

**THE CITY OF PAINESVILLE, LAKE COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2003**





**Auditor of State  
Betty Montgomery**

City Council  
City of Painesville  
7 Richmond Street  
Painesville, Ohio 44077

We have reviewed the Independent Auditor's Report of the City of Painesville, Lake County, prepared by S.R. Snodgrass, A.C., for the audit period January 1, 2003 to December 31, 2003. 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 Painesville is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

October 27, 2004

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THE CITY OF PAINESVILLE; LAKE COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Page Number</u>
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3
Schedule of Findings and Questioned Costs	4
Summary Schedule of Prior Audit Findings	5

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**Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

City Council  
The City of Painesville  
Painesville, Ohio

We have audited the financial statements of The City of Painesville; Lake County, Ohio (the "City") as of and for the year ended December 31, 2003, and have issued our report thereon dated August 13, 2004. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated August 13, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated August 13, 2004.

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

*J. R. Ludgrass A.C.*

Mentor, Ohio  
August 13, 2004

**THE CITY OF PAINESVILLE, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

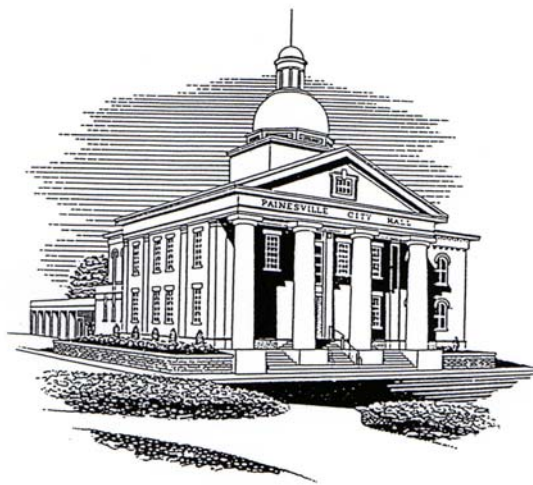


**THE CITY OF PAINESVILLE, OHIO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

None



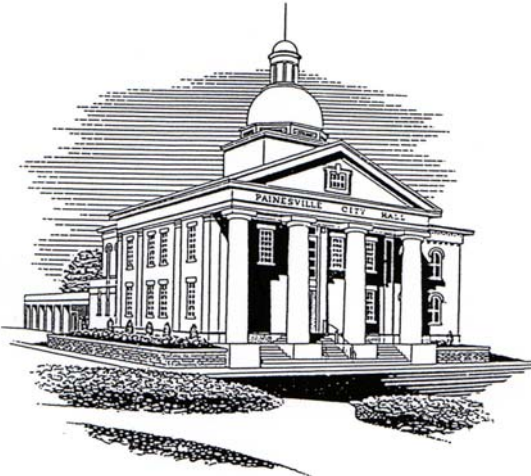
*Lake County, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2003





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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2003

*Prepared by the Finance Department*

Harlita H. Robinson  
Director

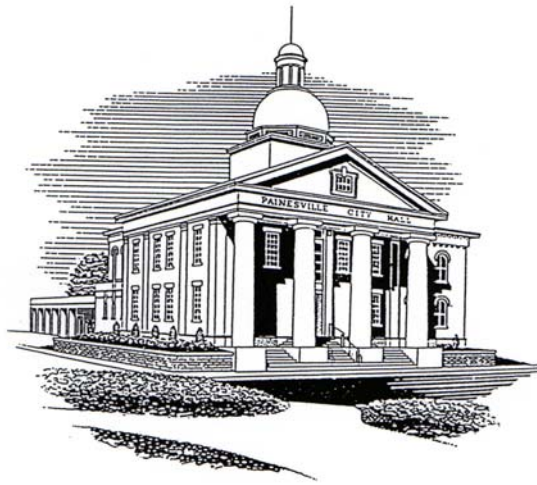




TABLE OF CONTENTS

CITY OF PAINESVILLE  
LAKE COUNTY, OHIO

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**I** INTRODUCTORY SECTION

**A** Letter of Transmittal .....v  
**B** List of Principal Officials ..... xvi  
**C** City Organizational Chart ..... xvii  
**D** Certificate of Achievement for Excellence in Financial Reporting..... xviii

**II** FINANCIAL SECTION

**A** Independent Auditors’ Report.....1  
**B** Management’s Discussion and Analysis.....3  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Assets .....13  
        Statement of Activities .....14  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet .....16  
            Reconciliation of Total Governmental Fund Balances to Net Assets of  
            Governmental Activities .....17  
            Statement of Revenues, Expenditures and Changes in Fund Balances .....18  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
            in Fund Balances of Governmental Funds to the Statement of Activities .....19  
            Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget and Actual (Non-GAAP Budgetary Basis)  
                General Fund .....20  
        *Proprietary Funds:*  
            Statement of Net Assets .....22  
            Statement of Revenues, Expenses and Changes in Fund Net Assets .....26  
            Statement of Cash Flows .....28  
        *Fiduciary Funds:*  
            Statement of Net Assets .....32  
            Statement of Changes in Net Assets .....33  
Notes to the Basic Financial Statements .....34

