

CITY OF ROSSFORD, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

City Council
City of Rossford
133 Osborn Street
Rossford, Ohio 43460

We have reviewed the *Independent Auditor's Report* of the City of Rossford, Wood County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 6, 2007

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**CITY OF ROSSFORD, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the City Council
City of Rossford, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rossford, Ohio, as of and for the year ended December 31, 2006, which collectively comprise the City of Rossford, Ohio's basic financial statements and have issued our report thereon dated May 2, 2007. The financial statements of the Rossford Arena Amphitheater Authority (RAAA) have not been audited, and we were not engaged to audit the RAAA financial statements as part of our audit of the City's basic financial statements. RAAA's financial activities are included in the City's basic financial statements as a discretely presented component unit and represents .09 percent, and 4.15 percent of the assets, and revenues, respectively, of the City's consolidated financial statements. The accompanying financial statements have been prepared assuming the Rossford Arena Amphitheater Authority (a discretely presented component unit) will continue as a going concern. As discussed in Note 2, the Authority has been unable to pay debt obligations when due. Accordingly, there is substantial doubt about its ability to continue as a going concern. Management's plans in regards to these matters are also described in Note 2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Rossford, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the City of Rossford, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the City of Rossford, Ohio's internal control.

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

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

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the City of Rossford, Ohio, in a separate letter dated May 2, 2007.

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

James G. Zupka, CPA, Inc.
Certified Public Accountants

May 2, 2007

CITY OF ROSSFORD, OHIO
STATUS OF PRIOR AUDIT CITATIONS AND RECOMMENDATIONS
DECEMBER 31, 2006

There were no citations in the audit for the year ended December 31, 2005. However, there were recommendations in the audit, for the year ended December 31, 2005, that have been corrected or repeated in the audit for the year ended December 31, 2006.

Wood County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2006



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2006

Issued by:
Department of Finance
Karen M. Freeman
Director



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WOOD COUNTY, OHIO

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INTRODUCTORY SECTION





City of Rossford, Ohio

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June 22, 2007

Introduction

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

We are pleased to present the Thirteenth (13th) ***Comprehensive Annual Financial Report*** (CAFR) of the City of Rossford, Ohio, (the City) for the year ended December 31, 2006. 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). 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

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 Rossford, Ohio, for the fiscal year ended December 31, 2006.

While there is no legal requirement for the preparation of a CAFR, it represents a commitment by the City, and its officers, to conform to nationally recognized standards of excellence in financial reporting. This report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the presented data and the completeness and reliability of the presentation, including all disclosures, rests with City management.

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.

***Letter of Transmittal
For the Year Ended December 31, 2006***

The City's financial statements have been audited by the audit staff of James G. Zupka, C.P.A., Inc. The Auditor 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, 2006. The report from the Auditor is presented as the first component of the financial section of this report.

PROFILE OF THE CITY OF ROSSFORD

Historical Information

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

Location

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

Form of Government

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

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

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

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

The Reporting Entity

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

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

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

Internal Control, Budgetary and the Accounting System

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

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

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

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

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

INFORMATION USEFUL IN ASSESSING ECONOMIC CONDITION

Economic Outlook

The City of Rossford annexed 660 acres in August of 1994, 300 acres in May of 1997, 192 acres in 2000 and 45 acres in 2004. The annexed area is primarily farmland located at the intersection of Interstate I-80/90 and Interstate I-75 and is known locally as the "Crossroads of America". State Route 795 and State Route 20 provide unlimited direct access to the area. As part of the annexation agreement, the City agreed to provide water and sanitary sewer services to the area. In order to accomplish this, the City entered into a Joint Economic Development Zone (JEDZ) agreement with the City of Toledo, whereby, in exchange for the City of Toledo's agreement to sell water to the area, the City of Rossford would share with the City of Toledo 0.615% of the 2.25% income tax revenue generated as a result of new businesses locating in the JEDZ. At the time of the agreement, preliminary projections indicated over 1,400 jobs will be created with an estimated annual payroll of \$25 million, with total annual tax revenues to cities, county, state and local schools projected to exceed \$9 million.

***Letter of Transmittal
For the Year Ended December 31, 2006***

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

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

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

In May 2000 the City entered into a tax increment financing agreement with Ramco-Gershenson, Inc., who proposed the development of a 78.7-acre parcel of property consisting of a commercial shopping center located at the northeast corner of US Route 20 and Parkway Boulevard. When all 78.7 acres are developed, Ramco-Gershenson projects 960 employees with annual payrolls of \$18 million, annual retail sales of \$96 million and annual tax revenues to cities, county, state and local schools to exceed \$9 million. In 2005, annual payrolls exceeded \$16 million. The service payments made by Ramco-Gershenson will be used to pay all costs of public road and storm drainage improvements including the principal and interest on the \$1,950,000 in bonds the City borrowed to finance the improvements.

***Letter of Transmittal
For the Year Ended December 31, 2006***

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

Project Funding

During 2006, the City remained focused on improving the quality of life and employment opportunities for its residents and taxpayers. Where possible, the City continues to actively pursue and apply for possible assistance through the Ohio Public Works Commission (OPWC) and other federal, state and local grant funds. The City has been very successful in obtaining such funds as evidenced by OPWC Grants for Phases I, II, III and IV sewer replacement and the road and bridge widening of Buck Road and I-75, the Ohio Department of Development Community Housing Improvement Program Grant, the Ohio Department of Public Safety Emergency Medical Services Grant, the COPS Fast Grant and the Ohio Department of Natural Resources, Division of Watercraft Waterways Safety Fund Grant and Clean Vessel Act Grant.

Continuing and Future Projects

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

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

In September 1999, the City was awarded 24 month \$645,000 Grant from the Ohio Department of Development for a Community Housing Improvement Program (CHIP). Program activities included full rehabilitation services to bring houses up to state residential rehab standards in the form of 0% deferred loans, home repair addressing one or two health or safety concerns in the house in the form of grants and home buyer assistance for down payment and closing costs in the form of 0% deferred loans. Program participants must meet certain low to moderate income limits and work is completed solely by program approved contractors. Because seven grantees paid off their loans, \$222,940 remains in cash for the CHIP fund and can be used to aide Rossford residents in need of emergency home repairs.

In August 2000, the City entered into a 20-year road improvements lease-purchase agreement with the TID and issued a \$2,550,000 note to finance the first payment, pursuant to the provisions of Article XVII, Section 3 of the Ohio Constitution. Further lease payments are \$1 per year, ending December 1, 2020. The TID constructed a north-south collector boulevard from the intersection of State Route 795 and Simmons Road which extends south beginning at State Route 795 and ending at US 20 (The Parkway) and the east-west road know as Arena Drive. The cost of the roads are to be paid by the levy and collection of special assessments from the property owners who benefited by the improvements. In consideration of the agreement the TID has agreed to assign 35.84% of the assessments and other amounts connected therewith to the City. Proceeds from the assessments, which the City began receiving in 2001, will be used to pay the interest and principal of the \$2,550,000 note. In 2001 through 2006, assessments received covered note interest and note sale expenses in addition to \$250,000 in principal payments, leaving a \$281,689 cash balance in the fund.

In September 2000, the City entered into a 15-year water system improvements lease-purchase agreement and a 15 year sewer system improvements lease-purchase with the TID and issued two \$300,000 notes to finance the first payments, pursuant to the provisions of Article XVII, Section 3 of the Ohio Constitution. Further lease payments on each are \$1 per year, ending December 1, 2015. The TID acquired and installed approximately 11,653 feet of polyvinyl chloride water main along the west side of The Parkway and the south side of Arena Drive. The water main runs from US 20 to State Route 795 along The Parkway and along Arena Drive from its intersection with The Parkway to Lime City Road and is connected to the Wood County Regional Water and Sewer District and the City's water mains at US 20 and State Route 795, respectively, and dead ends at the Arena Drive/Lime City Road intersection. It also acquired and installed approximately 11,692 feet of polyvinyl and concrete sewer line. The sewer line is connected to an existing City sewer on the north side and is conveying sewage from the south northward. The cost of the water and sewer improvements are to be paid by connection fees, tap-in fees, capacity fees, user fees and other similar fees paid by users of the improvements. In consideration of the agreement the TID has agreed to assign 31.8% of the water and sewer fees and other amounts connected therewith to the City. The City will use these proceeds to pay the interest and principal of the two \$300,000 notes. As of December 31, 2006, the RTID water and sewer lines have generated tap fees of \$64,348. The remainder of note interest and note sale expenses has been paid by the City's Water and Sewer funds.

CITY OF ROSSFORD, OHIO

***Letter of Transmittal
For the Year Ended December 31, 2006***

The City has 30 full-time and approximately 70 part-time employees. A statewide public employee collective bargaining law applies to public employee relations and collective bargaining.

Employees are represented by the following bargaining units:

<u>Bargaining Unit</u>	<u>Agreement Expiration Date</u>	<u>Number of Employees Covered</u>
AFSCME, Ohio Council 8 Local 2954	August 2007	9
UAW, Local 12	March 2007	15
IBEW Local 245	December 2006	31
Volunteer Fire Fighters		
OPBA, Rossford, Ohio Unit: Patrol Officers and Command Officers	December 2006	18

The OPBA, IBEW and UAW are currently working on short term extensions during negotiations.

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

Unemployment Rates

According to the Ohio Bureau of Employment services, the 2006 annual average unemployment rate for Wood County was 5.7%, which was the same as the state unemployment rate of 5.7% and slightly less than the national unemployment rate of 5.8%.

Debt Administration

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

The City's general obligation bond is not rated. The total bonded debt of the City at December 31, 2006 was \$1,699,049 for water lines, \$1,415,951 for sewer lines and \$3,585,000 for Capital Projects.

Cash Management

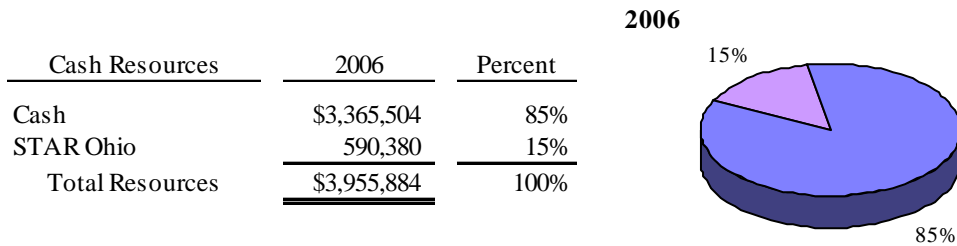
Cash management is a vital component of the City of Rossford's overall financial strategy. The primary objective of the City's investment activity is the preservation of capital and the protection of invested principal. The City pools its cash for maximum investment efficiency.

CITY OF ROSSFORD, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2006**

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

The City's cash resources were invested at December 31, 2006 as follows:



The City earned general governmental interest of \$161,074 on investments for fiscal year 2006. Interest earned in the amount of \$149,613, was allocated to the General Fund.

At December 31, 2006, the City had deposits of \$3,365,504. Federal depository insurance covered \$300,000 of the bank balance. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. All deposits are made under contracts with local banking institutions pursuant to statute.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The proactive approach that the City employs in its ongoing operation is reflected in the composition of the City's insurance and favorable loss experience. The City has contracted with Ohio Government Risk Management for all liability including bodily injury, personal injury, property damage, police and fire liability, boiler and machinery and public officials.

CITY OF ROSSFORD, OHIO

**Letter of Transmittal
For the Year Ended December 31, 2006**

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

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

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rossford, Ohio for its comprehensive annual financial report for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government finance reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Rossford has received a Certificate of Achievement for the fiscal years ended 1994 - 2005. We 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 it to GFOA.

Public Disclosure

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

***Letter of Transmittal
For the Year Ended December 31, 2006***

Acknowledgments

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

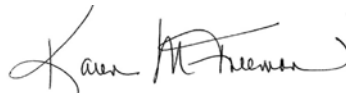
Special acknowledgment is extended to the staff of Donald J. Schonhardt and Associates, Inc. for their continued guidance in the preparation of this report.

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

Respectfully,



Edward J. Ciecka
City Administrator



Karen M. Freeman
Finance Director

CITY OF ROSSFORD, OHIO

***List of Principal Officials
For the Year Ended December 31, 2006***

Elected Official

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Years In Office</u>	<u>Surety</u>
William Verbosky, Jr.	Mayor	11/30/2007	8	A
Larry Oberdorf, Sr.	Council President	11/30/2007	3	A
James Richards	Council Member	11/30/2009	5	A
Kenneth Hermes	Council Member	11/30/2007	9	A
Leonard Michaels	Council Member	11/30/2009	1	A
Caroline Eckel	Council Member	11/30/2009	3	A
Gregory Marquette	Council Member	11/30/2007	8	A
Richard Kovach	Council Member	11/30/2009	10	A
Mark Radwanski	Treasurer	11/30/2009	3	A, B

Administrative Personnel

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>	<u>Years Of Service</u>	<u>Surety</u>
Edward J. Ciecka	City Administrator	Indefinite	2	A, B
Karen Freeman	Director Of Finance/ Superintendent	Indefinite	0	A, B
David Jones	Of Public Works	Indefinite	26	A
Patricia Sloan	Director Of Recreation	Indefinite	26	A
Robert Vespi	Police Chief	Indefinite	0	A
James Verbosky	Fire Chief	Indefinite	9	A
Kevin Heban	Acting Director Of Law	11/30/2007	01	A
Robert Watrol	Clerk Of Council	11/30/2007	19	A

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

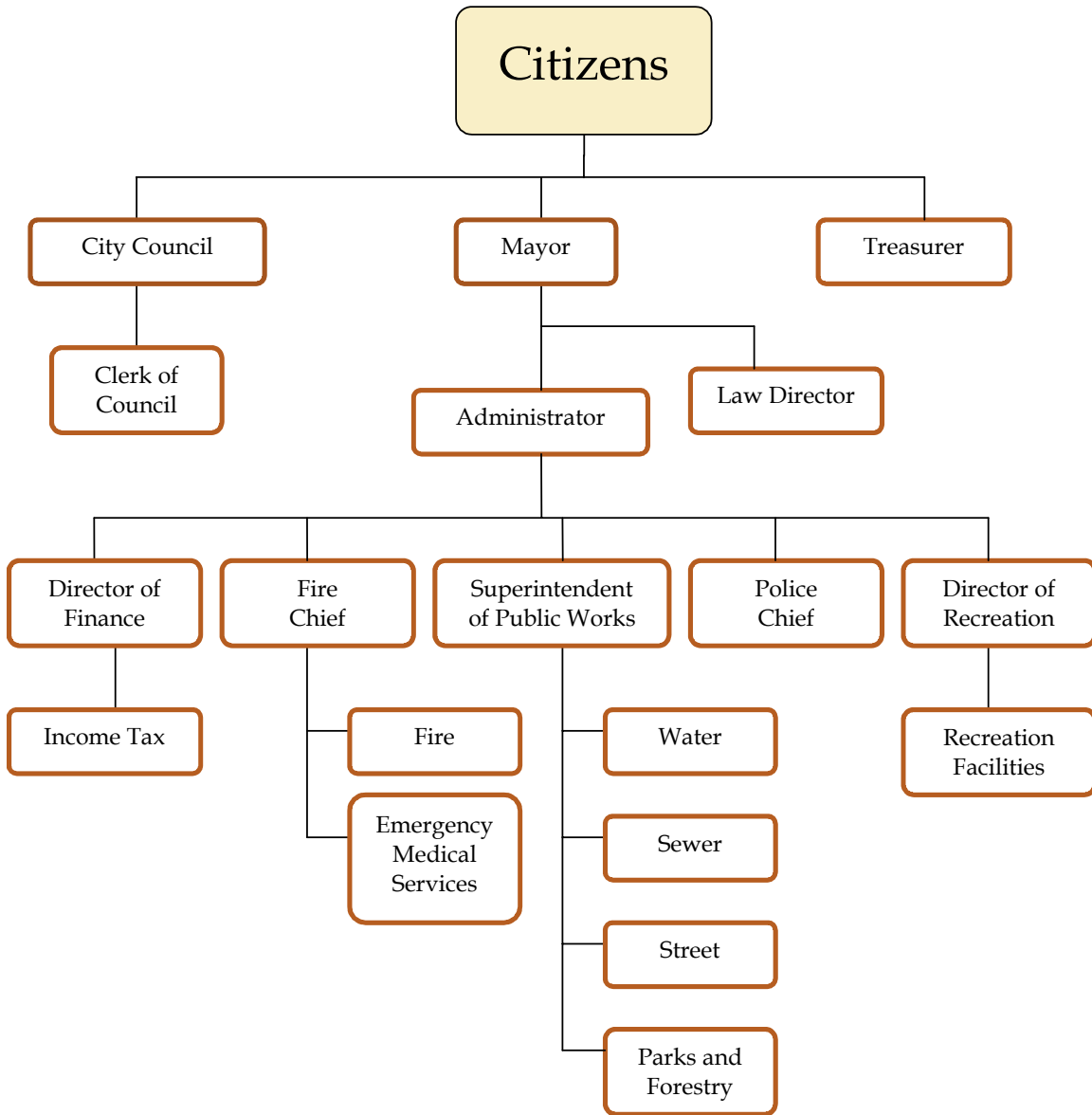
(B) Public Official Bond - \$100,000.

Insurance Term: September 5, 2006 Through September 5, 2007

City Offices:

133 Osborn Street
Rossford, Ohio 43460-1236
Phone (419) 666-0210
FAX (419) 661-4279
<http://rossfordohio.com>

**City Organizational Chart
For the Year Ended December 31, 2006**



Boards and Commissions

- | | |
|-------------------------------|------------------------------|
| Board of Zoning Appeals | Civil Service Commission |
| Recreation Board | City Tree Commission |
| Municipal Planning Commission | Records Retention Commission |

*Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting*

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Rossford
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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



President

Executive Director



FINANCIAL SECTION



JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of Rossford, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rossford, Ohio, as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Rossford, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements of the Rossford Arena Amphitheater Authority (RAAA) have not been audited, and we were not engaged to audit the RAAA financial statements as part of our audit of the City's basic financial statements. RAAA financial activities are included in the City's basic financial statements as a discretely presented component unit and represent .09 percent, and 4.15 percent of the assets and revenue, respectively, of the City's consolidated financial statements.

