toledo Metropolitan area average.

**Employee Relations**

At the end of 2005, the City had 188 employees, approximately 75% of which are represented by a bargaining unit. The number of employees in each group are as follows with a total of 140 employees in unions: The American Federation of State, County and Municipal Employees (AFSCME) Local 755 Ohio Council 8, 75 employees; Oregon Police Command Officers, Fraternal Order of Police, Inc. (FOP), 11 employees; Oregon Patrolman's Association (OPPA) 44 employees; Full-Time Firefighters; 10 employees; Oregon Part-Time Firefighters 88 part-time firefighters; and non-bargaining employees, 48.

***Letter of Transmittal***

***For the Year Ended December 31, 2005***

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The current City contracts were negotiated in 2000 for three-year terms and extended with annual wage openers to June 30, 2005. No contracts have been agreed to for the period after June 30, 2005. Health Insurance continues to be the most expensive escalating personnel cost. The City's continues to provide health insurance to its employees. In 2005, the City experienced an 11% increase in health costs. Employees contributed 7% to the cost of health insurance. There is a Health Insurance Committee working to find ways to improve the health of employees and their families and to find ways to control costs. Health insurance premiums are second in employee benefit cost, the first is the employer paid pension share.

**Major City Initiatives**

The City continually adds local sewer trunk lines for development. Trunk lines are financed through grants and debt, while the service to parcels is financed through assessments.

The new I-280 Maumee River crossing is the State of Ohio's largest bridge project, and will be a signature bridge, connecting the Eastern Toledo and Oregon area with downtown Toledo and I-75 North. This new Maumee River project also eliminates one of the nation's last interstate drawbridges - even though the existing bridge will remain for local traffic. The \$240 million river crossing project is financed with federal and state funds. The construction bid was awarded in 2001. The City of Oregon is not a financial participant in the River Crossing. All of these key transportation improvement projects will enhance development and the quality of life for all who live and/or work in Oregon.

***Infrastructure Improvements*** - In addition to transportation projects, the City continues to upgrade and add infrastructure. Sanitary sewers and water extensions continue to be located in needed areas, usually requested by petition and funded through assessments.

The annual estimated income tax allocation for water and sewer capital improvements is fully committed to the debt of these projects and some reserves may be required to cover a portion of the debt over the next four years. Until the debt is paid or additional resources are found, major new projects will require a new source of funding for the next decade or longer. Capital projects for water and sewer improvements are City financed projects derived from income tax, not user fees. Therefore, under current funding policies, increases in water use will not provide additional revenue for debt. If there are increased jobs within the City, then the water and sewer allocation of the income tax will increase, allowing for funding of new projects.

***Water Plant Improvements*** - The City completed its largest capital investment with the completion of Phase 3 of the water treatment plant expansion, doubling the treatment capacity. The total project cost was \$17.9 million over five phases. An additional four million gallons of capacity is now available. The City received a EPA loan, grants from O.P.W.C., and zero percent loans from O.P.W.C. The primary source of repayment will be from an allocation of the income tax revenues.

***Streets*** - The City utilizes funding from the General Fund, Street Construction, Maintenance and Repair Fund, State Highway Improvement Fund and Capital Improvement Fund for its street projects. The City traditionally repairs several miles of the estimated 120 miles of streets each year.

***Letter of Transmittal***

***For the Year Ended December 31, 2005***

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An important regional project for the City is a new river crossing that will improve I-280. This is a \$240 million project. Construction continues in 2005. The new river crossing is a signature bridge with a unique architecture. No City funds are part of this project. Construction should be complete by 2007.

***Police and Fire Departments*** - The fire department maintains an ISO (insurance) rating of 4, which is the lowest possible rating for a part-time department. This rating lowers insurance costs for all types of buildings and operations in the City. The fire department also operates a fire training center, which is financed by the refineries and the electrical company. A compliment of 55 police personnel, detectives, officers, and dispatch personnel protect the Cities 29 square miles and its 19,000 residents.

***Parks and Recreation*** - The Parks and Recreation Department continues to recruit state, regional and national baseball and softball tournaments and the soccer program continues to expand. Recreation department programs include basketball, soccer, baseball, football, volleyball, senior activities and summer theatre programs. In addition, there are summer playground programs, golf lessons, senior exercise and swimming at the YMCA.

The Oregon Senior Center, located at the northeastern edge of South Shore Park, across the street from Maumee Bay, leases a City owned building. The Senior Center continues to expand senior programs including nutritional lunches during the week.

***Continuing and Future Projects*** - The City continues to plan for projects that improve infrastructure and the quality of life for Oregon residents along with improved municipal operations to better serve the citizens. Major improvements such as the water plant expansion, additional water and sewer lines, overpasses and the new river crossing should aid in economic development efforts. Quality of life continues to improve with the addition of bikeways, additions to Pearson Metropark and the continuing designation as Tree City. Funding is very limited for future improvements to the water and wastewater plants and related projects. Debt financing in other areas is not at the maximum.

Planning continues for bikeway connections that link Pearson Metropark, South Shore Park and Boardwalk, Maumee Bay State Park, the Coontz Complex and the high school.

**Debt Administration**

The debt service funds accumulate resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment long-term debt. In 1998 the City received a Moody's rating of Aaa - one step above its previous rating. Resources to pay debt are derived from property taxes (real and personal), special assessments, income taxes, and operating transfers. The City's general obligation notes were funded by National City Bank with an interest rate of 1.63% on various improvement notes totaling \$440,000.

## ***CITY OF OREGON, OHIO***

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### ***Letter of Transmittal For the Year Ended December 31, 2005***

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The total long-term debt of the City as of December 31, 2005 consisted of the following:

Ohio Public Works Commission Loans	\$2,285,089
Ohio Water Development Authority Loans	20,667,056
Special Assessment Bonds with Governmental Commitment	1,354,985
General Obligation Bonds	3,225,000
Promissory Note	195,000
Total	<u>\$27,727,130</u>

The City has loans obtained from the Ohio Water Development Authority (OWDA), which have been used to finance water and wastewater plants and distribution and collection systems. The loans are being repaid from the water and wastewater income tax allocation, and from areas outside the City in Wood and Lucas Counties that have tapped into the City water and/or wastewater systems.

The ratio of property tax supported general bond debt to assessed value and the amount of bond debt per capita are considered to be good indicators to municipal managers, citizens and investors in general government debt of the City's debt position. The City's debt position as of December 31, 2005 was as follows:

Ratio of Net General Obligation Bonded Debt to Assessed Value	.13%
Net General Obligation Bonded Debt per Capita	\$41.49
Net General Obligation Bonded Debt	\$802,984

A more thorough presentation of the calculation of these figures is located in the statistical section of this report.

### **Cash Management**

Cash Management is a vital component of the City of Oregon's financial strategy. The primary objective of the City's investments was to maximize the rate of return while preserving the investment principal. The City pooled its cash for maximizing investment efficiency, except for that held by law in trusts and perpetual care funds, fiscal and escrow agents and certain debt service and trust and agency funds.

Public funds were invested to achieve the maximum return on the portfolio without assuming unreasonable risk. The City purchases investments only through member banks of the Federal Reserve System or broker-dealers registered with the U.S. Securities and Exchange Commission. Investments are diversified to avoid incurring unreasonable risks relating to a specific type of security or to a particular type of financial institution. Portfolio investments remain sufficiently liquid to ensure that all operating requirements are satisfied in a timely manner.

## **CITY OF OREGON, OHIO**

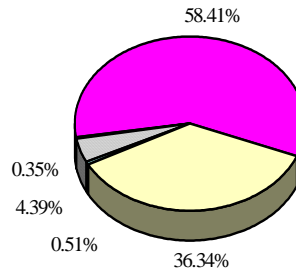
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### **Letter of Transmittal For the Year Ended December 31, 2005**

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The City's cash resources were invested on December 31, 2005 as follows:

<u>Cash Resources</u>	<u>2005</u>	<u>Percent of Total</u>
Cash	\$75,772	0.35%
Certificates of Deposit	12,578,661	58.41%
US Government Securities	7,825,942	36.34%
STAR Ohio	108,750	0.51%
City of Oregon SA Bonds	945,886	4.39%
<u>Total Resources</u>	<u>\$21,535,011</u>	<u>100.00%</u>



The City earned \$521,334 on investments for fiscal year 2005, which was credited to the governmental funds. The permanent funds also received investment earnings totaling \$2,141 in 2005, as required by the trust instruments.

At December 31, 2005, the City had bank deposits of \$14,557,748. Federal depository insurance covered \$300,000 of the bank balance and the rest of the deposits were uninsured. Ohio law requires that deposits be placed in eligible banks or savings and loans associations in Ohio. Any public depository in which the City places its deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of the deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or instrumentality of such county, municipal corporation or other authority.

### **Risk Management**

The City provides a self-funded insurance program for its employees, which is funded through the City's self-insurance internal service fund. The City also participated in the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Program for premium periods (calendar years) 1996 and 1997.

The City is a member of the Ohio Government Risk Management Plan (the "OGRMP"), a public entity risk plan formed under Section 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for 585 member political subdivisions. The City is covered for losses relating to general liability, law enforcement liability, public officials liability and emergency medical services liability coverage. Deductibles have been selected so as not to expose the City to excessive "first dollars" in claims.

**CITY OF OREGON, OHIO**

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**Letter of Transmittal  
For the Year Ended December 31, 2005**

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Deductibles for property damage coverages are as follows:

<u>Liability Coverage</u>	<u>Occurrence Limits</u>	<u>Aggregate Limits</u>	<u>Deductible</u>
Bodily Injury	\$5,000,000	\$7,000,000	
Property Damage	Included		
Personal Injury	Included		
Governmental Medical Service Liability	Included		
Fire Department Errors and Omissions	Included		
Public Officials Wrongful Act Liability	\$5,000,000	\$7,000,000	\$5,000 per Occurrence
Law Enforcement Agency Officers	\$5,000,000	\$7,000,000	\$5,000 per Occurrence
Employee Benefits Liability	\$1,000,000	\$3,000,000	
Automobile Liability	\$5,000,000		
Police			\$500 Comprehensive \$500 Collision
All Other			\$100 Comprehensive \$250 Collision
Premises	\$10,000		
Legal Liability - Real Property	\$1,000,000		

All claims are handled by the Finance Department, which is in direct contact with the insurance company. All claims are reviewed by the administration's legal counsel who is consulted on a regular basis.

There are periodic reviews of the City's claims and evaluations of acquisitions and disposals of capital assets. All vehicle changes are reported within thirty days of the purchase and/or disposal.

**AWARDS AND ACKNOWLEDGEMENTS**

**Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for excellence in Financial Reporting to those governmental entities that qualify. To be awarded the Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A certificate of Achievement is valid for a period of one year. The City received Certificates of Achievement for fiscal years 1993 through 2004. I believe that this, our thirteenth Comprehensive Annual Financial Report, meets the high standards set by GFOA for a Certificate of Achievement for Excellence in Financial Reporting, and we are submitting the report to GFOA.



**Letter of Transmittal  
For the Year Ended December 31, 2005**

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**Public Disclosure**

The publication of this Comprehensive Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Oregon, the recipients of this report include city, state, and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is an example of the City's continued efforts to improve its overall financial accounting, management and reporting capabilities.

**Acknowledgments**

The City of Oregon is pleased to be submitting the GAAP financial report utilizing the guidelines recommended by the GFOA. This report is the result of the continued cooperation and combined services of the Mayor, City Council, Judge, and administrative officials of the City of Oregon, the Lucas County Auditor's Office, independent auditors, Charles E. Harris & Associates, Inc., Certified Public Accountants and the State Auditor.

In addition, a special thank you to Donald J. Schonhardt and Associates, Inc. who provided the expertise, professionalism and guidance to complete this report. The Schonhardt firm was knowledgeable, kind and cooperative in working with the Finance Department staff.

Finance Department personnel are dedicated, professional, experienced accountants who work hard to provide excellent service to the financial operations of the City. Each of them substantively contributes to the information contained in this publication. The Finance Department Staff is:

<hr/> <b>Payroll</b> <hr/>	<hr/> <b>General Ledger/Grants/Payables</b> <hr/>
Cheryl Kneisley	Vicki Schwamberger
Susan Hopkins	DarLynn Huntermark
	Deborah Levy
<hr/> <b>Assessments/Grants/Investments/Debt</b> <hr/>	<hr/> <b>Receivables/Grants/Risk Management/CAFR</b> <hr/>
Kathleen Hufford	Jacqueline Holzauer

Sincerely,



James Auster Miller  
Finance Director

**CITY OF OREGON, OHIO**

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**List of Principal Officials  
For the Year Ended December 31, 2005**

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**Elected Officials**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Surety</u>
Marge Brown	Mayor	11/30/05	A,C
Donald Petroff	Municipal Judge	12/31/05	A,B,C
Mathew Szollosi	City Council	11/30/05	A,C
James Seaman	City Council	11/30/05	A,C
Jerry Peach	City Council	11/30/05	A,C
Jeffrey Keller	City Council	11/30/05	A,C
Michael Seferian	City Council	11/30/05	A,C
Sharon Rudess	City Council	11/30/05	A,C
Michael Sheehy	City Council, President	11/30/05	A,C
Paul Lambrecht	City Council	11/30/07 *	A,C
Sandy Bihn	City Council	11/30/07 *	A,C

\* new seat, term began 12/1/2005

**Administrators**

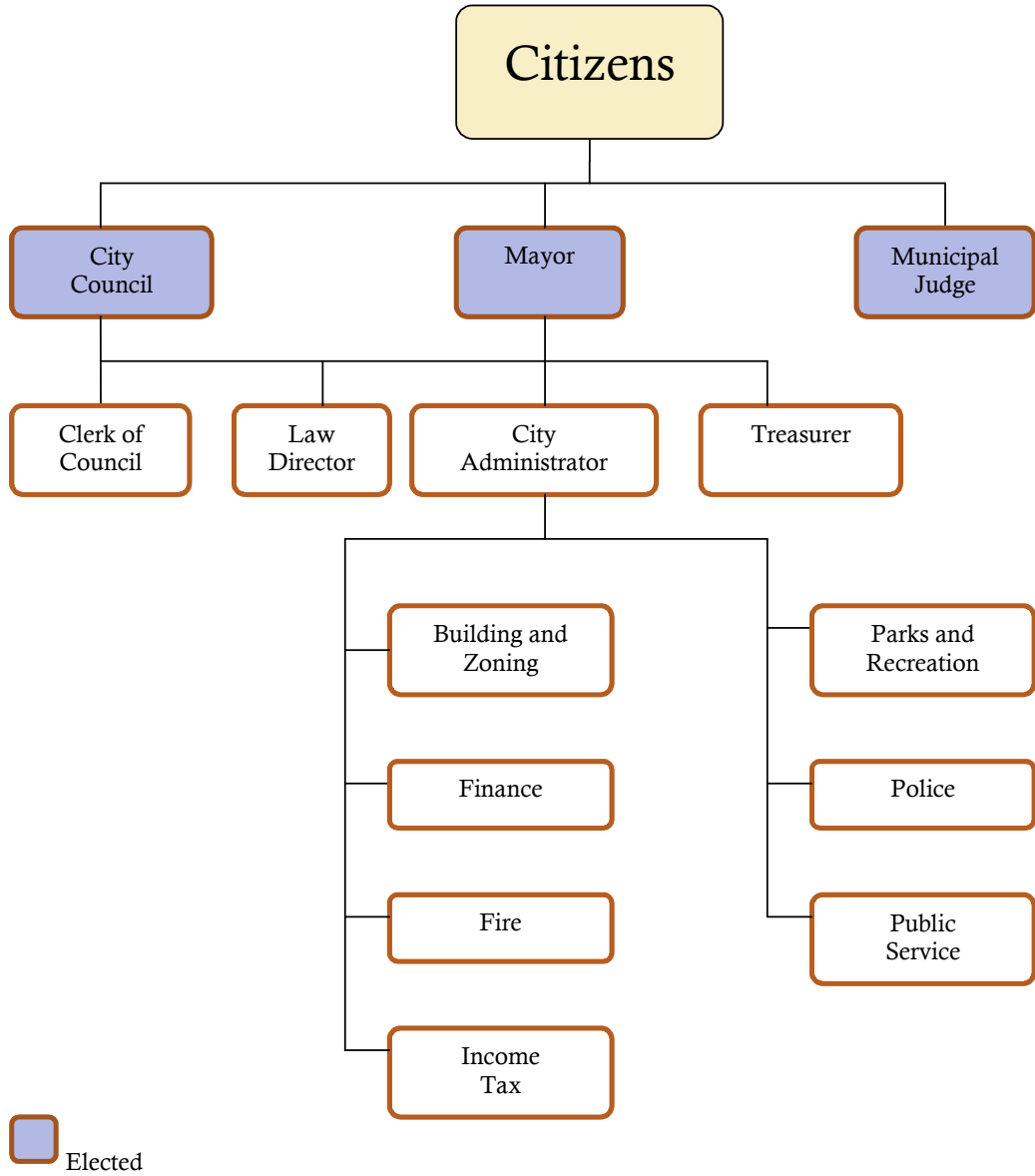
<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Surety</u>
Paul Goldberg	Director of Law	06/03/06	A,C
James Zsigray	Treasurer	Indefinite	\$25,000 Bond A,C
Kenneth Filipiak	City Administrator	Indefinite	A,B,C
James Austermler	Director of Finance	Indefinite	A,B,C
Paul Roman	Director of Public Service	Indefinite	A,B,C
Thomas Gulch	Chief of Police	Indefinite	A,B,C
Raymond Walendzak	Chief of Fire	Indefinite	A,B,C
Michael Rudey	Commissioner of Building and Zoning	Indefinite	A,B,C
Joseph Wasserman	Commissioner of Parks and Recreation	Indefinite	A,B,C
Patricia Wast	Commissioner of Taxation	Indefinite	A,B,C
Stacy A. DeShetler	Clerk of Courts	Indefinite	\$10,000 Bond A,B,C

Applies to All Elected Officials

- A. Public Officials \$10 Million/occurrence.
- B. In addition to individual bonds, there is a \$250,000 blanket bond for those administrators and employees who receive cash, and or receipt revenues.
- C. Insurance Term: August 15, 2005 thru August 14, 2006.

**City Organizational Chart  
For the Year Ended December 31, 2005**

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Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Oregon,  
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. Enos*

Executive Director

## Financial Section

A walking bridge was constructed for access to the new soccer fields from the Recreation Complex.





*City of Opportunity*

*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

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**REPORT OF INDEPENDENT ACCOUNTANTS**

City of Oregon  
Lucas County  
5330 Seaman Road  
Oregon, Ohio 43616

To the City Council:

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 Oregon (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 an opinion on these basic financial statements based on our audit.

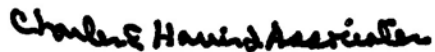
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

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 Oregon as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and Special Assessment Street Lighting Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 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, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory 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.

A handwritten signature in black ink that reads "Charles E. Harris". The signature is written in a cursive style.

*Charles E. Harris & Associates, Inc.*  
June 22, 2006



The discussion and analysis of the City of Oregon's financial performance provides an overall review of the City's financial activities for the fiscal 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 transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2005 are as follows:

- ❑ In total, net assets increased \$3,970,747. Net assets of governmental activities increased \$4,781,491, which represents a 9.8% increase from 2004. Net assets of business-type activities decreased \$810,744 million or 1.8% from 2004.
- ❑ General revenues accounted for \$23 million in revenue or 69% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 31% of total revenues of \$34,188,273 million.
- ❑ The City had \$23 million in expenses related to governmental activities; only \$4.4 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$23.5 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$16.9 million in revenues and \$13.3 million in expenditures. The general fund's fund balance increased \$1,700,223 to \$8,874,392 million.
- ❑ Net assets for enterprise funds decreased by \$809,036.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

### **Government-wide Statements**

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

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

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

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

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

### **Fund Financial Statements**

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

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

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

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

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

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a comparison of net assets between 2005 and 2004:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$40,666,088	\$35,610,238	\$5,237,753	\$4,978,747	\$45,903,841	\$40,588,985
Capital assets, Net	32,756,799	34,218,634	53,997,197	53,416,202	86,753,996	87,634,836
Total assets	<u>73,422,887</u>	<u>69,828,872</u>	<u>59,234,950</u>	<u>58,394,949</u>	<u>132,657,837</u>	<u>128,223,821</u>
Long-term debt outstanding	16,827,657	17,176,743	13,455,787	11,808,603	30,283,444	28,985,346
Other liabilities	3,385,686	4,224,076	376,589	373,028	3,762,275	4,597,104
Total liabilities	<u>20,213,343</u>	<u>21,400,819</u>	<u>13,832,376</u>	<u>12,181,631</u>	<u>34,045,719</u>	<u>33,582,450</u>
Net assets						
Invested in capital assets, net of related debt	17,899,937	18,802,014	40,766,929	42,177,182	58,666,866	60,979,196
Restricted	22,364,865	22,714,153	0	0	22,364,865	22,714,153
Unrestricted	12,944,742	6,911,886	4,635,645	4,036,136	17,580,387	10,948,022
Total net assets	<u>\$53,209,544</u>	<u>\$48,428,053</u>	<u>\$45,402,574</u>	<u>\$46,213,318</u>	<u>\$98,612,118</u>	<u>\$94,641,371</u>

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**CITY OF OREGON, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2005 and 2004:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,411,215	\$1,406,552	\$6,244,087	\$5,562,722	\$7,655,302	\$6,969,274
Operating Grants and Contributions	1,244,869	1,832,654	0	0	1,244,869	1,832,654
Capital Grants and Contributions	1,782,375	839,977	0	67,882	1,782,375	907,859
General revenues:			0	0	0	
Property Taxes	1,798,577	1,690,044	0	0	1,798,577	1,690,044
Income Taxes	15,801,488	12,364,427	0	0	15,801,488	12,364,427
Shared Revenues	2,190,869	2,654,456	0	0	2,190,869	2,654,456
Investment Earnings	587,306	419,313	8,821	12,760	596,127	432,073
Miscellaneous	3,118,666	2,930,224	0	0	3,118,666	2,930,224
Total Revenues	<u>27,935,365</u>	<u>24,137,647</u>	<u>6,252,908</u>	<u>5,643,364</u>	<u>34,188,273</u>	<u>29,781,011</u>
Program Expenses						
Security of Persons and Property	10,041,954	9,280,955	0	0	10,041,954	9,280,955
Public Health and Welfare Services	736,965	366,014	0	0	736,965	366,014
Leisure Time Activities	952,991	729,521	0	0	952,991	729,521
Community Environment	890,401	977,922	0	0	890,401	977,922
Basic Utility Services	508,777	466,381	0	0	508,777	466,381
Transportation	4,811,983	4,118,313	0	0	4,811,983	4,118,313
General Government	4,420,790	4,962,259	0	0	4,420,790	4,962,259
Interest and Fiscal Charges	673,053	519,607	0	0	673,053	519,607
Water	0	0	3,342,561	2,958,136	3,342,561	2,958,136
Sewer	0	0	3,838,051	4,280,238	3,838,051	4,280,238
Total Expenses	<u>23,036,914</u>	<u>21,420,972</u>	<u>7,180,612</u>	<u>7,238,374</u>	<u>30,217,526</u>	<u>28,659,346</u>
Excess (Deficiency) Before Transfers	4,898,451	2,716,675	(927,704)	(1,595,010)	3,970,747	1,121,665
Transfers In (Out)	<u>(116,960)</u>	<u>(3,267,838)</u>	<u>116,960</u>	<u>3,267,838</u>	<u>0</u>	<u>0</u>
Total Change in Net Assets	4,781,491	(551,163)	(810,744)	1,672,828	3,970,747	1,121,665
Beginning Net Assets - Restated	<u>48,428,053</u>	<u>48,979,216</u>	<u>46,213,318</u>	<u>44,540,490</u>	<u>94,641,371</u>	<u>93,519,706</u>
Ending Net Assets	<u>\$53,209,544</u>	<u>\$48,428,053</u>	<u>\$45,402,574</u>	<u>\$46,213,318</u>	<u>\$98,612,118</u>	<u>\$94,641,371</u>

**CITY OF OREGON, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

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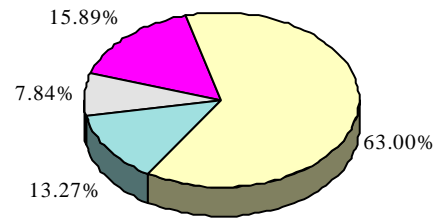
**Governmental Activities**

Net assets of the City's governmental activities increased by \$4,781,491. This was due primarily to a decrease in operating expenses and an increase in tax revenue.

The City also receives an income tax, which is based on 2.25% of all salaries, wages, commissions and other compensation earned from residents living within the City and from nonresidents for work or services performed or rendered in the City.