Due to the fact that the RAAA's financial statements have not been audited, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the discretely presented component unit of the City of Rossford, Ohio as of and for the year ended December 31, 2006.

In addition, 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 Rossford, Ohio, as of December 31, 2006, and the respective changes in financial position, and, where applicable cash flows, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2007, on our consideration of the Rossford, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis information 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 required supplementary information. However, we did not audit the information and express no opinion on it.

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



James G. Zupka, CPA, Inc.
Certified Public Accountants
May 2, 2007

The discussion and analysis of the City of Rossford's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2006. 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 2006 are as follows:

- ❑ In total, net assets increased \$1,299,350. Net assets of governmental activities increased \$1,234,946, from 2005. Net assets of business-type activities increased \$64,404 or 2.7% from 2005.
- ❑ General revenues accounted for \$5.4 million in revenue or 75.7% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for 24.3% of total revenues of \$7.1 million.
- ❑ The City had \$5.0 million in expenses related to governmental activities; only \$887,189 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$5.4 million were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$4.9 million in revenues and \$3.7 million in expenditures. The general fund's fund balance increased \$579,356 to \$1,869,255.
- ❑ Net assets for enterprise funds increased by \$64,404.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance operations. 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, 2006**

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 own programs. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following tables provides a comparison of the City's net assets between 2006 and 2005:

	Governmental		Business-type		Total	
	Activities		Activities			
	2006	2005	2006	2005	2006	2005
Current and other assets	\$7,125,677	\$5,645,264	\$882,303	\$859,127	\$8,007,980	\$6,504,391
Capital assets, Net	2,765,334	2,813,148	6,757,981	6,959,459	9,523,315	9,772,607
Total assets	9,891,011	8,458,412	7,640,284	7,818,586	17,531,295	16,276,998
Long-term debt outstanding	4,430,095	4,582,197	4,455,470	4,641,097	8,885,565	9,223,294
Other liabilities	4,160,080	3,810,325	758,031	815,110	4,918,111	4,625,435
Total liabilities	8,590,175	8,392,522	5,213,501	5,456,207	13,803,676	13,848,729
Net assets						
Invested in capital assets, net of related debt	2,230,334	0	2,162,511	1,650,574	4,392,845	1,650,574
Restricted	654,720	354,721	0	0	654,720	354,721
Unrestricted	(1,584,218)	(288,831)	264,272	711,805	(1,319,946)	422,974
Total net assets	\$1,300,836	\$65,890	\$2,426,783	\$2,362,379	\$3,727,619	\$2,428,269

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CITY OF ROSSFORD, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2006 and 2005:

	Governmental		Business-type		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for Services and Sales	\$486,672	\$464,512	\$827,898	\$929,241	\$1,314,570	\$1,393,753
Operating Grants and Contributions	400,517	291,208	0	0	400,517	291,208
Capital Grants and Contributions	0	95,000	15,355	51,193	15,355	146,193
General revenues:						
Income Taxes	2,691,227	2,703,654	0	0	2,691,227	2,703,654
Property Taxes	1,347,928	503,505	0	0	1,347,928	503,505
Other Local Taxes	222,818	200,289	0	0	222,818	200,289
Grants and Entitlements not Restricted to Specific Programs	964,026	773,509	0	0	964,026	773,509
Investment Earnings	161,074	68,636	0	0	161,074	68,636
Miscellaneous	6,071	407,039	0	0	6,071	407,039
Total revenues	6,280,333	5,507,352	843,253	980,434	7,123,586	6,487,786
Program Expenses						
Security of Persons and Property	2,192,210	1,916,592	0	0	2,192,210	1,916,592
Leisure Time Activities	256,623	157,578	0	0	256,623	157,578
Basic Utility Services	196,383	78,740	0	0	196,383	78,740
Transportation	967,393	895,459	0	0	967,393	895,459
General Government	1,162,863	1,038,816	0	0	1,162,863	1,038,816
Interest and Fiscal Charges	269,915	317,247	0	0	269,915	317,247
Water	0	0	172,507	169,827	172,507	169,827
Sewer	0	0	511,106	450,778	511,106	450,778
Marina	0	0	95,236	74,725	95,236	74,725
Total expenses	5,045,387	4,404,432	778,849	695,330	5,824,236	5,099,762
Total Change in Net Assets	1,234,946	1,102,920	64,404	285,104	1,299,350	1,388,024
Beginning Net Assets	65,890	(1,037,030)	2,362,379	2,077,275	2,428,269	1,040,245
Ending Net Assets	\$1,300,836	\$65,890	\$2,426,783	\$2,362,379	\$3,727,619	\$2,428,269

Governmental Activities

Net assets of the City's governmental activities increased by \$1,234,946. This was due primarily to a new 3.5 mil 5-year operating levy, interest earned on larger operating account balances and a one-time increase in inheritance tax collected.

CITY OF ROSSFORD, OHIO

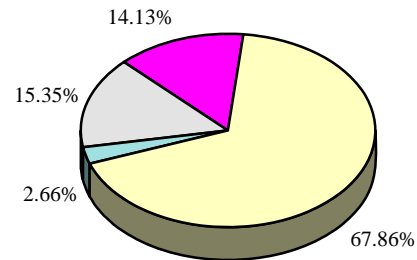
**Management's Discussion and Analysis
For the Year Ended December 31, 2006**

Unaudited

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

Property taxes and income taxes made up 21.4% and 42.8% respectively of revenues for governmental activities for the City in fiscal year 2006. The City's reliance upon tax revenues is demonstrated by the following graph indicating 67.86% of total revenues from general tax revenues:

Revenue Sources	2006	Percent of Total
General Shared Revenues	\$964,026	15.35%
Program Revenues	887,189	14.13%
General Tax Revenues	4,261,973	67.86%
General Other	167,145	2.66%
Total Revenue	\$6,280,333	100.00%



Business-Type Activities

Net assets of the business-type activities increased by \$64,404. This increase was due to higher revenues from user and tap fees for water and sewer. User rates in the enterprise funds are evaluated annually by management with rate changes made by the legislative body. Changes to user rates are made periodically when necessary to keep pace with increased operational and capital costs. Rates have remained the same since January 1, 2004.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$925,576, which is an increase from last year's balance of \$(544,183). The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2006 and 2005:

	Fund Balance December 31, 2006	Fund Balance December 31, 2005	Increase (Decrease)
General	\$1,869,255	\$1,289,899	\$579,356
General Obligation Debt Service	(486,456)	(538,563)	52,107
TID Road Acquisition	(1,972,303)	(2,261,317)	289,014
Other Governmental	1,515,080	965,798	549,282
Total	\$925,576	(\$544,183)	\$1,469,759

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

Unaudited

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

	2006 <u>Revenues</u>	2005 <u>Revenues</u>	Increase <u>(Decrease)</u>
Property Taxes	\$701,564	\$225,754	\$475,810
Municipal Income Tax	2,606,115	2,702,108	(95,993)
Other Local Taxes	222,818	200,289	22,529
Intergovernmental Revenue	1,006,885	799,742	207,143
Charges for Services	141,072	92,262	48,810
Licenses and Permits	27,885	23,971	3,914
Investment Earnings	149,613	61,700	87,913
Special Assessments	2,730	171,661	(168,931)
Fines and Forfeitures	36,403	33,145	3,258
All Other Revenue	0	12,191	(12,191)
Total	<u>\$4,895,085</u>	<u>\$4,322,823</u>	<u>\$572,262</u>

General Fund revenues in 2006 increased \$572,262 compared to revenues in fiscal year 2005 primarily because 2006 is the first collection year for a five-year 3.5 mil levy, a significant increase in investment earnings due to larger operating account balances, and a record number of billable emergency service (ambulance and fire) runs.

	2006 <u>Expenditures</u>	2005 <u>Expenditures</u>	Increase <u>(Decrease)</u>
Security of Persons and Property	\$1,783,358	\$1,767,343	\$16,015
Leisure Time Activities	19,176	8,396	10,780
Basic Utility Services	196,383	78,740	117,643
Transportation	708,869	486,138	222,731
General Government	1,045,597	972,775	72,822
Debt Service:			
Principal Retirement	0	5,255	(5,255)
Interest and Fiscal Charges	0	158	(158)
Total	<u>\$3,753,383</u>	<u>\$3,318,805</u>	<u>\$434,578</u>

General Fund expenditures increased by \$434,578 or 13.1% compared to the prior year. This was due to the elimination of a \$9 per month per single family dwelling refuse collection fee, increased medical insurance rates and increased fuel costs. The cost of supplies, fuel, wages and benefits significantly impacted the expenditures in Security of Persons and Property, Basic Utility Services and Transportation.

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

CITY OF ROSSFORD, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

Unaudited

During the course of fiscal year 2006 the City amended its General Fund budget several times, none significant.

Original General Fund budgeted revenues were \$4.5 million and were not amended throughout the year. The General Fund had an adequate fund balance to cover expenditures.

The balances in the General Obligation Debt Service Fund, the TID Road Acquisition Fund and Other Governmental Funds all showed increases. The General Obligation Debt Service Fund balance increased because the City paid down \$50,000 on a note for the Community Center. The TID Road Acquisition Fund balance increased because \$100,000 was paid down on the note for the TID Road project. The balance in Other Governmental Funds increased mainly because the City paid down \$15,000 on a note taken out to build a fire station in the Crossroads. A \$60,000 note remains for the land purchased for the fire station.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2006 the City had \$9,523,315 net of accumulated depreciation invested in land, improvements, infrastructure, buildings, machinery and equipment and construction in progress. Of this total, \$2,765,334 was related to governmental activities and \$6,757,981 to the business-type activities. The following table shows fiscal year 2006 and 2005 balances:

	Governmental Activities		Increase (Decrease)
	2006	2005	
Land	\$361,137	\$361,137	\$0
Buildings	3,251,989	3,261,989	(10,000)
Improvements Other Than Buildings	162,605	162,605	0
Machinery and Equipment	3,169,387	3,117,473	51,914
Less: Accumulated Depreciation	(4,179,784)	(4,090,056)	(89,728)
Totals	<u>\$2,765,334</u>	<u>\$2,813,148</u>	<u>(\$47,814)</u>

	Business-Type Activities		Increase (Decrease)
	2006	2005	
Land	\$6,261	\$6,261	\$0
Buildings	303,720	303,720	0
Infrastructure	9,748,963	9,748,963	0
Machinery and Equipment	240,363	240,363	0
Less: Accumulated Depreciation	(3,541,326)	(3,339,848)	(201,478)
Totals	<u>\$6,757,981</u>	<u>\$6,959,459</u>	<u>(\$201,478)</u>

The primary increase occurred in machinery and equipment. Additional information on the City's capital assets can be found in Note 8.

***Management's Discussion and Analysis
For the Year Ended December 31, 2006***

Unaudited

Debt

At December 31, 2006, the City had \$6.8 million in bonds outstanding, \$265,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Governmental Activities:		
General Obligation Bonds	\$3,585,000	\$3,717,000
Special Assessment Bonds	140,000	165,000
Landfill Postclosure Care Liability	441,676	504,462
Compensated Absences	263,419	195,735
Total Governmental Activities	<u>4,430,095</u>	<u>4,582,197</u>
Business-Type Activities:		
General Obligation Bonds	\$3,115,000	\$3,198,000
OWDA Loans Payable	1,279,440	1,375,092
OPWC Loans Payable	61,030	65,725
Compensated Absences	0	2,280
Total Business-Type Activities	<u>4,455,470</u>	<u>4,641,097</u>
Totals	<u><u>\$8,885,565</u></u>	<u><u>\$9,223,294</u></u>

State statutes limit the amount of unvoted general obligation debt the City may issue. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt, when added to that of other political subdivisions within the respective counties in which Rossford lies, is limited to ten mills. At December 31, 2006, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

As part of the budget process each year the City performs an evaluation to project future revenues for the coming fiscal year. Major aspects of this evaluation are projecting income tax, hotel/motel tax and franchise tax revenues and utilizing property tax and shared local government revenues provided by the Wood County Auditor. Income tax revenue, hotel/motel and franchise taxes have remained relatively even when compared to the previous year. Property tax revenues increased in 2006 due to the collection of the first year of a five-year 3.5 mil levy. The 2006 uses of the operating levy were as follows: replacement of the refuse fee \$175,000; employee raises \$90,000; police vehicles \$70,000; public works equipment \$36,000. The City continues to implement cost cutting measures to eliminate unnecessary spending. Except for inflationary increases, other general fund expenses have remained relatively constant. Management and City Council continue to pursue new revenue sources, while reviewing the possibility of increasing existing sources, in addition to a continued review of reducing expenditures. A close watch of current economic conditions is ongoing to determine if increased revenues or further reductions in expenditures are necessary in order to maintain fiscal stability.

REQUESTS FOR INFORMATION

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



CITY OF ROSSFORD, OHIO

**Statement of Net Assets
December 31, 2006**

	Governmental Activities	Business-Type Activities	Total	Component Unit Rossford Arena Amphitheater Authority
Assets:				
Cash and Cash Equivalents	\$ 3,348,075	\$ 606,437	\$ 3,954,512	\$ 15,202
Receivables:				
Taxes	1,670,480	0	1,670,480	0
Accounts	79,309	0	79,309	0
Intergovernmental	529,933	275,866	805,799	0
Special Assessments	1,468,892	0	1,468,892	0
Inventory of Supplies at Cost	14,354	0	14,354	0
Prepaid Items	14,634	0	14,634	0
Capital Assets:				
Capital Assets Not Being Depreciated	361,137	6,261	367,398	0
Capital Assets Being Depreciated, Net	2,404,197	6,751,720	9,155,917	0
Total Assets	9,891,011	7,640,284	17,531,295	15,202
Liabilities:				
Accounts Payable	\$ 135,982	\$ 5,334	\$ 141,316	5,106,921
Accrued Wages and Benefits	172,902	2,945	175,847	0
Retainage Payable	0	0	0	502,492
Unearned Revenue	1,034,858	0	1,034,858	0
Accrued Interest Payable	81,338	29,752	111,090	1,773,357
General Obligation Notes Payable	2,735,000	720,000	3,455,000	0
Long-Term Liabilities:				
Due Within One Year	160,000	209,329	369,329	0
Due in More Than One Year	4,270,095	4,246,141	8,516,236	7,574,398
Total Liabilities	8,590,175	5,213,501	13,803,676	14,957,168
Net Assets:				
Invested in Capital Assets, Net of Related Debt	2,230,334	2,162,511	4,392,845	0
Restricted For:				
Other Purposes	654,720	0	654,720	0
Unrestricted (Deficit)	(1,584,218)	264,272	(1,319,946)	(14,941,966)
Total Net Assets	\$ 1,300,836	\$ 2,426,783	\$ 3,727,619	\$ (14,941,966)

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Activities
For the Year Ended December 31, 2006**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 2,192,210	\$ 337,058	\$ 0	\$ 0
Leisure Time Activities	256,623	104,787	3,951	0
Basic Utility Services	196,383	0	0	0
Transportation	967,393	11,516	371,070	0
General Government	1,162,863	33,311	25,496	0
Interest and Fiscal Charges	269,915	0	0	0
Total Governmental Activities	5,045,387	486,672	400,517	0
Business-Type Activities:				
Water	172,507	189,449	0	0
Sewer	511,106	545,978	0	15,355
Marina	95,236	92,471	0	0
Total Business-Type Activities	778,849	827,898	0	15,355
Total Primary Government	\$ 5,824,236	\$ 1,314,570	\$ 400,517	\$ 15,355
Component Unit:				
Rossford Arena				
Amphitheater Authority	\$ 4,059	\$ 4,148	\$ 0	\$ 0

General Revenues

Property Taxes
Municipal Income Taxes
Other Local Taxes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year, Restated (See Note 2)

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Governmental Activities	Business-Type Activities	Total	Rossford Arena Amphitheater Authority
\$ (1,855,152)	\$ 0	\$ (1,855,152)	\$ 0
(147,885)	0	(147,885)	0
(196,383)	0	(196,383)	0
(584,807)	0	(584,807)	0
(1,104,056)	0	(1,104,056)	0
(269,915)	0	(269,915)	0
<u>(4,158,198)</u>	<u>0</u>	<u>(4,158,198)</u>	<u>0</u>
0	16,942	16,942	0
0	50,227	50,227	0
0	(2,765)	(2,765)	0
<u>0</u>	<u>64,404</u>	<u>64,404</u>	<u>0</u>
<u>(4,158,198)</u>	<u>64,404</u>	<u>(4,093,794)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>89</u>
1,347,928	0	1,347,928	0
2,691,227	0	2,691,227	0
222,818	0	222,818	0
964,026	0	964,026	0
161,074	0	161,074	19
6,071	0	6,071	304,265
<u>5,393,144</u>	<u>0</u>	<u>5,393,144</u>	<u>304,284</u>
1,234,946	64,404	1,299,350	304,373
65,890	2,362,379	2,428,269	(15,246,339)
<u>\$ 1,300,836</u>	<u>\$ 2,426,783</u>	<u>\$ 3,727,619</u>	<u>\$ (14,941,966)</u>

CITY OF ROSSFORD, OHIO

**Balance Sheet
Governmental Funds
December 31, 2006**

	General	General Obligation Debt Service	TID Road Acquisition
Assets:			
Cash and Cash Equivalents	\$ 1,533,884	\$ 201	\$ 281,689
Receivables:			
Taxes	1,331,352	0	0
Accounts	79,309	0	0
Intergovernmental	351,471	0	0
Special Assessments	0	0	1,259,109
Inventory of Supplies, at Cost	0	0	0
Prepaid Items	14,634	0	0
Total Assets	\$ 3,310,650	\$ 201	\$ 1,540,798
Liabilities:			
Accounts Payable	\$ 116,196	\$ 0	\$ 0
Accrued Wages and Benefits Payable	167,098	0	0
Deferred Revenue	1,158,101	0	1,259,109
Accrued Interest Payable	0	11,657	53,992
General Obligation Notes Payable	0	475,000	2,200,000
Total Liabilities	1,441,395	486,657	3,513,101
Fund Balances:			
Reserved for Encumbrances	213,062	0	0
Reserved for Prepaid Items	14,634	0	0
Reserved for Supplies Inventory	0	0	0
Undesignated/Unreserved in:			
General Fund	1,641,559	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	(486,456)	0
Capital Projects Fund	0	0	(1,972,303)
Total Fund Balances	1,869,255	(486,456)	(1,972,303)
Total Liabilities and Fund Balances	\$ 3,310,650	\$ 201	\$ 1,540,798

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,532,301	\$ 3,348,075
339,128	1,670,480
0	79,309
178,462	529,933
209,783	1,468,892
14,354	14,354
0	14,634
<u>\$ 2,274,028</u>	<u>\$ 7,125,677</u>
\$ 19,786	\$ 135,982
5,804	172,902
671,885	3,089,095
1,473	67,122
60,000	2,735,000
<u>758,948</u>	<u>6,200,101</u>
181,595	394,657
0	14,634
14,354	14,354
0	1,641,559
530,492	530,492
0	(486,456)
788,639	(1,183,664)
<u>1,515,080</u>	<u>925,576</u>
<u>\$ 2,274,028</u>	<u>\$ 7,125,677</u>

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2006***

Total Governmental Fund Balances	\$ 925,576
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	2,765,334
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,054,237
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,444,311)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 1,300,836</u></u>

See accompanying notes to the basic financial statements



CITY OF ROSSFORD, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006**

	General	General Obligation Debt Service	TID Road Acquisition
Revenues:			
Property Taxes	\$ 701,564	\$ 0	\$ 0
Municipal Income Tax	2,606,115	0	0
Other Local Taxes	222,818	0	0
Intergovernmental Revenues	1,006,885	0	0
Charges for Services	141,072	0	0
Licenses and Permits	27,885	0	0
Investment Earnings	149,613	0	0
Special Assessments	2,730	0	362,788
Fines and Forfeitures	36,403	0	0
All Other Revenue	0	0	0
Total Revenue	4,895,085	0	362,788
Expenditures:			
Current:			
Security of Persons and Property	1,783,358	0	0
Leisure Time Activities	19,176	0	0
Basic Utility Services	196,383	0	0
Transportation	708,869	0	0
General Government	1,045,597	0	0
Capital Outlay	0	0	1
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	18,893	73,773
Total Expenditures	3,753,383	18,893	73,774
Excess (Deficiency) of Revenues Over Expenditures	1,141,702	(18,893)	289,014
Other Financing Sources (Uses):			
Transfers In	0	71,000	0
Transfers Out	(562,346)	0	0
Total Other Financing Sources (Uses)	(562,346)	71,000	0
Net Change in Fund Balances	579,356	52,107	289,014
Fund Balances (Deficit) at Beginning of Year	1,289,899	(538,563)	(2,261,317)
Increase in Inventory Reserve	0	0	0
Fund Balances (Deficit) End of Year	\$ 1,869,255	\$ (486,456)	\$ (1,972,303)

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 584,479	\$ 1,286,043
0	2,606,115
0	222,818
446,894	1,453,779
81,422	222,494
0	27,885
11,461	161,074
205,008	570,526
6,120	42,523
26,590	26,590
<u>1,361,974</u>	<u>6,619,847</u>
181,655	1,965,013
205,118	224,294
0	196,383
150,408	859,277
0	1,045,597
432,430	432,431
157,000	157,000
177,662	270,328
<u>1,304,273</u>	<u>5,150,323</u>
57,701	1,469,524
517,175	588,175
<u>(25,829)</u>	<u>(588,175)</u>
<u>491,346</u>	<u>0</u>
549,047	1,469,524
965,798	(544,183)
235	235
<u>\$ 1,515,080</u>	<u>\$ 925,576</u>

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2006***

Net Change in Fund Balances - Total Governmental Funds \$ 1,469,524

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. (26,815)

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 capital assets net of proceeds received. (20,999)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (339,514)

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. 219,786

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 413

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (67,449)

Change in Net Assets of Governmental Activities \$ 1,234,946

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 729,351	\$ 729,351	\$ 701,564	\$ (27,787)
Municipal Income Tax	2,595,000	2,595,000	2,784,208	189,208
Other Local Taxes	182,600	182,600	218,698	36,098
Intergovernmental Revenue	756,075	756,075	999,849	243,774
Charges for Services	65,200	65,200	130,881	65,681
Licenses and Permits	30,000	30,000	27,885	(2,115)
Investment Earnings	40,000	40,000	149,613	109,613
Special Assessments	0	0	2,730	2,730
Fines and Forfeitures	35,000	35,000	33,008	(1,992)
All Other Revenues	0	0	1,041	1,041
Total Revenues	<u>4,433,226</u>	<u>4,433,226</u>	<u>5,049,477</u>	<u>616,251</u>
Expenditures:				
Current:				
Security of Persons and Property	1,832,366	1,882,467	1,809,681	72,786
Leisure Time Activities	25,575	25,575	22,094	3,481
Basic Utility Services	275,669	288,820	280,385	8,435
Transportation	837,639	837,638	758,667	78,971
General Government	<u>1,208,284</u>	<u>1,222,531</u>	<u>1,131,830</u>	<u>90,701</u>
Total Expenditures	<u>4,179,533</u>	<u>4,257,031</u>	<u>4,002,657</u>	<u>254,374</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	253,693	176,195	1,046,820	870,625
Other Financing Sources (Uses):				
Transfers In	141,602	141,602	0	(141,602)
Transfers Out	<u>(534,846)</u>	<u>(562,346)</u>	<u>(562,346)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>(393,244)</u>	<u>(420,744)</u>	<u>(562,346)</u>	<u>(141,602)</u>
Net Change in Fund Balance	(139,551)	(244,549)	484,474	729,023
Fund Balance at Beginning of Year	491,945	491,945	491,945	0
Prior Year Encumbrances	<u>232,602</u>	<u>232,602</u>	<u>232,602</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 584,996</u>	<u>\$ 479,998</u>	<u>\$ 1,209,021</u>	<u>\$ 729,023</u>

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2006**

	Business-Type Activities			Total
	Enterprise Funds			
	Water	Sewer	Marina	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 313,995	\$ 245,792	\$ 46,650	\$ 606,437
Intergovernmental Receivable	74,816	201,050	0	275,866
Total Current Assets	388,811	446,842	46,650	882,303
Noncurrent Assets:				
Capital Assets:				
Property, Plant and Equipment	3,290,933	6,406,126	602,249	10,299,308
Less Accumulated Depreciation	(1,402,083)	(2,057,206)	(82,038)	(3,541,327)
Total Capital Assets (net of accumulated depr)	1,888,850	4,348,920	520,211	6,757,981
Total Noncurrent Assets	1,888,850	4,348,920	520,211	6,757,981
Total Assets	2,277,661	4,795,762	566,861	7,640,284
LIABILITIES				
Current liabilities:				
Accounts Payable	\$ 0	\$ 2,754	\$ 2,580	\$ 5,334
Accrued Wages and Benefits	0	908	2,037	2,945
Accrued Interest Payable	13,623	16,129	0	29,752
General Obligation Notes Payable	290,000	430,000	0	720,000
Revenue Bond Payable - Current	55,904	49,096	0	105,000
OWDA Loans Payable - Current	0	99,634	0	99,634
OPWC Loans Payable - Current	4,695	0	0	4,695
Total Current Liabilities	364,222	598,521	4,617	967,360
Noncurrent Liabilities:				
Revenue Bonds Payable	1,643,145	1,366,855	0	3,010,000
OWDA Loans Payable	0	1,179,806	0	1,179,806
OPWC Loans Payable	56,335	0	0	56,335
Total Noncurrent Liabilities	1,699,480	2,546,661	0	4,246,141
Total Liabilities	2,063,702	3,145,182	4,617	5,213,501
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	128,771	1,513,529	520,211	2,162,511
Unrestricted	85,188	137,051	42,033	264,272
Total Net Assets	\$ 213,959	\$ 1,650,580	\$ 562,244	\$ 2,426,783

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006**

	Business-Type Activities Enterprise Funds			Total
	Water	Sewer	Marina	
Operating Revenues:				
Charges for Services	\$ 181,960	\$ 545,693	\$ 92,471	\$ 820,124
Other Operating Revenue	7,489	285	0	7,774
Total Operating Revenues	189,449	545,978	92,471	827,898
Operating Expenses:				
Personal Services	0	68,911	50,159	119,070
Contractual Services	22,850	158,531	6,241	187,622
Materials and Supplies	0	27,093	12,895	39,988
Other Operating Expenses	0	0	2,249	2,249
Depreciation	58,787	118,999	23,692	201,478
Total Operating Expenses	81,637	373,534	95,236	550,407
Operating Income (Loss)	107,812	172,444	(2,765)	277,491
Nonoperating Revenue (Expenses):				
Interest Expense	(90,870)	(137,572)	0	(228,442)
Total Nonoperating Revenues (Expenses)	(90,870)	(137,572)	0	(228,442)
Income (Loss) Before Capital Contributions	16,942	34,872	(2,765)	49,049
Capital Contributions	0	15,355	0	15,355
Change in Net Assets	16,942	50,227	(2,765)	64,404
Net Assets Beginning of Year	197,017	1,600,353	565,009	2,362,379
Net Assets End of Year	\$ 213,959	\$ 1,650,580	\$ 562,244	\$ 2,426,783

See accompanying notes to the basic financial statements

CITY OF ROSSFORD, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006**

	Business-Type Activities			Totals
	Enterprise Funds			
	Water	Sewer	Marina	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$197,133	\$558,734	\$92,471	\$848,338
Cash Payments for Goods and Services	(22,850)	(187,488)	(19,008)	(229,346)
Cash Payments to Employees	0	(72,157)	(50,172)	(122,329)
Net Cash Provided by Operating Activities	174,283	299,089	23,291	496,663
<u>Cash Flows from Noncapital Financing Activities:</u>				
Capital Contributions	0	32,693	0	32,693
Net Cash Provided by Noncapital Financing Activities	0	32,693	0	32,693
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds from General Obligation Notes	290,000	430,000	0	720,000
Principal Paid on General Obligation Notes	(310,000)	(460,000)	0	(770,000)
Principal Paid on General Obligation Bonds	(38,520)	(44,480)	0	(83,000)
Principal Paid on Ohio Water Development Authority Loans	0	(95,652)	0	(95,652)
Principal Paid on Ohio Public Works Commission Loan	(4,695)	0	0	(4,695)
Interest Paid on All Debt	(93,628)	(141,427)	0	(235,055)
Net Cash Used by Capital and Related Financing Activities	(156,843)	(311,559)	0	(468,402)
Net Increase in Cash and Cash Equivalents	17,440	20,223	23,291	60,954
Cash and Cash Equivalents at Beginning of Year	296,555	225,569	23,359	545,483
Cash and Cash Equivalents at End of Year	\$313,995	\$245,792	\$46,650	\$606,437
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>				
Operating Income (Loss)	\$107,812	\$172,444	(\$2,765)	\$277,491
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	58,787	118,999	23,692	201,478
Changes in Assets and Liabilities:				
Decrease in Intergovernmental Receivables	7,684	12,756	0	20,440
Increase (Decrease) in Accounts Payable	0	(1,864)	2,377	513
Decrease in Accrued Wages and Benefits	0	(966)	(13)	(979)
Decrease in Compensated Absences Payable	0	(2,280)	0	(2,280)
Total Adjustments	66,471	126,645	26,056	219,172
Net Cash Provided by Operating Activities	\$174,283	\$299,089	\$23,291	\$496,663

See accompanying notes to the basic financial statements

***Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2006***

	<u>Agency</u>
Assets:	
Restricted Assets:	
Cash and Cash Equivalents	\$ 1,372
Total Assets	<u>\$ 1,372</u>
Liabilities:	
Due to Others	1,372
Total Liabilities	<u>\$ 1,372</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2006 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Jointly Governed Organizations

Rossford Transportation Improvement District: In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. See Note 17 "Jointly Governed Organizations."

Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority: In December 1998, the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority (JEDA/Port Authority) was created jointly with Perrysburg Township, pursuant to Ohio Revised Code Sections 4582.21 to 4582.59. The JEDA/Port Authority was created for the benefit of the people of the State of Ohio. Its jurisdiction includes all of the area of the City of Rossford and all of the unincorporated area of Perrysburg Township. The JEDA/Port Authority has five directors, two appointed by the City of Rossford, two appointed by Perrysburg Township and one jointly appointed by the City of Rossford and Perrysburg Township. The directors appointed by the City are appointed by the mayor subject to the approval of the Council, but the City's accountability for the JEDA/Port Authority does not extend beyond making the appointments. See Note 17 "Jointly Governed Organizations."

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

B. Basis of Presentation - Fund Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

Proprietary Funds

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and therefore not available to support the City's own programs. The agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation. These funds operate on a full accrual basis of accounting. The City's only fiduciary fund is an agency fund. This fund is used to account for monies received by the City in situations where the City's role is purely custodial in nature. The fund is the Cafeteria Plan Fund, which accounts for funds related to the IRS 125 Employees Benefit Plan.

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 interfund services provided and used are not eliminated in the process of consolidation.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees, and local government assistance). Other revenues, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Special assessment installments which are measurable, but not available at December 31, are recorded as deferred revenue. Property taxes measurable as of December 31, 2006 but which are not intended to finance 2006 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 6, "Taxes."

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

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

E. Budgetary Process

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The only funds required to be reported in the basic financial statements are the general fund and any major special revenue funds. The legal level of budgetary control is by fund at the major object level (personal services, materials and supplies, contractual services, capital outlay and transfers) by department. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the major object level

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

for each department within each fund without the approval of City Council. Administrative control is maintained through the establishment of more detailed line-item budgets. Budgetary modifications may only be made by ordinance of the City Council. During 2006, all appropriations were approved as required and all funds and departments completed the year within the legally authorized appropriations.

1. Estimated Revenues

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2006.

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level, and may be modified during the year by Ordinance of the City Council. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. During 2006, several supplemental appropriations were necessary to budget for unanticipated expenditures.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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 a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Budgetary Basis of Accounting (Continued)

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

	<u>Net Change In Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$579,356
Increase (Decrease):	
Accrued Revenues at December 31, 2006 received during 2007	(604,031)
Accrued Revenues at December 31, 2005 received during 2006	758,423
Accrued Expenditures at December 31, 2006 paid during 2007	283,294
Accrued Expenditures at December 31, 2005 paid during 2006	(200,150)
2005 Prepays for 2006	7,079
2006 Prepays for 2007	(14,634)
Outstanding Encumbrances	(324,863)
Budget Basis	<u>\$484,474</u>

F. Cash and Cash Equivalents

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

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

The City has invested funds in the STAR Ohio during 2006. 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, 2006.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities (Continued)

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.

2. Property, Plant and Equipment – Business Type Activities

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

<u>Obligation</u>	<u>Fund</u>
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Recreation Fund
General Obligation Bonds	Landfill Closure Fund Lewis Street Paving and Curbs Fund Capital Improvement Fund TIF Ramco Gershenson Fund Arena Drainage Ditch Fund Water Fund Sewer Fund
Special Assessment Bond	Electrical Industrial Court Fund
OWDA Loan	Sewer Fund
OPWC Loan	Water Fund
Landfill Postclosure Care Liability	Landfill Closure Fund

L. Compensated Absences

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences (Continued)

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.

M. Pensions

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

N. Interfund Activity

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

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.

O. Reservations of Fund Balance

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

P. Net Assets

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Net Assets (Continued)

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

Q. Estimates

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

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, collection of solid waste refuse and the operation of a marina. 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 2006.

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT

Organization (Rossford Arena Amphitheater Authority)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

A. Basis of Accounting

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

B. Revenue Sources

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

C. Restatement of Fund Balance

Prior Period Adjustments - The 2006 beginning balance for the RAAA was restated from (\$13,917,288) to (\$15,246,339) to reflect delinquent special assessments and the penalties and interest due on the property owned in 2005 by the RAAA. This had not been included in previous financial statements. All assessments and the interest and penalties due on them were paid during 2006, with the proceeds from the foreclosure sale conducted by the Wood County Sheriff's office.

D. Going Concern

The Authority's financial statements are presented on the basis that the Authority is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time. As more fully described in paragraph F, the Authority's loan agreements require periodic interest payments with principal to be paid from the proceeds of an anticipated debt issue. Management has been unable to obtain the financing on terms sufficiently favorable to help insure the financial success of the project. Construction of the facilities was stopped in November 1999 and the Authority has been unable to make its semiannual interest payments of \$200,000 on its loan payable to Perrysburg Township. In 2001, the Township trustees passed a motion calling the loan and accrued interest and filed a lawsuit against the authority and the City of Rossford. In February 2003, the lawsuit was dismissed and the township appealed to the Ohio Supreme Court.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

D. Going Concern (Continued)

In 2004, the Ohio Supreme Court sent the lawsuit back to trial court where the case is currently pending. In March 2000, the Authority was unable to pay off its loan from the Rossford, Ohio Transportation Improvement District and its terms were extended indefinitely. In May 2000, the Authority was unable to commence monthly interest payments on the debt described in paragraph F, and has subsequently been unable to pay real estate taxes to Wood County.