Property taxes and income taxes made up 6.4% and 56.6% respectively of revenues for governmental activities for the City in fiscal year 2005. The City's reliance upon tax revenues is demonstrated by the following graph indicating 63% of total revenues from general tax revenues:

<u>Revenue Sources</u>	<u>2005</u>	<u>Percent of Total</u>
General Shared Revenues	\$2,190,869	7.84%
Program Revenues	4,438,459	15.89%
General Tax Revenues	17,600,065	63.00%
General Other	3,705,972	13.27%
Total Revenue	<u>\$27,935,365</u>	<u>100.00%</u>



**Business-Type Activities**

Net assets of the business-type activities decreased by \$810,744. This decrease was due to increased capital outlays for capital projects.

**CITY OF OREGON, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$20,144,521, which is an increase from last year's balance of \$17,238,446. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2005 and 2004:

	Fund Balance <u>December 31, 2005</u>	Fund Balance <u>December 31, 2004</u>	Increase (Decrease)
General	\$8,874,392	\$7,174,169	\$1,700,223
Special Assessment Street Light	217,382	196,511	20,871
Special Assessment Bond Retirement	158,637	112,577	46,060
Other Governmental	<u>10,894,110</u>	<u>9,755,189</u>	<u>1,138,921</u>
Total	<u><u>\$20,144,521</u></u>	<u><u>\$17,238,446</u></u>	<u><u>\$2,906,075</u></u>

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

	2005 <u>Revenues</u>	2004 <u>Revenues</u>	Increase (Decrease)
Taxes	\$14,078,450	\$11,544,443	\$2,534,007
Intergovernmental Revenue	1,356,017	1,402,919	(46,902)
Charges for Services	331,490	314,618	16,872
Fines, Licenses and Permits	512,849	547,588	(34,739)
Investment Earnings	521,211	375,371	145,840
Special Assessments	3,998	12,409	(8,411)
All Other Revenue	<u>101,923</u>	<u>70,529</u>	<u>31,394</u>
Total	<u><u>\$16,905,938</u></u>	<u><u>\$14,267,877</u></u>	<u><u>\$2,638,061</u></u>

General Fund revenues in 2005 increased approximately 18.5% compared to revenues in fiscal year 2004. The most significant factor contributing to this increase was an increase in income tax revenue.

	2005 <u>Expenditures</u>	2004 <u>Expenditures</u>	Increase (Decrease)
Security of Persons and Property	\$7,199,944	\$6,657,007	\$542,937
Public Health and Welfare Services	357,559	348,108	9,451
Leisure Time Activities	3,744	2,500	1,244
Community Environment	583,784	505,799	77,985
Transportation	2,230,217	2,058,708	171,509
General Government	<u>2,966,101</u>	<u>2,767,244</u>	<u>198,857</u>
Total	<u><u>\$13,341,349</u></u>	<u><u>\$12,339,366</u></u>	<u><u>\$1,001,983</u></u>

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

General Fund expenditures increased by \$1,001,983 or 8.1% compared to the prior year mostly due to an increase in the cost of salaries, benefits and street improvements.

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

During the course of fiscal year 2005 the City amended its General Fund budget several times. None were significant.

For the General Fund, final budget basis revenue of \$12.8 million did not significantly change over the original budget estimates of \$12.8 million. The General Fund had an adequate fund balance to cover expenditures.

The increases in fund balances for the Special Assessment Street Light Fund and the Special Assessment Bond Retirement Fund can be attributed to an increase in special assessment collections during 2005.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2005 the City had \$86,393,996 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$32,756,799 was related to governmental activities and \$53,637,197 to business-type activities. The following table shows fiscal year 2005 and 2004 balances:

	Governmental Activities		Increase (Decrease)
	2005	2004	
Land	\$5,289,812	\$5,279,762	\$10,050
Buildings and Improvements	7,482,580	7,347,608	134,972
Infrastructure	39,595,638	39,083,281	512,357
Machinery and Equipment	3,627,927	3,600,382	27,545
Vehicles	6,104,138	5,954,005	150,133
Construction in Progress	390,788	923,459	(532,671)
Less: Accumulated Depreciation	(29,734,084)	(27,969,863)	(1,764,221)
Totals	<u>\$32,756,799</u>	<u>\$34,218,634</u>	<u>(\$1,461,835)</u>

	Business-Type Activities		Increase (Decrease)
	2005	2004	
Land	\$1,737,645	\$1,737,645	\$0
Buildings and Distribution	50,678,337	50,670,462	7,875
Machinery and Equipment	23,617,172	23,611,846	5,326
Vehicles	852,118	842,761	9,357
Construction in Progress	19,453,345	17,108,824	2,344,521
Less: Accumulated Depreciation	(42,701,420)	(40,555,336)	(2,146,084)
Totals	<u>\$53,637,197</u>	<u>\$53,416,202</u>	<u>\$220,995</u>

**CITY OF OREGON, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

The primary increases occurred in infrastructure and construction in progress. This was due to an increase in street improvements and sewer improvements during 2005.

As of December 31, 2005, the City has contractual commitments of \$7,796,005 for various projects. Included in these projects are the design of the water treatment plant expansion, street improvements, water mains and sanitary sewer trunk lines. Additional information on the City's capital assets can be found in Note 9.

**Debt**

At December 31, 2005, the City had \$4.5 million in bonds outstanding, \$446,166 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Governmental Activities:		
General Obligation Bonds	\$805,000	\$980,000
Special Assessment Bonds	1,354,985	1,464,514
Promissory Note	195,000	0
OWDA Loans Payable	10,216,788	10,630,957
OPWC Loans Payable	2,285,089	2,341,149
Pension Liability	55,523	56,456
Compensated Absences	1,915,272	1,703,667
Total Governmental Activities	<u>16,827,657</u>	<u>17,176,743</u>
Business-Type Activities:		
General Obligation Bonds	\$2,420,000	\$2,555,000
OWDA Loans Payable	10,450,268	8,684,020
Compensated Absences	585,519	569,583
Total Business-Type Activities	<u>13,455,787</u>	<u>11,808,603</u>
Totals	<u>\$30,283,444</u>	<u>\$28,985,346</u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Oregon lies, is limited to ten mills. At December 31, 2005, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.



**ECONOMIC FACTORS**

The City's original budget for 2005 utilized conservative revenue estimates with limited increases in base operating costs. The City was able to maintain current service levels without utilizing current fund balance reserves. Original General Fund revenues were projected to be at the same level as actual receipts for 2004. This was due to a projected increase in interest income because of the higher interest rates on investments and uncertainty in the amount of actual municipal income taxes to be collected due to uncertain economic conditions.

General Fund expenditures were originally budgeted at 1% more than 2005 actual expenditures. No additional personnel were added in the final approved budget. Department requests were reduced from original submissions; certain requested capital projects and capital acquisitions were eliminated or reduced; and only those items that management and City Council determined necessary were appropriated.

City Council continues to pursue new revenue sources, while reviewing the possibility of increasing existing sources, in addition to a continued review of reducing expenditures. A close watch of current economic conditions is ongoing to determine if increased revenues, or further reductions in expenditures, are necessary in order to maintain fiscal stability.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 419-698-7000 or writing to City of Oregon Finance Department, 5330 Seaman Road, Oregon, Ohio 43616.



*City of Opportunity*

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**CITY OF OREGON, OHIO**

**Statement of Net Assets  
December 31, 2005**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 61,282	\$ 2,741	\$ 64,023
Investments	17,261,803	4,088,686	21,350,489
Receivables:			
Taxes	5,819,018	0	5,819,018
Accounts	98,529	1,006,487	1,105,016
Intergovernmental	2,044,033	0	2,044,033
Interest	159,905	0	159,905
Special Assessments	14,723,946	0	14,723,946
Intergovernmental Loan	0	58,966	58,966
Internal Balances	(61,059)	61,059	0
Inventory of Supplies at Cost	417,326	292,706	710,032
Prepaid Items	141,305	87,108	228,413
Capital Assets:			
Capital Assets Not Being Depreciated	5,680,600	21,190,990	26,871,590
Capital Assets Being Depreciated, Net	27,076,199	32,446,207	59,522,406
<b>Total Assets</b>	<b>73,422,887</b>	<b>59,234,950</b>	<b>132,657,837</b>
<b>Liabilities:</b>			
Accounts Payable	240,997	197,349	438,346
Accrued Wages and Benefits	893,206	171,319	1,064,525
Intergovernmental Payable	59,894	1,367	61,261
Workers Compensation Liability	236,983	0	236,983
Unearned Revenue	1,499,794	0	1,499,794
Accrued Interest Payable	14,812	6,554	21,366
General Obligation Notes Payable	440,000	0	440,000
Noncurrent liabilities:			
Due within one year	1,651,687	992,925	2,644,612
Due in more than one year	15,175,970	12,462,862	27,638,832
<b>Total Liabilities</b>	<b>20,213,343</b>	<b>13,832,376</b>	<b>34,045,719</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	17,899,937	40,766,929	58,666,866
Restricted For:			
Capital Projects	6,698,625	0	6,698,625
Debt Service	10,364,957	0	10,364,957
Street Construction, Maintenance and Repair	574,738	0	574,738
Court Special Projects	210,204	0	210,204
Housing Assistance	715,046	0	715,046
Solid Waste	767,893	0	767,893
Storm Sewer Project	1,624,328	0	1,624,328
Street Lighting	217,382	0	217,382
Hazardous Waste Landfill	119,893	0	119,893
Perpetual Care:			
Nonexpendable	79,401	0	79,401
Other Purposes	992,398	0	992,398
Unrestricted	12,944,742	4,635,645	17,580,387
<b>Total Net Assets</b>	<b>\$ 53,209,544</b>	<b>\$ 45,402,574</b>	<b>\$ 98,612,118</b>

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2005**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 10,041,954	\$ 343,091	\$ 183,718	\$ 436,827
Public Health and Welfare Services	736,965	60,937	0	0
Leisure Time Activities	952,991	185,496	0	0
Community Environment	890,401	235,138	154,000	0
Basic Utility Services	508,777	550	0	1,292,521
Transportation	4,811,983	104,172	907,151	22,457
General Government	4,420,790	481,831	0	30,570
Interest and Fiscal Charges	673,053	0	0	0
<b>Total Governmental Activities</b>	<b>23,036,914</b>	<b>1,411,215</b>	<b>1,244,869</b>	<b>1,782,375</b>
<b>Business-Type Activities:</b>				
Water	3,342,561	3,431,074	0	0
Sewer	3,838,051	2,813,013	0	0
<b>Total Business-Type Activities</b>	<b>7,180,612</b>	<b>6,244,087</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$ 30,217,526</b>	<b>\$ 7,655,302</b>	<b>\$ 1,244,869</b>	<b>\$ 1,782,375</b>

**General Revenues**

Property Taxes  
Municipal Income Taxes  
Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Miscellaneous  
Transfers  
  
Total General Revenues and Transfers  
  
Change in Net Assets  
  
Net Assets Beginning of Year  
  
Net Assets End of Year

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

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Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (9,078,318)	\$ 0	\$ (9,078,318)
(676,028)	0	(676,028)
(767,495)	0	(767,495)
(501,263)	0	(501,263)
784,294	0	784,294
(3,778,203)	0	(3,778,203)
(3,908,389)	0	(3,908,389)
(673,053)	0	(673,053)
<u>(18,598,455)</u>	<u>0</u>	<u>(18,598,455)</u>
0	88,513	88,513
<u>0</u>	<u>(1,025,038)</u>	<u>(1,025,038)</u>
<u>0</u>	<u>(936,525)</u>	<u>(936,525)</u>
<u>(18,598,455)</u>	<u>(936,525)</u>	<u>(19,534,980)</u>
1,798,577	0	1,798,577
15,801,488	0	15,801,488
2,190,869	0	2,190,869
587,306	8,821	596,127
3,118,666	0	3,118,666
<u>(116,960)</u>	<u>116,960</u>	<u>0</u>
<u>23,379,946</u>	<u>125,781</u>	<u>23,505,727</u>
4,781,491	(810,744)	3,970,747
<u>48,428,053</u>	<u>46,213,318</u>	<u>94,641,371</u>
<u>\$ 53,209,544</u>	<u>\$ 45,402,574</u>	<u>\$ 98,612,118</u>

**CITY OF OREGON, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2005**

	General	Special Assessment Street Light	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 3,883	\$ 161	\$ 106	\$ 6,384	\$ 10,534
Investments	5,714,193	240,081	158,531	10,548,362	16,661,167
Receivables:					
Taxes	4,429,819	0	0	1,389,199	5,819,018
Accounts	63,603	0	0	34,926	98,529
Intergovernmental	720,262	0	0	1,323,771	2,044,033
Interest	158,346	0	0	1,559	159,905
Special Assessments	143,297	2,364,404	10,210,603	2,005,642	14,723,946
Inventory of Supplies, at Cost	417,326	0	0	0	417,326
Prepaid Items	129,835	0	0	1,916	131,751
<b>Total Assets</b>	<b>\$ 11,780,564</b>	<b>\$ 2,604,646</b>	<b>\$ 10,369,240</b>	<b>\$ 15,311,759</b>	<b>\$ 40,066,209</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 110,952	\$ 22,860	\$ 0	\$ 107,185	\$ 240,997
Accrued Wages and Benefits Payable	636,836	0	0	256,370	893,206
Intergovernmental Payable	59,894	0	0	0	59,894
Deferred Revenue	2,098,490	2,364,404	10,210,603	3,605,581	18,279,078
Accrued Interest Payable	0	0	0	8,513	8,513
General Obligation Notes Payable	0	0	0	440,000	440,000
<b>Total Liabilities</b>	<b>2,906,172</b>	<b>2,387,264</b>	<b>10,210,603</b>	<b>4,417,649</b>	<b>19,921,688</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	224,431	0	0	547,250	771,681
Reserved for Prepaid Items	129,835	0	0	1,916	131,751
Reserved for Supplies Inventory	417,326	0	0	0	417,326
Reserved for Debt Service	0	0	158,637	2,016	160,653
Reserved for Endowments	0	0	0	79,401	79,401
Undesignated/Unreserved in:					
General Fund	8,102,800	0	0	0	8,102,800
Special Revenue Funds	0	217,382	0	3,756,010	3,973,392
Capital Projects Funds	0	0	0	6,507,517	6,507,517
<b>Total Fund Balances</b>	<b>8,874,392</b>	<b>217,382</b>	<b>158,637</b>	<b>10,894,110</b>	<b>20,144,521</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 11,780,564</b>	<b>\$ 2,604,646</b>	<b>\$ 10,369,240</b>	<b>\$ 15,311,759</b>	<b>\$ 40,066,209</b>

See accompanying notes to the basic financial statements

***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2005***

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<b>Total Governmental Fund Balances</b>	\$ 20,144,521
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	32,756,799
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	16,779,284
Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	362,896
Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(16,833,956)</u>
<b><i>Net Assets of Governmental Funds</i></b>	<b><u><u>\$ 53,209,544</u></u></b>

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2005**

	General	Special Assessment Street Light	Special Assessment Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 1,047,587	\$ 0	\$ 0	\$ 703,530	\$ 1,751,117
Municipal Income Taxes	13,030,863	0	0	2,751,340	15,782,203
Intergovernmental Revenues	1,356,017	0	0	2,988,014	4,344,031
Charges for Services	331,490	0	0	456,627	788,117
Licenses, Permits and Fees	209,479	0	0	0	209,479
Investment Earnings	521,211	0	0	2,264	523,475
Special Assessments	3,998	226,336	344,582	169,938	744,854
Fines and Forfeitures	303,370	0	0	135,637	439,007
All Other Revenue	101,923	0	0	259,067	360,990
<b>Total Revenue</b>	<b>16,905,938</b>	<b>226,336</b>	<b>344,582</b>	<b>7,466,417</b>	<b>24,943,273</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	7,199,944	205,465	0	1,800,805	9,206,214
Public Health and Welfare Services	357,559	0	0	1,856	359,415
Leisure Time Activities	3,744	0	0	646,351	650,095
Community Environment	583,784	0	0	264,398	848,182
Basic Utility Services	0	0	0	508,777	508,777
Transportation	2,230,217	0	0	1,189,018	3,419,235
General Government	2,966,101	0	0	1,205,056	4,171,157
Capital Outlay	0	0	0	1,546,196	1,546,196
Debt Service:					
Principal Retirement	0	0	523,698	369,056	892,754
Interest & Fiscal Charges	0	0	613,943	56,747	670,690
<b>Total Expenditures</b>	<b>13,341,349</b>	<b>205,465</b>	<b>1,137,641</b>	<b>7,588,260</b>	<b>22,272,715</b>
Excess (Deficiency) of Revenues Over Expenditures	3,564,589	20,871	(793,059)	(121,843)	2,670,558
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	18,976	0	0	22,844	41,820
General Obligation Notes Issued	0	0	0	195,000	195,000
OPWC Loans Issued	0	0	0	137,996	137,996
Transfers In	951,066	0	839,119	4,135,071	5,925,256
Transfers Out	(2,812,069)	0	0	(3,230,147)	(6,042,216)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,842,027)</b>	<b>0</b>	<b>839,119</b>	<b>1,260,764</b>	<b>257,856</b>
Net Change in Fund Balances	1,722,562	20,871	46,060	1,138,921	2,928,414
<b>Fund Balances at Beginning of Year</b>	<b>7,174,169</b>	<b>196,511</b>	<b>112,577</b>	<b>9,755,189</b>	<b>17,238,446</b>
Decrease in Inventory Reserve	(22,339)	0	0	0	(22,339)
<b>Fund Balances End of Year</b>	<b>\$ 8,874,392</b>	<b>\$ 217,382</b>	<b>\$ 158,637</b>	<b>\$ 10,894,110</b>	<b>\$ 20,144,521</b>

See accompanying notes to the basic financial statements



***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***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 2,928,414

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (1,408,325)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of fixed assets net of proceeds received. (53,510)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 2,950,272

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 560,691

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (2,363)

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (233,944)

The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. 40,256

***Change in Net Assets of Governmental Activities*** \$ 4,781,491

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 850,100	\$ 850,100	\$ 1,047,587	\$ 197,487
Municipal Income Taxes	9,800,000	9,800,000	11,453,009	1,653,009
Intergovernmental Revenue	1,194,250	1,194,250	1,348,600	154,350
Charges for Services	190,000	190,000	331,882	141,882
Licenses, Permits and Fees	196,400	196,400	209,386	12,986
Investment Earnings	200,000	200,000	599,147	399,147
Special Assessments	3,000	3,000	3,998	998
Fines and Forfeitures	285,500	285,500	305,709	20,209
All Other Revenues	121,500	121,500	101,960	(19,540)
Total Revenues	<u>12,840,750</u>	<u>12,840,750</u>	<u>15,401,278</u>	<u>2,560,528</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	7,006,043	7,375,275	7,261,394	113,881
Public Health and Welfare Services	366,576	369,576	356,626	12,950
Leisure Time Activities	5,000	6,600	4,624	1,976
Community Environment	606,154	606,039	594,150	11,889
Transportation	2,208,288	2,387,726	2,303,054	84,672
General Government	3,102,955	3,292,086	3,041,018	251,068
Total Expenditures	<u>13,295,016</u>	<u>14,037,302</u>	<u>13,560,866</u>	<u>476,436</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(454,266)	(1,196,552)	1,840,412	3,036,964
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	10,000	10,000	18,976	8,976
Transfers In	1,030,905	1,030,905	951,066	(79,839)
Transfers Out	(2,864,920)	(2,864,920)	(2,812,069)	52,851
Total Other Financing Sources (Uses):	<u>(1,824,015)</u>	<u>(1,824,015)</u>	<u>(1,842,027)</u>	<u>(18,012)</u>
Net Change In Fund Balance	(2,278,281)	(3,020,567)	(1,615)	3,018,952
Fund Balance at Beginning of Year	5,165,256	5,165,256	5,165,256	0
Prior Year Encumbrances	344,407	344,407	344,407	0
Fund Balance at End of Year	<u>\$ 3,231,382</u>	<u>\$ 2,489,096</u>	<u>\$ 5,508,048</u>	<u>\$ 3,018,952</u>

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

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**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund – Special Assessment Street Lighting Fund  
For the Year Ended December 31, 2005**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 203,000	\$ 203,000	\$ 226,336	\$ 23,336
Total Revenues	<u>203,000</u>	<u>203,000</u>	<u>226,336</u>	<u>23,336</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	<u>204,600</u>	<u>204,600</u>	<u>204,333</u>	<u>267</u>
Total Expenditures	<u>204,600</u>	<u>204,600</u>	<u>204,333</u>	<u>267</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,600)	(1,600)	22,003	23,603
Fund Balance at Beginning of Year	<u>218,239</u>	<u>218,239</u>	<u>218,239</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 216,639</u>	<u>\$ 216,639</u>	<u>\$ 240,242</u>	<u>\$ 23,603</u>

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2005**

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Sewer	Total	
<b>ASSETS</b>				
Current assets:				
Cash and Cash Equivalents	\$ 615	\$ 2,126	\$ 2,741	\$ 50,748
Investments	917,456	3,171,230	4,088,686	600,636
Accounts receivable (net of allow for uncollectibles)	566,120	440,367	1,006,487	0
Intergovernmental Loan receivable	0	58,966	58,966	0
Inventory of Supplies at Cost	275,742	16,964	292,706	0
Prepaid Items	43,427	43,681	87,108	9,554
Total current assets	<u>1,803,360</u>	<u>3,733,334</u>	<u>5,536,694</u>	<u>660,938</u>
Noncurrent assets:				
Capital assets:				
Property, Plant and Equipment	27,562,945	49,322,327	76,885,272	0
Construction in Progress	809,381	18,643,964	19,453,345	0
Less accumulated depreciation	(17,015,600)	(25,685,820)	(42,701,420)	0
Total capital assets (net of accumulated depr)	<u>11,356,726</u>	<u>42,280,471</u>	<u>53,637,197</u>	<u>0</u>
Total noncurrent assets	<u>11,356,726</u>	<u>42,280,471</u>	<u>53,637,197</u>	<u>0</u>
Total assets	<u>13,160,086</u>	<u>46,013,805</u>	<u>59,173,891</u>	<u>660,938</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts Payable	47,909	149,440	197,349	0
Accrued Wages and Benefits	101,415	69,904	171,319	0
Intergovernmental Payable	0	1,367	1,367	0
Workers Compensation Liability	0	0	0	236,983
Accrued Interest Payable	0	6,554	6,554	0
General Obligation Bonds Payable - Current	0	140,000	140,000	0
OWDA Loans Payable - Current	0	677,535	677,535	0
Total Current Liabilities	<u>149,324</u>	<u>1,044,800</u>	<u>1,194,124</u>	<u>236,983</u>
Noncurrent Liabilities:				
General Obligation Bonds Payable	0	2,280,000	2,280,000	0
OWDA Loans Payable	0	9,772,733	9,772,733	0
Compensated Absences Payable	358,619	226,900	585,519	0
Total noncurrent liabilities	<u>358,619</u>	<u>12,279,633</u>	<u>12,638,252</u>	<u>0</u>
<b>Total Liabilities</b>	<u>507,943</u>	<u>13,324,433</u>	<u>13,832,376</u>	<u>236,983</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	11,356,726	29,410,203	40,766,929	0
Unrestricted	1,295,417	3,279,169	4,574,586	423,955
Total Net Assets	<u>\$ 12,652,143</u>	<u>\$ 32,689,372</u>	<u>45,341,515</u>	<u>\$ 423,955</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			61,059	
Net Assets of Business-type Activities			<u>\$ 45,402,574</u>	

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2005**

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Sewer	Total	
<b>Operating Revenues:</b>				
Charges for Services	\$ 3,411,395	\$ 2,750,960	\$ 6,162,355	\$ 51,497
Other Charges for Services	18,940	4,717	23,657	0
Other Operating Revenues	739	15,367	16,106	67,319
<b>Total Operating Revenues</b>	<b>3,431,074</b>	<b>2,771,044</b>	<b>6,202,118</b>	<b>118,816</b>
<b>Operating Expenses:</b>				
Personal Services	1,609,483	1,202,318	2,811,801	80,268
Contractual Services	316,964	457,028	773,992	0
Materials and Supplies	246,322	68,192	314,514	0
Utilities	288,162	380,740	668,902	0
Depreciation	879,826	1,283,631	2,163,457	0
<b>Total Operating Expenses</b>	<b>3,340,757</b>	<b>3,391,909</b>	<b>6,732,666</b>	<b>80,268</b>
<b>Operating Income (Loss)</b>	<b>90,317</b>	<b>(620,865)</b>	<b>(530,548)</b>	<b>38,548</b>
<b>Non-Operating Revenue (Expenses):</b>				
Interest Income	0	8,821	8,821	0
Interest and Fiscal Charges	0	(446,238)	(446,238)	0
Other Nonoperating Revenue	0	41,969	41,969	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>0</b>	<b>(395,448)</b>	<b>(395,448)</b>	<b>0</b>
<b>Income (Loss) Before Transfers</b>	<b>90,317</b>	<b>(1,016,313)</b>	<b>(925,996)</b>	<b>38,548</b>
Transfers In	174,085	1,070,384	1,244,469	0
Transfers Out	(509,542)	(617,967)	(1,127,509)	0
<b>Change in Net Assets</b>	<b>(245,140)</b>	<b>(563,896)</b>	<b>(809,036)</b>	<b>38,548</b>
Net Assets Beginning of Year	12,897,283	33,253,268	46,150,551	385,407
<b>Net Assets End of Year</b>	<b>\$ 12,652,143</b>	<b>\$ 32,689,372</b>	<b>45,341,515</b>	<b>\$ 423,955</b>
Change in Net Assets - Total Enterprise Funds			(809,036)	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			(1,708)	
Change in Net Assets - Business-type Activities			<u><u>\$ (810,744)</u></u>	

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2005**

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Sewer	Totals	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$3,206,560	\$2,766,009	\$5,972,569	\$118,816
Cash Payments for Goods and Services	(964,782)	(912,143)	(1,876,925)	0
Cash Payments to Employees	(1,604,747)	(1,228,162)	(2,832,909)	(85,962)
Net Cash Provided by Operating Activities	637,031	625,704	1,262,735	32,854
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	174,085	1,775,422	1,949,507	0
Transfers Out to Other Funds	(509,542)	(617,967)	(1,127,509)	0
Net Cash Provided (Used) by Noncapital Financing Activities	(335,457)	1,157,455	821,998	0
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition and Construction of Assets	(39,931)	(2,265,664)	(2,305,595)	0
Principal Paid on General Obligation Bonds	0	(135,000)	(135,000)	0
Proceeds from Ohio Water Development Authority Loans	0	2,358,564	2,358,564	0
Principal Paid on				
Ohio Water Development Authority Loans	0	(592,316)	(592,316)	0
Interest Paid on All Debt	0	(1,151,642)	(1,151,642)	0
Net Cash Provided Used for Capital and Related Financing Activities	(39,931)	(1,786,058)	(1,825,989)	0
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	(280,422)	(95,761)	(376,183)	(600,636)
Receipts of Interest	0	8,821	8,821	0
Net Cash Used by Investing Activities	(280,422)	(86,940)	(367,362)	(600,636)
Net Decrease in Cash and Cash Equivalents	(18,779)	(89,839)	(108,618)	(567,782)
Cash and Cash Equivalents at Beginning of Year	19,394	91,965	111,359	618,530
Cash and Cash Equivalents at End of Year	\$615	\$2,126	\$2,741	\$50,748
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income (Loss)	\$90,317	(\$620,865)	(\$530,548)	\$38,548
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided by Operating Activities:				
Miscellaneous Nonoperating Income	0	41,969	41,969	0
Depreciation Expense	879,826	1,283,631	2,163,457	0
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(224,514)	(5,035)	(229,549)	0
Decrease (Increase) in Inventory	(122,918)	4,643	(118,275)	0
Increase in Prepaid Items	(443)	(4,882)	(5,325)	(5,694)
Increase (Decrease) in Accounts Payable	10,027	(47,913)	(37,886)	0
Increase (Decrease) in Accrued Wages and Benefits	6,411	(43,455)	(37,044)	0
Increase (Decrease) in Compensated Absences	(1,675)	17,611	15,936	0
Total Adjustments	546,714	1,246,569	1,793,283	(5,694)
Net Cash Provided by Operating Activities	\$637,031	\$625,704	\$1,262,735	\$32,854

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2005, the Sewer Fund had an outstanding liability of \$86,847 for the purchase of certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

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**Statement of Net Assets  
Fiduciary Funds  
December 31, 2005**

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	<u>Private Purpose Trust</u>	
	<u>Unclaimed Monies Fund</u>	<u>Agency</u>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 28,402	\$ 92,097
<b>Total Assets</b>	<u>28,402</u>	<u>92,097</u>
<b>Liabilities:</b>		
Intergovernmental Payable	0	27,064
Due to Others	0	65,033
<b>Total Liabilities</b>	<u>0</u>	<u>92,097</u>
Unrestricted	28,402	0
<b>Total Net Assets</b>	<u>\$ 28,402</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF OREGON, OHIO**

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**Statement of Changes in Net Assets  
Fiduciary Funds  
For the Year Ended December 31, 2005**

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	<u>Private Purpose Trust</u>
	<u>Unclaimed Monies Fund</u>
<b>Additions:</b>	
Contributions:	
Private Donations	\$ 4,043
Total Additions	<u>4,043</u>
<b>Deductions:</b>	
Administrative Expenses	<u>2,679</u>
Total Deductions	<u>2,679</u>
Change in Net Assets	1,364
Net Assets at Beginning of Year	<u>27,038</u>
Net Assets End of Year	<u><u>\$ 28,402</u></u>

See accompanying notes to the basic financial statements



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Oregon, Ohio (the "City") is a home rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Mayor/Council form of government, was adopted in 1958 and has been amended several times, most recently in 2002.

**A. Reporting Entity**

The accompanying basic financial statements of the City present the financial position of the various fund types, the results of operations of the various fund types and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2005 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

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

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: police and fire protection, emergency medical, parks, recreation, cemetery, planning, zoning, street maintenance, judicial administration and other governmental services. In addition, the City owns and operates a water treatment and distribution system and a wastewater treatment and collection system which are reported as enterprise funds.

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

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting (Continued)**

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

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

Special Assessment - Street Light Fund - This fund is used to account for revenues from general fund transfers and from assessments on real property. Expenditures may only be used to pay for street light operations, including capital improvements.

Special Assessment Bond Retirement Fund - This fund is used to accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment bonds.

***Proprietary Funds***

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has three internal service funds, the Self Insurance Dental / Emergency Room Fund, the Workers' Compensation Fund and the Medical Spending Fund. These funds are used to account for monies received from city departments to cover the costs related to the self insurance program, potential liabilities for workers' compensation and for deposits from the employees into the medical cafeteria plan.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and therefore not available to support the City's own programs. The City's only trust fund is a private purpose trust that accounts for unclaimed monies. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on a full accrual basis of accounting. The City has four agency funds. These funds are used to account for monies received by the City in situations where the City's role is purely custodial in nature. The four funds are the Municipal Court Fund, which accounts for monies that flow through the municipal court office, the Ohio Board of Building Standards Assessment Fund, which accounts for assessed funds as required by the Ohio Revised Code, the Income Tax Joint District Fund, which accounts for income tax funds to be distributed between the City of Oregon and the City of Northwood and the Lucas County Water Collection Fund, which accounts for a portion of the revenue from Lucas County users of the City of Oregon's water.

**C. Basis of Presentation – Financial Statements**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

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

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

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

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

**D. Basis of Accounting**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

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

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

Special assessment installments, which are measurable, but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2005, but which are not intended to finance 2005 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 6.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Government-Wide Statements are also prepared using the accrual basis of accounting.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. Budgetary control is maintained by not permitting expenditures to exceed appropriations by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay, and transfers) by department without the approval of City Council. Budgetary modifications above the major object level by fund may only be made by ordinance of the City Council.

**1. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the first and final amended official certificate of estimated resources issued during 2005.

**2. Appropriations**

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level. The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. During the year several supplemental appropriations were necessary to budget the use of contingency funds, major capital improvement projects and intergovernmental grant proceeds. Administrative control is maintained through the establishment of more detailed line-item budgets. The Finance Director may transfer appropriations among line items within a department, within a major object.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

3. Encumbrances

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

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

5. Budgetary Basis of Accounting (Continued)

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

	Net Change In Fund Balance	
	General Fund	Special Assessment Street Lighting Fund
GAAP Basis (as reported)	\$1,722,562	\$20,871
Increase (Decrease):		
Accrued Revenues at December 31, 2005 received during 2006	(3,337,408)	0
Accrued Revenues at December 31, 2004 received during 2005	1,857,048	0
Accrued Expenditures at December 31, 2005 paid during 2006	807,682	22,860
Accrued Expenditures at December 31, 2004 paid during 2005	(743,648)	(21,728)
2004 Prepays for 2005	111,441	0
2005 Prepays for 2006	(129,835)	0
Outstanding Encumbrances	(289,457)	0
Budget Basis	<u>(\$1,615)</u>	<u>\$22,003</u>

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, short-term certificates of deposit and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements. The certificates of deposit are considered cash equivalents because they are highly liquid investments with original maturity dates of three months or less.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents** (Continued)

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' shares of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 5, "Cash, Cash Equivalents and Investments."

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code and the Oregon Municipal Code. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*", the City records all its investments at fair value except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2005. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2005.

**H. Inventory**

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

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements. All infrastructure acquired prior to the implementation of GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”, has been reported.

**2. Property, Plant and Equipment – Business Type Activities**

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

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

**3. Depreciation**

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

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	20 - 40
Improvements other than Buildings/Infrastructure	10 - 50
Machinery, Equipment, Furniture and Fixtures	5 - 10

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	General Obligation Bond Retirement Fund Sewer Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Water Development Authority Loans	Special Assessment Bond Retirement Fund Sewer Fund
Ohio Public Works Commission Loan	General Obligation Bond Retirement Fund Sewer Fund
Promissory Notes	General Obligation Bond Retirement Fund
Police and Firemen's Pension Accrued Liability	General Fund
Compensated Absences	General Fund Emergency Medical Services Operating Fund Recreation Fund, Water Fund, Sewer Fund

**L. Compensated Absences**

All full-time City employees earn vacation at varying rates based upon length of service. Carryovers are allowed by contracts up to 40 hours for bargaining contracts and 120 hours for non-bargaining legislation. Any additions require legislative approval. Upon separation from the City, the employee (or his estate) is paid for his accumulated unused vacation leave balance.

All full-time City employees earn sick leave at the rate of 1.25 days per calendar month of active service. Upon retirement from the City's service, an employee receives one hour of monetary compensation for each two hours of unused sick leave. The monetary compensation is equal to the hourly rate of compensation of the employee at the time of retirement.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction of improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**N. Pensions**

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

**O. Interfund Activity**

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

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

**P. Reservations of Fund Balance**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**R. Operating Revenues and Expenses**

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

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2005.

**NOTE 2 – CHANGES 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 establishes accounting and financial reporting standards for impairment of capital assets. This statement also clarifies and establishes accounting revenues for insurance recoveries.

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the City, however additional note disclosure can be found in Note 5, "Cash, Cash Equivalents and Investments." The implementation of GASB Statement No. 42 did not have an effect on the financial statements of the City.

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005*

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**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

Delinquent Income Tax Revenue	\$153,024
Delinquent Property Tax Revenue	422,960
Shared Revenues	1,330,589
Interest Revenues	148,765
Special Assessment Revenue	<u>14,723,946</u>
	\$16,779,284

*Long-Term liabilities not reported in the funds:*

Special Assessment Bonds Payable	(\$1,354,986)
General Obligation Bonds Payable	(805,000)
OPWC Loans Payable	(2,285,089)
OWDA Loans Payable	(10,216,787)
Promissory Note Payable	(195,000)
Accrued Pension Liability	(55,523)
Accrued Interest on Long-Term Debt	(6,299)
Compensated Absences Payable	<u>(1,915,272)</u>
	(\$16,833,956)

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

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

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

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

Capital Outlay	\$542,937
Depreciation Expense	<u>(1,951,262)</u>
	(\$1,408,325)

*Governmental revenues not reported in the funds:*

Increase in Delinquent Income Tax Revenue	\$19,285
Increase in Delinquent Property Tax	47,460
Decrease in Shared Revenue	(55,886)
Increase in Interest Revenue	63,831
Increase in Special Assessment Revenue	<u>2,875,582</u>
	\$2,950,272

*Expenses not requiring the use of current financial resources:*

Increase in Compensated Absences Payable	(\$211,605)
Decrease in supplies inventory	<u>(22,339)</u>
	(\$233,944)

**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficits**

The fund deficit at December 31, 2005 of \$38,915 in the Police Fund and \$43,592 in the E.M.S. Operating Fund (special revenue funds) arose from the recognition of expenditures on the modified accrual basis of accounting which are greater than expenditures recognized on the budgetary basis. The fund deficits at December 31, 2005 of \$122,322 in the Fire Pumper Equipment Fund and \$122,322 in the Parkland Acquisition Fund (capital projects funds) were created from recording notes payable amounts in the individual fund balance sheets. Deficits do not exist under the cash basis of accounting. The general fund provides operating transfers when cash is required, not when accruals occur.

**B. Fiscal Officer Certification**

The City made purchases during the year without proper certification from the fiscal officer in charge contrary to Ohio Revised Code Section 5705.41(D). The City is working to remedy this situation in the future.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Excess of Appropriations Over Estimated Resources**

The following funds had final appropriations exceeding estimated resources contrary to Ohio Revised Code Section 5705.39:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue Funds:</u>			
Street Construction, Maintenance and Repair Fund	\$1,140,657	\$1,239,284	(\$98,627)
Recreation Fund	656,420	681,691	(25,271)
Solid Waste, Bonds and CIP Oregon Hazardous Waste Landfill Environment Fund	1,738,533	1,848,135	(109,602)
Special Assessment - Sewer Maintenance Fund	559,429	592,928	(33,499)
	150,000	150,528	(528)
<u>Debt Service Fund:</u>			
Special Assessment Bond Retirement Fund	479,798	582,321	(102,523)
<u>Capital Projects Fund:</u>			
Fire Pumper Equipment Fund	243,912	243,959	(47)
Municipal Improvements Fund	36,978	37,000	(22)
Special Assessment - Dustin Road Fund	1,402	1,500	(98)

**D. Expenditures Exceeding Appropriations**

Section 5704.41 (B), Ohio Revised Code, states no subdivision shall make any expenditure of money unless it has been appropriated. Section 5704.41 (D), Ohio Revised Code, states in part that encumbrances should be charged against proper appropriations and actual disbursements plus outstanding encumbrances should not be greater than the total appropriations. The following fund had expenditures in excess of appropriations:

<u>Fund</u>	<u>Final Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
<u>Capital Projects Funds:</u>			
Water Construction Fund	\$1,140,575	\$1,140,747	(\$172)
Storm Sewer Construction Fund	220,110	290,011	(69,901)
<u>Internal Service Fund:</u>			
Workers' Compensation Fund	31,000	39,309	(8,309)



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks. All deposits, except for deposits held by fiscal and escrow agents or trustees, are collateralized with eligible securities. The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Collateral permitted by Chapter 135 of the ORC is limited to obligations of the United States and its agencies, bonds of any state, and bonds and other obligations of any country, municipal corporation or other legally constituted authority of the State of Ohio, or any instrumentality of such county, municipal corporation or other authority. Such collateral, as permitted by Chapter 135 of the ORC is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at a Federal Reserve Bank in the name of the City.

At year end the carrying amount of the City's deposits was \$12,654,433 and the bank balance was \$14,557,748. The Federal Deposit Insurance Corporation (FDIC) covered \$300,000 of the bank balance and \$14,257,748 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$14,257,748</u>
Total Balance	<u><u>\$14,257,748</u></u>

Investment earnings of \$374,551 earned by other funds were credited to the General Fund as required by local statute.

**B. Investments**

The City's investments at December 31, 2005 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
City of Oregon Bonds Payable	\$945,886	N/A	\$0	\$0	\$945,886
FNMA	1,621,892	AAA <sup>1</sup> / Aaa <sup>2</sup>	498,750	1,123,142	0
FHLMC	1,235,058	AAA <sup>1</sup> / Aaa <sup>2</sup>	0	1,235,058	0
FHLB	4,968,992	AAA <sup>1</sup> / Aaa <sup>2</sup>	0	4,968,992	0
STAR Ohio	108,750	AAAm <sup>1</sup>	108,750	0	0
Total Investments	<u>\$8,880,578</u>		<u>\$607,500</u>	<u>\$7,327,192</u>	<u>\$945,886</u>

<sup>1</sup> Standard & Poor's

<sup>2</sup> Moody's Investor Service

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments** (Continued)

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date.

*Credit Risk* – The City’s investments in FNMA, FHLMC and FHLB securities were rated AAA and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively.

*Custodial Credit Risk* – The City’s investments in FNMA, FHLMC and FHLB securities in the amount of \$1,621,892, \$1,235,058 and \$4,968,992, respectively, are uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.

*Concentration of Credit Risk* – The City places no limit on the amount the City may invest in one issuer. Of the City’s total investments, 11% are City of Oregon debt instruments, 18% are FNMA, 14% are FHLMC, 56% are FHLB and 1% is Star Ohio.

**C. Reconciliation of Cash, Cash Equivalents and Investments**

A reconciliation between classifications of cash and investments on the financial statements and classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$184,522	\$21,350,489
Certificates of Deposit (with maturities of more than 3 months)	12,578,661	(12,578,661)
Investments:		
STAR Ohio	(108,750)	108,750
Per GASB Statement No. 3	<u>\$12,654,433</u>	<u>\$8,880,578</u>

**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2005 were levied after October 1, 2004 on assessed values as of January 1, 2004, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2000 and the equalization adjustment was completed in 2004. Real property taxes are payable annually or semi-annually. The first payment is due January 31; the remainder is payable by July 31.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 6- TAXES (Continued)**

**A. Property Taxes (Continued)**

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

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

The full property tax rate for all City operations for the year ended December 31, 2005 was \$3.50 per \$1,000 of assessed value. The assessed value upon which the 2005 tax receipts were based was \$595,957,373. This amount constitutes \$432,314,260 in real property assessed value, \$41,952,900 in public utility assessed value and \$121,690,213 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is 0.350% (3.50 mills) of assessed value.

**B. Income Tax**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2005 consisted of taxes, interest, interfund receivables, accounts receivable, special assessments and intergovernmental receivables.

**NOTE 8 - TRANSFERS**

Following is a summary of operating transfers in and out for all funds for 2005:

Transfers Out:	Transfers In:					Total
	General Fund	Special Assessment Bond Retirement Fund	Other Governmental Funds	Water Fund	Sewer Fund	
General Fund	\$0	\$0	\$2,812,069	\$0	\$0	\$2,812,069
Other Governmental Funds	86,867	761,456	1,311,440	0	1,070,384	3,230,147
Water Fund	509,542	0	0	0	0	509,542
Sewer Fund	354,657	77,663	11,562	174,085	0	617,967
	<u>\$951,066</u>	<u>\$839,119</u>	<u>\$4,135,071</u>	<u>\$174,085</u>	<u>\$1,070,384</u>	<u>\$7,169,725</u>

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

Funds are also transferred as reimbursements to the general fund for indirect cost allocations based on a percentage of estimated costs to run specific departments. Sewer fund money is transferred to the water fund as reimbursement for salaries and fringes paid out of that fund for expenses related to the sewer fund.

Transfers of \$7,052,765 were eliminated since they were within the governmental and business-type activities.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2005:

**Historical Cost:**

Class	December 31, 2004	Additions	Deletions	December 31, 2005
<b>Capital assets not being depreciated:</b>				
Land	\$5,279,762	\$10,050	\$0	\$5,289,812
Construction in Progress	923,459	0	(532,671)	390,788
Subtotal	6,203,221	10,050	(532,671)	5,680,600
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	7,347,608	134,972	0	7,482,580
Machinery and Equipment	3,600,382	121,643	(94,098)	3,627,927
Vehicles	5,954,005	296,586	(146,453)	6,104,138
Infrastructure	39,083,281	512,357	0	39,595,638
Subtotal	55,985,276	1,065,558	(240,551)	56,810,283
Total Cost	\$62,188,497	\$1,075,608	(\$773,222)	\$62,490,883

**Accumulated Depreciation:**

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings and Improvements	(\$4,762,412)	(\$282,879)	\$0	(\$5,045,291)
Machinery and Equipment	(2,519,078)	(246,708)	85,434	(2,680,352)
Vehicles	(4,146,632)	(453,024)	101,607	(4,498,049)
Infrastructure	(16,541,741)	(968,651)	0	(17,510,392)
Total Depreciation	(\$27,969,863)	(\$1,951,262) *	\$187,041	(\$29,734,084)
<b>Net Value:</b>	\$34,218,634			\$32,756,799

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$477,221
Public Health and Welfare Services	9,436
Leisure Time Activities	143,414
Community Environment	5,212
Transportation	1,139,280
General Government	176,699
Total Depreciation Expense	\$1,951,262

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 9 - CAPITAL ASSETS (continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2005:

**Historical Cost:**

Class	December 31, 2004	Additions	Deletions	December 31, 2005
<i>Capital assets not being depreciated:</i>				
Land	\$1,737,645	\$0	\$0	\$1,737,645
Construction in Progress	17,108,824	2,344,521	0	19,453,345
Subtotal	18,846,469	2,344,521	0	21,190,990
<i>Capital assets being depreciated:</i>				
Buildings and Distributions	50,670,462	7,875	0	50,678,337
Machinery and Equipment	23,611,846	7,056	(1,730)	23,617,172
Vehicles	842,761	25,000	(15,643)	852,118
Subtotal	75,125,069	39,931	(17,373)	75,147,627
Total Cost	\$93,971,538	\$2,384,452	(\$17,373)	\$96,338,617

**Accumulated Depreciation:**

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings and Distributions	(\$27,366,720)	(\$1,608,124)	\$0	(\$28,974,844)
Machinery and Equipment	(12,464,981)	(522,915)	1,730	(12,986,166)
Vehicles	(723,635)	(32,418)	15,643	(740,410)
Total Depreciation	(\$40,555,336)	(\$2,163,457)	\$17,373	(\$42,701,420)
<b>Net Value:</b>	\$53,416,202			\$53,637,197

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by the Ohio PERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2005 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2005, 2004, and 2003 were \$994,117, \$958,792 and \$862,181, respectively, which were equal to the required contributions for each year.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2005 employer contribution rate (identified above) that was used to fund health care for the year 2005 was 4.0% of covered payroll which amounted to \$293,466.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System's latest actuarial review performed as of December 31, 2004. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2004 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 376,109. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2004 is \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, Ohio PERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2005, 2004, and 2003 were \$538,997, \$518,697 and \$502,470 for police and \$167,519, \$159,758 and \$154,065 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2005 covered payroll that was used to fund postemployment health care benefits was \$214,217 representing 7.75% of covered payroll for police and \$54,095 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2004, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,812 for police and 10,528 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2004 were \$102,173,796, which was net of member contributions of \$55,665,341.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

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**NOTE 11 - COMPENSATED ABSENCES**

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

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

At December 31, 2005, the City's accumulated, unpaid compensated absences amounted to \$2,500,791, of which \$1,915,272 is recorded as a liability of the Governmental Activities and \$585,519 is recorded as a liability of the Business-Type Activities.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 12 - LONG-TERM DEBT**

Long-term debt of the City at December 31, 2005 was as follows:

		Restated Balance December 31, 2004	Issued	(Retired)	Balance December 31, 2005	Amount Due Within One Year
<b>Governmental Activities Long-Term Debt:</b>						
General Obligation Bond:						
3.20%	Court Administration Building	\$980,000	\$0	(\$175,000)	\$805,000	\$190,000
Special Assessment Bonds Payable with Governmental Commitment:						
6.95%	Wynnscape/Lallendorf	187,800	0	(21,700)	166,100	23,300
6.75%	Lallendorf/Dustin	43,200	0	(8,650)	34,550	9,240
5.50%	Pickle Road Sewer Construction	14,849	0	(1,018)	13,831	1,074
5.62%	Coy Road Sanitary Sewer	60,832	0	(3,687)	57,145	3,894
5.25%	York Street Waterline	257,000	0	(14,000)	243,000	15,000
5.00%	Lallendorf Road Sanitary Sewer	14,671	0	(1,274)	13,397	1,339
5.00%	Corduroy Road Waterline	77,317	0	(6,129)	71,188	6,439
5.00%	Shore/Yarrow Waterline Ext.	38,504	0	(2,701)	35,803	2,838
5.50%	Navarre Sanitary Sewer	121,174	0	(8,276)	112,898	8,738
5.50%	Spartan Infrastructure	252,821	0	(17,267)	235,554	18,230
5.03%	Lallendorf Sewer Phase 1	136,248	0	(8,545)	127,703	8,975
5.03%	Lallendorf Sewer Phase 2	34,739	0	(2,179)	32,560	2,288
5.03%	Lallendorf Sewer Phase 3	40,740	0	(2,555)	38,185	2,684
5.03%	Stadium Road Waterline	137,236	0	(8,607)	128,629	9,040
5.03%	Sugarbush Waterline	36,256	0	(2,274)	33,982	2,388
4.90%	Seaman Road Sewer Phase 1	11,127	0	(667)	10,460	699
Total Special Assessment Bonds Payable with Governmental Commitment		1,464,514	0	(109,529)	1,354,985	116,166

(Continued)

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 12 - LONG-TERM DEBT (Continued)**