The Authority was, in 2003, served with notice of forfeiture legal action by several of its debtors. In April 2005 the Wood County Treasurer filed for foreclosure of liens for delinquent land taxes for all parcels owned by the RAAA. In June 2006, Wood County sold the land by means of a foreclosure sale. The authority has initiated legal action against its financial consultant who advised it regarding the feasibility of the project. The outcome of these lawsuits is unknown.

E. Cash

At year end, the carrying amount of the Authority's deposits was \$15,202 and the bank balance was \$15,202. Federal depository insurance covered \$15,202 of the bank balance.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

F. Loans Payable

Loans payable consist of amounts borrowed temporarily to purchase land and fund construction project costs. The loans were intended to be repaid from the proceeds of a \$48 million bond issue. At December 31, 2006, the loans payable comprised the following:

Rossford, Ohio Transportation Improvement District promissory note dated December 1999, originally due March 1, 2000 (extended by the holder), with interest at 6% per annum, secured by a second mortgage on approximately 19 acres of land.	\$250,000
FirstEnergy Corp. promissory note due July 1, 2004 or before based on the sale of property purchased in 2000 (see paragraph H) noninterest bearing, secured by a mortgage, dated in 2000, on approximately 73 acres of land.	550,000
Perrysburg, Ohio Township loan, payable through the Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority, dated June 1999, originally due June 2001 or when proceeds of bond issue are received, with interest at 8% per annum, payable semiannually, starting in December 1999.	5,000,000
Northwest Ohio District Council of Carpenters Pension Fund promissory note (administered by the Leader Mortgage Company) dated March 1999, originally due February 2001, with interest at 7% per annum payable quarterly starting in July 1999, secured by a mortgage on approximately 60 acres of land and buildings and improvements thereon.	647,445
Brimacombe Family promissory note, dated September 1999. \$566,000 due when proceeds of bond issue are received and \$471,040 due July 2002, with interest at 7% per annum, payable quarterly starting in October 1999, secured by a mortgage on approximately 48 acres of land.	1,037,040
Advances from the REGC (\$5,000) and the City of Rossford (\$84,913), payable upon securing financing.	89,913
Total loans payable	<u>\$7,574,398</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 2 – DISCRETELY PRESENTED COMPONENT UNIT (Continued)

F. Loans Payable (Continued)

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

G. Risk Management

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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 Property Tax Revenue	\$110,962
Delinquent Income Tax Revenue	113,969
Shared Revenues	329,073
Charges for Services Revenues	31,341
Special Assessment Revenue	1,468,892
	<hr/>
	\$2,054,237

Long-Term liabilities not reported in the funds:

General Obligation Bonds Payable	(\$3,585,000)
Special Assessments Bonds Payable	(140,000)
Landfill Postclosure Care Liability	(441,676)
Accrued Interest on Long-Term Debt	(14,216)
Compensated Absences Payable	(263,419)
	<hr/>
	(\$4,444,311)

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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	\$164,168
Depreciation Expense	(190,983)
	<u>(\$26,815)</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Income Tax	\$85,112
Increase in Delinquent Property Tax	61,885
Decrease in Shared Revenue	(89,236)
Decrease in Charges for Services Revenue	(23,223)
Decrease in Special Assessment Revenue	(374,052)
	<u>(\$339,514)</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$67,684)
Increase in supplies inventory	235
	<u>(\$67,449)</u>

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

The fund deficits at December 31, 2006 of \$1,972,303 in the TID Road Acquisition Fund (capital projects fund) and \$486,456 in the General Obligation Debt Service Fund were created by the recognition of notes payable within the funds and expenditures on the modified accrual basis which are greater than expenditures on a budgetary basis. Deficits do not exist under the budgetary basis of accounting. Deficits do not exist under the cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY (Continued)

B. 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>Capital Projects Fund:</u>			
Capital Improvement Fund	342,220	370,316	(28,096)

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. Statutes require the classification of funds held by the City into three categories:

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

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

- 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).

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government'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. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$3,365,504 and the bank balance was \$3,466,164. In addition, the City had \$300 petty cash on hand. The Federal Deposit Insurance Corporation (FDIC) covered \$300,000 of the bank balance and \$3,166,164 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>\$3,166,164</u>
Total Balance	<u><u>\$3,166,164</u></u>

Investment earnings of \$91,080 earned by other funds were credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

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

B. Investments

The City's investments at December 31, 2006 are summarized below:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years) less than 1</u>
STAR Ohio	<u>\$590,380</u>	AAAm ¹	<u>\$590,380</u>
Total Investments	<u><u>\$590,380</u></u>		<u><u>\$590,380</u></u>

¹ Standard & Poor's

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 investment policy addresses credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions, brokers, intermediaries and financial advisors and by diversifying the investment portfolio so that potential losses on individual securities do not exceed income generated from the remaining portfolio.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer.

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Financial Statements	\$3,955,884	\$0
Investments:		
STAR Ohio	<u>(590,380)</u>	<u>590,380</u>
Per GASB Statement No. 3	<u><u>\$3,365,504</u></u>	<u><u>\$590,380</u></u>

* Includes Petty Cash

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

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 2006 were levied after October 1, 2005 on assessed values as of January 1, 2005, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2005 and the last equalization adjustment was completed in 2003. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

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

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

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

The full property tax rate for all City operations for the year ended December 31, 2006 was \$4.20 per \$1,000 of assessed value. The assessed value upon which the 2006 tax receipts were based was \$159,086,271. This amount constitutes \$144,422,800 in real property assessed value, \$2,925,850 in public utility assessed value and \$11,737,621 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 .42% (4.2 mills) of assessed value.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 6 – TAXES (Continued)

B. Income Tax

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

NOTE 7 - RECEIVABLES

Receivables at December 31, 2006 consisted of taxes, special assessments, accounts receivable and intergovernmental receivables.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2006:

<i>Historical Cost:</i>				
Class	December 31, 2005	Additions	Deletions	December 31, 2006
<i>Capital assets not being depreciated:</i>				
Land	\$361,137	\$0	\$0	\$361,137
Subtotal	361,137	0	0	361,137
<i>Capital assets being depreciated:</i>				
Buildings	3,261,989	0	(10,000)	3,251,989
Improvements Other Than Buildings	162,605	0	0	162,605
Machinery and Equipment	3,117,473	164,168	(112,254)	3,169,387
Subtotal	6,542,067	164,168	(122,254)	6,583,981
Total Cost	\$6,903,204	\$164,168	(\$122,254)	\$6,945,118
<i>Accumulated Depreciation:</i>				
Class	December 31, 2005	Additions	Deletions	December 31, 2006
Buildings	(\$1,417,289)	(\$73,495)	\$1,463	(\$1,489,321)
Improvements Other Than Buildings	(50,388)	(6,312)	0	(56,700)
Machinery and Equipment	(2,622,379)	(111,176)	99,792	(2,633,763)
Total Depreciation	(\$4,090,056)	(\$190,983) *	\$101,255	(\$4,179,784)
<i>Net Value:</i>	\$2,813,148			\$2,765,334

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$76,967
Leisure Time Activities	18,118
Transportation	23,739
General Government	72,159
Total Depreciation Expense	\$190,983

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 8 - CAPITAL ASSETS (continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2006:

Historical Cost:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
<i>Capital assets not being depreciated:</i>				
Land	\$6,261	\$0	\$0	\$6,261
<i>Capital assets being depreciated:</i>				
Buildings	303,720	0	0	303,720
Infrastructure	9,748,963	0	0	9,748,963
Machinery and Equipment	240,363	0	0	240,363
Total Cost	\$10,299,307	\$0	\$0	\$10,299,307

Accumulated Depreciation:

Class	December 31, 2005	Additions	Deletions	December 31, 2006
Buildings	(\$140,897)	(\$6,788)	\$0	(\$147,685)
Infrastructure	(2,983,457)	(192,329)	0	(3,175,786)
Machinery and Equipment	(215,494)	(2,361)	0	(217,855)
Total Depreciation	(\$3,339,848)	(\$201,478)	\$0	(\$3,541,326)
<i>Net Value:</i>	\$6,959,459			\$6,757,981

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 9 – 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) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2006, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 9.0%. The 2006 employer contribution rate for local government employer units was 13.70%, of covered payroll, 9.20% to fund the pension and 4.5% 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, 2006, 2005, and 2004 were \$134,074, \$141,847 and \$155,104, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 9 – 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 2006 employer contribution rate (identified above) that was used to fund health care for the year 2006 was 4.5% of covered payroll which amounted to \$44,039.

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, 2005. The individual entry age 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 annually, not to exceed a 12% corridor. The investment assumption rate for 2005 was 6.5%. 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 .50% to 6% for the next 9 years. In subsequent years (10 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 TP and CO Plans had 369,214 active contributing participants as of December 31, 2006. The number of active contributing participants used in the December 31, 2005 actuarial valuation for the TP and CO Plans was 358,804. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2005 is \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$31.3 billion and \$20.2 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 and January 1, 2007, 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, 2006***

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All City full-time police officers 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% for police officers. The City's contributions to the OP&F Fund for the years ending December 31, 2006, 2005, and 2004 were \$137,050, \$142,934 and \$148,014 for police, which were equal to the required contributions for each year.

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

The portion of the 2006 covered payroll that was used to fund postemployment health care benefits was \$54,469 representing 7.75% of covered payroll for police. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2005, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,922 for police and 10,537 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, 2005 were \$108,039,449, which was net of member contributions of \$55,271,881.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 10 - COMPENSATED ABSENCES

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

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.

Vacation earned in a calendar year must be used during the current year. Vacation time cannot carry over into the subsequent year. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

At December 31, 2006, the City's accumulated, unpaid compensated absences amounted to \$263,419, all of which is recorded as a liability of the Governmental Activities. Because of the City's compensated absences policy, there was no compensated absences balance due within one year.

NOTE 11 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2006:

	General Obligation Debt Service Fund	Nonmajor Governmental Funds	Total
Transfers Out:			
General Fund	\$71,000	\$491,346	\$562,346
Other Governmental Funds	0	25,829	25,829
	<u>\$71,000</u>	<u>\$517,175</u>	<u>\$588,175</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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 12 - NOTES PAYABLE

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

The following general obligation notes were payable at December 31, 2006:

	Issue Date	Balance January 1, 2006	Issued	(Retired)	Balance December 31, 2006
Capital Projects Notes Payable:					
4.00% T.I.D. Road Improvements	06/14/05	\$2,300,000	\$0	(\$2,300,000)	\$0
4.75% T.I.D. Road Improvements	06/23/06	0	2,200,000	0	2,200,000
5.00% Community Center	06/14/05	525,000	0	(525,000)	0
4.75% Community Center	06/23/06	0	475,000	0	475,000
4.00% Fire Improvement	06/14/05	75,000	0	(75,000)	0
4.75% Fire Improvement	06/23/06	0	60,000	0	60,000
Total Capital Projects Notes Payable		2,900,000	2,735,000	(2,900,000)	2,735,000
Enterprise Notes Payable:					
4.00% T.I.D. Water System	06/14/05	310,000	0	(310,000)	0
4.75% T.I.D. Water System	06/23/06	0	290,000	0	290,000
Total Water Fund Notes Payable		310,000	290,000	(310,000)	290,000
4.00% T.I.D. Sewer System	06/14/05	310,000	0	(310,000)	0
4.75% T.I.D. Sewer System	06/23/06	0	290,000	0	290,000
4.00% Glenwood/Maybar Sewer Phase IV	06/14/05	150,000	0	(150,000)	0
4.75% Glenwood/Maybar Sewer Phase IV	06/23/06	0	140,000	0	140,000
Total Sewer Fund Notes Payable		460,000	430,000	(460,000)	430,000
Total Enterprise Notes Payable		770,000	720,000	(770,000)	720,000
Total Notes Payable		\$3,670,000	\$3,455,000	(\$3,670,000)	\$3,455,000

CITY OF ROSSFORD, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 13 - LONG-TERM DEBT

Long-term debt of the City at December 31, 2006 is as follows:

	Balance January 1, 2006	Issued	(Retired)	Balance December 31, 2006	Amount Due Within One Year
Business-Type Activities:					
General Obligation Bonds:					
3.30% SR 795 to Perrysburg Waterline	\$1,370,000	\$0	(\$25,000)	\$1,345,000	\$40,000
3.30% Interstate Brands Waterline	214,749	0	(6,554)	208,195	8,938
3.30% Wales/Fairfield Water	152,820	0	(6,966)	145,854	6,966
3.30% Crossroads Sewerline	830,000	0	(25,000)	805,000	25,000
3.30% Interstate Brands Sewerline	156,617	0	(4,446)	152,171	6,062
3.30% Wales/Fairfield Sewer	176,814	0	(8,034)	168,780	8,034
3.30% Glenwood Road Sewer Phase III	297,000	0	(7,000)	290,000	10,000
Total General Obligation Bonds	3,198,000	0	(83,000)	3,115,000	105,000
4.12% Ohio Water Development Authority Loan	1,375,092	0	(95,652)	1,279,440	99,634
0.00% Ohio Public Works Commission Loan	65,725	0	(4,695)	61,030	4,695
Compensated Absences Payable	2,280	0	(2,280)	0	0
Total Business-Type Long-Term Debt	<u>\$4,641,097</u>	<u>\$0</u>	<u>(\$185,627)</u>	<u>\$4,455,470</u>	<u>\$209,329</u>
Governmental Activities:					
General Obligation Bonds:					
3.30% Landfill Improvement	\$255,000	\$0	(\$10,000)	\$245,000	\$10,000
3.30% Lewis Street Repaving	70,000	0	(5,000)	65,000	5,000
3.30% Buck Road Widening	220,000	0	(10,000)	210,000	10,000
3.30% Buck Road Improvements	931,000	0	(42,000)	889,000	40,000
3.30% Public Works Building	145,000	0	(5,000)	140,000	5,000
3.30% Rinker Point Court	160,000	0	(5,000)	155,000	5,000
3.30% Arena Drainage Ditch	91,000	0	(5,000)	86,000	5,000
3.00% US Route 20	1,845,000	0	(50,000)	1,795,000	55,000
Total General Obligation Bonds	3,717,000	0	(132,000)	3,585,000	135,000
Special Assessment Bond:					
3.00% Street Construction	165,000	0	(25,000)	140,000	25,000
Landfill Postclosure Care Liability	504,462	0	(62,786)	441,676	0
Compensated Absences Payable	195,735	263,419	(195,735)	263,419	0
Total Governmental Activities Long-Term Debt	<u>\$4,582,197</u>	<u>\$263,419</u>	<u>(\$415,521)</u>	<u>\$4,430,095</u>	<u>\$160,000</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 13 - LONG-TERM DEBT (Continued)

The principal amount of the City's special assessment debt outstanding at December 31, 2006, \$140,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners.

During 1996 the Ohio Water Development Authority (OWDA) approved a loan to the City to finance a portion of Phases I and IA of the Sanitary Sewer Improvements Project. The OWDA committed up to \$2,048,160 at a 4.12% interest rate for twenty years. As of December 31, 2006, the City had received \$2,025,175 against this commitment.

The final payment schedule will be determined when the total loan is disbursed or the project is completed, whichever is earlier. The preliminary semi-annual payment amount assuming full disbursement of the loan commitment is \$75,663, due July 1 and January 1. The City made two payments during 2006 totaling \$95,652 towards the principal and \$59,496 in interest expense.

A Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2006 follows:

Years	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>		<u>Special Assessment Bond</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$135,000	\$165,274	\$25,000	\$5,310
2008	135,000	160,619	25,000	4,485
2009	145,000	155,588	30,000	3,585
2010	155,000	149,944	30,000	2,445
2011	160,000	143,744	30,000	1,245
2012-2016	925,000	607,869	0	0
2017-2021	1,090,000	965,373	0	0
2022-2027	840,000	137,585	0	0
Totals	<u>\$3,585,000</u>	<u>\$2,485,996</u>	<u>\$140,000</u>	<u>\$17,070</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2006**

NOTE 13 - LONG-TERM DEBT (Continued)

A Principal and Interest Requirements (Continued)

Years	<u>Business Type Activities</u>					
	<u>General Obligation Bonds</u>		<u>OWDA Loan Payable</u>		<u>OPWC Loan Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$105,000	\$146,144	\$99,634	\$51,692	\$4,695	\$0
2008	105,000	142,416	103,780	47,546	4,695	0
2009	115,000	138,426	108,100	43,226	4,695	0
2010	115,000	133,884	112,600	38,726	4,695	0
2011	120,000	129,284	117,287	34,039	4,695	0
2012-2016	685,000	565,571	663,858	92,772	23,475	0
2017-2021	865,000	366,164	74,181	1,594	14,080	0
2022-2027	1,005,000	185,584	0	0	0	0
Totals	<u>\$3,115,000</u>	<u>\$1,807,473</u>	<u>\$1,279,440</u>	<u>\$309,595</u>	<u>\$61,030</u>	<u>\$0</u>

NOTE 14 - INSURANCE AND RISK MANAGEMENT

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 15 - SOLID WASTE LANDFILL POSTCLOSURE CARE COSTS

The City owns a former landfill site known as the Wales Road Landfill. The facility's operation predates most modern regulatory and recordkeeping requirements. The exact date for commencement of waste placement activities is unknown, but in the mid 1960's waste placement activities were modified to follow the layered approach to sanitary landfill operations. The landfill reached its capacity and ceased accepting waste at the 19.71 acre facility in 1990. The Ohio Environmental Protection Agency acting in accordance with applicable state and federal laws required the City to complete final closure of the site during 1994. The approximate total cost of closure was \$482,456. A new estimate of \$526,285 was made in 2005. State and federal laws require that the City monitor and maintain the site for thirty years after closure. The City estimates that the total postclosure liability associated with monitoring and maintaining the landfill site for the next fourteen years is \$441,676. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. A portion of postclosure care costs are to be paid from an annual county grant specifically designated for said purpose. The balance of any postclosure care costs not covered by the county grant will be paid from the general tax revenues of the City.