		Restated Balance December 31, 2004	Issued	(Retired)	Balance December 31, 2005	Amount Due Within One Year
<b>Governmental Activities Long-Term Debt:</b>						
Promissory Note Payable:						
4.22%	Circuit 715 Lighting	0	195,000	0	195,000	16,044
Ohio Public Works Commission Loans:						
0.00%	Sanitary Sewer Reconstruction	23,549	0	(7,850)	15,699	7,850
0.00%	Lallendorf Road Storm Sewer Improvements	140,464	0	(46,821)	93,643	46,821
0.00%	Raw Water Intake Rehabilitation	127,307	0	(25,461)	101,846	25,461
0.00%	Zebra Mussel Control - Raw Water Intake	262,976	0	(15,470)	247,506	15,470
0.00%	Water Plant Renovations - Phase I	357,613	0	(19,867)	337,746	19,867
0.00%	Water Treatment Plant Improvements - Phase II	371,998	0	(20,108)	351,890	20,108
0.00%	Bayshore Bridge	22,228	0	(2,779)	19,449	2,779
0.00%	Water Treatment Plant Improvements - Phase III	475,000	0	(25,000)	450,000	25,000
0.00%	Water Treatment Plant Improvements - Phase IV	560,014	137,996	(30,700)	667,310	30,700
Total Ohio Public Works Commission Loans		2,341,149	137,996	(194,056)	2,285,089	194,056
Ohio Water Development Authority Loans:						
2.00%	Oakdale Sanitary Sewer	27,671	0	(4,387)	23,284	4,474
7.36%	Norden/Cedar Point Waterline	33,831	0	(10,486)	23,345	11,258
8.35%	Brown Road Waterline	5,322	0	(1,376)	3,946	1,491
4.28%	Waterplant Renovation - Phase I & II	8,684,473	0	(319,085)	8,365,388	382,105
3.65%	Waterplant Renovation - Phase III	1,879,660	0	(78,835)	1,800,825	81,739
Total Ohio Water Development Authority Loans Payable		10,630,957	0	(414,169)	10,216,788	481,067
Compensated Absences		1,703,667	1,915,272	(1,703,667)	1,915,272	653,381
Police and Firemen's Pension Accrued Liability		56,456	0	(933)	55,523	973
Total Governmental Activities Long-Term Debt		<u>\$17,176,743</u>	<u>\$2,248,268</u>	<u>(\$2,597,354)</u>	<u>\$16,827,657</u>	<u>\$1,651,687</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 12 - LONG-TERM DEBT (Continued)**

**Business-Type Long-Term Debt:**

General Obligation Bond:

3.25%	Sewer Improvement	\$2,555,000	\$0	(\$135,000)	\$2,420,000	\$140,000
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Ohio Water Development Authority Loans:

7.51%	Bayshore Sewer (1063)	1,472,397	0	(203,210)	1,269,187	218,471
8.35%	Chlorination (0954)	275,034	0	(71,102)	203,932	77,039
2.20%	North Oregon Sewer (SRFA)	329,874	0	(29,835)	300,039	30,495
4.80%	North Oregon Sewer (SRFB)	259,395	0	0	259,395	0
3.80%	Seaman Road Trunk Sewer - Phase I	1,360,265	0	(34,411)	1,325,854	57,675
3.95%	Seaman Road Trunk Sewer - Phase II	2,181,941	0	(86,103)	2,095,838	80,599
3.50%	Stadium Road Sewer	2,805,114	0	(120,763)	2,684,351	118,687
3.35%	Pickle Road Sewer	0	2,358,564	(46,892)	2,311,672	94,569

Total Ohio Water Development Authority Loans	8,684,020	2,358,564	(592,316)	10,450,268	677,535
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Compensated Absences	569,583	585,519	(569,583)	585,519	175,390
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Total Business-Type Activities Long-Term Debt	<u>\$11,808,603</u>	<u>\$2,944,083</u>	<u>(\$1,296,899)</u>	<u>\$13,455,787</u>	<u>\$992,925</u>
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**CITY OF OREGON, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 12 - LONG-TERM DEBT (Continued)**

Long-term debt of the City at December 31, 2005 was as follows:

	Date of Issue	Original Issue	Final Maturity Date
<b>Governmental Activities Long-Term Debt:</b>			
General Obligation Bond:			
3.20% Court Administration Building	1998	\$1,800,000	2009
Special Assessment Bonds Payable with Governmental Commitment:			
6.95% Wynnscape/Lallendorf	1993	360,900	2011
6.75% Lallendorf/Dustin	1993	108,770	2013
5.50% Pickle Road Sewer Construction	1995	21,928	2015
5.62% Coy Road Sanitary Sewer	1996	84,085	2016
5.25% York Street Waterline	1997	332,000	2017
5.00% Lallendorf Road Sanitary Sewer	1998	20,542	2013
5.00% Corduroy Road Waterline	1998	103,807	2014
5.00% Shore/Yarrow Waterline Ext.	2001	48,068	2015
5.50% Navarre Sanitary Sewer	2000	150,133	2015
5.50% Spartan Infrastructure	2000	313,240	2015
5.03% Lallendorf Sewer Phase 1	2001	155,817	2016
5.03% Lallendorf Sewer Phase 2	2001	39,727	2016
5.03% Lallendorf Sewer Phase 3	2001	46,591	2016
5.03% Stadium Road Waterline	2001	156,948	2016
5.03% Sugarbush Waterline	2001	41,464	2016
5.03% Seaman Road Sewer Phase 1	2003	11,762	2017
Total Special Assessment Bonds Payable with Governmental Commitment		1,995,782	
Promissory Note Payable:			
4.22% Circuit 715 Lighting	2005	195,000	2015
Ohio Public Works Commission Loans:			
0.00% Sanitary Sewer Reconstruction	1997	78,499	2008
0.00% Lallendorf Road Storm Sewer Improvements	1998	468,212	2008
0.00% Raw Water Intake Rehabilitation	2000	254,612	2010
0.00% Zebra Mussel Control - Raw Water Intake	1999	309,384	2022
0.00% Water Plant Renovations - Phase I	1999	556,627	2023
0.00% Water Treatment Plant Improvements - Phase II	2001	430,371	2023
0.00% Bayshore Bridge	2003	27,785	2013
0.00% Water Treatment Plant Improvements - Phase III	2003	500,000	2024
0.00% Water Treatment Plant Improvements - Phase IV	2004	560,014	2025
Total Ohio Public Works Commission Loans		3,185,504	
Ohio Water Development Authority Loans:			
2.00% Oakdale Sanitary Sewer	1993	74,064	2010
7.36% Norden/Cedar Point Waterline	1993	155,545	2007
8.35% Brown Road Waterline	1993	15,511	2008
4.28% Waterplant Renovation - Phase I & II	2002	9,709,603	2022
3.65% Waterplant Renovation - Phase III	2003	1,237,045	2024
Total Ohio Water Development Authority Loans Payable		11,191,768	
Police and Firemen's Pension Accrued Liability	1968	66,448	2035
Total Governmental Activities Long-Term Debt		<u>\$18,434,502</u>	

(Continued)

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 12 - LONG-TERM DEBT (Continued)**

**Business-Type Long-Term Debt:**

General Obligation Bond:				
3.25%	Sewer Improvement	1998	\$3,270,000	2018
Ohio Public Works Commission Loan:				
0.00%	Sanitary Sewer Reconstruction	1994	107,041	2004
Ohio Water Development Authority Loans:				
7.51%	Bayshore Sewer (1063)	1993	3,043,455	2010
8.35%	Chlorination (0954)	1993	801,280	2008
2.20%	North Oregon Sewer (SRFA)	1995	594,919	2015
4.80%	North Oregon Sewer (SRFB)	1995	503,343	2015
3.80%	Seaman Road Trunk Sewer - Phase I	2001	1,478,707	2022
3.95%	Seaman Road Trunk Sewer - Phase II	2002	2,265,038	2023
3.50%	Stadium Road Sewer	2003	2,863,943	2023
3.35%	Pickle Road Sewer	2005	2,358,564	2025
Total Ohio Water Development Authority Loans			<u>13,909,249</u>	
Total Business-Type Activities Long-Term Debt			<u>\$17,286,290</u>	

**A. Special Assessments**

The principal amount of the City's special assessment debt outstanding at December 31, 2005 \$1,354,985, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$158,637 in the Special Assessment Bond Retirement Fund at December 31, 2005 is reserved for the retirement of outstanding special assessment bonds. Delinquent special assessments at year end were \$139,769.

**B. Ohio Water Development Authority Loans**

The following are the significant ongoing projects being funded through OWDA:

In 2001, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive two loans of \$12,175,838 and \$1,664,972, respectively. The amounts are subject to change and have not been finalized. The interest rates on the loans are 4.28% and 3.8%, respectively, per annum. These loans are payable from sewer charges and are received by the City in increments as the projects are completed. As of December 31, 2005, the City had received \$9,709,843 towards the first loan from OWDA and \$1,536,860 towards the second loan from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the loan balances of \$8,365,388 and \$1,325,854 at December 31, 2005.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 12 - LONG-TERM DEBT (Continued)**

**B. Ohio Water Development Authority Loans (Continued)**

In 2003, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$2,386,204. The amount is subject to change and has not been finalized. The interest rate on the loan is 3.95% per annum. The loan is payable from sewer charges and is received by the City in increments as the project is completed. As of December 31, 2005, the City had received \$2,265,038 towards this loan from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the loan balance of \$2,095,838 at December 31, 2005.

In 2004, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive two loans of \$2,191,197 and \$3,344,197, respectively. The amounts are subject to change and have not been finalized. The interest rates on the loans are 3.65% and 3.50%, respectively, per annum. These loans are payable from sewer charges and are received by the City in increments as the projects are completed. As of December 31, 2005, the City had received \$1,955,694 towards the first loan from OWDA and \$2,863,943 towards the second loan from OWDA. Subsequent amounts will be received in future years. An estimate of future financing requirements has been made based on the loan balances of \$1,800,824 and \$2,684,351 at December 31, 2005.

**C. Police and Firemen's Pension Fund**

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2005 was \$55,523 in principal and \$42,338 in interest payments through the year 2035. Only the principal amount is included in the Governmental Activities Long-Term Debt.

**D. Principal and Interest Requirements**

A summary of the City's future long-term debt funding requirements, including principal and interest payments as of December 31, 2005, follows:

Years	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds</u>		<u>Promissory Note</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$190,000	\$34,147	\$116,166	\$73,938	\$16,044	\$8,062
2007	195,000	26,358	123,027	67,277	16,728	7,377
2008	205,000	17,957	130,188	60,218	17,441	6,664
2009	215,000	9,138	127,353	52,743	18,185	5,920
2010	0	0	133,805	45,164	18,960	5,145
2011-2015	0	0	621,382	120,114	107,642	12,883
2016-2018	0	0	103,064	6,753	0	0
Totals	<u>\$805,000</u>	<u>\$87,600</u>	<u>\$1,354,985</u>	<u>\$426,207</u>	<u>\$195,000</u>	<u>\$46,051</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 12 - LONG-TERM DEBT (Continued)**

**D. Principal and Interest Requirements (Continued)**

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$481,067	\$487,787	\$194,056	\$0	\$973	\$2,349
2007	545,179	464,893	194,049	0	1,015	2,308
2008	555,200	440,986	139,378	0	1,058	2,264
2009	627,496	444,965	139,384	0	1,104	2,219
2010	653,946	418,517	139,384	0	1,151	2,171
2011-2015	2,551,874	1,655,940	565,448	0	6,542	10,070
2016-2020	3,877,080	763,300	557,114	0	8,073	8,540
2021-2025	924,946	28,468	356,276	0	9,961	6,651
2026-2035	0	0	0	0	25,646	5,766
Totals	\$10,216,788	\$4,704,856	\$2,285,089	\$0	\$55,523	\$42,338

**Business-Type Activities**

Years	General Obligation Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2006	\$140,000	\$110,074	\$677,535	\$453,609
2007	145,000	104,404	760,761	429,047
2008	155,000	98,386	1,144,404	388,753
2009	160,000	90,443	736,199	349,926
2010	170,000	83,643	773,413	312,711
2011-2015	960,000	296,802	2,550,015	1,177,609
2016-2020	690,000	64,751	2,780,250	729,635
2021-2025	0	0	1,027,691	187,823
Totals	\$2,420,000	\$848,503	\$10,450,268	\$4,029,113

**E. Defeasance of General Obligation Debt**

In December 1998, the City defeased \$1,810,000 of General Obligation Bonds for Municipal Building Improvements dated June 1, 1989 (the "1989 Bonds") through the issuance of \$1,800,000 of General Obligation Bonds for Municipal Building Improvements (the "1998 Bonds"). The net proceeds of the 1998 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$830,000 at December 31, 2005 are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 13 - NOTES PAYABLE**

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

The following general obligation notes were payable at December 31, 2005:

	Maturity Date	Balance December 31, 2004	Issued (Retired)	Balance December 31, 2005
Capital Projects Notes Payable:				
2.89% Fire Equipment	2005	\$240,000	(\$240,000)	\$0
2.89% Seaman Road Overpass	2005	150,000	(150,000)	0
2.89% Bay Shore Bridge Replacement	2005	130,000	(130,000)	0
2.89% Pickle/Wheeling Intersection Imp.	2005	300,000	(300,000)	0
2.89% Parks and Recreation	2005	220,000	(220,000)	0
1.63% Fire Equipment	2006	0	120,000	120,000
1.63% Pickle/Wheeling Intersection Imp.	2006	0	200,000	200,000
1.63% Parks and Recreation	2006	0	120,000	120,000
Total Notes Payable		<u>\$1,040,000</u>	<u>(\$600,000)</u>	<u>\$440,000</u>

**NOTE 14 - CONSTRUCTION COMMITMENTS**

As of December 31, 2005, the City had the following commitments with respect to capital projects:

Capital Projects	Remaining Construction Commitment	Expected Date of Completion
Coy Road Sanitary Sewer	\$908,199	June 2006
Eastwyck Pumping Station	489,946	June 2006
Starr and Wheeling Intersection Imp.	556,750	December 2006
Municipal Complex Bikeway	373,544	December 2006
Wheeling Street Improvements	5,467,566	December 2007
Total	<u>\$7,796,005</u>	

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 15 - INSURANCE AND RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In August 2004, the City joined the Ohio Government Risk Management Plan (the "OGRMP"), a public entity risk plan formed under Section 2744.081 of the Ohio Revised Code that operates as a common risk management and insurance program for 585 member political subdivisions. The City pays an annual premium to the OGRMP for its general insurance coverage. The agreement for formation of the OGRMP provides that the organization will be self-sustaining through member premiums and will reinsure all claims in excess of a member's deductible through commercial insurance and reinsurance companies.

The City participates in the Ohio Rural Water Association Group Rating Plan (the ORWA), an insurance purchasing pool. The group rating plan for workers' compensation was established under Section 4123.29 of the Ohio Revised Code. The intent of the ORWA is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the ORWA. The workers' compensation experience of the participating entities is calculated as one experience and a common premium rate is applied to all participants in the ORWA. Each participant pays its workers' compensation premium to the State based on the rate for the ORWA rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the ORWA. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ORWA. Participation in the ORWA is limited to entities that can meet the ORWA's selection criteria. The firm of CompManagement Inc. provides administrative, cost control and actuarial services to the ORWA.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

**A. Dental Self Insurance Fund**

The City established an internal service fund, the Self Insurance Dental / Emergency Room Fund, to receive payments from each fund based upon employee participation, to cover the cost of participant and dependent coverage under the plan. GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30 "Risk Management Omnibus," requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims incurred but not reported at year end were determined to be immaterial, therefore no liability has been recorded. Changes in the fund's claims liability amount for the past two years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2004	\$0	\$3,726	(\$3,726)	\$0
2005	0	39,308	(39,308)	0

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

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**NOTE 15 - INSURANCE AND RISK MANAGEMENT (Continued)**

**B. Workers' Compensation Internal Service Fund**

The City previously participated in the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Program for premium periods 1996 and 1997. Retrospective (Retro) Rating is best described as a quasi self-insured program, which shifts a selected level of risk to the employer in return for a reduction in premium. Under the Retro plan employers are responsible for actual claims cost on all claims occurring within the program period. Retro claims have a ten-year life commencing with the date of injury. Claims cost for Retro claims incurred beyond ten years from the date of injury will be assumed by the Bureau. The City has a claims limit of \$250,000 per claim with a billable ceiling of \$600,867 for 1996 and \$524,238 for 1997. Changes in the Workers' Compensation Internal Service Fund's claims liability amount in fiscal 2005 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2004	\$236,983	\$18,447	(\$18,447)	\$236,983
2005	236,983	18,447	(18,447)	236,983

**NOTE 16- CONTINGENCIES**

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

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, City management believes such disallowances, if any, will be immaterial.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Construction, Maintenance and Repair Fund**

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

**State Highway Improvement Fund**

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

**Permissive Auto Tax Fund**

To account for revenues received from motor vehicle taxes. Expenditures may only be used for street construction, maintenance and repair.

**Police Fund**

To account for revenues received from real and personal property taxes. Expenditures may only be used for police department operations and police pension.

**Drug Law Enforcement Fund**

To account for revenues from municipal court fines as defined in the Ohio Revised Code. Expenditures may only be used by the police department for drug related programs.

**DUI and Seatbelt Grant Fund**

To account for revenues received from grants. Expenditures may only be used for DUI and seatbelt enforcement.

**Fire Fund**

To account for revenues received from real and personal property taxes. Expenditures may only be used for fire department operations and fire pension.

**Emergency Medical Services (EMS) Operating Fund**

To account for revenues received from Lucas County and transfers from the General Fund. Expenditures may only be used for Emergency Medical Services operations, including capital improvements.

**Electronic Monitor Device Fund**

To account for revenues received and specially designated according to the Ohio Revised Code from municipal court fines. Expenditures may only be used by the municipal court for electronic device use.

(Continued)

***Special Revenue Funds***

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**Indigent Drivers Alcohol Treatment Fund**

To account for the revenues from fines as established by the state to pay for alcohol treatment related training programs for indigent persons.

**Recreation Fund**

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

**Legal Computer Research and Equipment Fund**

To account for revenues from a \$3.00 surcharge on municipal court fines. Expenditures may only be used for data processing equipment and training for the municipal court.

**Community Development Block Grant (CDBG) Fund**

To account for federal and state grants which are designated for community and environmental improvements.

**Solid Waste, Bonds and C.I.P. Fund**

To account for revenues from income tax designated for expenditures for solid waste programs, the transfers for payment of debt on the municipal complex and capital improvements.

**Oregon Hazardous Waste Landfill Environment Fund**

There is a privately owned and operated hazardous waste disposal landfill in the City of Oregon. The City receives funds from a 10% surcharge levied by the State of Ohio on waste disposal fees. The money received by the City may only be used for monitoring the private waste facility, permit review and training for City firefighting personnel in hazardous waste emergency response.

**Revolving Loan Fund**

To account for monies received from the Ohio Department of Development (ODOD) through the Community Development Block Grant (CDBG) program. Funds are loaned to businesses for development in the community.

**Special Assessment – Sewer Maintenance Fund**

To account for revenues from real and personal property taxes and for general fund transfers. Expenditures may only be used for sanitary sewer maintenance costs.

**Court Special Projects Fund**

To account for revenues received from the Oregon Municipal Court as authorized by the Ohio Revised Code. Expenditures are restricted to court facility rehabilitation, hiring staff, community service programs and mediation.

**Housing Assistance Fund**

To account for revenues received from state and federal grants for housing assistance and local fund transfers and revenues from loan payments. Expenditures are restricted to professional services, personnel costs, grants and loans for the housing assistance program. Expenditures from grant monies must meet the grant requirements.



***Special Revenue Funds***

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**Storm Sewer Project Fund**

To account for revenues from the allocated portion of the local income tax as approved by the voters. Expenditures for this fund are restricted to storm drainage improvement projects.

**Cedar Point Development Fund**

To account for revenues from state grants, sale of notes, sale of land and local funds transfers. Expenditures for this fund are restricted to cost associated with the development of the industrial park.

**Probation Services Fund**

To account for revenues from probation service fees. Expenditures for this fund are restricted to specialized programs for victims and offenders and other similar probation related services.

**Drug Law Enforcement and Education Fund**

To account for revenues received from drug law enforcement. Expenditures are restricted to drug law enforcement including restricted personnel costs and equipment.

**Police Grants Fund**

To account for revenues, including transfers for police department grants. Expenditures may only be used for police grant purposes as stated in the individual grants.

***Debt Service Fund***

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The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

**General Obligation Bond Retirement Fund**

To account for the accumulation of resources for the payments of general obligation long-term debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

(Continued)

***Capital Projects Funds***

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The 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 proprietary or trust funds.

**Fire Pumper Equipment Fund**

To account for revenues and expenditures designated for major capital improvements in the fire department.

**Street, Recreation Building Fund**

To account for revenues and expenditures designated for constructing new operations and storage areas for the street and recreation departments.

**Municipal Improvements Fund**

To account for revenues and expenditures designated for right of way acquisitions and easements for construction of a bikeway and streetscape projects. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Water Construction Fund**

To account for revenues and expenditures designated for the construction and acquisition of capital water projects.

**Sewer Construction Fund**

To account for revenues and expenditures designated for the construction and acquisition of capital sewer projects.

**Storm Sewer Construction Fund**

To account for revenues and expenditures designated for the construction and acquisition of capital storm sewer projects.

**Street Construction Fund**

To account for revenues and expenditures designated for the improvement of City streets.

**Special Assessment - Dustin Road Improvement Fund**

To account for revenues and expenditures designated for the improvement project of Dustin Road. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Water Project Fund**

To account for revenues and expenditures designated for construction of City waterlines.

**Economic Development Assessment Fund**

To account for revenues and expenditures designated for economic development in the industrial park.

**Parkland Acquisition Fund**

To account for revenues, including transfers for the acquisition of Parkland.

(Continued)

***Permanent Fund***

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The Permanent Fund is used to account for the financial resources that are legally restricted in that only the earnings, not the principal, may be used to support the City's programs.

**Perpetual Care Fund**

To account for the endowment principal and interest. Yields may only be used for maintenance and repair at the North Oregon and Willow Cemeteries.

**Dunbar Trust Fund**

To account for the endowment principal and interest. Yields may only be used for maintenance and repair of a one family mausoleum at Willow Cemetery.