NOTE 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.

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

Rossford Transportation Improvement District: In May 1997, the Wood County Commissioners approved formation of the Rossford Transportation Improvement District (TID) as permitted under Chapter 5540 of the Ohio Revised Code. In July 2002, at the request of the Wood County Commissioners, the membership and appointments section of the TID bylaws was amended to eliminate the TID as a component unit of Wood County. The board of trustees consists of the following members: two voting members appointed by Wood County, three voting members appointed by the City of Rossford, two voting members appointed by Perrysburg Township, the Wood County Engineer as a voting member, and two nonvoting members of the general assembly in whose legislative district the TID is located. It is empowered to provide for the construction, improvement, alteration or repair of any road, highway, public place or other infrastructure within the limits of the City and to issue bonds. During 2005, the City of Rossford issued \$2,920,000 of special assessment notes on behalf of the TID. These notes were retired and \$2,780,000 were reissued during 2006. The debt service for the notes is to be paid for by special assessments levied by the TID against the parcels of land and lots that are benefited by the project. In the event that the TID is unable to make payments on the principal and interest associated with these notes, the City of Rossford is responsible for making these payments.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2006***

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

NOTE 18 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2006, the City has implemented GASB Statement No. 44, “*Economic Condition Reporting: the Statistical Section*”, GASB Statement No. 46, “*Net Assets Restricted by Enabling Legislation.*” and GASB Statement No. 47, “*Accounting For Termination Benefits.*”

GASB Statement No. 44 provides guidance on the tables and narrative explanations in the statistical section. The implementation of GASB statement No. 44 did not have an effect on the financial statements of the City.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statement when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements that amount of net assets restricted by enabling legislation. The implementation of GASB statement No. 46 did not have an effect on the financial statements of the City.

GASB Statement No. 47 provides guidance on how employers should account for benefits associated with either voluntary or involuntary terminations. The implementation of GASB statement No. 47 did not have an effect on the financial statements of the City.

In 2004, the GASB issued Statement No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*”, which addresses how State and Local governments should account for and report their costs and obligations related to postemployment health care and other non-pension benefits. Collectively, these benefits are commonly referred to as “other postemployment benefits”, or OPEB. Statement No. 45 will not be effective for the City until 2009 and therefore, the City has not determined the impact, if any, that this statement will have on the financial statements.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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



Nonmajor Governmental Funds

Special Revenue Funds

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

State Highway Fund

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

Street Construction, Maintenance and Repair Fund

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

Drug Fine Fund

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

Enforcement and Education Fund

To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

Law Enforcement Trust Fund

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

Community Oriented Policing Services (COPS) Fast Grant Fund

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

Recreation Fund

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

Free Community Entertainment Fund

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

Block Grant Fund

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

(Continued)

Special Revenue Funds

Downtown Streetscape Fund

To account for the revenues from Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) grants and assessments. Expenditures are to be used for Downtown Streetscape projects.

Street Lighting Assessment Fund

To account for special assessments collected to pay for neighborhood street lighting.

Capital Projects Funds

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

Landfill Closure Fund

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

Lewis Street Paving and Curbs Fund

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

Capital Improvement Fund

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

Fire Capital Improvement Fund

To account for financial resources received from a voter approved tax levy that are used to provide fire apparatus, buildings or sites.

Permanent Recreation Improvement Fund

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

Arena Drainage Ditch Fund

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

(Continued)

Capital Projects Funds

Electrical Industrial Court Fund

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

TIF Ramco Gershenson Fund

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

TIF Henry Court Road Construction Fund

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

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 517,563	\$ 1,014,738	\$ 1,532,301
Receivables:			
Taxes	47,734	291,394	339,128
Intergovernmental	170,462	8,000	178,462
Special Assessments	180,000	29,783	209,783
Inventory of Supplies, at Cost	14,354	0	14,354
Total Assets	<u>\$ 930,113</u>	<u>\$ 1,343,915</u>	<u>\$ 2,274,028</u>
Liabilities:			
Accounts Payable	\$ 6,453	\$ 13,333	\$ 19,786
Accrued Wages and Benefits Payable	5,804	0	5,804
Deferred Revenue	342,708	329,177	671,885
Accrued Interest Payable	0	1,473	1,473
General Obligation Notes Payable	0	60,000	60,000
Total Liabilities	<u>354,965</u>	<u>403,983</u>	<u>758,948</u>
Fund Balances:			
Reserved for Encumbrances	30,302	151,293	181,595
Reserved for Supplies Inventory	14,354	0	14,354
Undesignated/Unreserved	530,492	788,639	1,319,131
Total Fund Balances	<u>575,148</u>	<u>939,932</u>	<u>1,515,080</u>
Total Liabilities and Funds Balances	<u>\$ 930,113</u>	<u>\$ 1,343,915</u>	<u>\$ 2,274,028</u>

CITY OF ROSSFORD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2006**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property Taxes	\$ 37,031	\$ 547,448	\$ 584,479
Intergovernmental Revenues	421,817	25,077	446,894
Charges for Services	81,422	0	81,422
Investment Earnings	0	11,461	11,461
Special Assessments	165,948	39,060	205,008
Fines and Forfeitures	6,120	0	6,120
All Other Revenue	26,590	0	26,590
Total Revenue	738,928	623,046	1,361,974
Expenditures:			
Current:			
Security of Persons and Property	181,655	0	181,655
Leisure Time Activities	205,118	0	205,118
Transportation	150,408	0	150,408
Capital Outlay	0	432,430	432,430
Debt Service:			
Principal Retirement	0	157,000	157,000
Interest & Fiscal Charges	0	177,662	177,662
Total Expenditures	537,181	767,092	1,304,273
Excess (Deficiency) of Revenues Over Expenditures	201,747	(144,046)	57,701
Other Financing Sources (Uses):			
Transfers In	92,801	424,374	517,175
Transfers Out	(16,825)	(9,004)	(25,829)
Total Other Financing Sources (Uses)	75,976	415,370	491,346
Net Change in Fund Balances	277,723	271,324	549,047
Fund Balances at Beginning of Year	297,190	668,608	965,798
Increase in Inventory Reserve	235	0	235
Fund Balances End of Year	\$ 575,148	\$ 939,932	\$ 1,515,080

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006**

	State Highway	Street Construction, Maintenance and Repair	Drug Fine	Enforcement and Education	Law Enforcement Trust
Assets:					
Cash and Cash Equivalents	\$ 28,183	\$ 179,325	\$ 13,665	\$ 1,955	\$ 19,567
Receivables:					
Taxes	0	0	0	0	0
Intergovernmental	12,485	153,977	0	0	0
Special Assessments	0	0	0	0	0
Inventory of Supplies, at Cost	0	14,354	0	0	0
Total Assets	\$ 40,668	\$ 347,656	\$ 13,665	\$ 1,955	\$ 19,567
Liabilities:					
Accounts Payable	\$ 0	\$ 4,188	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0
Deferred Revenue	8,323	102,651	0	0	0
Total Liabilities	8,323	106,839	0	0	0
Fund Balances:					
Reserved for Encumbrances	16	8,360	0	0	0
Reserved for Supplies Inventory	0	14,354	0	0	0
Undesignated/Unreserved	32,329	218,103	13,665	1,955	19,567
Total Fund Balances	32,345	240,817	13,665	1,955	19,567
Total Liabilities and Funds Balances	\$ 40,668	\$ 347,656	\$ 13,665	\$ 1,955	\$ 19,567

CITY OF ROSSFORD, OHIO

COPS Fast Grant	Recreation	Free Community Entertainment	Block Grant	Downtown Streetscape	Street Lighting Assessment	Total Nonmajor Special Revenue Funds
\$ 7	\$ 30,594	\$ 4,368	\$ 222,940	\$ 3,720	\$ 13,239	\$ 517,563
0	47,734	0	0	0	0	47,734
0	4,000	0	0	0	0	170,462
0	0	0	0	0	180,000	180,000
0	0	0	0	0	0	14,354
<u>\$ 7</u>	<u>\$ 82,328</u>	<u>\$ 4,368</u>	<u>\$ 222,940</u>	<u>\$ 3,720</u>	<u>\$ 193,239</u>	<u>\$ 930,113</u>
\$ 0	\$ 2,213	\$ 52	\$ 0	\$ 0	\$ 0	\$ 6,453
0	5,804	0	0	0	0	5,804
0	51,734	0	0	0	180,000	342,708
0	59,751	52	0	0	180,000	354,965
0	13,285	0	0	0	8,641	30,302
0	0	0	0	0	0	14,354
7	9,292	4,316	222,940	3,720	4,598	530,492
7	22,577	4,316	222,940	3,720	13,239	575,148
<u>\$ 7</u>	<u>\$ 82,328</u>	<u>\$ 4,368</u>	<u>\$ 222,940</u>	<u>\$ 3,720</u>	<u>\$ 193,239</u>	<u>\$ 930,113</u>

CITY OF ROSSFORD, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	State Highway	Street Construction, Maintenance and Repair	Drug Fine	Enforcement and Education	Law Enforcement Trust
Revenues:					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	29,526	313,624	0	0	0
Charges for Services	0	0	0	0	0
Special Assessments	0	0	0	0	0
Fines and Forfeitures	0	0	4,299	1,821	0
All Other Revenue	0	0	0	0	3,225
Total Revenue	<u>29,526</u>	<u>313,624</u>	<u>4,299</u>	<u>1,821</u>	<u>3,225</u>
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	32,666
Leisure Time Activities	0	0	0	0	0
Transportation	4,715	145,693	0	0	0
Total Expenditures	<u>4,715</u>	<u>145,693</u>	<u>0</u>	<u>0</u>	<u>32,666</u>
Excess (Deficiency) of Revenues Over Expenditures	24,811	167,931	4,299	1,821	(29,441)
Other Financing Sources (Uses):					
Transfers In	0	16,825	0	0	0
Transfers Out	(16,825)	0	0	0	0
Total Other Financing Sources (Uses)	<u>(16,825)</u>	<u>16,825</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	7,986	184,756	4,299	1,821	(29,441)
Fund Balances at Beginning of Year	24,359	55,826	9,366	134	49,008
Increase in Inventory Reserve	0	235	0	0	0
Fund Balances End of Year	<u>\$ 32,345</u>	<u>\$ 240,817</u>	<u>\$ 13,665</u>	<u>\$ 1,955</u>	<u>\$ 19,567</u>

CITY OF ROSSFORD, OHIO

COPS Fast Grant	Recreation	Free Community Entertainment	Block Grant	Downtown Streetscape	Street Lighting Assessment	Total Nonmajor Special Revenue Funds
\$ 0	\$ 37,031	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,031
0	4,667	0	74,000	0	0	421,817
0	81,422	0	0	0	0	81,422
0	0	0	0	3,720	162,228	165,948
0	0	0	0	0	0	6,120
0	21,512	1,853	0	0	0	26,590
<u>0</u>	<u>144,632</u>	<u>1,853</u>	<u>74,000</u>	<u>3,720</u>	<u>162,228</u>	<u>738,928</u>
0	0	0	0	0	148,989	181,655
0	202,700	2,418	0	0	0	205,118
0	0	0	0	0	0	150,408
<u>0</u>	<u>202,700</u>	<u>2,418</u>	<u>0</u>	<u>0</u>	<u>148,989</u>	<u>537,181</u>
0	(58,068)	(565)	74,000	3,720	13,239	201,747
0	75,976	0	0	0	0	92,801
0	0	0	0	0	0	(16,825)
0	75,976	0	0	0	0	75,976
0	17,908	(565)	74,000	3,720	13,239	277,723
7	4,669	4,881	148,940	0	0	297,190
0	0	0	0	0	0	235
<u>\$ 7</u>	<u>\$ 22,577</u>	<u>\$ 4,316</u>	<u>\$ 222,940</u>	<u>\$ 3,720</u>	<u>\$ 13,239</u>	<u>\$ 575,148</u>

CITY OF ROSSFORD, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006**

	<u>Landfill Closure</u>	<u>Lewis Street Paving and Curbs</u>	<u>Capital Improvement</u>	<u>Fire Capital Improvement</u>
Assets:				
Cash and Cash Equivalents	\$ 25,164	\$ 13,766	\$ 15,735	\$ 240,934
Receivables:				
Taxes	0	0	0	243,660
Intergovernmental	0	0	0	4,000
Special Assessments	0	0	0	0
Total Assets	<u>\$ 25,164</u>	<u>\$ 13,766</u>	<u>\$ 15,735</u>	<u>\$ 488,594</u>
Liabilities:				
Accounts Payable	\$ 13,205	\$ 0	\$ 0	\$ 128
Deferred Revenue	0	0	0	247,660
Accrued Interest Payable	0	0	0	1,473
General Obligation Notes Payable	0	0	0	60,000
Total Liabilities	<u>13,205</u>	<u>0</u>	<u>0</u>	<u>309,261</u>
Fund Balances:				
Reserved for Encumbrances	8,164	0	11,261	131,868
Undesignated/Unreserved	3,795	13,766	4,474	47,465
Total Fund Balances	<u>11,959</u>	<u>13,766</u>	<u>15,735</u>	<u>179,333</u>
Total Liabilities and Funds Balances	<u>\$ 25,164</u>	<u>\$ 13,766</u>	<u>\$ 15,735</u>	<u>\$ 488,594</u>

CITY OF ROSSFORD, OHIO

<u>Permanent Recreation Improvement</u>	<u>Electrical Industrial Court</u>	<u>TIF Ramco Gershenson</u>	<u>TIF Henry Court Road Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 128,471	\$ 41,898	\$ 546,270	\$ 2,500	\$ 1,014,738
47,734	0	0	0	291,394
4,000	0	0	0	8,000
0	29,783	0	0	29,783
<u>\$ 180,205</u>	<u>\$ 71,681</u>	<u>\$ 546,270</u>	<u>\$ 2,500</u>	<u>\$ 1,343,915</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,333
51,734	29,783	0	0	329,177
0	0	0	0	1,473
0	0	0	0	60,000
<u>51,734</u>	<u>29,783</u>	<u>0</u>	<u>0</u>	<u>403,983</u>
0	0	0	0	151,293
128,471	41,898	546,270	2,500	788,639
<u>128,471</u>	<u>41,898</u>	<u>546,270</u>	<u>2,500</u>	<u>939,932</u>
<u>\$ 180,205</u>	<u>\$ 71,681</u>	<u>\$ 546,270</u>	<u>\$ 2,500</u>	<u>\$ 1,343,915</u>

CITY OF ROSSFORD, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	Landfill Closure	Lewis Street Paving and Curbs	Capital Improvement	Fire Capital Improvement
Revenues:				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 198,892
Intergovernmental Revenues	0	0	0	20,410
Investment Earnings	0	0	0	0
Special Assessments	0	7,796	0	0
Total Revenue	0	7,796	0	219,302
Expenditures:				
Capital Outlay	71,591	0	187,261	75,448
Debt Service:				
Principal Retirement	10,000	5,000	62,000	0
Interest & Fiscal Charges	11,145	2,925	64,724	2,122
Total Expenditures	92,736	7,925	313,985	77,570
Excess (Deficiency) of Revenues Over Expenditures	(92,736)	(129)	(313,985)	141,732
Other Financing Sources (Uses):				
Transfers In	96,145	0	319,225	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	96,145	0	319,225	0
Net Change in Fund Balances	3,409	(129)	5,240	141,732
Fund Balances at Beginning of Year	8,550	13,895	10,495	37,601
Fund Balances End of Year	\$ 11,959	\$ 13,766	\$ 15,735	\$ 179,333

CITY OF ROSSFORD, OHIO

<u>Permanent Recreation Improvement</u>	<u>Arena Drainage Ditch</u>	<u>Electrical Industrial Court</u>	<u>TIF Ramco Gershenson</u>	<u>TIF Henry Court Road Construction</u>	<u>Total Nonmajor Capital Project Funds</u>
\$ 37,031	\$ 0	\$ 0	\$ 311,525	\$ 0	\$ 547,448
4,667	0	0	0	0	25,077
0	0	0	11,461	0	11,461
0	0	31,264	0	0	39,060
<u>41,698</u>	<u>0</u>	<u>31,264</u>	<u>322,986</u>	<u>0</u>	<u>623,046</u>
0	0	0	98,130	0	432,430
0	5,000	25,000	50,000	0	157,000
<u>0</u>	<u>4,004</u>	<u>6,060</u>	<u>86,682</u>	<u>0</u>	<u>177,662</u>
<u>0</u>	<u>9,004</u>	<u>31,060</u>	<u>234,812</u>	<u>0</u>	<u>767,092</u>
41,698	(9,004)	204	88,174	0	(144,046)
0	9,004	0	0	0	424,374
<u>0</u>	<u>0</u>	<u>0</u>	<u>(9,004)</u>	<u>0</u>	<u>(9,004)</u>
<u>0</u>	<u>9,004</u>	<u>0</u>	<u>(9,004)</u>	<u>0</u>	<u>415,370</u>
41,698	0	204	79,170	0	271,324
<u>86,773</u>	<u>0</u>	<u>41,694</u>	<u>467,100</u>	<u>2,500</u>	<u>668,608</u>
<u>\$ 128,471</u>	<u>\$ 0</u>	<u>\$ 41,898</u>	<u>\$ 546,270</u>	<u>\$ 2,500</u>	<u>\$ 939,932</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 729,351	\$ 729,351	\$ 701,564	\$ (27,787)
Municipal Income Taxes	2,595,000	2,595,000	2,784,208	189,208
Other Local Taxes	182,600	182,600	218,698	36,098
Intergovernmental Revenues	756,075	756,075	999,849	243,774
Charges for Services	65,200	65,200	130,881	65,681
Licenses and Permits	30,000	30,000	27,885	(2,115)
Investment Earnings	40,000	40,000	149,613	109,613
Special Assessments	0	0	2,730	2,730
Fines and Forfeitures	35,000	35,000	33,008	(1,992)
All Other Revenues	0	0	1,041	1,041
Total Revenues	<u>4,433,226</u>	<u>4,433,226</u>	<u>5,049,477</u>	<u>616,251</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	1,142,136	1,187,422	1,124,665	62,757
Contractual Services	190,286	190,006	190,006	0
Materials and Supplies	56,475	61,479	61,318	161
Capital Outlay	500	592	592	0
Total Police	<u>1,389,397</u>	<u>1,439,499</u>	<u>1,376,581</u>	<u>62,918</u>
Fire:				
Personal Services	346,245	341,537	336,621	4,916
Contractual Services	66,064	70,081	67,231	2,850
Materials and Supplies	24,660	25,350	24,622	728
Total Fire	<u>436,969</u>	<u>436,968</u>	<u>428,474</u>	<u>8,494</u>
Civil Defense:				
Contractual Services	6,000	6,000	4,626	1,374
Total Security of Persons and Property	<u>1,832,366</u>	<u>1,882,467</u>	<u>1,809,681</u>	<u>72,786</u>