**CITY OF OREGON, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 2,306	\$ 4,077	\$ 1	\$ 0	\$ 6,384
Investments	3,526,380	6,942,125	2,015	77,842	10,548,362
Receivables (net of allowance for doubtful accounts):					
Taxes	1,389,199	0	0	0	1,389,199
Accounts	34,926	0	0	0	34,926
Intergovernmental	1,119,771	204,000	0	0	1,323,771
Interest	0	0	0	1,559	1,559
Special Assessments	2,005,642	0	0	0	2,005,642
Prepaid Items	1,916	0	0	0	1,916
<b>Total Assets</b>	<b>\$ 8,080,140</b>	<b>\$ 7,150,202</b>	<b>\$ 2,016</b>	<b>\$ 79,401</b>	<b>\$ 15,311,759</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 104,121	\$ 3,064	\$ 0	\$ 0	\$ 107,185
Accrued Wages and Benefits Payable	256,370	0	0	0	256,370
Deferred Revenue	3,605,581	0	0	0	3,605,581
Accrued Interest Payable	0	8,513	0	0	8,513
General Obligation Notes Payable	0	440,000	0	0	440,000
<b>Total Liabilities</b>	<b>3,966,072</b>	<b>451,577</b>	<b>0</b>	<b>0</b>	<b>4,417,649</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	356,142	191,108	0	0	547,250
Reserved for Prepaid Items	1,916	0	0	0	1,916
Reserved for Debt Service	0	0	2,016	0	2,016
Reserved for Endowments	0	0	0	79,401	79,401
Undesignated/Unreserved in:					
Special Revenue Funds	3,756,010	0	0	0	3,756,010
Capital Projects Funds	0	6,507,517	0	0	6,507,517
<b>Total Fund Balances</b>	<b>4,114,068</b>	<b>6,698,625</b>	<b>2,016</b>	<b>79,401</b>	<b>10,894,110</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 8,080,140</b>	<b>\$ 7,150,202</b>	<b>\$ 2,016</b>	<b>\$ 79,401</b>	<b>\$ 15,311,759</b>

**CITY OF OREGON, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Debt Service Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 703,530	\$ 0	\$ 0	\$ 0	\$ 703,530
Municipal Income Taxes	2,751,340	0	0	0	2,751,340
Intergovernmental Revenues	1,984,978	1,003,036	0	0	2,988,014
Charges for Services	456,627	0	0	0	456,627
Investment Earnings	123	0	0	2,141	2,264
Special Assessments	169,938	0	0	0	169,938
Fines and Forfeitures	135,637	0	0	0	135,637
All Other Revenue	72,653	186,414	0	0	259,067
<b>Total Revenue</b>	<b>6,274,826</b>	<b>1,189,450</b>	<b>0</b>	<b>2,141</b>	<b>7,466,417</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	1,800,805	0	0	0	1,800,805
Public Health and Welfare Services	757	0	0	1,099	1,856
Leisure Time Activities	646,351	0	0	0	646,351
Community Environment	264,398	0	0	0	264,398
Basic Utility Services	508,777	0	0	0	508,777
Transportation	1,189,018	0	0	0	1,189,018
General Government	1,205,056	0	0	0	1,205,056
Capital Outlay	0	1,546,196	0	0	1,546,196
Debt Service:					
Principal Retirement	0	0	369,056	0	369,056
Interest & Fiscal Charges	0	14,316	42,431	0	56,747
<b>Total Expenditures</b>	<b>5,615,162</b>	<b>1,560,512</b>	<b>411,487</b>	<b>1,099</b>	<b>7,588,260</b>
Excess (Deficiency) of Revenues Over Expenditures	659,664	(371,062)	(411,487)	1,042	(121,843)
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	0	22,844	0	0	22,844
General Obligation Notes Issued	0	195,000	0	0	195,000
OPWC Loans Issued	0	137,996	0	0	137,996
Transfers In	482,069	3,241,514	411,488	0	4,135,071
Transfers Out	(1,128,077)	(2,102,070)	0	0	(3,230,147)
<b>Total Other Financing Sources (Uses)</b>	<b>(646,008)</b>	<b>1,495,284</b>	<b>411,488</b>	<b>0</b>	<b>1,260,764</b>
Net Change In Fund Balance	13,656	1,124,222	1	1,042	1,138,921
<b>Fund Balances at Beginning of Year</b>	<b>4,100,412</b>	<b>5,574,403</b>	<b>2,015</b>	<b>78,359</b>	<b>9,755,189</b>
<b>Fund Balances End of Year</b>	<b>\$ 4,114,068</b>	<b>\$ 6,698,625</b>	<b>\$ 2,016</b>	<b>\$ 79,401</b>	<b>\$ 10,894,110</b>

**CITY OF OREGON, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2005**

	Street Construction, Maintenance and Repair	State Highway Improvement	Permissive Auto Tax	Police	Drug Law Enforcement
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 93	\$ 14	\$ 26	\$ 87	\$ 50
Investments	139,378	21,022	38,758	129,296	74,380
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	387,842	0
Accounts	0	0	0	0	122
Intergovernmental	440,031	35,678	76,731	8,005	0
Special Assessments	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 579,502</u>	<u>\$ 56,714</u>	<u>\$ 115,515</u>	<u>\$ 525,230</u>	<u>\$ 74,552</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 4,764	\$ 0	\$ 0	\$ 0	\$ 25
Accrued Wages and Benefits Payable	0	4,700	0	168,298	0
Deferred Revenue	293,354	23,785	51,154	395,847	0
<b>Total Liabilities</b>	<u>298,118</u>	<u>28,485</u>	<u>51,154</u>	<u>564,145</u>	<u>25</u>
<b>Fund Balances:</b>					
Reserved for Encumbrances	113,013	0	800	0	3,688
Reserved for Prepaid Items	0	0	0	0	0
Undesignated/Unreserved	168,371	28,229	63,561	(38,915)	70,839
<b>Total Fund Balances</b>	<u>281,384</u>	<u>28,229</u>	<u>64,361</u>	<u>(38,915)</u>	<u>74,527</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 579,502</u>	<u>\$ 56,714</u>	<u>\$ 115,515</u>	<u>\$ 525,230</u>	<u>\$ 74,552</u>

**CITY OF OREGON, OHIO**

DUI and Seatbelt Grant	Fire	E.M.S. Operating	Electronic Monitor Device	Indigent Drivers Alcohol Treatment	Recreation	Legal Computer Research and Equipment
\$ 6 8,819	\$ 113 168,919	\$ 16 23,897	\$ 17 24,739	\$ 52 77,014	\$ 20 29,409	\$ 117 174,197
0	181,026	0	0	0	181,026	0
0	12,000	0	49	2,715	0	3,187
0	1,910	0	0	0	1,910	0
0	0	0	0	0	0	0
0	648	150	0	0	211	647
<u>\$ 8,825</u>	<u>\$ 364,616</u>	<u>\$ 24,063</u>	<u>\$ 24,805</u>	<u>\$ 79,781</u>	<u>\$ 212,576</u>	<u>\$ 178,148</u>
\$ 0	\$ 0	\$ 2,979	\$ 0	\$ 184	\$ 8,244	\$ 0
0	0	64,676	0	0	18,696	0
0	182,936	0	0	0	182,936	0
<u>0</u>	<u>182,936</u>	<u>67,655</u>	<u>0</u>	<u>184</u>	<u>209,876</u>	<u>0</u>
0	0	0	0	1,316	58	9,090
0	648	150	0	0	211	647
8,825	181,032	(43,742)	24,805	78,281	2,431	168,411
<u>8,825</u>	<u>181,680</u>	<u>(43,592)</u>	<u>24,805</u>	<u>79,597</u>	<u>2,700</u>	<u>178,148</u>
<u>\$ 8,825</u>	<u>\$ 364,616</u>	<u>\$ 24,063</u>	<u>\$ 24,805</u>	<u>\$ 79,781</u>	<u>\$ 212,576</u>	<u>\$ 178,148</u>

(Continued)

**CITY OF OREGON, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2005**

	Community Development Block Grant	Solid Waste, Bonds and C.I.P.	Oregon Hazardous Waste Ldfl. Environment	Revolving Loan	Special Assessment - Sewer Maintenance
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 33	\$ 208	\$ 86	\$ 16	\$ 19
Investments	49,060	397,770	128,364	23,792	28,673
Receivables (net of allowance for doubtful accounts):					
Taxes	0	425,975	0	0	0
Accounts	0	0	12,681	0	0
Intergovernmental	97,274	0	0	0	0
Special Assessments	0	20,265	0	0	1,985,377
Prepaid Items	0	0	0	0	0
<b>Total Assets</b>	<u>\$ 146,367</u>	<u>\$ 844,218</u>	<u>\$ 141,131</u>	<u>\$ 23,808</u>	<u>\$ 2,014,069</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 509	\$ 56,060	\$ 21,238	\$ 0	\$ 1,221
Accrued Wages and Benefits Payable	0	0	0	0	0
Deferred Revenue	75,000	37,254	0	0	1,985,377
<b>Total Liabilities</b>	<u>75,509</u>	<u>93,314</u>	<u>21,238</u>	<u>0</u>	<u>1,986,598</u>
<b>Fund Balances:</b>					
Reserved for Encumbrances	5,045	106,661	21,158	0	208
Reserved for Prepaid Items	0	0	0	0	0
Undesignated/Unreserved	65,813	644,243	98,735	23,808	27,263
<b>Total Fund Balances</b>	<u>70,858</u>	<u>750,904</u>	<u>119,893</u>	<u>23,808</u>	<u>27,471</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 146,367</u>	<u>\$ 844,218</u>	<u>\$ 141,131</u>	<u>\$ 23,808</u>	<u>\$ 2,014,069</u>



**CITY OF OREGON, OHIO**

<u>Court Special Projects</u>	<u>Housing Assistance</u>	<u>Storm Sewer Project</u>	<u>Cedar Point Development</u>	<u>Probation Services</u>	<u>Drug Law Enforcement and Education</u>	<u>Police Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 139 207,231	\$ 176 262,386	\$ 945 1,410,053	\$ 27 39,923	\$ 16 24,541	\$ 13 19,492	\$ 17 25,267	\$ 2,306 3,526,380
0	0	213,330	0	0	0	0	1,389,199
2,740	0	0	0	1,256	176	0	34,926
0	456,986	0	0	0	0	1,246	1,119,771
0	0	0	0	0	0	0	2,005,642
260	0	0	0	0	0	0	1,916
<u>\$ 210,370</u>	<u>\$ 719,548</u>	<u>\$ 1,624,328</u>	<u>\$ 39,950</u>	<u>\$ 25,813</u>	<u>\$ 19,681</u>	<u>\$ 26,530</u>	<u>\$ 8,080,140</u>
\$ 166 0 0 166	\$ 4,502 0 369,430 373,932	\$ 0 0 8,508 8,508	\$ 0 0 0 0	\$ 0 0 0 0	\$ 0 0 0 0	\$ 4,229 0 0 4,229	\$ 104,121 256,370 3,605,581 3,966,072
3,491 260 206,453 210,204	86,906 0 258,710 345,616	4,020 0 1,611,800 1,615,820	0 0 39,950 39,950	688 0 25,125 25,813	0 0 19,681 19,681	0 0 22,301 22,301	356,142 1,916 3,756,010 4,114,068
<u>\$ 210,370</u>	<u>\$ 719,548</u>	<u>\$ 1,624,328</u>	<u>\$ 39,950</u>	<u>\$ 25,813</u>	<u>\$ 19,681</u>	<u>\$ 26,530</u>	<u>\$ 8,080,140</u>

**CITY OF OREGON, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	Street Construction, Maintenance and Repair	Street Highway Improvement	Permissive Auto Tax	Police	Drug Law Enforcement
<b>Revenues:</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 356,148	\$ 0
Municipal Income Taxes	0	0	0	0	0
Intergovernmental Revenues	792,866	64,286	153,607	22,232	0
Charges for Services	26,270	0	0	0	0
Investment Earnings	123	0	0	0	0
Special Assessments	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	7,084
All Other Revenue	0	0	0	0	8,663
<b>Total Revenue</b>	<b>819,259</b>	<b>64,286</b>	<b>153,607</b>	<b>378,380</b>	<b>15,747</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	0	384,039	31,127
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Basic Utility Services	0	0	0	0	0
Transportation	931,844	93,987	163,187	0	0
General Government	0	0	0	0	0
<b>Total Expenditures</b>	<b>931,844</b>	<b>93,987</b>	<b>163,187</b>	<b>384,039</b>	<b>31,127</b>
Excess (Deficiency) of Revenues Over Expenditures	(112,585)	(29,701)	(9,580)	(5,659)	(15,380)
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	0	0	1,200	0
Transfers Out	(104,890)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(104,890)</b>	<b>0</b>	<b>0</b>	<b>1,200</b>	<b>0</b>
Net Change In Fund Balance	(217,475)	(29,701)	(9,580)	(4,459)	(15,380)
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>498,859</b>	<b>57,930</b>	<b>73,941</b>	<b>(34,456)</b>	<b>89,907</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 281,384</b>	<b>\$ 28,229</b>	<b>\$ 64,361</b>	<b>\$ (38,915)</b>	<b>\$ 74,527</b>

**CITY OF OREGON, OHIO**

DUI and Seatbelt Grant	Fire	E.M.S. Operating	Electronic Monitor Device	Indigent Drivers Alcohol Treatment	Recreation	Legal Computer Research and Equipment
\$ 0	\$ 173,691	\$ 0	\$ 0	\$ 0	\$ 173,691	\$ 0
0	0	0	0	0	0	0
514	6,836	638,382	0	0	6,836	0
0	0	0	0	0	185,496	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	2,286	11,011	0	50,047
0	34,502	0	0	0	1	0
<u>514</u>	<u>215,029</u>	<u>638,382</u>	<u>2,286</u>	<u>11,011</u>	<u>366,024</u>	<u>50,047</u>
0	52,949	848,533	0	0	0	0
0	0	0	0	757	0	0
0	0	0	0	0	646,351	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	37,929
<u>0</u>	<u>52,949</u>	<u>848,533</u>	<u>0</u>	<u>757</u>	<u>646,351</u>	<u>37,929</u>
514	162,080	(210,151)	2,286	10,254	(280,327)	12,118
0	0	135,869	0	0	275,000	0
0	(123,912)	(48,487)	0	0	0	0
0	(123,912)	87,382	0	0	275,000	0
514	38,168	(122,769)	2,286	10,254	(5,327)	12,118
<u>8,311</u>	<u>143,512</u>	<u>79,177</u>	<u>22,519</u>	<u>69,343</u>	<u>8,027</u>	<u>166,030</u>
<u>\$ 8,825</u>	<u>\$ 181,680</u>	<u>\$ (43,592)</u>	<u>\$ 24,805</u>	<u>\$ 79,597</u>	<u>\$ 2,700</u>	<u>\$ 178,148</u>

(Continued)

**CITY OF OREGON, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	Community Development Block Grant	Solid Waste, Bonds and C.I.P.	Oregon Hazardous Waste Ldfl. Environment	Revolving Loan	Special Assessment - Sewer Maintenance
<b>Revenues:</b>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Municipal Income Taxes	0	1,765,779	0	0	0
Intergovernmental Revenues	79,000	0	0	0	0
Charges for Services	0	0	211,839	0	0
Investment Earnings	0	0	0	0	0
Special Assessments	0	10,305	0	0	159,633
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	0	10,824	1,409	16,704	0
<b>Total Revenue</b>	<b>79,000</b>	<b>1,786,908</b>	<b>213,248</b>	<b>16,704</b>	<b>159,633</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	0	0	460,860	0	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	79,545	0	0	413	0
Basic Utility Services	0	0	0	0	131,866
Transportation	0	0	0	0	0
General Government	0	1,132,185	0	0	0
<b>Total Expenditures</b>	<b>79,545</b>	<b>1,132,185</b>	<b>460,860</b>	<b>413</b>	<b>131,866</b>
Excess (Deficiency) of Revenues Over Expenditures	(545)	654,723	(247,612)	16,291	27,767
<b>Other Financing Sources (Uses):</b>					
Transfers In	0	70,000	0	0	0
Transfers Out	0	(406,068)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(336,068)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change In Fund Balance	(545)	318,655	(247,612)	16,291	27,767
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>71,403</b>	<b>432,249</b>	<b>367,505</b>	<b>7,517</b>	<b>(296)</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 70,858</b>	<b>\$ 750,904</b>	<b>\$ 119,893</b>	<b>\$ 23,808</b>	<b>\$ 27,471</b>

**CITY OF OREGON, OHIO**

<u>Court Special Projects</u>	<u>Housing Assistance</u>	<u>Storm Sewer Project</u>	<u>Cedar Point Development</u>	<u>Probation Services</u>	<u>Drug Law Enforcement and Education</u>	<u>Police Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 703,530
0	0	985,561	0	0	0	0	2,751,340
0	185,570	0	17,893	0	0	16,956	1,984,978
0	33,022	0	0	0	0	0	456,627
0	0	0	0	0	0	0	123
0	0	0	0	0	0	0	169,938
45,524	0	0	0	16,925	2,760	0	135,637
0	0	550	0	0	0	0	72,653
<u>45,524</u>	<u>218,592</u>	<u>986,111</u>	<u>17,893</u>	<u>16,925</u>	<u>2,760</u>	<u>16,956</u>	<u>6,274,826</u>
0	0	0	0	0	6,307	16,990	1,800,805
0	0	0	0	0	0	0	757
0	0	0	0	0	0	0	646,351
0	184,440	0	0	0	0	0	264,398
0	0	376,911	0	0	0	0	508,777
0	0	0	0	0	0	0	1,189,018
19,334	0	0	0	15,608	0	0	1,205,056
<u>19,334</u>	<u>184,440</u>	<u>376,911</u>	<u>0</u>	<u>15,608</u>	<u>6,307</u>	<u>16,990</u>	<u>5,615,162</u>
26,190	34,152	609,200	17,893	1,317	(3,547)	(34)	659,664
0	0	0	0	0	0	0	482,069
0	0	(444,720)	0	0	0	0	(1,128,077)
0	0	(444,720)	0	0	0	0	(646,008)
26,190	34,152	164,480	17,893	1,317	(3,547)	(34)	13,656
<u>184,014</u>	<u>311,464</u>	<u>1,451,340</u>	<u>22,057</u>	<u>24,496</u>	<u>23,228</u>	<u>22,335</u>	<u>4,100,412</u>
<u>\$ 210,204</u>	<u>\$ 345,616</u>	<u>\$ 1,615,820</u>	<u>\$ 39,950</u>	<u>\$ 25,813</u>	<u>\$ 19,681</u>	<u>\$ 22,301</u>	<u>\$ 4,114,068</u>

**CITY OF OREGON, OHIO**

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**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2005**

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	Fire Pumper Equipment	Street, Recreation Building	Water Construction	Sewer Construction
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 0	\$ 40	\$ 2,067	\$ 1,204
Investments	0	60,117	3,424,151	2,315,381
Receivables (net of allowance for doubtful accounts):				
Intergovernmental	0	0	0	0
<b>Total Assets</b>	<u>\$ 0</u>	<u>\$ 60,157</u>	<u>\$ 3,426,218</u>	<u>\$ 2,316,585</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 2,651	\$ 413	\$ 0
Accrued Interest Payable	2,322	0	0	0
General Obligation Notes Payable	120,000	0	0	0
<b>Total Liabilities</b>	<u>122,322</u>	<u>2,651</u>	<u>413</u>	<u>0</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	18,639	16,399	2,925
Undesignated/Unreserved	(122,322)	38,867	3,409,406	2,313,660
<b>Total Fund Balances</b>	<u>(122,322)</u>	<u>57,506</u>	<u>3,425,805</u>	<u>2,316,585</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 0</u>	<u>\$ 60,157</u>	<u>\$ 3,426,218</u>	<u>\$ 2,316,585</u>

**CITY OF OREGON, OHIO**

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<u>Storm Sewer Construction</u>	<u>Street Construction</u>	<u>Water Project</u>	<u>Economic Development Assessment</u>	<u>Parkland Acquisition</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 50	\$ 237	\$ 475	\$ 4	\$ 0	\$ 4,077
75,007	353,065	708,663	5,741	0	6,942,125
<u>204,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>204,000</u>
<u>\$ 279,057</u>	<u>\$ 353,302</u>	<u>\$ 709,138</u>	<u>\$ 5,745</u>	<u>\$ 0</u>	<u>\$ 7,150,202</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,064
0	3,869	0	0	2,322	8,513
0	200,000	0	0	120,000	440,000
<u>0</u>	<u>203,869</u>	<u>0</u>	<u>0</u>	<u>122,322</u>	<u>451,577</u>
0	147,808	5,337	0	0	191,108
279,057	1,625	703,801	5,745	(122,322)	6,507,517
<u>279,057</u>	<u>149,433</u>	<u>709,138</u>	<u>5,745</u>	<u>(122,322)</u>	<u>6,698,625</u>
<u>\$ 279,057</u>	<u>\$ 353,302</u>	<u>\$ 709,138</u>	<u>\$ 5,745</u>	<u>\$ 0</u>	<u>\$ 7,150,202</u>

**CITY OF OREGON, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005**

	Fire Pumper Equipment	Street, Recreation Building	Municipal Improvement	Water Construction	Sewer Construction
<b>Revenues:</b>					
Intergovernmental Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
All Other Revenue	0	0	0	24,892	37,765
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,892</b>	<b>37,765</b>
<b>Expenditures:</b>					
Capital Outlay	0	24,366	0	95,892	96,831
Debt Service:					
Interest & Fiscal Charges	3,615	0	0	0	0
<b>Total Expenditures</b>	<b>3,615</b>	<b>24,366</b>	<b>0</b>	<b>95,892</b>	<b>96,831</b>
Excess (Deficiency) of Revenues					
Over Expenditures	(3,615)	(24,366)	0	(71,000)	(59,066)
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	0	0	0	0	22,844
General Obligation Notes Issued	0	0	0	0	0
OPWC Loans Issued	0	0	0	0	0
Transfers In	123,912	0	0	1,600,000	811,562
Transfers Out	0	(70,000)	(36,978)	(1,050,332)	(943,358)
<b>Total Other Financing Sources (Uses)</b>	<b>123,912</b>	<b>(70,000)</b>	<b>(36,978)</b>	<b>549,668</b>	<b>(108,952)</b>
Net Change In Fund Balance	120,297	(94,366)	(36,978)	478,668	(168,018)
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>(242,619)</b>	<b>151,872</b>	<b>36,978</b>	<b>2,947,137</b>	<b>2,484,603</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ (122,322)</b>	<b>\$ 57,506</b>	<b>\$ 0</b>	<b>\$ 3,425,805</b>	<b>\$ 2,316,585</b>



**CITY OF OREGON, OHIO**

Storm Sewer Construction	Street Construction	Water Project	Special Assessment - Dustin Road	Economic Development Assessment	Parkland Acquisition	Total Nonmajor Capital Project Funds
\$ 204,000	\$ 0	\$ 799,036	\$ 0	\$ 0	\$ 0	\$ 1,003,036
0	0	123,757	0	0	0	186,414
<u>204,000</u>	<u>0</u>	<u>922,793</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,189,450</u>
290,011	176,038	863,058	0	0	0	1,546,196
0	7,152	0	0	0	3,549	14,316
<u>290,011</u>	<u>183,190</u>	<u>863,058</u>	<u>0</u>	<u>0</u>	<u>3,549</u>	<u>1,560,512</u>
(86,011)	(183,190)	59,735	0	0	(3,549)	(371,062)
0	0	0	0	0	0	22,844
0	195,000	0	0	0	0	195,000
0	0	137,996	0	0	0	137,996
263,000	339,454	0	0	0	103,586	3,241,514
0	0	0	(1,402)	0	0	(2,102,070)
<u>263,000</u>	<u>534,454</u>	<u>137,996</u>	<u>(1,402)</u>	<u>0</u>	<u>103,586</u>	<u>1,495,284</u>
176,989	351,264	197,731	(1,402)	0	100,037	1,124,222
102,068	(201,831)	511,407	1,402	5,745	(222,359)	5,574,403
<u>\$ 279,057</u>	<u>\$ 149,433</u>	<u>\$ 709,138</u>	<u>\$ 0</u>	<u>\$ 5,745</u>	<u>\$ (122,322)</u>	<u>\$ 6,698,625</u>

**CITY OF OREGON, OHIO**

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***Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2005***

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	<u>Perpetural Care Fund</u>	<u>Dunbar Trust Fund</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Assets:</b>			
Investments	\$ 73,610	\$ 4,232	\$ 77,842
Receivables (net of allowance for doubtful accounts):			
Interest	<u>1,480</u>	<u>79</u>	<u>1,559</u>
<b>Total Assets</b>	<u>\$ 75,090</u>	<u>\$ 4,311</u>	<u>\$ 79,401</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reserved for Endowments	<u>75,090</u>	<u>4,311</u>	<u>79,401</u>
<b>Total Fund Balances</b>	<u>75,090</u>	<u>4,311</u>	<u>79,401</u>
<b>Total Liabilities and Funds Balances</b>	<u>\$ 75,090</u>	<u>\$ 4,311</u>	<u>\$ 79,401</u>

**CITY OF OREGON, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2005***

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	Perpetual Care Fund	Dunbar Trust Fund	Total Nonmajor Permanent Funds
<b>Revenues:</b>			
Investment Earnings	\$ 2,033	\$ 108	\$ 2,141
<b>Total Revenue</b>	<u>2,033</u>	<u>108</u>	<u>2,141</u>
<b>Expenditures:</b>			
Public Health and Welfare Services	1,099	0	1,099
<b>Total Expenditures</b>	<u>1,099</u>	<u>0</u>	<u>1,099</u>
Excess (Deficiency) of Revenues Over Expenditures	934	108	1,042
<b>Fund Balances at Beginning of Year</b>	<u>74,156</u>	<u>4,203</u>	<u>78,359</u>
<b>Fund Balances End of Year</b>	<u>\$ 75,090</u>	<u>\$ 4,311</u>	<u>\$ 79,401</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 850,100	\$ 850,100	\$ 1,047,587	\$ 197,487
Municipal Income Taxes	9,800,000	9,800,000	11,453,009	1,653,009
Intergovernmental Revenues	1,194,250	1,194,250	1,348,600	154,350
Charges for Services	190,000	190,000	331,882	141,882
Licenses, Permits and Fees	196,400	196,400	209,386	12,986
Investment Earnings	200,000	200,000	599,147	399,147
Special Assessments	3,000	3,000	3,998	998
Fines and Forfeitures	285,500	285,500	305,709	20,209
All Other Revenues	121,500	121,500	101,960	(19,540)
Total Revenues	<u>12,840,750</u>	<u>12,840,750</u>	<u>15,401,278</u>	<u>2,560,528</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Prisoner Care:				
Contractual Services	793,677	917,787	907,012	10,775
Police:				
Personal Services	4,436,700	4,579,000	4,578,914	86
Materials and Supplies	148,186	151,173	151,173	0
Contractual Services	297,257	298,919	275,047	23,872
Capital Outlay	80,950	114,088	113,620	468
Total Police	<u>4,963,093</u>	<u>5,143,180</u>	<u>5,118,754</u>	<u>24,426</u>
Fire:				
Personal Services	1,061,212	1,061,212	998,587	62,625
Materials and Supplies	29,650	32,618	28,906	3,712
Contractual Services	150,911	158,793	149,634	9,159
Capital Outlay	2,000	56,185	53,437	2,748
Total Fire	<u>1,243,773</u>	<u>1,308,808</u>	<u>1,230,564</u>	<u>78,244</u>
Non-Departmental:				
Contractual Services	5,500	5,500	5,064	436
Total Security of Persons and Property	<u>7,006,043</u>	<u>7,375,275</u>	<u>7,261,394</u>	<u>113,881</u>

(Continued)