(Continued)

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Leisure Time Activities:				
Parks:				
Contractual Services	6,063	7,637	5,748	1,889
Materials and Supplies	6,000	5,000	4,589	411
Capital Outlay	13,512	12,938	11,757	1,181
Total Leisure Time Activities	<u>25,575</u>	<u>25,575</u>	<u>22,094</u>	<u>3,481</u>
Basic Utility Services:				
Refuse Pick-up/Curbside Recycling:				
Contractual Services	275,669	288,820	280,385	8,435
Total Basic Utility Services	<u>275,669</u>	<u>288,820</u>	<u>280,385</u>	<u>8,435</u>
Transportation:				
Public Works:				
Personal Services	665,890	639,823	577,158	62,665
Contractual Services	122,011	138,911	125,546	13,365
Materials and Supplies	33,636	51,081	48,380	2,701
Capital Outlay	16,102	7,823	7,583	240
Total Transportation	<u>837,639</u>	<u>837,638</u>	<u>758,667</u>	<u>78,971</u>
General Government:				
City Council:				
Personal Services	29,950	29,950	29,093	857
Contractual Services	29,500	29,500	29,000	500
Total City Council	<u>59,450</u>	<u>59,450</u>	<u>58,093</u>	<u>1,357</u>
Mayor:				
Personal Services	9,025	9,025	8,923	102
Contractual Services	500	0	0	0
Capital Outlay	500	0	0	0
Total Mayor	<u>10,025</u>	<u>9,025</u>	<u>8,923</u>	<u>102</u>

(Continued)

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Administrator:				
Personal Services	142,460	142,460	125,149	17,311
Contractual Services	1,000	1,000	412	588
Capital Outlay	0	4,875	4,875	0
Total Administrator	<u>143,460</u>	<u>148,335</u>	<u>130,436</u>	<u>17,899</u>
General Government:				
Personal Services	26,180	35,510	31,547	3,963
Contractual Services	342,973	344,996	310,875	34,121
Materials and Supplies	12,269	12,788	11,885	903
Other Expenditures	16,040	17,818	16,316	1,502
Capital Outlay	41,961	61,536	59,689	1,847
Total General Government	<u>439,423</u>	<u>472,648</u>	<u>430,312</u>	<u>42,336</u>
Building and Occupancy:				
Personal Services	3,855	3,455	1,521	1,934
Contractual Services	222,872	225,172	220,052	5,120
Materials and Supplies	14,375	24,775	24,356	419
Total Building and Occupancy	<u>241,102</u>	<u>253,402</u>	<u>245,929</u>	<u>7,473</u>
Finance/Tax:				
Personal Services	104,630	114,630	105,852	8,778
Contractual Services	500	797	432	365
Materials and Supplies	8,620	8,620	7,668	952
Other Expenditures	10,000	0	0	0
Capital Outlay	500	400	300	100
Total Finance/Tax	<u>124,250</u>	<u>124,447</u>	<u>114,252</u>	<u>10,195</u>
Treasurer:				
Personal Services	1,210	1,210	1,168	42

(Continued)

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Law:				
Contractual Services	<u>189,364</u>	<u>154,014</u>	<u>142,717</u>	<u>11,297</u>
Total General Government	<u>1,208,284</u>	<u>1,222,531</u>	<u>1,131,830</u>	<u>90,701</u>
Total Expenditures	<u>4,179,533</u>	<u>4,257,031</u>	<u>4,002,657</u>	<u>254,374</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	253,693	176,195	1,046,820	870,625
Other Financing Sources (Uses):				
Transfers In	141,602	141,602	0	(141,602)
Transfers Out	<u>(534,846)</u>	<u>(562,346)</u>	<u>(562,346)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(393,244)</u>	<u>(420,744)</u>	<u>(562,346)</u>	<u>(141,602)</u>
Net Change in Fund Balance	(139,551)	(244,549)	484,474	729,023
Fund Balance at Beginning of Year	491,945	491,945	491,945	0
Prior Year Encumbrances	<u>232,602</u>	<u>232,602</u>	<u>232,602</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 584,996</u>	<u>\$ 479,998</u>	<u>\$ 1,209,021</u>	<u>\$ 729,023</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2006**

GENERAL OBLIGATION DEBT SERVICE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	525,000	525,000	525,000	0
Interest and Fiscal Charges	21,000	21,000	20,799	201
Total Expenditures	546,000	546,000	545,799	201
Excess (Deficiency) of Revenues Over (Under) Expenditures	(546,000)	(546,000)	(545,799)	201
Other Financing Sources (Uses):				
General Obligation Notes Issued	475,000	475,000	475,000	0
Transfers In	71,000	71,000	71,000	0
Total Other Financing Sources (Uses)	546,000	546,000	546,000	0
Net Change in Fund Balance	0	0	201	201
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 201	\$ 201

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Year Ended December 31, 2006***

TID ROAD ACQUISITION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 201,719	\$ 201,719	\$ 362,788	\$ 161,069
Total Revenues	<u>201,719</u>	<u>201,719</u>	<u>362,788</u>	<u>161,069</u>
Expenditures:				
Capital Outlay	1	1	1	0
Debt Service:				
Principal Retirement	2,300,000	2,300,000	2,300,000	0
Interest and Fiscal Charges	97,000	97,000	91,081	5,919
Total Expenditures	<u>2,397,001</u>	<u>2,397,001</u>	<u>2,391,082</u>	<u>5,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,195,282)	(2,195,282)	(2,028,294)	166,988
Other Financing Sources (Uses):				
General Obligation Notes Issued	2,200,000	2,200,000	2,200,000	0
Total Other Financing Sources (Uses)	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,200,000</u>	<u>0</u>
Net Change in Fund Balance	4,718	4,718	171,706	166,988
Fund Balance at Beginning of Year	109,983	109,983	109,983	0
Fund Balance at End of Year	<u>\$ 114,701</u>	<u>\$ 114,701</u>	<u>\$ 281,689</u>	<u>\$ 166,988</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 21,500	\$ 21,500	\$ 28,479	\$ 6,979
Total Revenues	<u>21,500</u>	<u>21,500</u>	<u>28,479</u>	<u>6,979</u>
Expenditures:				
Transportation:				
Materials and Supplies	4,868	5,544	4,731	813
Total Expenditures	<u>4,868</u>	<u>5,544</u>	<u>4,731</u>	<u>813</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,632	15,956	23,748	7,792
Other Financing Sources (Uses):				
Transfers Out	(17,500)	(16,825)	(16,825)	0
Total Other Financing Sources (Uses)	<u>(17,500)</u>	<u>(16,825)</u>	<u>(16,825)</u>	<u>0</u>
Net Change in Fund Balance	(868)	(869)	6,923	7,792
Fund Balance at Beginning of Year	20,376	20,376	20,376	0
Prior Year Encumbrances	868	868	868	0
Fund Balance at End of Year	<u>\$ 20,376</u>	<u>\$ 20,375</u>	<u>\$ 28,167</u>	<u>\$ 7,792</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 251,000	\$ 251,000	\$ 300,710	\$ 49,710
Total Revenues	<u>251,000</u>	<u>251,000</u>	<u>300,710</u>	<u>49,710</u>
Expenditures:				
Transportation:				
Contractual Services	84,415	87,880	83,509	4,371
Materials and Supplies	101,202	97,738	83,867	13,871
Total Expenditures	<u>185,617</u>	<u>185,618</u>	<u>167,376</u>	<u>18,242</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,383	65,382	133,334	67,952
Other Financing Sources (Uses):				
Transfers In	17,500	17,500	16,825	(675)
Transfers Out	(92,000)	(92,000)	0	92,000
Total Other Financing Sources (Uses)	<u>(74,500)</u>	<u>(74,500)</u>	<u>16,825</u>	<u>91,325</u>
Net Change in Fund Balance	(9,117)	(9,118)	150,159	159,277
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	16,617	16,617	16,617	0
Fund Balance at End of Year	<u>\$ 7,500</u>	<u>\$ 7,499</u>	<u>\$ 166,776</u>	<u>\$ 159,277</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 4,299	\$ 4,299
Total Revenues	<u>0</u>	<u>0</u>	<u>4,299</u>	<u>4,299</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	4,299	4,299
Fund Balance at Beginning of Year	<u>9,366</u>	<u>9,366</u>	<u>9,366</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,366</u>	<u>\$ 9,366</u>	<u>\$ 13,665</u>	<u>\$ 4,299</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,821</u>	<u>\$ 821</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>1,821</u>	<u>821</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	1,821	821
Fund Balance at Beginning of Year	<u>134</u>	<u>134</u>	<u>134</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,134</u>	<u>\$ 1,134</u>	<u>\$ 1,955</u>	<u>\$ 821</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 1,000	\$ 1,000	\$ 3,225	\$ 2,225
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>3,225</u>	<u>2,225</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>0</u>	<u>27,666</u>	<u>48,666</u>	<u>(21,000)</u>
Total Expenditures	<u>0</u>	<u>27,666</u>	<u>48,666</u>	<u>(21,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	(26,666)	(45,441)	(18,775)
Fund Balance at Beginning of Year	<u>65,008</u>	<u>65,008</u>	<u>65,008</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 66,008</u>	<u>\$ 38,342</u>	<u>\$ 19,567</u>	<u>\$ (18,775)</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

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

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	RECREATION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 40,386	\$ 40,386	\$ 37,031	\$ (3,355)
Intergovernmental Revenues	4,000	4,000	6,820	2,820
Charges for Services	76,200	76,200	81,422	5,222
All Other Revenues	20,300	20,300	21,512	1,212
Total Revenues	<u>140,886</u>	<u>140,886</u>	<u>146,785</u>	<u>5,899</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	135,500	134,615	131,584	3,031
Contractual Services	49,108	48,287	45,620	2,667
Materials and Supplies	38,801	36,959	35,043	1,916
Other Expenditures	1,000	1,000	627	373
Capital Outlay	1,000	4,549	4,400	149
Total Expenditures	<u>225,409</u>	<u>225,410</u>	<u>217,274</u>	<u>8,136</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(84,523)	(84,524)	(70,489)	14,035
Other Financing Sources (Uses):				
Transfers In	75,976	75,976	75,976	0
Total Other Financing Sources (Uses)	<u>75,976</u>	<u>75,976</u>	<u>75,976</u>	<u>0</u>
Net Change in Fund Balance	(8,547)	(8,548)	5,487	14,035
Fund Balance at Beginning of Year	2,700	2,700	2,700	0
Prior Year Encumbrances	6,910	6,910	6,910	0
Fund Balance at End of Year	<u>\$ 1,063</u>	<u>\$ 1,062</u>	<u>\$ 15,097</u>	<u>\$ 14,035</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 5,000	\$ 5,000	\$ 1,853	\$ (3,147)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>1,853</u>	<u>(3,147)</u>
Expenditures:				
Leisure Time Activities:				
Contractual Services	<u>5,000</u>	<u>5,000</u>	<u>2,418</u>	<u>2,582</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,418</u>	<u>2,582</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	(565)	(565)
Fund Balance at Beginning of Year	<u>4,881</u>	<u>4,881</u>	<u>4,881</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,881</u>	<u>\$ 4,881</u>	<u>\$ 4,316</u>	<u>\$ (565)</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

	BLOCK GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 74,000	\$ 74,000
Total Revenues	<u>0</u>	<u>0</u>	<u>74,000</u>	<u>74,000</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	74,000	74,000
Fund Balance at Beginning of Year	<u>148,940</u>	<u>148,940</u>	<u>148,940</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 148,940</u>	<u>\$ 148,940</u>	<u>\$ 222,940</u>	<u>\$ 74,000</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006***

DOWNTOWN STREETSCAPE FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Special Assessments	\$ 0	\$ 0	\$ 3,720	\$ 3,720
Total Revenues	<u>0</u>	<u>0</u>	<u>3,720</u>	<u>3,720</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	3,720	3,720
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,720</u>	<u>\$ 3,720</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	165,000	165,000	162,228	(2,772)
Total Revenues	<u>165,000</u>	<u>165,000</u>	<u>162,228</u>	<u>(2,772)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	160,000	160,000	157,630	2,370
Total Expenditures	<u>160,000</u>	<u>160,000</u>	<u>157,630</u>	<u>2,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	5,000	4,598	(402)
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>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 4,598</u>	<u>\$ (402)</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

LANDFILL CLOSURE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	87,950	87,950	70,950	17,000
Debt Service:				
Principal Retirement	10,000	10,000	10,000	0
Interest and Fiscal Charges	11,145	11,145	11,145	0
Total Expenditures	109,095	109,095	92,095	17,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,095)	(109,095)	(92,095)	17,000
Other Financing Sources (Uses):				
Transfers In	96,145	96,145	96,145	0
Total Other Financing Sources (Uses)	96,145	96,145	96,145	0
Net Change in Fund Balance	(12,950)	(12,950)	4,050	17,000
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	12,950	12,950	12,950	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,000</u>	<u>\$ 17,000</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 7,700	\$ 7,700	\$ 7,796	\$ 96
Total Revenues	<u>7,700</u>	<u>7,700</u>	<u>7,796</u>	<u>96</u>
Expenditures:				
Debt Service:				
Principal Retirement	5,000	5,000	5,000	0
Interest and Fiscal Charges	<u>2,925</u>	<u>2,925</u>	<u>2,925</u>	<u>0</u>
Total Expenditures	<u>7,925</u>	<u>7,925</u>	<u>7,925</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225)	(225)	(129)	96
Fund Balance at Beginning of Year	<u>13,895</u>	<u>13,895</u>	<u>13,895</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,670</u>	<u>\$ 13,670</u>	<u>\$ 13,766</u>	<u>\$ 96</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

CAPITAL IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Capital Outlay	215,495	243,591	198,522	45,069
Debt Service:				
Principal Retirement	62,000	62,000	62,000	0
Interest and Fiscal Charges	64,725	64,725	64,724	1
Total Expenditures	342,220	370,316	325,246	45,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(342,220)	(370,316)	(325,246)	45,070
Other Financing Sources (Uses):				
Transfers In	331,725	331,725	319,225	(12,500)
Total Other Financing Sources (Uses)	331,725	331,725	319,225	(12,500)
Net Change in Fund Balance	(10,495)	(38,591)	(6,021)	32,570
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances	10,495	10,495	10,495	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (28,096)</u>	<u>\$ 4,474</u>	<u>\$ 32,570</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006***

	FIRE CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$ 227,658	\$ 227,658	\$ 198,892	\$ (28,766)
Intergovernmental Revenues	4,000	4,000	32,247	28,247
Total Revenues	<u>231,658</u>	<u>231,658</u>	<u>231,139</u>	<u>(519)</u>
Expenditures:				
Capital Outlay	114,446	261,094	207,885	53,209
Debt Service:				
Principal Retirement	75,000	75,000	75,000	0
Interest and Fiscal Charges	3,000	3,000	2,974	26
Total Expenditures	<u>192,446</u>	<u>339,094</u>	<u>285,859</u>	<u>53,235</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,212	(107,436)	(54,720)	52,716
Other Financing Sources (Uses):				
General Obligation Notes Issued	60,000	60,000	60,000	0
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Net Change in Fund Balance	99,212	(47,436)	5,280	52,716
Fund Balance at Beginning of Year	67,401	67,401	67,401	0
Prior Year Encumbrances	36,257	36,257	36,257	0
Fund Balance at End of Year	<u>\$ 202,870</u>	<u>\$ 56,222</u>	<u>\$ 108,938</u>	<u>\$ 52,716</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
PERMANENT RECREATION IMPROVEMENT FUND				
Revenues:				
Property Taxes	\$ 40,386	\$ 40,386	\$ 37,031	\$ (3,355)
Intergovernmental Revenues	4,000	4,000	6,820	2,820
Total Revenues	<u>44,386</u>	<u>44,386</u>	<u>43,851</u>	<u>(535)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,386	44,386	43,851	(535)
Other Financing Sources (Uses):				
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>	<u>40,000</u>
Net Change in Fund Balance	4,386	4,386	43,851	39,465
Fund Balance at Beginning of Year	<u>84,620</u>	<u>84,620</u>	<u>84,620</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 89,006</u>	<u>\$ 89,006</u>	<u>\$ 128,471</u>	<u>\$ 39,465</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

ARENA DRAINAGE DITCH FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	5,000	5,000	5,000	0
Interest and Fiscal Charges	4,004	4,004	4,004	0
Total Expenditures	9,004	9,004	9,004	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,004)	(9,004)	(9,004)	0
Other Financing Sources (Uses):				
Transfers In	9,004	9,004	9,004	0
Total Other Financing Sources (Uses)	9,004	9,004	9,004	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 32,492	\$ 32,492	\$ 31,264	\$ (1,228)
Total Revenues	<u>32,492</u>	<u>32,492</u>	<u>31,264</u>	<u>(1,228)</u>
Expenditures:				
Debt Service:				
Principal Retirement	25,000	25,000	25,000	0
Interest and Fiscal Charges	<u>6,748</u>	<u>6,748</u>	<u>6,060</u>	<u>688</u>
Total Expenditures	<u>31,748</u>	<u>31,748</u>	<u>31,060</u>	<u>688</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	744	744	204	(540)
Fund Balance at Beginning of Year	<u>41,694</u>	<u>41,694</u>	<u>41,694</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 42,438</u>	<u>\$ 42,438</u>	<u>\$ 41,898</u>	<u>\$ (540)</u>

CITY OF ROSSFORD, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006**

TIF RAMCO GERSHENSON FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 220,000	\$ 220,000	\$ 344,041	\$ 124,041
Investment Earnings	5,000	5,000	11,461	6,461
Total Revenues	<u>225,000</u>	<u>225,000</u>	<u>355,502</u>	<u>130,502</u>
Expenditures:				
Capital Outlay	69,000	99,700	98,130	1,570
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	86,683	86,683	86,682	1
Total Expenditures	<u>205,683</u>	<u>236,383</u>	<u>234,812</u>	<u>1,571</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,317	(11,383)	120,690	132,073
Other Financing Sources (Uses):				
Transfers Out	(19,004)	(19,004)	(9,004)	10,000
Total Other Financing Sources (Uses)	<u>(19,004)</u>	<u>(19,004)</u>	<u>(9,004)</u>	<u>10,000</u>
Net Change in Fund Balance	313	(30,387)	111,686	142,073
Fund Balance at Beginning of Year	434,584	434,584	434,584	0
Fund Balance at End of Year	<u>\$ 434,897</u>	<u>\$ 404,197</u>	<u>\$ 546,270</u>	<u>\$ 142,073</u>

CITY OF ROSSFORD, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006***

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

Fiduciary Funds

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

Agency Fund

Cafeteria Plan Fund

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

CITY OF ROSSFORD, OHIO

***Combining Statement Of Changes In Assets And Liabilities
Agency Fund
For the Year Ended December 31, 2006***

	Balance December 31, 2005	Additions	Deductions	Balance December 31, 2006
<u>Cafeteria Plan</u>				
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$1,504	\$4,116	(\$4,248)	\$1,372
Total Assets	<u>\$1,504</u>	<u>\$4,116</u>	<u>(\$4,248)</u>	<u>\$1,372</u>
Liabilities:				
Due to Others	\$1,504	\$4,116	(\$4,248)	\$1,372
Total Liabilities	<u>\$1,504</u>	<u>\$4,116</u>	<u>(\$4,248)</u>	<u>\$1,372</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF ROSSFORD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2006***

<u>Capital Assets</u>	
Land	\$361,137
Buildings	3,251,989
Improvements Other Than Buildings	162,605
Machinery and Equipment	<u>3,169,387</u>
Total Capital Assets	<u><u>\$6,945,118</u></u>
<u>Investment in Capital Assets</u>	
Acquired Prior to 1994	\$4,512,065
General Fund	791,971
Special Revenue Funds	329,143
Capital Projects Funds	1,268,493
Proprietary Funds	1,546
Donated	<u>41,900</u>
Total Investment in Capital Assets	<u><u>\$6,945,118</u></u>

CITY OF ROSSFORD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2006***

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Total</u>
<u>General Government:</u>					
Council	\$0	\$0	\$0	\$5,800	\$5,800
Mayor	0	0	0	1,748	1,748
Administrator	0	0	0	10,091	10,091
Finance/Tax	0	0	0	87,868	87,868
Prosecutor	0	0	0	2,898	2,898
General Government	324,151	2,955,591	86,535	62,114	3,428,391
Civil Defense	0	0	0	34,411	34,411
Total	<u>324,151</u>	<u>2,955,591</u>	<u>86,535</u>	<u>204,930</u>	<u>3,571,207</u>
<u>Security of Persons and Property:</u>					
Police	0	0	0	549,858	549,858
Fire	<u>36,986</u>	<u>0</u>	<u>0</u>	<u>1,340,169</u>	<u>1,377,155</u>
Total	<u>36,986</u>	<u>0</u>	<u>0</u>	<u>1,890,027</u>	<u>1,927,013</u>
<u>Transportation:</u>					
Public Works	<u>0</u>	<u>214,089</u>	<u>15,550</u>	<u>744,399</u>	<u>974,038</u>
<u>Leisure Time Activities:</u>					
Park	<u>0</u>	<u>82,309</u>	<u>60,520</u>	<u>330,031</u>	<u>472,860</u>
Total Capital Assets	<u>\$361,137</u>	<u>\$3,251,989</u>	<u>\$162,605</u>	<u>\$3,169,387</u>	<u>\$6,945,118</u>

CITY OF ROSSFORD, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For Year Ended December 31, 2006***

<u>Function and Activity</u>	<u>December 31, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31, 2006</u>
<u>General Government:</u>				
Council	\$700	\$5,100	\$0	\$5,800
Mayor	1,748	0	0	1,748
Administrator	10,091	0	0	10,091
Finance/Tax	87,868	0	0	87,868
Prosecutor	2,898	0	0	2,898
General Government	3,410,447	17,944	0	3,428,391
Civil Defense	34,411	0	0	34,411
Total	<u>3,548,163</u>	<u>23,044</u>	<u>0</u>	<u>3,571,207</u>
<u>Security of Persons and Property:</u>				
Police	533,124	51,344	(34,610)	549,858
Fire	1,416,004	38,795	(77,644)	1,377,155
Total	<u>1,949,128</u>	<u>90,139</u>	<u>(112,254)</u>	<u>1,927,013</u>
<u>Transportation:</u>				
Public Works	940,565	43,473	(10,000)	974,038
<u>Leisure Time Activities:</u>				
Park	465,348	7,512	0	472,860
Total Capital Assets	<u>\$6,903,204</u>	<u>\$164,168</u>	<u>(\$122,254)</u>	<u>\$6,945,118</u>



STATISTICAL SECTION



STATISTICAL TABLES

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city’s overall financial health.

Contents

Financial Trends	S 3 – S 11
These schedules contain trend information to help the reader understand how the city’s financial position has changed over time.	
Revenue Capacity	S 12 – S 13
These schedules contain information to help the reader understand and assess the factors affecting the city’s ability to generate its most significant local revenue sources, the property tax and the income tax.	
Debt Capacity	S 14 – S 21
These schedules present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 22 – S 25
These schedules offer economic and demographic indicators to help the reader understand the environment within which the city’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 26 – S 33
These schedules contain service and infrastructure data to help the reader understand how the information in the city’s financial report relates to the services the district provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.	



City of Rossford

*Net Assets by Component
Last Three Years
(accrual basis of accounting)*

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:			
Invested in Capital Assets, Net of Related Debt	\$0	\$0	\$2,230,334
Restricted	261,942	354,721	654,720
Unrestricted (Deficit)	<u>(1,027,065)</u>	<u>(288,831)</u>	<u>(1,584,218)</u>
Total Governmental Activities Net Assets	<u><u>(\$765,123)</u></u>	<u><u>\$65,890</u></u>	<u><u>\$1,300,836</u></u>
Business-type Activities:			
Invested in Capital Assets, Net of Related Debt	\$1,094,015	\$1,650,574	\$2,162,511
Unrestricted	<u>1,047,209</u>	<u>711,805</u>	<u>264,272</u>
Total Business-type Activities Net Assets	<u><u>\$2,141,224</u></u>	<u><u>\$2,362,379</u></u>	<u><u>\$2,426,783</u></u>
Primary Government:			
Invested in Capital Assets, Net of Related Debt	\$1,094,015	\$1,650,574	\$4,392,845
Restricted	261,942	354,721	654,720
Unrestricted	<u>20,144</u>	<u>422,974</u>	<u>(1,319,946)</u>
Total Primary Government Net Assets	<u><u>\$1,376,101</u></u>	<u><u>\$2,428,269</u></u>	<u><u>\$3,727,619</u></u>

Source: Finance Director's Office

City of Rossford

Changes in Net Assets
Last Three Years
(accrual basis of accounting)

	2004	2005	2006
Expenses			
Governmental Activities:			
Security of Persons and Property	\$1,913,297	\$1,916,592	\$2,192,210
Leisure Time Activities	329,055	157,578	256,623
Basic Utility Services	241,282	78,740	196,383
Transportation	804,255	895,459	967,393
General Government	1,097,994	1,038,816	1,162,863
Interest and Fiscal Charges	296,781	317,247	269,915
<i>Total Governmental Activities Expenses</i>	<u>4,682,664</u>	<u>4,404,432</u>	<u>5,045,387</u>
Business-type Activities:			
Water	154,188	169,827	172,507
Sewer	466,894	450,778	511,106
Marina	89,357	74,725	95,236
<i>Total Business-type Activities Expenses</i>	<u>710,439</u>	<u>695,330</u>	<u>778,849</u>
<i>Total Primary Government Expenses</i>	<u>\$5,393,103</u>	<u>\$5,099,762</u>	<u>\$5,824,236</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$275,641	\$320,684	\$337,058
Leisure Time Activities	98,793	105,295	104,787
Transportation	13,005	11,276	11,516
General Government	32,570	27,257	33,311
Operating Grants and Contributions	353,836	291,208	400,517
Capital Grants and Contributions	11,949	95,000	0
<i>Total Governmental Activities Program Revenues</i>	<u>785,794</u>	<u>850,720</u>	<u>887,189</u>

(Continued)

City of Rossford

Changes in Net Assets Last Three Years (accrual basis of accounting)

	2004	2005	2006
Business-type Activities:			
Charges for Services			
Water	190,816	201,937	189,449
Sewer	537,660	619,314	545,978
Marina	106,424	107,990	92,471
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	72,982	51,193	15,355
<i>Total Business-type Activities Program Revenues</i>	907,882	980,434	843,253
<i>Total Primary Government Program Revenues</i>	1,693,676	1,831,154	1,730,442
Net (Expense)/Revenue			
Governmental Activities	(3,896,870)	(3,553,712)	(4,158,198)
Business-type Activities	197,443	285,104	64,404
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$3,699,427)	(\$3,268,608)	(\$4,093,794)
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes	\$396,838	\$503,505	\$1,347,928
Municipal Income Taxes	2,766,116	2,703,654	2,691,227
Other Local Taxes	185,901	200,289	222,818
Grants and Entitlements not Restricted to Specific Programs	835,904	773,509	964,026
Investment Earnings	25,088	68,636	161,074
Miscellaneous	239,705	407,039	6,071
Transfers	110,000	0	0
<i>Total Governmental Activities</i>	4,559,552	4,656,632	5,393,144
Business-type Activities:			
Transfers	(110,000)	0	0
<i>Total Business-type Activities</i>	(110,000)	0	0
<i>Total Primary Government</i>	\$4,449,552	\$4,656,632	\$5,393,144
Change in Net Assets			
Governmental Activities	\$662,682	\$1,102,920	\$1,234,946
Business-type Activities	87,443	285,104	64,404
<i>Total Primary Government Change in Net Assets</i>	\$750,125	\$1,388,024	\$1,299,350

Source: Finance Director's Office

City of Rossford

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund				
Reserved	\$48,310	\$105,690	\$60,307	\$31,032
Unreserved	391,979	410,930	380,924	253,486
<i>Total General Fund</i>	<u>440,289</u>	<u>516,620</u>	<u>441,231</u>	<u>284,518</u>
All Other Governmental Funds				
Reserved	283,947	21,480	33,504	106,772
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	104,441	76,343	112,461	48,929
Debt Service Funds	0	0	0	0
Capital Projects Funds	(376,906)	(480,866)	(592,756)	(2,088,089)
<i>Total All Other Governmental Funds</i>	<u>11,482</u>	<u>(383,043)</u>	<u>(446,791)</u>	<u>(1,932,388)</u>
<i>Total Governmental Funds</i>	<u>\$451,771</u>	<u>\$133,577</u>	<u>(\$5,560)</u>	<u>(\$1,647,870)</u>

Source: Finance Director's Office

City of Rossford

2001	2002	2003	2004	2005	2006
\$84,557	\$31,032	\$40,685	\$89,031	\$194,316	\$227,696
465,206	253,486	19,475	470,857	1,095,583	1,641,559
549,763	284,518	60,160	559,888	1,289,899	1,869,255
196,645	106,772	26,647	38,133	88,791	195,949
15,052	48,929	104,996	167,033	267,537	530,492
0	0	0	(583,730)	(538,563)	(486,456)
(4,547,421)	(2,088,089)	(2,023,893)	(2,009,092)	(1,651,847)	(1,183,664)
(4,335,724)	(1,932,388)	(1,892,250)	(2,387,656)	(1,834,082)	(943,679)
(\$3,785,961)	(\$1,647,870)	(\$1,832,090)	(\$1,827,768)	(\$544,183)	\$925,576

City of Rossford

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	1997	1998	1999	2000
Revenues:				
Taxes	\$2,314,214	\$2,401,666	\$2,415,440	\$2,608,514
Intergovernmental Revenues	822,749	1,194,822	1,243,065	1,316,764
Charges for Services	97,779	102,258	110,081	126,297
Licenses and Permits	24,668	41,233	43,163	73,834
Investment Earnings	59,669	72,647	45,357	303,216
Special Assessments	135,035	129,868	137,206	133,413
Fines and Forfeitures	37,813	36,614	30,877	32,431
All Other Revenue	92,343	78,268	138,053	56,713
Total Revenue	<u>3,584,270</u>	<u>4,057,376</u>	<u>4,163,242</u>	<u>4,651,182</u>
Expenditures:				
Current:				
Security of Persons and Property	1,351,688	1,375,385	1,591,436	1,544,121
Public Health and Welfare Services	0	0	8,091	0
Leisure Time Activities	177,616	192,506	208,846	199,381
Community Environment	10,314	223,475	258,382	181,898
Basic Utility Services	210,245	210,169	208,283	214,569
Transportation	586,279	781,844	789,415	918,062
General Government	987,399	1,013,058	866,887	1,059,887
Capital Outlay	263,310	401,623	367,500	4,759,102
Debt Service:				
Principal Retirement	152,474	143,561	145,482	176,047
Interest and Fiscal Charges	79,868	162,285	89,621	218,637
Total Expenditures	<u>3,819,193</u>	<u>4,503,906</u>	<u>4,533,943</u>	<u>9,271,704</u>
Excess (Deficiency) of Revenues Over Expenditures	(234,923)	(446,530)	(370,701)	(4,620,522)

City of Rossford

2001	2002	2003	2004	2005	2006
\$2,965,687	\$2,932,174	\$2,999,332	\$3,307,150	\$3,405,902	\$4,114,976
1,275,775	1,014,832	1,074,329	1,154,349	1,208,669	1,453,779
139,019	149,742	181,948	136,010	172,630	222,494
201,775	70,198	64,071	29,122	23,971	27,885
60,659	27,947	16,516	25,088	68,636	161,074
273,723	616,534	530,307	578,186	692,011	570,526
30,495	29,386	32,329	42,541	36,273	42,523
70,920	39,839	99,507	24,743	177,712	26,590
<u>5,018,053</u>	<u>4,880,652</u>	<u>4,998,339</u>	<u>5,297,189</u>	<u>5,785,804</u>	<u>6,619,847</u>
1,887,972	1,795,309	1,869,529	1,803,917	1,770,761	1,965,013
0	0	0	0	0	0
236,888	237,125	229,826	240,324	209,202	224,294
240,586	0	0	0	0	0
208,181	232,469	218,480	241,282	78,740	196,383
897,282	898,680	863,773	815,235	804,842	859,277
1,067,504	1,112,502	1,258,426	1,027,233	972,775	1,045,597
1,360,741	138,857	265,170	148,969	273,232	432,431
124,554	179,594	282,150	763,984	155,912	157,000
490,991	426,893	298,815	297,435	319,507	270,328
<u>6,514,699</u>	<u>5,021,429</u>	<u>5,286,169</u>	<u>5,338,379</u>	<u>4,584,971</u>	<u>5,150,323</u>
(1,496,646)	(140,777)	(287,830)	(41,190)	1,200,833	1,469,524

(Continued)

City of Rossford

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	2,304	6,220	300	3,777
Other Financing Sources - Capital Leases	0	160,000	200,000	0
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Transfers In	254,465	354,823	570,848	517,303
Transfers Out	<u>(287,965)</u>	<u>(388,823)</u>	<u>(541,194)</u>	<u>(517,303)</u>
Total Other Financing Sources (Uses)	<u>(31,196)</u>	<u>132,220</u>	<u>229,954</u>	<u>3,777</u>
Net Change in Fund Balance	<u><u>(\$266,119)</u></u>	<u><u>(\$314,310)</u></u>	<u><u>(\$140,747)</u></u>	<u><u>(\$4,616,745)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	6.66%	8.28%	5.89%	4.59%

Source: Finance Director's Office

City of Rossford

2001	2002	2003	2004	2005	2006
0	0	0	0	0	0
150,000	0	0	0	0	0
2,000,000	1,995,000	0	0	0	0
0	250,000	0	0	0	0
506,302	617,483	591,746	648,459	365,309	588,175
(508,539)	(617,483)	(466,746)	(538,459)	(365,309)	(588,175)
<u>2,147,763</u>	<u>2,245,000</u>	<u>125,000</u>	<u>110,000</u>	<u>0</u>	<u>0</u>
<u>\$651,117</u>	<u>\$2,104,223</u>	<u>(\$162,830)</u>	<u>\$68,810</u>	<u>\$1,200,833</u>	<u>\$1,469,524</u>
10.93%	14.18%	13.08%	25.06%	11.94%	9.37%