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
Cemetery Maintenance:				
Personal Services	189,300	192,300	192,027	273
Materials and Supplies	7,733	8,283	8,283	0
Contractual Services	26,567	26,017	22,156	3,861
Capital Outlay	2,950	2,950	1,174	1,776
Total Cemetery Maintenance	<u>226,550</u>	<u>229,550</u>	<u>223,640</u>	<u>5,910</u>
Non-Departmental:				
Contractual Services	140,026	140,026	132,986	7,040
Total Public Health and Welfare Services	<u>366,576</u>	<u>369,576</u>	<u>356,626</u>	<u>12,950</u>
Leisure Time Activities:				
Non-Departmental:				
Contractual Services	5,000	6,600	4,624	1,976
Total Leisure Time Activities	<u>5,000</u>	<u>6,600</u>	<u>4,624</u>	<u>1,976</u>
Community Environment:				
Building and Zoning Inspection:				
Personal Services	467,800	467,800	464,357	3,443
Materials and Supplies	17,065	17,360	14,804	2,556
Contractual Services	26,505	28,595	24,985	3,610
Capital Outlay	29,810	29,310	27,030	2,280
Total Building and Zoning Inspection	<u>541,180</u>	<u>543,065</u>	<u>531,176</u>	<u>11,889</u>
Non-Departmental:				
Contractual Services	64,974	62,974	62,974	0
Total Community Environment	<u>606,154</u>	<u>606,039</u>	<u>594,150</u>	<u>11,889</u>
Transportation:				
Service-Administration:				
Personal Services	436,800	436,800	432,280	4,520
Materials and Supplies	10,500	10,200	5,320	4,880
Contractual Services	55,642	99,044	99,044	0
Capital Outlay	16,308	15,008	12,347	2,661
Total Service-Administration	<u>519,250</u>	<u>561,052</u>	<u>548,991</u>	<u>12,061</u>

(Continued)

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Street Maintenance:</b>				
Personal Services	1,231,318	1,231,318	1,215,431	15,887
Materials and Supplies	98,020	85,711	78,405	7,306
Contractual Services	284,925	299,679	258,567	41,112
Capital Outlay	6,000	9,042	3,042	6,000
Total Street Maintenance	1,620,263	1,625,750	1,555,445	70,305
<b>Tree Commission:</b>				
Materials and Supplies	2,218	1,218	0	1,218
Contractual Services	36,557	60,310	60,310	0
Capital Outlay	30,000	139,396	138,308	1,088
Total Tree Commission	68,775	200,924	198,618	2,306
Total Transportation	2,208,288	2,387,726	2,303,054	84,672
<b>General Government:</b>				
<b>Legislative/City Council:</b>				
Personal Services	131,800	133,000	132,995	5
Materials and Supplies	4,400	4,400	3,121	1,279
Contractual Services	3,100	3,100	1,918	1,182
Capital Outlay	1,000	1,000	850	150
Total Legislative/City Council	140,300	141,500	138,884	2,616
<b>Mayor's Office:</b>				
Personal Services	21,139	21,639	21,493	146
Materials and Supplies	7,059	4,659	3,213	1,446
Contractual Services	9,996	89,141	89,141	0
Capital Outlay	1,700	27,100	27,083	17
Total Mayor's Office	39,894	142,539	140,930	1,609
<b>Administrator's Office:</b>				
Personal Services	201,236	202,236	201,714	522
Materials and Supplies	6,550	5,550	3,464	2,086
Contractual Services	19,850	13,883	10,460	3,423
Capital Outlay	12,200	18,167	18,124	43
Total Administrator's Office	239,836	239,836	233,762	6,074

(Continued)

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Civil Service:				
Personal Services	5,800	5,800	5,141	659
Materials and Supplies	4,179	4,648	4,011	637
Contractual Services	10,971	11,471	11,471	0
Capital Outlay	0	1,048	1,048	0
Total Civil Service	20,950	22,967	21,671	1,296
Finance/Clerk Auditor:				
Personal Services	436,316	444,062	442,973	1,089
Materials and Supplies	45,475	58,823	51,027	7,796
Contractual Services	153,050	156,977	145,846	11,131
Capital Outlay	3,500	3,500	3,230	270
Total Finance/Clerk Auditor	638,341	663,362	643,076	20,286
Law Director:				
Personal Services	171,000	183,000	181,024	1,976
Materials and Supplies	119	119	119	0
Contractual Services	171,381	171,381	169,041	2,340
Total Law Director	342,500	354,500	350,184	4,316
Data Processing:				
Personal Services	145,936	145,936	145,300	636
Materials and Supplies	39,150	38,100	31,818	6,282
Contractual Services	36,715	37,765	31,384	6,381
Capital Outlay	14,900	14,900	14,827	73
Total Data Processing	236,701	236,701	223,329	13,372
Municipal Court:				
Personal Services	742,500	743,282	682,889	60,393
Materials and Supplies	38,840	40,082	39,920	162
Contractual Services	129,550	159,550	100,890	58,660
Total Municipal Court	910,890	942,914	823,699	119,215

(Continued)

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	275,100	275,100	271,921	3,179
Materials and Supplies	27,300	37,095	30,330	6,765
Contractual Services	31,625	33,125	18,026	15,099
Capital Outlay	1,000	1,535	1,427	108
Total Income Tax	<u>335,025</u>	<u>346,855</u>	<u>321,704</u>	<u>25,151</u>
Non-Departmental:				
Contractual Services	198,518	200,518	143,385	57,133
Capital Outlay	0	394	394	0
Total Non-Departmental	<u>198,518</u>	<u>200,912</u>	<u>143,779</u>	<u>57,133</u>
Total General Government	<u>3,102,955</u>	<u>3,292,086</u>	<u>3,041,018</u>	<u>251,068</u>
Total Expenditures	<u>13,295,016</u>	<u>14,037,302</u>	<u>13,560,866</u>	<u>476,436</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(454,266)	(1,196,552)	1,840,412	3,036,964
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	10,000	10,000	18,976	8,976
Transfers In	1,030,905	1,030,905	951,066	(79,839)
Transfers Out	(2,864,920)	(2,864,920)	(2,812,069)	52,851
Total Other Financing Sources (Uses)	<u>(1,824,015)</u>	<u>(1,824,015)</u>	<u>(1,842,027)</u>	<u>(18,012)</u>
Net Change In Fund Balance	(2,278,281)	(3,020,567)	(1,615)	3,018,952
Fund Balance at Beginning of Year	5,165,256	5,165,256	5,165,256	0
Prior Year Encumbrances	344,407	344,407	344,407	0
Fund Balance at End of Year	<u>\$ 3,231,382</u>	<u>\$ 2,489,096</u>	<u>\$ 5,508,048</u>	<u>\$ 3,018,952</u>



**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Funds  
For the Year Ended December 31, 2005**

**SPECIAL ASSESSMENT - STREET LIGHT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Special Assessments	\$ 203,000	\$ 203,000	\$ 226,336	\$ 23,336
Total Revenues	<u>203,000</u>	<u>203,000</u>	<u>226,336</u>	<u>23,336</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	2,000	2,000	0	2,000
Contractual Services	<u>202,600</u>	<u>202,600</u>	<u>204,333</u>	<u>(1,733)</u>
Total Expenditures	<u>204,600</u>	<u>204,600</u>	<u>204,333</u>	<u>267</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,600)	(1,600)	22,003	23,603
Fund Balance at Beginning of Year	<u>218,239</u>	<u>218,239</u>	<u>218,239</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 216,639</u></u>	<u><u>\$ 216,639</u></u>	<u><u>\$ 240,242</u></u>	<u><u>\$ 23,603</u></u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2005**

	SPECIAL ASSESSMENT BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Special Assessments	\$ 367,221	\$ 367,221	\$ 546,403	\$ 179,182
Total Revenues	<u>367,221</u>	<u>367,221</u>	<u>546,403</u>	<u>179,182</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	206,164	325,164	324,106	1,058
Interest and Fiscal Charges	161,057	257,157	253,900	3,257
Total Expenditures	<u>367,221</u>	<u>582,321</u>	<u>578,006</u>	<u>4,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(215,100)	(31,603)	183,497
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	77,663	77,663
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>77,663</u>	<u>77,663</u>
Net Change in Fund Balance	0	(215,100)	46,060	261,160
Fund Balance at Beginning of Year	112,577	112,577	112,577	0
Fund Balance at End of Year	<u>\$ 112,577</u>	<u>\$ (102,523)</u>	<u>\$ 158,637</u>	<u>\$ 261,160</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 715,000	\$ 715,000	\$ 767,087	\$ 52,087
Charges for Services	15,000	15,000	26,270	11,270
Investment Earnings	100	100	123	23
Total Revenues	<u>730,100</u>	<u>730,100</u>	<u>793,480</u>	<u>63,380</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	351,000	351,000	351,000	0
Materials and Supplies	155,000	158,401	158,168	233
Contractual Services	109,500	129,559	120,038	9,521
Capital Outlay	163,800	445,434	445,248	186
Total Expenditures	<u>779,300</u>	<u>1,084,394</u>	<u>1,074,454</u>	<u>9,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,200)	(354,294)	(280,974)	73,320
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(154,890)	(154,890)	(104,890)	50,000
Total Other Financing Sources (Uses)	<u>(154,890)</u>	<u>(154,890)</u>	<u>(104,890)</u>	<u>50,000</u>
Net Change in Fund Balance	(204,090)	(509,184)	(385,864)	123,320
Fund Balance at Beginning of Year	294,137	294,137	294,137	0
Prior Year Encumbrances	116,420	116,420	116,420	0
Fund Balance at End of Year	<u>\$ 206,467</u>	<u>\$ (98,627)</u>	<u>\$ 24,693</u>	<u>\$ 123,320</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	STATE HIGHWAY IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 57,000	\$ 57,000	\$ 62,196	\$ 5,196
Total Revenues	<u>57,000</u>	<u>57,000</u>	<u>62,196</u>	<u>5,196</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	39,780	39,780	39,287	493
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Expenditures	<u>89,780</u>	<u>89,780</u>	<u>89,287</u>	<u>493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,780)	(32,780)	(27,091)	5,689
Fund Balance at Beginning of Year	<u>48,127</u>	<u>48,127</u>	<u>48,127</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,347</u>	<u>\$ 15,347</u>	<u>\$ 21,036</u>	<u>\$ 5,689</u>

**CITY OF OREGON, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 150,000	\$ 150,000	\$ 151,911	\$ 1,911
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>151,911</u>	<u>1,911</u>
<b>Expenditures:</b>				
Transportation:				
Capital Outlay	<u>150,000</u>	<u>163,987</u>	<u>163,987</u>	<u>0</u>
Total Expenditures	<u>150,000</u>	<u>163,987</u>	<u>163,987</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(13,987)	(12,076)	1,911
Fund Balance at Beginning of Year	33,484	33,484	33,484	0
Prior Year Encumbrances	<u>16,576</u>	<u>16,576</u>	<u>16,576</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 50,060</u>	<u>\$ 36,073</u>	<u>\$ 37,984</u>	<u>\$ 1,911</u>

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

	<b>POLICE FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 299,030	\$ 299,030	\$ 356,148	\$ 57,118
Intergovernmental Revenues	18,000	18,000	22,232	4,232
Total Revenues	<u>317,030</u>	<u>317,030</u>	<u>378,380</u>	<u>61,350</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	370,000	370,000	370,000	0
Contractual Services	1,500	1,542	450	1,092
Total Expenditures	<u>371,500</u>	<u>371,542</u>	<u>370,450</u>	<u>1,092</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,470)	(54,512)	7,930	62,442
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,200	1,200	1,200	0
Total Other Financing Sources (Uses)	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Net Change In Fund Balance	(53,270)	(53,312)	9,130	62,442
Fund Balance at Beginning of Year	119,830	119,830	119,830	0
Prior Year Encumbrances	423	423	423	0
Fund Balance at End of Year	<u>\$ 66,983</u>	<u>\$ 66,941</u>	<u>\$ 129,383</u>	<u>\$ 62,442</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	<b>DRUG LAW ENFORCEMENT FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 8,727	\$ (6,273)
All Other Revenues	0	0	8,663	8,663
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>17,390</u>	<u>2,390</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	14,950	22,950	20,850	2,100
Capital Outlay	<u>14,000</u>	<u>14,000</u>	<u>13,968</u>	<u>32</u>
Total Expenditures	<u>28,950</u>	<u>36,950</u>	<u>34,818</u>	<u>2,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,950)	(21,950)	(17,428)	4,522
Fund Balance at Beginning of Year	88,150	88,150	88,150	0
Fund Balance at End of Year	<u>\$ 74,200</u>	<u>\$ 66,200</u>	<u>\$ 70,722</u>	<u>\$ 4,522</u>

**CITY OF OREGON, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 200	\$ 200	\$ 514	\$ 314
Total Revenues	<u>200</u>	<u>200</u>	<u>514</u>	<u>314</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	200	200	514	314
Fund Balance at Beginning of Year	<u>8,311</u>	<u>8,311</u>	<u>8,311</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,511</u>	<u>\$ 8,511</u>	<u>\$ 8,825</u>	<u>\$ 314</u>



**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	<b>FIRE FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 144,000	\$ 144,000	\$ 173,691	\$ 29,691
Intergovernmental Revenues	6,000	6,000	6,836	836
All Other Revenues	25,500	25,500	22,502	(2,998)
Total Revenues	<u>175,500</u>	<u>175,500</u>	<u>203,029</u>	<u>27,529</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	1,500	1,500	0	1,500
Materials and Supplies	11,500	11,500	8,825	2,675
Contractual Services	12,600	13,075	9,464	3,611
Capital Outlay	16,000	35,413	34,853	560
Total Expenditures	<u>41,600</u>	<u>61,488</u>	<u>53,142</u>	<u>8,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	133,900	114,012	149,887	35,875
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(123,912)	(123,912)	(123,912)	0
Total Other Financing Sources (Uses)	<u>(123,912)</u>	<u>(123,912)</u>	<u>(123,912)</u>	<u>0</u>
Net Change in Fund Balance	9,988	(9,900)	25,975	35,875
Fund Balance at Beginning of Year	142,624	142,624	142,624	0
Prior Year Encumbrances	433	433	433	0
Fund Balance at End of Year	<u>\$ 153,045</u>	<u>\$ 133,157</u>	<u>\$ 169,032</u>	<u>\$ 35,875</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	<b>EMS OPERATING FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 637,061	\$ 637,061	\$ 638,382	\$ 1,321
Total Revenues	<u>637,061</u>	<u>637,061</u>	<u>638,382</u>	<u>1,321</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	804,600	805,300	805,218	82
Materials and Supplies	13,080	12,080	9,289	2,791
Contractual Services	32,700	34,200	29,048	5,152
Capital Outlay	500	0	0	0
Total Expenditures	<u>850,880</u>	<u>851,580</u>	<u>843,555</u>	<u>8,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(213,819)	(214,519)	(205,173)	9,346
<b>Other Financing Sources (Uses):</b>				
Transfers In	135,869	135,869	135,869	0
Transfers Out	(48,487)	(48,487)	(48,487)	0
Total Other Financing Sources (Uses)	<u>87,382</u>	<u>87,382</u>	<u>87,382</u>	<u>0</u>
Net Change in Fund Balance	(126,437)	(127,137)	(117,791)	9,346
Fund Balance at Beginning of Year	140,678	140,678	140,678	0
Prior Year Encumbrances	1,005	1,005	1,005	0
Fund Balance at End of Year	<u>\$ 15,246</u>	<u>\$ 14,546</u>	<u>\$ 23,892</u>	<u>\$ 9,346</u>

**CITY OF OREGON, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 1,500	\$ 1,500	\$ 2,477	\$ 977
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>2,477</u>	<u>977</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,500)	(8,500)	2,477	10,977
Fund Balance at Beginning of Year	<u>22,279</u>	<u>22,279</u>	<u>22,279</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,779</u>	<u>\$ 13,779</u>	<u>\$ 24,756</u>	<u>\$ 10,977</u>

**CITY OF OREGON, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

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<b>INDIGENT DRIVERS ALCOHOL TREATMENT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 6,500	\$ 6,500	\$ 8,537	\$ 2,037
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>8,537</u>	<u>2,037</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	60,000	60,230	2,303	57,927
Total Expenditures	<u>60,000</u>	<u>60,230</u>	<u>2,303</u>	<u>57,927</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,500)	(53,730)	6,234	59,964
Fund Balance at Beginning of Year	69,102	69,102	69,102	0
Prior Year Encumbrances	230	230	230	0
Fund Balance at End of Year	<u>\$ 15,832</u>	<u>\$ 15,602</u>	<u>\$ 75,566</u>	<u>\$ 59,964</u>

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

<b>RECREATION FUND</b>				Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
<b>Revenues:</b>				
Property Taxes	\$ 144,000	\$ 144,000	\$ 173,691	\$ 29,691
Intergovernmental Revenues	6,000	6,000	6,836	836
Charges for Services	151,000	151,000	187,264	36,264
All Other Revenues	2,000	2,000	1	(1,999)
Total Revenues	<u>303,000</u>	<u>303,000</u>	<u>367,792</u>	<u>64,792</u>
<b>Expenditures:</b>				
Leisure Time Activities:				
Personal Services	354,841	369,341	362,289	7,052
Materials and Supplies	123,850	143,850	137,309	6,541
Contractual Services	135,250	147,500	130,643	16,857
Capital Outlay	14,000	21,000	15,250	5,750
Total Expenditures	<u>627,941</u>	<u>681,691</u>	<u>645,491</u>	<u>36,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(324,941)	(378,691)	(277,699)	100,992
<b>Other Financing Sources (Uses):</b>				
Transfers In	325,950	325,950	275,000	(50,950)
Total Other Financing Sources (Uses)	<u>325,950</u>	<u>325,950</u>	<u>275,000</u>	<u>(50,950)</u>
Net Change in Fund Balance	1,009	(52,741)	(2,699)	50,042
Fund Balance at Beginning of Year	27,220	27,220	27,220	0
Prior Year Encumbrances	250	250	250	0
Fund Balance at End of Year	<u>\$ 28,479</u>	<u>\$ (25,271)</u>	<u>\$ 24,771</u>	<u>\$ 50,042</u>

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

<b>LEGAL COMPUTER RESEARCH AND EQUIPMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 48,000	\$ 48,000	\$ 50,459	\$ 2,459
Total Revenues	<u>48,000</u>	<u>48,000</u>	<u>50,459</u>	<u>2,459</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	105,500	125,500	48,659	76,841
Total Expenditures	<u>105,500</u>	<u>125,500</u>	<u>48,659</u>	<u>76,841</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57,500)	(77,500)	1,800	79,300
Fund Balance at Beginning of Year	143,424	143,424	143,424	0
Prior Year Encumbrances	20,000	20,000	20,000	0
Fund Balance at End of Year	<u>\$ 105,924</u>	<u>\$ 85,924</u>	<u>\$ 165,224</u>	<u>\$ 79,300</u>

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 149,429	\$ 149,429	\$ 127,155	\$ (22,274)
All Other Revenues	1,000	1,000	1,000	0
Total Revenues	<u>150,429</u>	<u>150,429</u>	<u>128,155</u>	<u>(22,274)</u>
<b>Expenditures:</b>				
Community Environment:				
Contractual Services	2,500	24,738	21,516	3,222
Capital Outlay	63,300	64,909	63,300	1,609
Total Expenditures	<u>65,800</u>	<u>89,647</u>	<u>84,816</u>	<u>4,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	84,629	60,782	43,339	(17,443)
Fund Balance at Beginning of Year	(7,499)	(7,499)	(7,499)	0
Prior Year Encumbrances	7,699	7,699	7,699	0
Fund Balance at End of Year	<u>\$ 84,829</u>	<u>\$ 60,982</u>	<u>\$ 43,539</u>	<u>\$ (17,443)</u>

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

	<b>SOLID WASTE, BONDS AND C.I.P. FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Municipal Income Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,558,975	\$ 258,975
Special Assessments	0	0	10,305	10,305
All Other Revenues	30,000	30,000	10,824	(19,176)
Total Revenues	<u>1,330,000</u>	<u>1,330,000</u>	<u>1,580,104</u>	<u>250,104</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	672,720	747,465	746,072	1,393
Capital Outlay	362,610	694,602	688,393	6,209
Total Expenditures	<u>1,035,330</u>	<u>1,442,067</u>	<u>1,434,465</u>	<u>7,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	294,670	(112,067)	145,639	257,706
<b>Other Financing Sources (Uses):</b>				
Transfers In	70,000	70,000	70,000	0
Transfers Out	(406,068)	(406,068)	(406,068)	0
Total Other Financing Sources (Uses)	<u>(336,068)</u>	<u>(336,068)</u>	<u>(336,068)</u>	<u>0</u>
Net Change in Fund Balance	(41,398)	(448,135)	(190,429)	257,706
Fund Balance at Beginning of Year	(78,790)	(78,790)	(78,790)	0
Prior Year Encumbrances	417,323	417,323	417,323	0
Fund Balance at End of Year	<u>\$ 297,135</u>	<u>\$ (109,602)</u>	<u>\$ 148,104</u>	<u>\$ 257,706</u>



**CITY OF OREGON, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 190,000	\$ 190,000	\$ 215,815	\$ 25,815
All Other Revenues	0	0	1,409	1,409
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>217,224</u>	<u>27,224</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	96,262	342,928	341,645	1,283
Capital Outlay	<u>250,000</u>	<u>250,000</u>	<u>146,174</u>	<u>103,826</u>
Total Expenditures	<u>346,262</u>	<u>592,928</u>	<u>487,819</u>	<u>105,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(156,262)	(402,928)	(270,595)	132,333
Fund Balance at Beginning of Year	360,763	360,763	360,763	0
Prior Year Encumbrances	<u>8,666</u>	<u>8,666</u>	<u>8,666</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 213,167</u>	<u>\$ (33,499)</u>	<u>\$ 98,834</u>	<u>\$ 132,333</u>

**CITY OF OREGON, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 16,703	\$ 16,703	\$ 16,704	\$ 1
Total Revenues	<u>16,703</u>	<u>16,703</u>	<u>16,704</u>	<u>1</u>
<b>Expenditures:</b>				
Community Environment:				
Contractual Services	<u>0</u>	<u>414</u>	<u>413</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>414</u>	<u>413</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,703	16,289	16,291	2
Fund Balance at Beginning of Year	7,104	7,104	7,104	0
Prior Year Encumbrances	<u>413</u>	<u>413</u>	<u>413</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,220</u>	<u>\$ 23,806</u>	<u>\$ 23,808</u>	<u>\$ 2</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>SPECIAL ASSESSMENT - SEWER MAINTENANCE FUND</b>				
<b>Revenues:</b>				
Special Assessments	\$ 150,000	\$ 150,000	\$ 159,633	\$ 9,633
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>159,633</u>	<u>9,633</u>
<b>Expenditures:</b>				
Basic Utility Services:				
Personal Services	123,528	123,528	113,119	10,409
Materials and Supplies	1,000	3,700	3,121	579
Contractual Services	<u>26,000</u>	<u>23,300</u>	<u>15,811</u>	<u>7,489</u>
Total Expenditures	<u>150,528</u>	<u>150,528</u>	<u>132,051</u>	<u>18,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(528)	(528)	27,582	28,110
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (528)</u>	<u>\$ (528)</u>	<u>\$ 27,582</u>	<u>\$ 28,110</u>

**CITY OF OREGON, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 45,000	\$ 45,000	\$ 46,038	\$ 1,038
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>46,038</u>	<u>1,038</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>100,000</u>	<u>70,391</u>	<u>23,468</u>	<u>46,923</u>
Total Expenditures	<u>100,000</u>	<u>70,391</u>	<u>23,468</u>	<u>46,923</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,000)	(25,391)	22,570	47,961
Fund Balance at Beginning of Year	180,643	180,643	180,643	0
Prior Year Encumbrances	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 126,143</u>	<u>\$ 155,752</u>	<u>\$ 203,713</u>	<u>\$ 47,961</u>

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

<b>HOUSING ASSISTANCE FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 343,540	\$ 343,540	\$ 98,014	\$ (245,526)
Charges for Services	20,000	20,000	33,022	13,022
Total Revenues	<u>363,540</u>	<u>363,540</u>	<u>131,036</u>	<u>(232,504)</u>
<b>Expenditures:</b>				
Community Environment:				
Personal Services	6,025	9,425	8,577	848
Contractual Services	47,800	51,929	46,385	5,544
Capital Outlay	287,000	308,000	219,836	88,164
Total Expenditures	<u>340,825</u>	<u>369,354</u>	<u>274,798</u>	<u>94,556</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,715	(5,814)	(143,762)	(137,948)
Fund Balance at Beginning of Year	310,154	310,154	310,154	0
Prior Year Encumbrances	7,465	7,465	7,465	0
Fund Balance at End of Year	<u>\$ 340,334</u>	<u>\$ 311,805</u>	<u>\$ 173,857</u>	<u>\$ (137,948)</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	STORM SEWER PROJECT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Municipal Income Taxes	\$ 630,000	\$ 630,000	\$ 780,739	\$ 150,739
All Other Revenues	0	0	550	550
Total Revenues	<u>630,000</u>	<u>630,000</u>	<u>781,289</u>	<u>151,289</u>
<b>Expenditures:</b>				
Basic Utility Services:				
Personal Services	175,500	175,500	175,500	0
Materials and Supplies	0	1,815	1,184	631
Contractual Services	24,000	26,020	13,786	12,234
Capital Outlay	150,000	192,087	190,461	1,626
Total Expenditures	<u>349,500</u>	<u>395,422</u>	<u>380,931</u>	<u>14,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	280,500	234,578	400,358	165,780
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(526,720)	(789,720)	(444,720)	345,000
Total Other Financing Sources (Uses)	<u>(526,720)</u>	<u>(789,720)</u>	<u>(444,720)</u>	<u>345,000</u>
Net Change in Fund Balance	(246,220)	(555,142)	(44,362)	510,780
Fund Balance at Beginning of Year	1,381,418	1,381,418	1,381,418	0
Prior Year Encumbrances	69,922	69,922	69,922	0
Fund Balance at End of Year	<u>\$ 1,205,120</u>	<u>\$ 896,198</u>	<u>\$ 1,406,978</u>	<u>\$ 510,780</u>

**CITY OF OREGON, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 17,893	\$ 17,893
Total Revenues	<u>0</u>	<u>0</u>	<u>17,893</u>	<u>17,893</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	17,893	17,893
Fund Balance at Beginning of Year	<u>22,057</u>	<u>22,057</u>	<u>22,057</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,057</u>	<u>\$ 22,057</u>	<u>\$ 39,950</u>	<u>\$ 17,893</u>

**CITY OF OREGON, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 13,000	\$ 13,000	\$ 16,627	\$ 3,627
Total Revenues	<u>13,000</u>	<u>13,000</u>	<u>16,627</u>	<u>3,627</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>27,000</u>	<u>30,521</u>	<u>16,296</u>	<u>14,225</u>
Total Expenditures	<u>27,000</u>	<u>30,521</u>	<u>16,296</u>	<u>14,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,000)	(17,521)	331	17,852
Fund Balance at Beginning of Year	19,994	19,994	19,994	0
Prior Year Encumbrances	<u>3,544</u>	<u>3,544</u>	<u>3,544</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,538</u>	<u>\$ 6,017</u>	<u>\$ 23,869</u>	<u>\$ 17,852</u>



**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>DRUG LAW ENFORCEMENT AND EDUCATION FUND</b>				
<b>Revenues:</b>				
Fines and Forfeitures	\$ 35,000	\$ 35,000	\$ 2,834	\$ (32,166)
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>2,834</u>	<u>(32,166)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	5,000	3,500	0	3,500
Contractual Services	<u>5,000</u>	<u>6,500</u>	<u>6,307</u>	<u>193</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>6,307</u>	<u>3,693</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,000	25,000	(3,473)	(28,473)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>525</u>	<u>525</u>	<u>0</u>	<u>(525)</u>
Total Other Financing Sources (Uses)	<u>525</u>	<u>525</u>	<u>0</u>	<u>(525)</u>
Net Change in Fund Balance	25,525	25,525	(3,473)	(28,998)
Fund Balance at Beginning of Year	<u>22,978</u>	<u>22,978</u>	<u>22,978</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 48,503</u>	<u>\$ 48,503</u>	<u>\$ 19,505</u>	<u>\$ (28,998)</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	POLICE GRANTS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 17,000	\$ 17,000	\$ 25,039	\$ 8,039
Total Revenues	<u>17,000</u>	<u>17,000</u>	<u>25,039</u>	<u>8,039</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	0	36	34	2
Contractual Services	<u>17,000</u>	<u>20,060</u>	<u>20,016</u>	<u>44</u>
Total Expenditures	<u>17,000</u>	<u>20,096</u>	<u>20,050</u>	<u>46</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(3,096)	4,989	8,085
Fund Balance at Beginning of Year	12,989	12,989	12,989	0
Prior Year Encumbrances	<u>3,077</u>	<u>3,077</u>	<u>3,077</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,066</u>	<u>\$ 12,970</u>	<u>\$ 21,055</u>	<u>\$ 8,085</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Fund  
For the Year Ended December 31, 2005**

<b>GENERAL OBLIGATION BOND RETIREMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	310,000	310,000	310,000	0
Interest and Fiscal Charges	157,906	157,906	157,905	1
Total Expenditures	467,906	467,906	467,905	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(467,906)	(467,906)	(467,905)	1
<b>Other Financing Sources (Uses):</b>				
Transfers In	467,906	467,906	467,906	0
Total Other Financing Sources (Uses)	467,906	467,906	467,906	0
Net Change in Fund Balance	0	0	1	1
Fund Balance at Beginning of Year	2,015	2,015	2,015	0
Fund Balance at End of Year	<u>\$ 2,015</u>	<u>\$ 2,015</u>	<u>\$ 2,016</u>	<u>\$ 1</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005**

<b>FIRE PUMPER EQUIPMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	240,000	240,000	240,000	0
Interest and Fiscal Charges	3,912	3,959	3,912	47
Total Expenditures	243,912	243,959	243,912	47
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,912)	(243,959)	(243,912)	47
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	120,000	120,000	120,000	0
Transfers In	123,912	123,912	123,912	0
Total Other Financing Sources (Uses)	243,912	243,912	243,912	0
Net Change in Fund Balance	0	(47)	0	47
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ (47)	\$ 0	\$ 47

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005***

<b>STREET, RECREATION BUILDING FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 308,000	\$ 308,000	\$ 0	\$ (308,000)
Total Revenues	<u>308,000</u>	<u>308,000</u>	<u>0</u>	<u>(308,000)</u>
<b>Expenditures:</b>				
Capital Outlay	385,000	392,746	47,746	345,000
Total Expenditures	<u>385,000</u>	<u>392,746</u>	<u>47,746</u>	<u>345,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,000)	(84,746)	(47,746)	37,000
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(70,000)	(70,000)	(70,000)	0
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>0</u>
Net Change in Fund Balance	(147,000)	(154,746)	(117,746)	37,000
Fund Balance at Beginning of Year	108,867	108,867	108,867	0
Prior Year Encumbrances	47,746	47,746	47,746	0
Fund Balance at End of Year	<u>\$ 9,613</u>	<u>\$ 1,867</u>	<u>\$ 38,867</u>	<u>\$ 37,000</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005**

<b>MUNICIPAL IMPROVEMENTS FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0	(37,000)	(36,978)	22
Total Other Financing Sources (Uses)	0	(37,000)	(36,978)	22
Net Change in Fund Balance	0	(37,000)	(36,978)	22
Fund Balance at Beginning of Year	36,978	36,978	36,978	0
Fund Balance at End of Year	\$ 36,978	\$ (22)	\$ 0	\$ 22

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005**

	WATER CONSTRUCTION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 0	\$ 24,892	\$ 24,892
Total Revenues	<u>0</u>	<u>0</u>	<u>24,892</u>	<u>24,892</u>
<b>Expenditures:</b>				
Capital Outlay	0	37,009	90,415	(53,406)
Total Expenditures	<u>0</u>	<u>37,009</u>	<u>90,415</u>	<u>(53,406)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(37,009)	(65,523)	(28,514)
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,600,000	1,600,000	1,600,000	0
Transfers Out	(1,103,566)	(1,103,566)	(1,050,332)	53,234
Total Other Financing Sources (Uses)	<u>496,434</u>	<u>496,434</u>	<u>549,668</u>	<u>53,234</u>
Net Change in Fund Balance	496,434	459,425	484,145	24,720
Fund Balance at Beginning of Year	2,547,985	2,547,985	2,547,985	0
Prior Year Encumbrances	37,009	37,009	37,009	0
Fund Balance at End of Year	<u>\$ 3,081,428</u>	<u>\$ 3,044,419</u>	<u>\$ 3,069,139</u>	<u>\$ 24,720</u>

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005***

<b>SEWER CONSTRUCTION FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 0	\$ 37,765	\$ 37,765
Total Revenues	<u>0</u>	<u>0</u>	<u>37,765</u>	<u>37,765</u>
<b>Expenditures:</b>				
Capital Outlay	100,000	141,991	58,187	83,804
Total Expenditures	<u>100,000</u>	<u>141,991</u>	<u>58,187</u>	<u>83,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(141,991)	(20,422)	121,569
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	22,844	22,844
Transfers In	800,000	800,000	811,562	11,562
Transfers Out	(974,098)	(974,098)	(943,358)	30,740
Total Other Financing Sources (Uses)	<u>(174,098)</u>	<u>(174,098)</u>	<u>(108,952)</u>	<u>65,146</u>
Net Change in Fund Balance	(274,098)	(316,089)	(129,374)	186,715
Fund Balance at Beginning of Year	1,882,578	1,882,578	1,882,578	0
Prior Year Encumbrances	41,991	41,991	41,991	0
Fund Balance at End of Year	<u>\$ 1,650,471</u>	<u>\$ 1,608,480</u>	<u>\$ 1,795,195</u>	<u>\$ 186,715</u>



**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005**

<b>STORM SEWER CONSTRUCTION FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Capital Outlay	200,000	220,110	290,011	(69,901)
Total Expenditures	200,000	220,110	290,011	(69,901)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(220,110)	(290,011)	(69,901)
<b>Other Financing Sources (Uses):</b>				
Transfers In	200,000	200,000	263,000	63,000
Total Other Financing Sources (Uses)	200,000	200,000	263,000	63,000
Net Change in Fund Balance	0	(20,110)	(27,011)	(6,901)
Fund Balance at Beginning of Year	102,068	102,068	102,068	0
Fund Balance at End of Year	\$ 102,068	\$ 81,958	\$ 75,057	\$ (6,901)

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005***

	STREET CONSTRUCTION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 300,000	\$ 300,000	\$ 0	\$ (300,000)
Total Revenues	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>(300,000)</u>
<b>Expenditures:</b>				
Capital Outlay	1,466,750	1,510,585	329,738	1,180,847
Debt Service:				
Principal Retirement	580,000	580,000	580,000	0
Interest and Fiscal Charges	9,454	9,612	9,612	0
Total Expenditures	<u>2,056,204</u>	<u>2,100,197</u>	<u>919,350</u>	<u>1,180,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,756,204)	(1,800,197)	(919,350)	880,847
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	700,000	700,000	395,000	(305,000)
Transfers In	819,454	819,500	339,454	(480,046)
Total Other Financing Sources (Uses)	<u>1,519,454</u>	<u>1,519,500</u>	<u>734,454</u>	<u>(785,046)</u>
Net Change in Fund Balance	(236,750)	(280,697)	(184,896)	95,801
Fund Balance at Beginning of Year	350,055	350,055	350,055	0
Prior Year Encumbrances	40,335	40,335	40,335	0
Fund Balance at End of Year	<u>\$ 153,640</u>	<u>\$ 109,693</u>	<u>\$ 205,494</u>	<u>\$ 95,801</u>

**CITY OF OREGON, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005***

	<b>WATER PROJECT FUND</b>			Variance with Final Budget Positive Negative
	Original Budget	Final Budget	Actual	(Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 91,250	\$ 1,661,487	\$ 799,036	\$ (862,451)
All Other Revenues	0	0	123,757	123,757
Total Revenues	<u>91,250</u>	<u>1,661,487</u>	<u>922,793</u>	<u>(738,694)</u>
<b>Expenditures:</b>				
Capital Outlay	<u>372,500</u>	<u>1,189,760</u>	<u>997,462</u>	<u>192,298</u>
Total Expenditures	<u>372,500</u>	<u>1,189,760</u>	<u>997,462</u>	<u>192,298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(281,250)	471,727	(74,669)	(546,396)
<b>Other Financing Sources (Uses):</b>				
OPWC Loans Issued	<u>91,250</u>	<u>150,000</u>	<u>137,996</u>	<u>(12,004)</u>
Total Other Financing Sources (Uses)	<u>91,250</u>	<u>150,000</u>	<u>137,996</u>	<u>(12,004)</u>
Net Change in Fund Balance	(190,000)	621,727	63,327	(558,400)
Fund Balance at Beginning of Year	(621,727)	(621,727)	(621,727)	0
Prior Year Encumbrances	1,262,201	1,262,201	1,262,201	0
Fund Balance at End of Year	<u>\$ 450,474</u>	<u>\$ 1,262,201</u>	<u>\$ 703,801</u>	<u>\$ (558,400)</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005**

**SPECIAL ASSESSMENT - DUSTIN ROAD FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0	(1,500)	(1,402)	98
Total Other Financing Sources (Uses)	0	(1,500)	(1,402)	98
Net Change in Fund Balance	0	(1,500)	(1,402)	98
Fund Balance at Beginning of Year	1,402	1,402	1,402	0
Fund Balance at End of Year	<u>\$ 1,402</u>	<u>\$ (98)</u>	<u>\$ 0</u>	<u>\$ 98</u>

**CITY OF OREGON, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	5,745	5,745	5,745	0
Fund Balance at End of Year	<u>\$ 5,745</u>	<u>\$ 5,745</u>	<u>\$ 5,745</u>	<u>\$ 0</u>

**CITY OF OREGON, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2005**

<b>PARKLAND ACQUISITION FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	220,000	220,000	220,000	0
Interest and Fiscal Charges	3,586	3,628	3,628	0
Total Expenditures	223,586	223,628	223,628	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(223,586)	(223,628)	(223,628)	0
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	120,000	120,000	120,000	0
Transfers In	103,586	103,586	103,586	0
Total Other Financing Sources (Uses)	223,586	223,586	223,586	0
Net Change in Fund Balance	0	(42)	(42)	0
Fund Balance at Beginning of Year	42	42	42	0
Fund Balance at End of Year	\$ 42	\$ 0	\$ 0	\$ 0

**CITY OF OREGON, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2005**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 1,000	\$ 1,000	\$ 1,018	\$ 18
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,018</u>	<u>18</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	<u>0</u>	<u>1,100</u>	<u>1,099</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>1,100</u>	<u>1,099</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	(100)	(81)	19
Fund Balance at Beginning of Year	<u>73,691</u>	<u>73,691</u>	<u>73,691</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 74,691</u>	<u>\$ 73,591</u>	<u>\$ 73,610</u>	<u>\$ 19</u>

**CITY OF OREGON, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2005**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 100	\$ 100	\$ 54	\$ (46)
Total Revenues	<u>100</u>	<u>100</u>	<u>54</u>	<u>(46)</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	100	54	(46)
Fund Balance at Beginning of Year	<u>4,178</u>	<u>4,178</u>	<u>4,178</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,278</u>	<u>\$ 4,278</u>	<u>\$ 4,232</u>	<u>\$ (46)</u>





*City of Opportunity*

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***Internal Service Funds***

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These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

**Self Insurance Dental / Emergency Room Fund**

To account for funds designated for payment, by contract, of administration, claims and reserves for the self insurance program.

**Workers' Compensation Fund**

To account for funds reserved for potential liability for workers' compensation and payment of actual workers' compensation claims.

**Medical Spending Fund**

To account for deposits from employees for the Flex Benefit/Cafeteria Plan and reimbursements to employees for said purposes.

***Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2005***

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	Self-Insurance Dental	Workers' Compensation Internal Service	Medical Spending	Total
<b>Assets:</b>				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 43,028	\$ 403	\$ 7,317	\$ 50,748
Investments	0	600,636	0	600,636
Prepaid Items	0	9,554	0	9,554
<b>Total Assets</b>	<u>43,028</u>	<u>610,593</u>	<u>7,317</u>	<u>660,938</u>
<b>Liabilities:</b>				
<i>Current Liabilities:</i>				
Workers Compensation Liability	0	236,983	0	236,983
<b>Total Liabilities</b>	<u>0</u>	<u>236,983</u>	<u>0</u>	<u>236,983</u>
<b>Net Assets:</b>				
Unrestricted	<u>43,028</u>	<u>373,610</u>	<u>7,317</u>	<u>423,955</u>
<b>Total Net Assets</b>	<u>\$ 43,028</u>	<u>\$ 373,610</u>	<u>\$ 7,317</u>	<u>\$ 423,955</u>

**CITY OF OREGON, OHIO**

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***Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2005***

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	Self-Insurance Dental	Workers' Compensation Internal Service	Medical Spending	Total
<b>Operating Revenues:</b>				
Charges for Services	\$ 23,235	\$ 0	\$ 28,262	\$ 51,497
Other Operating Revenue	0	67,319	0	67,319
<b>Total Operating Revenues</b>	<b>23,235</b>	<b>67,319</b>	<b>28,262</b>	<b>118,816</b>
<b>Operating Expenses:</b>				
Personal Services	39,308	13,558	27,402	80,268
<b>Total Operating Expenses</b>	<b>39,308</b>	<b>13,558</b>	<b>27,402</b>	<b>80,268</b>
Change in Net Assets	(16,073)	53,761	860	38,548
Net Assets Beginning of Year	59,101	319,849	6,457	385,407
Net Assets End of Year	<u>\$ 43,028</u>	<u>\$ 373,610</u>	<u>\$ 7,317</u>	<u>\$ 423,955</u>

**CITY OF OREGON, OHIO**

***Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2005***

	Self- Insurance Dental	Workers' Compensation	Medical Spending	Totals
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$23,235	\$67,319	\$28,262	\$118,816
Cash Payments to Employees	(39,308)	(19,252)	(27,402)	(85,962)
Net Cash Provided (Used) by Operating Activities	(16,073)	48,067	860	32,854
<u>Cash Flows from Investing Activities:</u>				
Purchase of Investments	0	(600,636)	0	(600,636)
Net Cash Used by Investing Activities	0	(600,636)	0	(600,636)
Net Increase (Decrease) in Cash and Cash Equivalents	(16,073)	(552,569)	860	(567,782)
Cash and Cash Equivalents at Beginning of Year	59,101	552,972	6,457	618,530
Cash and Cash Equivalents at End of Year	\$43,028	\$403	\$7,317	\$50,748
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	(\$16,073)	\$53,761	\$860	\$38,548
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
Increase in Prepaid Items	0	(5,694)	0	(5,694)
Total Adjustments	0	(5,694)	0	(5,694)
Net Cash Provided (Used) by Operating Activities	(16,073)	\$48,067	\$860	\$32,854

***Fiduciary Funds***

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

***Agency Funds***

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**Ohio Board of Building Standards Assessment Fund**

To account for funds from the three percent (3%) fees as required by Ohio Revised Code.

**Income Tax Joint District Fund**

To account for income tax funds to be distributed between the City of Oregon and the City of Northwood.

**Lucas County Water Collection Fund**

To account for a portion of the revenue from Lucas County (outside Oregon) users of Oregon water. Expenditures may only be used for contractually agreed upon payment to Lucas County and for contractually agreed upon payment for capitalization costs of the Water Plant Construction Fund.

**Municipal Court Fund**

To account for funds that flow through the municipal court office.

**CITY OF OREGON, OHIO**

***Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2005***

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<u>Ohio Board of Building Standards Assessment</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$48	\$1,968	(\$1,945)	\$71
Total Assets	<u>\$48</u>	<u>\$1,968</u>	<u>(\$1,945)</u>	<u>\$71</u>
Liabilities:				
Intergovernmental Payables	\$48	\$1,968	(\$1,945)	\$71
Total Liabilities	<u>\$48</u>	<u>\$1,968</u>	<u>(\$1,945)</u>	<u>\$71</u>
<u>Income Tax Joint District Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$15,690	\$19,999	(\$22,218)	\$13,471
Total Assets	<u>\$15,690</u>	<u>\$19,999</u>	<u>(\$22,218)</u>	<u>\$13,471</u>
Liabilities:				
Intergovernmental Payables	\$15,690	\$19,999	(\$22,218)	\$13,471
Total Liabilities	<u>\$15,690</u>	<u>\$19,999</u>	<u>(\$22,218)</u>	<u>\$13,471</u>
<u>Lucas County Water Collection Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$12,053	\$34,303	(\$32,834)	\$13,522
Total Assets	<u>\$12,053</u>	<u>\$34,303</u>	<u>(\$32,834)</u>	<u>\$13,522</u>
Liabilities:				
Intergovernmental Payables	\$12,053	\$34,303	(\$32,834)	\$13,522
Total Liabilities	<u>\$12,053</u>	<u>\$34,303</u>	<u>(\$32,834)</u>	<u>\$13,522</u>
<u>Municipal Court Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$28,931	\$938,057	(\$901,955)	\$65,033
Total Assets	<u>\$28,931</u>	<u>\$938,057</u>	<u>(\$901,955)</u>	<u>\$65,033</u>
Liabilities:				
Due to Others	\$28,931	\$938,057	(\$901,955)	\$65,033
Total Liabilities	<u>\$28,931</u>	<u>\$938,057</u>	<u>(\$901,955)</u>	<u>\$65,033</u>
<u>Totals - All Agency Funds</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$56,722	\$994,327	(\$958,952)	\$92,097
Total Assets	<u>\$56,722</u>	<u>\$994,327</u>	<u>(\$958,952)</u>	<u>\$92,097</u>
Liabilities:				
Intergovernmental Payables	\$27,791	\$56,270	(\$56,997)	\$27,064
Due to Others	28,931	938,057	(901,955)	65,033
Total Liabilities	<u>\$56,722</u>	<u>\$994,327</u>	<u>(\$958,952)</u>	<u>\$92,097</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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**CITY OF OREGON, OHIO**

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2005***

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<u>Capital Assets</u>	
Land	\$5,289,812
Buildings and Improvements	7,482,580
Machinery and Equipment	3,627,927
Vehicles	6,104,138
Infrastructure	39,595,638
Construction in Progress	390,788
Total Capital Assets	<u>\$62,490,883</u>
<u>Investment in Capital Assets</u>	
General Fund	\$10,296,809
Special Revenue Funds	3,448,290
Capital Projects Funds	47,191,143
Proprietary Funds	454,006
Grants	589,457
Donations	511,178
Total Investment in Capital Assets	<u>\$62,490,883</u>

**CITY OF OREGON, OHIO**

***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2005***

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>
<u>General Government:</u>			
Municipal Complex	\$304,937	\$3,068,006	\$195
Council	0	0	1,158
Mayor / Civil Service Administrator	0	0	1,198
Finance Director	635,362	0	8,975
Income Tax	0	5,930	145,490
Data Processing	0	3,899	42,328
Municipal Court	0	639,468	267,734
Miscellaneous	274,187	65,912	213,050
Total	<u>1,214,486</u>	<u>3,783,215</u>	<u>1,263,673</u>
<u>Security of Persons and Property:</u>			
Police	1,600	365,991	888,315
Fire	48,139	1,495,207	298,419
Total	<u>49,739</u>	<u>1,861,198</u>	<u>1,186,734</u>
<u>Transportation:</u>			
Service Director	0	1,028	138,082
Street	1,605,685	713,346	521,128
Total	<u>1,605,685</u>	<u>714,374</u>	<u>659,210</u>
<u>Leisure Time Activities:</u>			
Parks and Recreation	2,313,011	949,824	337,177
<u>Community Environment:</u>			
Inspection	0	92,714	16,114
Tree Commission	100,441	0	3,024
Total	<u>100,441</u>	<u>92,714</u>	<u>19,138</u>
<u>Public Health and Welfare:</u>			
Cemetery	6,450	81,255	161,995
Total Capital Assets	<u>\$5,289,812</u>	<u>\$7,482,580</u>	<u>\$3,627,927</u>

**CITY OF OREGON, OHIO**

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Vehicles	Infrastructure	Construction in Progress	Total
\$0	\$0	\$45,340	\$3,418,478
0	0	0	1,158
0	0	0	1,198
0	0	0	8,975
0	0	0	780,852
0	0	0	48,258
0	0	0	271,633
0	0	0	852,518
0	0	0	923,644
0	0	45,340	6,306,714
874,013	0	0	2,129,919
3,293,019	0	0	5,134,784
4,167,032	0	0	7,264,703
401,602	119,324	0	660,036
1,280,695	39,476,314	181,930	43,779,098
1,682,297	39,595,638	181,930	44,439,134
77,670	0	163,518	3,841,200
125,464	0	0	234,292
2,897	0	0	106,362
128,361	0	0	340,654
48,778	0	0	298,478
\$6,104,138	\$39,595,638	\$390,788	\$62,490,883

**CITY OF OREGON, OHIO**

***Capital Assets Used in the Operation of Governmental Funds  
Schedule Changes by Function and Activity  
For Year Ended December 31, 2005***

Function and Activity	December 31, 2004	Additions	Deletions	December 31, 2005
<u>General Government:</u>				
Municipal Complex	\$3,493,702	\$0	(\$75,224)	\$3,418,478
Council	1,158	0	0	1,158
Mayor / Civil Service	1,198	0	0	1,198
Administrator	8,975	0	0	8,975
Finance Director	780,852	0	0	780,852
Income Tax	48,258	0	0	48,258
Data Processing	276,651	762	(5,780)	271,633
Municipal Court	853,981	0	(1,463)	852,518
Miscellaneous	1,249,308	5,502	(331,166)	923,644
Total	<u>6,714,083</u>	<u>6,264</u>	<u>(413,633)</u>	<u>6,306,714</u>
<u>Security of Persons and Property:</u>				
Police	1,974,497	204,907	(49,485)	2,129,919
Fire	5,113,377	57,653	(36,246)	5,134,784
Total	<u>7,087,874</u>	<u>262,560</u>	<u>(85,731)</u>	<u>7,264,703</u>
<u>Transportation:</u>				
Service Director	484,569	177,267	(1,800)	660,036
Street	43,250,604	601,029	(72,535)	43,779,098
Total	<u>43,735,173</u>	<u>778,296</u>	<u>(74,335)</u>	<u>44,439,134</u>
<u>Leisure Time Activities:</u>				
Parks and Recreation	<u>4,030,417</u>	<u>0</u>	<u>(189,217)</u>	<u>3,841,200</u>
<u>Community Environment:</u>				
Inspection	205,804	28,488	0	234,292
Tree Commission	106,362	0	0	106,362
Total	<u>312,166</u>	<u>28,488</u>	<u>0</u>	<u>340,654</u>
<u>Public Health and Welfare:</u>				
Cemetery	308,784	0	(10,306)	298,478
Total Capital Assets	<u>\$62,188,497</u>	<u>\$1,075,608</u>	<u>(\$773,222)</u>	<u>\$62,490,883</u>