City of Rossford

Income Tax Revenues by Source, Governmental Funds Last Four Years

Tax year	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Income Tax Rate	2.25%	2.25%	2.25%	2.25%
Estimated Personal Income	\$184,236,560	\$188,624,670	\$194,537,408	\$194,537,408
Total Tax Collected	\$2,472,940	\$2,651,301	\$2,615,721	\$2,784,209
Income Tax Receipts				
Withholding	1,954,911	2,132,843	2,060,044	2,180,092
Percentage	\$0.79	\$0.80	\$0.79	\$0.78
Corporate	78,391	109,870	141,319	155,382
Percentage	\$0.03	\$0.04	\$0.05	\$0.06
Individuals	439,638	408,588	414,358	448,735
Percentage	\$0.18	\$0.15	\$0.16	\$0.16

Source: City Income Tax Department

City of Rossford

Income Tax Collections Current Year and Nine Years Ago

	Calendar Year 2006	
<u>Income Tax Filers</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$1,074,358	38.59%
All Others	1,709,851	61.41%
Total	<u>\$2,784,209</u>	<u>100.00%</u>

	Calendar Year 1997	
<u>Income Tax Filers</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	\$918,955	47.05%
All Others	1,034,084	52.95%
Total	<u>\$1,953,039</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Rossford

Ratio of Outstanding Debt By Type Last Ten Years

	1997	1998	1999	2000
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$1,085,000	\$1,005,000	\$925,000	\$840,000
Special Assessment Bonds Payable	0	0	0	0
Capital Leases	39,085	135,524	270,042	178,995
Business-type Activities ⁽¹⁾				
General Obligation Bonds Payable	\$0	\$0	\$0	\$0
Ohio Water Development Authority Loans Payable	1,828,475	1,887,127	1,850,812	1,775,923
Ohio Public Works Commission Loan	0	0	93,895	93,895
Total Primary Government	<u>\$2,952,560</u>	<u>\$3,027,651</u>	<u>\$3,139,749</u>	<u>\$2,888,813</u>
Population ⁽²⁾				
City of Rossford	5,861	5,861	5,861	6,406
Outstanding Debt Per Capita	\$504	\$517	\$536	\$451
Income ⁽³⁾				
Personal (in thousands)	145,359	151,753	156,706	175,172
Percentage of Personal Income	2.03%	2.00%	2.00%	1.65%

Sources:

(1) City Finance Director's Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Rossford

2001	2002	2003	2004	2005	2006
\$2,750,000	\$4,650,000	\$4,472,000	\$3,817,000	\$3,717,000	\$3,585,000
0	240,000	215,000	190,000	165,000	140,000
268,640	194,046	114,896	30,912	0	0
\$3,320,000	\$3,320,000	\$3,288,000	\$3,248,000	\$3,198,000	\$3,115,000
1,697,916	1,616,658	1,532,024	1,466,922	1,375,092	1,279,440
84,505	79,810	75,115	70,420	65,725	61,030
<u>\$8,121,061</u>	<u>\$10,100,514</u>	<u>\$9,697,035</u>	<u>\$8,823,254</u>	<u>\$8,520,817</u>	<u>\$8,180,470</u>
6,406	6,406	6,406	6,406	6,406	6,406
\$1,268	\$1,577	\$1,514	\$1,377	\$1,330	\$1,277
174,121	177,401	184,237	188,625	194,537	194,537
4.66%	5.69%	5.26%	4.68%	4.38%	4.21%

City of Rossford

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	1997	1998	1999	2000
Population ⁽¹⁾	5,861	5,861	5,861	6,406
Assessed Value ⁽²⁾	\$93,795,125	\$98,557,694	\$124,047,777	\$125,448,411
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$1,085,000	\$1,005,000	\$925,000	\$840,000
Resources Available to Pay Principal ⁽⁴⁾	\$0	\$0	\$0	\$0
Net General Bonded Debt	\$1,085,000	\$1,005,000	\$925,000	\$840,000
Ratio of Net Bonded Debt to Estimated Actual Value	1.16%	1.02%	0.75%	0.67%
Net Bonded Debt per Capita	\$185.12	\$171.47	\$157.82	\$131.13

Source:

- (1) U.S. Bureau of Census of Population
- (2) Wood County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Rossford

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
6,406	6,406	6,406	6,406	6,406	6,406
\$129,660,233	\$135,023,357	\$139,918,694	\$139,795,865	\$159,086,271	\$143,818,006
\$6,070,000	\$7,970,000	\$7,760,000	\$7,065,000	\$6,915,000	\$6,700,000
\$0	\$0	\$0	\$0	\$0	\$0
\$6,070,000	\$7,970,000	\$7,760,000	\$7,065,000	\$6,915,000	\$6,700,000
4.68%	5.90%	5.55%	5.05%	4.35%	4.66%
\$947.55	\$1,244.15	\$1,211.36	\$1,102.87	\$1,079.46	\$1,045.89



City of Rossford

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2006*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Rossford</u>	<u>Amount Applicable to the City of Rossford</u>
Direct:			
City of Rossford	\$6,320,000	100.00%	\$6,320,000
Overlapping:			
Wood County	10,315,836	5.55%	<u>572,529</u>
		Total	<u><u>\$6,892,529</u></u>

Source: Wood County

City of Rossford

Debt Limitations Last Ten Years

Collection Year	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$93,795,125	\$98,557,694	\$124,047,777	\$125,448,411
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	9,848,488	10,348,558	13,025,017	13,172,083
City Debt Outstanding (2)	1,810,000	1,730,000	1,601,500	5,744,568
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>1,810,000</u>	<u>1,730,000</u>	<u>1,601,500</u>	<u>5,744,568</u>
Overall Legal Debt Margin	<u><u>\$8,038,488</u></u>	<u><u>\$8,618,558</u></u>	<u><u>\$11,423,517</u></u>	<u><u>\$7,427,515</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$93,795,125	\$98,557,694	\$124,047,777	\$125,448,411
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	5,158,732	5,420,673	6,822,628	6,899,663
City Debt Outstanding (2)	1,810,000	1,730,000	1,601,500	5,744,568
Less: Applicable Debt Service Fund Amounts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Indebtedness Subject to Limitation	<u>1,810,000</u>	<u>1,730,000</u>	<u>1,601,500</u>	<u>5,744,568</u>
Overall Legal Debt Margin	<u><u>\$3,348,732</u></u>	<u><u>\$3,690,673</u></u>	<u><u>\$5,221,128</u></u>	<u><u>\$1,155,095</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 and Notes only.

Enterprise Debt is not considered in the computation of the Legal Debt Margin.

The Total Value of the RTID Notes is included.

Source: Finance Director's Office

City of Rossford

2001	2002	2003	2004	2005	2006
\$129,660,233	\$135,023,357	\$139,918,694	\$139,795,865	\$159,086,271	\$143,818,006
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
13,614,324	14,177,452	14,691,463	14,678,566	16,704,058	15,100,891
6,150,000	5,250,000	5,586,893	5,462,000	5,247,000	6,320,000
0	0	0	0	0	0
<u>6,150,000</u>	<u>5,250,000</u>	<u>5,586,893</u>	<u>5,462,000</u>	<u>5,247,000</u>	<u>6,320,000</u>
<u>\$7,464,324</u>	<u>\$8,927,452</u>	<u>\$9,104,570</u>	<u>\$9,216,566</u>	<u>\$11,457,058</u>	<u>\$8,780,891</u>
\$129,660,233	\$135,023,357	\$139,918,694	\$139,795,865	\$159,086,271	\$143,818,006
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
7,131,313	7,426,285	7,695,528	7,688,773	8,749,745	7,909,990
6,150,000	5,250,000	5,586,893	5,462,000	5,247,000	6,320,000
0	0	0	0	0	0
<u>6,150,000</u>	<u>5,250,000</u>	<u>5,586,893</u>	<u>5,462,000</u>	<u>5,247,000</u>	<u>6,320,000</u>
<u>\$981,313</u>	<u>\$2,176,285</u>	<u>\$2,108,635</u>	<u>\$2,226,773</u>	<u>\$3,502,745</u>	<u>\$1,589,990</u>

City of Rossford

Demographic and Economic Statistics Last Ten Years

Calendar Year	1997	1998	1999	2000
Population (1)				
City of Rossford	5,861	5,861	5,861	6,406
Wood County	116,820	116,820	116,820	121,065
Income (2) (a)				
Total Personal (in thousands)	145,359	151,753	156,706	175,172
Per Capita	24,801	25,892	26,737	27,345
Unemployment Rate (3)				
Federal	5.4%	4.9%	4.5%	4.2%
State	4.8%	4.6%	4.3%	4.3%
Wood County	3.5%	3.3%	3.5%	3.2%
Civilian Work Force Estimates (3)				
State	5,710,000	5,678,000	5,749,000	5,783,000
Wood County	64,800	65,500	67,100	67,800

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2005 for the presentation of 2006 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Rossford

2001	2002	2003	2004	2005	2006
6,406	6,406	6,406	6,406	6,406	6,406
121,065	121,065	123,020	123,020	123,020	123,020
174,121	177,401	184,237	188,625	194,537	194,537
27,181	27,693	28,760	29,445	30,368	30,368
3.8%	4.8%	5.8%	6.0%	5.5%	5.0%
3.7%	4.3%	5.7%	6.1%	6.0%	5.9%
3.5%	4.8%	5.4%	5.7%	5.6%	5.2%
5,857,000	5,828,000	5,915,000	5,834,400	5,901,000	5,971,500
68,400	67,600	68,000	65,800	67,400	68,200



City of Rossford

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2006		
		Number of Employees	Rank	Percentage of Total Employment
Meijer	Retail Store	511	1	0.10
Target Corporation	Retail Store	310	2	0.06
Pilkington North America, Inc.	Float Glass Manufacturer	300	3	0.06
Rossford Exempted School District	Public Education	289	4	0.06
Tamarkin Company	Grocery Store	248	5	0.05
Home Depot U.S.A.	Home Improvement Retailer	153	6	0.03
Adecco Employment Services	Employment Agency	149	7	0.03
JICIA Enterprises	Labor Union	115	8	0.02
City of Rossford	Municipal Government	100	9	0.02
Bath & Body Works	Retail Store	88	10	0.02
Total		<u>2,263</u>		
Total Employment within the City		<u>5,000</u>		
		1997		
Employer	Nature of Business	Number of Employees	Rank	Percentage of Total Employment
Chrysler Corporation	Automotive Manufacturer	2,000	1	0.33
Owens Community College	Education	1,163	2	0.19
National Family Opinion	Market Research	569	3	0.09
Hunt-Wesson Foods	Food Processing	463	4	0.08
Libbey-Owens Ford Company	Glass Manufacturer	350	5	0.06
Tempglass, Inc.	Tempered Glass	350	6	0.06
Glastech	Glass Tempered Equipment	244	7	0.04
Rossford Exempted School District	Education	230	8	0.04
Penta Vocational School District	Education	216	9	0.04
Calaphan	Aluminum Cookware Manufacturer	178	10	0.03
Total		<u>5,763</u>		
Total Employment within the City		<u>6,000</u>		

Sources: City of Rossford Income Tax Department

City of Rossford

Full Time Equivalent Employees by Function Last Ten Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Governmental Activities						
General Government						
Finance	2.00	2.00	2.00	2.00	2.00	2.00
General Government	0.60	0.60	0.60	0.60	1.00	1.00
Administration	3.00	3.00	3.00	3.00	3.00	3.00
Building & Facilities	1.00	1.00	1.00	1.00	1.00	1.00
Security of Persons and Property						
Police	17.50	17.50	17.50	17.50	16.50	16.50
Fire*	3.80	3.80	3.80	3.80	3.80	3.80
Volunteer Firefighters	29.00	31.00	31.00	31.00	31.00	35.00
Transportation						
Street	9.00	10.00	10.00	10.00	10.00	10.00
Leisure Time Activities						
Recreation Center**	6.50	6.50	6.50	6.50	6.50	6.50
Business-Type Activities						
Utilities						
Water	0.00	0.00	0.00	0.00	0.00	0.00
Sewer	1.00	1.00	1.00	1.00	1.00	1.00
Marina	2.10	2.10	2.10	2.10	2.10	2.10
<i>Total Employees *</i>	<u>46.50</u>	<u>47.50</u>	<u>47.50</u>	<u>47.50</u>	<u>46.90</u>	<u>46.90</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

* Fire FTEs based on staffing of Fire Station. Volunteer Firefighters not included in total.

* * Recreation Center contract staff (umpires, etc.) not included in FTEs

Source: Finance Director's Office

City of Rossford

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00
3.00	3.00	2.50	2.00
1.00	1.00	1.00	0.50
16.50	16.50	13.50	13.50
3.80	3.80	3.80	3.80
35.00	35.00	30.00	30.00
10.00	10.00	10.00	10.00
6.50	6.50	6.50	6.50
0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00
2.10	2.10	2.10	2.10
<u>46.90</u>	<u>46.90</u>	<u>43.40</u>	<u>42.40</u>

City of Rossford

Operating Indicators by Function Last Ten Years

	1997	1998	1999	2000
Governmental Activities				
General Government				
Population Served	6,241	6,296	6,351	6,406
Licenses and Permits				
Number of Building Permits	61	NA	NA	NA
Value of Building Permits	\$ 8,269,730	NA	NA	NA
Security of Persons and Property				
Police				
Number of Citations Issued	1,415	1,321	1,277	1,000
Number of Tickets Issued	138	230	136	139
Fire				
Number of Fire Calls	66	97	80	97
Number of EMS Runs	387	428	465	510
Transportation				
Street				
Number of Streets Resurfaced	NA	3	3	3
Number of Potholes Repaired (\$ Asphalt for repairs)	NA	\$ 6,250	\$ 8,694	\$ 12,020
Leisure Time Activities				
Recreation/Seniors				
Number of Programs Offered	NA	NA	NA	42
Individual Memberships	NA	NA	NA	NA
Corporate Memberships	NA	NA	NA	NA
Business-Type Activities				
Water				
Number of Service Connections	2,091	2,155	2,217	2,235
Water Main Breaks	NA	NA	NA	NA
Daily Average Consumption (thousands of gallons)	NA	NA	NA	74.7
Peak Daily Consumption (thousands of gallons)	NA	NA	NA	17.6
Sewer				
Number of Service Connections	NA	NA	NA	2,195
Daily Average Sewage Treatment (thousands of gallons)	NA	NA	NA	72.7
Marina				
Number of season dock rentals	NA	NA	NA	NA
Number of individual launches	NA	NA	NA	NA

Source: Finance Director's Office

City of Rossford

2001	2002	2003	2004	2005	2006
6,406	6,406	6,406	6,406	6,406	6,406
NA	64	53	38	38	41
NA	\$5,348,395	\$9,679,160	\$327,700	\$5,489,865	\$4,938,250
1,315	1,217	1,418	1,549	1,216	1,587
106	82	83	135	60	88
97	103	109	107	140	136
514	516	548	564	650	
3	1	0	0	0	1
\$ 7,651	\$ 5,306	\$ 12,463	\$ 11,083	\$ 16,864	\$ 11,003
46	45	44	45	42	45
NA	NA	NA	NA	NA	5,139
NA	NA	NA	NA	NA	6
2,253	2,272	2,287	2,286	2,311	2,352
NA	NA	NA	3	6	4
76.8	82.0	73.4	78.4	86.4	NA
19.4	22.0	15.1	19.7	23.5	NA
2,194	2,211	2,216	2,223	2,242	2,287
72.4	74.5	69.5	71.4	75.1	NA
NA	NA	NA	NA	208	185
NA	NA	492	510	811	818

City of Rossford

Capital Asset Statistics by Function Last Ten Years

	1997	1998	1999	2000	2001
Governmental Activities					
General Government					
Public Land and Buildings					
Land (square miles)	3.7	3.7	3.7	4.0	4.2
Buildings	1	1	1	1	1
Security of Persons and Property					
Police					
Stations	1	1	1	1	1
Vehicles	13	13	13	10	10
Fire					
Stations	1	1	1	1	1
Vehicles	8	8	8	8	8
Boats	1	1	1	1	1
Transportation					
Street					
Streets (lane miles)	27	27	27	27	27
Street Lights	692	692	692	692	799
Traffic Signals	124	124	124	124	126
Vehicles	17	17	17	17	17
Leisure Time Activities					
Recreation/Seniors					
Park (acres)	21	21	21	21	21
Parks	3	3	3	3	3
Tennis Courts	2	2	2	2	2
Baseball/Softball Diamonds	2	2	2	2	2
Business-Type Activities					
Utilities					
Water					
Waterlines (Miles)	34	34	34	34	34
Number of Service Connections	2,091	2,155	2,217	2,235	2,253
Number of Hydrants	277	277	277	277	277
Sewer					
Sewerlines (Miles)	29	29	29	29	29
Number of Service Connections	NA	NA	NA	2,195	2,194
Storm Sewers (Miles)	16	16	16	16	16
Marina					
Number of Dock Spaces	250	250	250	250	250

Source: Finance Director's Office

City of Rossford

2002	2003	2004	2005	2006
4.2	4.2	4.3	4.3	4.3
1	1	1	1	1
1	1	1	1	1
6	6	6	6	6
1	1	1	1	1
8	8	8	8	8
1	1	1	1	1
27	27	27	27	27
799	799	940	940	940
126	126	126	126	126
17	17	17	17	17
21	21	21	21	21
3	3	3	3	3
2	2	2	2	2
2	2	2	2	2
34	34	34	34	34
2,272	2,287	2,286	2,311	2,352
277	277	277	277	277
29	29	29	29	29
2,211	2,216	2,223	2,242	2,287
16	16	16	16	16
250	250	250	250	250





Mary Taylor, CPA
Auditor of State

CITY OF ROSSFORD

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 19, 2007**