## Statistical Section

With the increase sewered area of the City has come growth - both residential and commercial





*City of Opportunity*

*STATISTICAL TABLES*

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

**CITY OF OREGON, OHIO**

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

<b>Year</b>	<b>Security of Persons and Property</b>	<b>Public Health and Welfare Services</b>	<b>Leisure Time Activities</b>	<b>Community Environment</b>	<b>Basic Utility Services</b>	<b>Trans- portation</b>	<b>General Government</b>	<b>Debt Service</b>	<b>Total</b>
1996	\$6,170,972	\$362,120	\$446,946	\$419,396	\$144,538	\$3,057,246	\$3,122,224	\$369,848	\$14,093,290
1997	7,098,292	391,833	541,330	734,679	143,831	3,278,845	3,050,147	352,676	15,591,633
1998	6,522,915	395,950	522,753	1,502,212	371,875	2,996,623	2,789,600	469,671	15,571,599
1999	6,860,675	388,490	555,226	1,457,666	194,758	2,926,273	3,002,537	523,200	15,908,825
2000	6,957,408	321,370	754,951	905,692	151,747	3,134,325	3,481,355	554,476	16,261,324
2001	7,513,265	380,507	657,027	737,466	427,119	3,368,708	3,537,508	605,949	17,227,549
2002	8,277,181	353,550	689,201	847,210	139,851	3,380,881	3,730,573	1,560,687	18,979,134
2003	8,213,280	371,624	631,629	1,179,300	329,707	2,749,407	4,013,125	1,583,427	19,071,499
2004	8,664,795	354,000	576,517	962,565	466,381	2,921,971	4,252,193	1,243,353	19,441,775
2005	9,206,214	358,316	650,095	848,182	508,777	3,419,235	4,171,157	1,549,128	20,711,104

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



**CITY OF OREGON, OHIO**

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

<u>Year</u>	<u>Taxes</u>	<u>Inter- Governmental Revenues</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures/ Licenses, Permits and Fees</u>	<u>Investment Earnings</u>	<u>Special Assessments</u>	<u>All Other</u>	<u>Total</u>
1996	\$10,418,179	\$2,579,640	\$481,663	\$514,958	\$897,970	\$458,949	\$108,615	\$15,459,974
1997	11,005,965	2,753,923	796,900	528,829	1,008,928	475,607	81,171	16,651,323
1998	12,373,636	3,104,223	949,862	663,463	871,315	562,715	165,158	18,690,372
1999	13,035,879	3,559,490	562,785	706,976	983,567	484,113	91,746	19,424,556
2000	12,448,957	3,341,693	627,286	635,435	1,083,496	457,923	75,110	18,669,900
2001	17,118,366	3,275,389	689,601	693,642	1,096,332	487,447	129,541	23,490,318
2002	13,006,783	3,440,070	615,488	844,311	873,423	502,159	84,086	19,366,320
2003	13,325,719	3,461,617	670,731	744,142	580,183	681,163	118,801	19,582,356
2004	14,306,108	3,517,928	804,172	692,782	376,389	672,772	159,875	20,530,026
2005	17,533,320	3,340,995	788,117	648,486	521,334	744,854	174,576	23,751,682

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

**CITY OF OREGON, OHIO**

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

<b>Collection Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections To Tax Levy</b>	<b>Accumulated Outstanding Delinquent Taxes</b>	<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>
1996	\$863,997	\$867,445	\$12,782	\$880,227	101.88%	\$39,725	4.60%
1997	1,224,000	1,214,550	31,405	1,245,955	101.79%	42,333	3.46%
1998	1,364,916	1,340,215	34,136	1,374,351	100.69%	30,225	2.21%
1999	1,378,000	1,361,901	154,179	1,516,080	110.02%	30,091	2.18%
2000	1,402,500	1,381,205	48,976	1,430,181	101.97%	29,889	2.13%
2001	1,973,000	1,441,216	144,183	1,585,399	80.35%	52,567	2.66%
2002	1,446,409	1,379,930	30,319	1,410,249	97.50%	72,320	5.00%
2003	1,421,373	1,407,160	112,828	1,519,988	106.94%	115,522	8.13%
2004	1,532,690	1,497,850	31,775	1,529,625	99.80%	153,758	10.03%
2005	1,144,856	1,098,965	45,891	1,144,856	100.00%	178,832	15.62%

Source: Lucas County Auditor

***CITY OF OREGON, OHIO***

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***TANGIBLE TAX COLLECTED  
LAST TEN YEARS***

<u>Year Paid</u>	<u>Amount</u>
1996	\$331,448
1997	342,350
1998	375,235
1999	502,731
2000	417,687
2001	466,655
2002	392,175
2003	492,682
2004	419,003
2005	477,556

Source: Lucas County Auditor

**CITY OF OREGON, OHIO**

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

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1996	\$232,962,860	\$665,608,171	\$95,241,070	\$108,228,489	\$96,804,733	\$387,218,932	\$425,008,663	\$1,161,055,592	36.61%
1997	267,195,920	763,416,914	90,991,610	103,399,557	102,404,075	409,616,300	460,591,605	1,276,432,771	36.08%
1998	274,967,220	785,620,629	91,808,030	104,327,307	107,685,579	430,742,316	474,460,829	1,320,690,252	35.93%
1999	283,472,680	826,246,686	87,082,370	92,464,443	90,095,364	360,381,456	460,650,414	1,279,092,585	36.01%
2000	344,472,900	984,208,286	87,399,690	99,317,830	119,988,283	479,953,132	551,860,873	1,563,479,248	35.30%
2001	362,119,680	1,034,627,657	43,975,230	49,971,852	126,532,646	506,130,584	532,627,556	1,590,730,093	33.48%
2002	373,201,700	1,066,290,571	43,878,130	49,861,511	114,530,269	458,121,076	531,610,099	1,574,273,158	33.77%
2003	420,220,590	1,200,630,257	41,743,480	47,435,773	116,697,844	466,791,376	578,661,914	1,714,857,406	33.74%
2004	432,314,260	1,235,183,600	41,952,900	47,673,750	121,690,213	486,760,852	595,957,373	1,769,618,202	33.68%
2005	442,695,030	1,264,842,943	42,786,820	48,621,386	146,823,298	587,293,192	632,305,148	1,900,757,521	33.27%

Source: Lucas County Auditor

**CITY OF OREGON, OHIO**

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

<b>Collection Year</b>	<b>City of Oregon</b>					<b>Oregon School District</b>	<b>Lucas County</b>	<b>Total</b>
	<b>General Fund</b>	<b>Police Fund</b>	<b>Fire Fund</b>	<b>Recreation Fund</b>	<b>Total City</b>			
1996	1.70	0.80	0.50	0.50	3.50	49.20	17.35	70.05
1997	1.70	0.80	0.50	0.50	3.50	49.20	17.35	70.05
1998	1.70	0.80	0.50	0.50	3.50	49.20	17.35	70.05
1999	1.70	0.80	0.50	0.50	3.50	49.20	17.75	70.45
2000	1.70	0.80	0.50	0.50	3.50	49.20	17.95	70.65
2001	1.70	0.80	0.50	0.50	3.50	49.20	17.80	70.50
2002	1.70	0.80	0.50	0.50	3.50	49.20	17.80	70.50
2003	1.70	0.80	0.50	0.50	3.50	55.10	18.30	76.90
2004	1.70	0.80	0.50	0.50	3.50	55.10	18.30	76.90
2005	1.70	0.80	0.50	0.50	3.50	59.50	18.00	81.00

Source: Lucas County Auditor  
Lucas County Treasurer

**CITY OF OREGON, OHIO**

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**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN YEARS**

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1996	\$493,228	\$496,142	100.59%
1997	534,784	515,998	96.49%
1998	349,049	606,233	173.68%
1999	307,780	528,201	171.62%
2000	313,544	505,981	161.37%
2001	350,380	529,180	151.03%
2002	401,487	548,148	136.53%
2003	472,394	575,139	121.75%
2004	564,720	665,439	117.84%
2005	432,875	776,058	179.28%

Uncollected as of 12/31/05 - \$176,911

Source: Lucas County Auditor.

**COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2005**

	<u><b>Total Debt</b></u>	<u><b>Unvoted Debt</b></u>
Net Assessed Valuation	\$632,305,148	\$632,305,148
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	66,392,041	34,776,783
Applicable City Debt Outstanding (2)	805,000	805,000
Less: Applicable Debt Service Fund Amounts	(2,016)	(2,016)
Net Indebtedness Subject to Limitation	<u>802,984</u>	<u>802,984</u>
Legal Debt Margin	<u><u>\$65,589,057</u></u>	<u><u>\$33,973,799</u></u>

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

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Bonds Only.  
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin.

**CITY OF OREGON, OHIO**

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

<b>Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross General Obligation Bonded Debt (3)</b>	<b>Debt Service Funds Available</b>	<b>Net General Obligation Bonded Debt</b>	<b>Ratio of Net General Obligation Bonded Debt to Assessed Valuation</b>	<b>Net General Obligation Bonded Debt Per Capita</b>
1996	18,326	\$425,008,663	\$2,010,000	\$32	\$2,009,968	0.47%	\$110
1997	18,326	460,591,605	1,915,000	40	1,914,960	0.42%	104.49
1998	18,326	474,460,829	1,805,000	91,627	1,713,373	0.36%	93.49
1999	18,326	460,650,414	1,775,000	1,000	1,774,000	0.39%	96.80
2000	19,355	551,860,873	1,630,000	1,244	1,628,756	0.30%	84.15
2001	19,355	532,627,556	1,475,000	1,423	1,473,577	0.28%	76.13
2002	19,355	531,610,099	1,315,000	1,699	1,313,301	0.25%	67.85
2003	19,355	578,661,914	1,150,000	2,014	1,147,986	0.20%	59.31
2004	19,355	595,957,373	980,000	2,015	977,985	0.16%	50.53
2005	19,355	632,305,148	805,000	2,016	802,984	0.13%	41.49

- (1) U.S. Department of Commerce;  
1994; the 1990 Census of Population and Housing.  
1995 to 1999; Population Estimates Branch, Population Division of the U.S. Department of Commerce  
2000 to 2003; the 2000 Census of Population and Housing.
- (2) Source: Lucas County Auditor.
- (3) Includes all general obligation bonded debt supported by property taxes.



**CITY OF OREGON, OHIO**

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

<b>Year</b>	<b>Debt Principal</b>	<b>Debt Interest</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures</b>	<b>Ratio of Tax Debt Service to General Governmental Expenditures</b>
1996	\$90,000	\$145,223	\$235,223	\$14,093,290	1.67%
1997	95,000	139,013	234,013	15,591,633	1.50%
1998	110,000	132,458	242,458	15,571,599	1.56%
1999	25,000	72,724	97,724	15,908,825	0.61%
2000	145,000	71,911	216,911	16,261,324	1.33%
2001	155,000	66,910	221,910	17,227,549	1.29%
2002	160,000	61,251	221,251	18,979,134	1.17%
2003	165,000	55,331	220,331	19,071,499	1.16%
2004	170,000	49,061	219,061	19,441,775	1.13%
2005	175,000	42,431	217,431	20,711,104	1.05%

**CITY OF OREGON, OHIO**

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**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT  
DECEMBER 31, 2005**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Oregon</u>	<u>Amount Applicable to City of Oregon</u>
<b>Direct</b>			
City of Oregon	\$802,984	100.00%	\$802,984
<b>Overlapping Subdivisions</b>			
Oregon City School District	4,850,000	90.63%	4,395,555
Lucas County	34,205,000	7.89%	<u>2,698,775</u>
		Subtotal	<u>7,094,330</u>
		Total	<u><u>\$7,897,314</u></u>

Source: Lucas County Auditor

**CITY OF OREGON, OHIO**

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**DEMOGRAPHIC STATISTICS  
DECEMBER 31, 2005**

<u>Year</u>	<u>City of Oregon Population (1)</u>	<u>Lucas County Population (2)</u>	<u>Unemployment Rate County Area (3)</u>	<u>Per Capita Income County Area (2)</u>	<u>School Enrollment (4)</u>
1996	18,326	452,691	5.1%	\$13,778	3,846
1997	18,326	452,691	5.2%	13,778	3,760
1998	18,326	452,691	5.5%	13,778	4,168
1999	18,326	446,871	5.2%	20,786	4,212
2000	19,355	455,054	4.7%	24,630	4,132
2001	19,355	455,054	5.1%	27,707	4,151
2002	19,355	455,054	7.6%	27,707	4,221
2003	19,355	455,054	7.3%	27,707	4,230
2004	19,355	455,054	6.6%	27,707	4,159
2005	19,269	450,632	6.4%	21,963	4,262

Source: (1) U.S. Department of Commerce;  
2005 Population Estimates Branch, Population Division of the U.S. Department of Commerce  
(2) Lucas County Auditor, Toledo Metropolitan Area Council of Governments.  
(3) Ohio Bureau of Employment Services.  
(4) Oregon School District, Board of Education and Cardinal Stritch High School.

(Continued)

***CITY OF OREGON, OHIO***

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***DEMOGRAPHIC STATISTICS  
DECEMBER 31, 2005***

<b>2005 Median Family Income</b>		<b>Year</b>	<b>Home Sales within the City</b>	<b>County Average Price</b>	<b>City Average Price</b>
Lucas County	\$51,959	1998	236	\$80,893	\$104,141
State of Ohio	51,966	1999	225	100,520	114,340
		2000	238	97,500	118,100
		2001	238	108,400	121,350
		2002	236	120,600	139,821
		2003	354	119,656	119,517
		2004	222	126,900	140,500
		2005	382	114,144	123,365

**Average Federal AGI for  
Ohio School Districts - 2005**

Oregon City School District	\$37,130
All Lucas County Districts	38,798
All State of Ohio School Distri	42,238

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

<b>Year</b>	<b>Residential (1)</b>			<b>Commercial (1)</b>	
	<b>Number of Permits</b>	<b>Single Family Housing Units</b>	<b>Project Value</b>	<b>Number of Permits</b>	<b>Project Value</b>
1996	312	89	\$15,688,121.0	69	\$4,654,116.0
1997	252	69	10,790,431	51	7,332,505
1998	323	101	17,062,321	39	197,473,704
1999	328	85	16,414,218	52	63,262,560
2000	321	64	14,384,243	46	10,532,110
2001	277	66	11,679,498	46	24,131,251
2002	368	74	14,421,163	47	14,475,780
2003	318	81	12,758,963	44	12,689,868
2004	392	76	11,852,526	46	13,282,789
2005	323	57	10,064,113	46	7,099,705

(1) Source: City of Oregon Building Department.

**CITY OF OREGON, OHIO**

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**PRINCIPAL TAXPAYERS (PUBLIC UTILITY AND PERSONAL PROPERTY TAX)  
DECEMBER 31, 2005**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Sunoco., Inc.	Refinery and Related Activities	\$68,848,280	36.31%
2	BP Oil Company	Refinery and Related Activities	31,265,600	16.49%
3	Marsulex Inc.	Refinery Related	7,126,229	3.76%
4	Dunn Chevrolet Olds Inc.	Automobile Parts Manufacturer	2,575,540	1.36%
5	Oregon Ford Inc.	Automobile Dealership	2,373,930	1.25%
6	Reiter Automotive of North America	Automobile Parts Manufacturer	2,320,340	1.22%
7	E.S. Wagner Company	Excavating	2,303,320	1.21%
8	Midwest Electrical Supply	Public Utility - Electric	2,297,290	1.21%
9	Citgo Petroleum	Refinery and Related Activities	1,920,720	1.01%
10	Meijer Properties, Inc.	Retail Sales	1,906,680	1.01%
		Sub-Total	122,937,929	64.83%
		All Others	66,672,189	35.17%
		Total	\$189,610,118	100.00%

Based on valuation of property taxes levied in 2005.  
Source: Lucas County Auditor - Land and Buildings.

**CITY OF OREGON, OHIO**

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**PRINCIPAL TAXPAYERS (REAL PROPERTY TAX)  
DECEMBER 31, 2005**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Bay Park Community Hospital	Health Care Facility	\$14,124,790	3.19%
2	Toledo Edison	Public Utility - Electric	9,658,090	2.18%
3	Little Sisters of the Poor	Nursing Home	6,931,370	1.57%
4	Environsafe Services	Environmental Services	4,395,840	0.99%
5	Wal-Mart Real Estate Business Trust	Real Estate	3,591,490	0.81%
6	Sunoco, Inc.	Refinery and Related Activities	3,534,070	0.80%
7	B P Oil Company	Refinery and Related Activities	3,219,550	0.73%
8	Meijer Properties, Inc.	Retail Sales	2,660,000	0.60%
9	Robert Lloyd Trustee	Apartment Complex	2,567,400	0.58%
10	St. Charles Hospital	Health Care Facility	2,355,840	0.53%
		Sub-Total	53,038,440	11.98%
		All Others	389,656,590	88.02%
		Total	\$442,695,030	100.00%

Based on valuation of property taxes levied in 2005.  
Source: Lucas County Auditor - Land and Buildings.

**CITY OF OREGON, OHIO**

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**PRINCIPAL TAXPAYERS (INCOME TAX)  
DECEMBER 31, 2005**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Amount of Tax Paid in 2005</u>	<u>Percentage of Total</u>
1	St. Charles Hospital	Hospital / Health Care	\$1,150,286	9.75%
2	BP Oil Company	Refinery and Related Activities	1,008,582	8.55%
3	Sunoco, Incorporated	Refinery and Related Activities	976,971	8.28%
4	Oregon Board of Education	Education	509,645	4.32%
5	Bay Park Community Hospital	Hospital / Health Care	399,806	3.39%
6	Washington Ohio Services LLC	Construction Contractor	366,293	3.11%
7	Cherne Company, Incorporated	Construction Contractor	349,170	2.96%
8	First Energy Generation Corp.	Electric Utility	305,378	2.59%
9	City of Oregon	Local Government	260,622	2.21%
10	CSX Transportation	Railroad	233,931	1.98%
		Sub-Total	5,560,684	47.14%
		All Others	6,232,505	52.86%
		Total	\$11,793,189	100.00%

Source: City of Oregon - Finance Department



**CITY OF OREGON, OHIO**

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**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2005**

		<b>Number of Employees</b>		
<b>Employer</b>	<b>Type of Business</b>	<b>Full-Time</b>	<b>Part-Time</b>	<b>Total</b>
1	St. Charles Hospital	1,072	297	1,369
2	Oregon Board of Education	439	48	487
3	Sunoco Mid-America Marketing	472	0	472
4	B P Oil Company	447	0	447
5	Bay Park Hospital	323	98	421
6	Meijer Properties, Inc.	122	192	314
7	City of Oregon	189	101	290
8	WalMart	100	100	200
9	First Energy Corporation	194	1	195
10	A.A. Boos and Son	115	1	116

Source: Each Employer's Personnel Department.

# CITY OF OREGON, OHIO

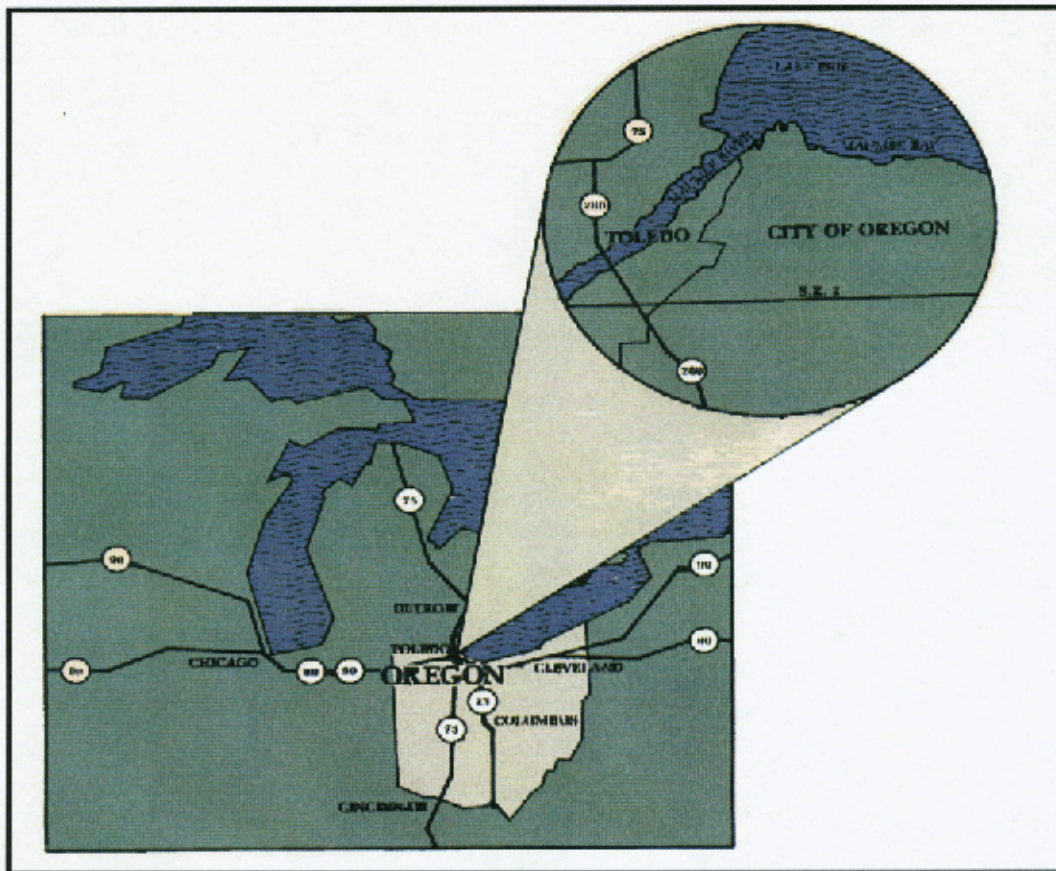
## MISCELLANEOUS STATISTICS DECEMBER 31, 2005

Date of Incorporation	1958
Form of Government	Charter
Area (square miles)	28.5
Facilities and Services:	
Miles of Streets	148
Number of Street Lights	1,443
Recreation and Culture:	
Number of Parks	4
Park Area (acres)	2,216
Number of Ball Fields:	
Lighted	6
Unlighted	13
Number of Tennis Courts:	
Lighted	18
Boat Ramp	1
Bike Path (miles)	2.2
Bike Lanes (miles)	2.0
Land Usage - Percent by Area:	
Residential	25.00%
Commercial/Industrial	24.00%
Public Utility	4.00%
Governmental (including parks) and Other Tax Exempt	21.00%
Agricultural and Undeveloped	27.00%
Building Permits Issued in 2004	323

Police Services:	
Number of Stations	1
Number of Police Personnel and Officers	61
Number of Patrol Units	12
Number of Law Violations:	
Juvenile Citations	177
Criminal Juvenile Arrests	179
Total Number of Criminal Arre	1,204
Traffic Citations Issued	3,297
Parking Tickets Written	201
Fire/Emergency Medical Services:	
Number of Stations	3
Number of Fire Officers and Fire Personnel	97
Number of Calls Answered	
Fire	191
EMS	1,697
Life Squad	1,867
Number of Inspections	1,033
Number of Hospitals	2
Number of Patient Beds	456
Number of Bassinets	27
Number of Cemeteries	2
Cemetery Area (acres)	39
Number of Libraries	1

Water System:	
Number of Purification Plants	1
Miles of Water Mains	169
Number of Fire Hydrants	1,941
Number of Service Connections	7,452
Average Daily Consumption (gallons)	8
Maximum Daily Capacity of Plant (gallons)	16 M
Sewerage System:	
Number of Treatment Plants	2
Miles of Sanitary Sewers	89.0
Miles of Storm Sewers	95.0
Average Daily Treatment (gallons)	5 M
Maximum Daily Capacity of Treatment (gallons)	36 M
Number of Service Connections	6,219
Education:	
Public Elementary Schools	4
Public Elementary School Students	1,710
Public Elementary School Instructors	100
Public Secondary Schools	3
Public Secondary School Students	2,208
Public Secondary School Instructors	183
Private Secondary Schools Students	344
Private Secondary Schools Instructors	25

## Oregon, Ohio



Oregon is located East of Toledo in Lucas County with Lake Erie at it's Northern Border. Oregon is served by Ohio state routes 2 and 51 and Interstate 280. The City is within 15 miles of where I75 (north/south) and I80/90 (east/west) cross. Connecting us to one-third of the U.S. population within four hours drive time.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**CITY OF OREGON**

**LUCAS 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 3, 2006**