**D Combining and Individual Fund Statements and Schedules:**

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	77
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	82
Combining Balance Sheet – Nonmajor Debt Service Funds.....	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	87
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	90
Combining Balance Sheet – Nonmajor Permanent Funds.....	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds.....	93

Individual Schedules of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Major Governmental Funds:

<i>General Fund</i> .....	94
---------------------------	----

Nonmajor Governmental Funds:

*Special Revenue Funds:*

Street Construction, Maintenance and Repair Fund.....	102
State Highway Improvement Fund.....	103
Cemeteries Fund.....	104
Police Pension Transfer Fund.....	105
Fire Pension Transfer Fund.....	106
Law Enforcement Fund.....	107
Municipal Motor Vehicle License Tax Fund.....	108
Indigent Drivers Alcohol Treatment Fund.....	109
Enforcement and Education Fund.....	110
City Motor Vehicle License Tax Fund.....	111
Fire Levy Fund.....	112
Underground Storage Tank Fund.....	113
Probation Services Fund.....	114

Nonmajor Governmental Funds: (Continued)

*Special Revenue Funds: (Continued)*

Community Oriented Policing Services (COPS) Fast Grant Fund.....	115
Skate Facility Fund.....	116
Fire Fund .....	117
Plan Review Fund .....	118
Zoning Application Fund .....	119
Columbarium Trust Fund .....	120
Law Enforcement Trust Fund.....	121

*Debt Service Funds:*

General Bond Retirement Fund.....	122
Special Assessment Bond Retirement Fund.....	123
Land Acquisition Note Retirement Fund .....	124

*Capital Projects Funds:*

Municipal Court Improvement Fund.....	125
Capital Equipment Reserve Fund.....	126
Capital Improvement Fund.....	129
Shamrock Boulevard Road Project Fund .....	130
Jackson Street Interchange Project Fund.....	131
Industrial Park Project Fund.....	132
Municipal Court Special Projects Fund.....	133

*Permanent Funds:*

Cemetery Trust Operations Fund .....	134
Special Endowment Operations Fund .....	135
Evergreen Cemetery Trust Fund .....	136
Riverside Cemetery Trust Fund.....	137
Special Endowment Trust Fund .....	138

Nonmajor Business Type Funds:

*Nonmajor Enterprise Funds:*

Statement of Net Assets.....	140
Statement of Revenues, Expenses and Changes in Fund Net Assets .....	141
Statement of Cash Flows .....	142

*Nonmajor Internal Service Funds:*

Statement of Net Assets.....	144
Statement of Revenues, Expenses and Changes in Fund Net Assets .....	145
Statement of Cash Flows .....	146

Fiduciary Funds – Agency Funds:  
 Combining Statement of Changes in Assets and Liabilities ..... 149

Capital Assets Used in the Operation of Governmental Funds:  
 Schedule by Source..... 151  
 Schedule by Function and Activity..... 152  
 Schedule of Changes by Function and Activity..... 154

**III**

**STATISTICAL SECTION**

General Governmental Expenditures by Function - Last Ten Years..... S 2  
 General Governmental Revenues by Source - Last Ten Years ..... S 3  
 Property Tax Levies and Collections Real and Public Utility Property Only -  
 Last Ten Years..... S 4  
 Tangible Personal Property Tax Collected - Last Ten Years ..... S 5  
 Assessed Valuations and Estimated True Values of Taxable Property - Last Ten  
 Years..... S 6  
 Property Tax Rates - Direct and Overlapping Governments - Last Ten Years ..... S 7  
 Special Assessment Billings and Collections - Last Ten Years ..... S 8  
 Computation of Legal Debt Margin ..... S 9  
 Ratio of Net General Obligation Bonded Debt to Assessed Value and General  
 Obligation Bonded Debt Per Capita - Last Ten Years ..... S 10  
 Ratio of Annual Debt Service for General Obligation Bonded Debt to Total  
 General Governmental Expenditures - Last Ten Years ..... S 11  
 Computation of All Direct and Overlapping General Obligation Debt..... S 12  
 Revenue Bond Coverage - Water System Bonds - Last Ten Years..... S 13  
 Revenue Bond Coverage - Electric System Bonds - Last Ten Years ..... S 14  
 Revenue Bond Coverage - Off-Street Parking Facility Bonds - Last Ten Years ..... S 15  
 Demographic Statistics ..... S 16  
 Property Values and Construction Permits - Last Ten Years ..... S 17  
 Principal Taxpayers (Property Tax) ..... S 18  
 Principal Employers ..... S 19  
 Synopsis of Insurance..... S 20  
 Miscellaneous Statistics..... S 21

## *INTRODUCTORY SECTION*

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# CITY OF PAINESVILLE

7 Richmond Street • Painesville, Ohio 44077  
Harlita H. Robinson, Director of Finance

phone (440) 392-5796

fax (440)-639-4912

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August 13, 2004

Honorable Members of Painesville City Council and  
The Citizens of the City of Painesville, Ohio:

We are pleased to present this Comprehensive Annual Financial Report for the City of Painesville, Ohio for the fiscal year ended December 31, 2003. The report has been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## INTRODUCTION

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

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Painesville's MD&A can be found immediately following the report of the independent accountants.

### **The Report**

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

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

***Letter of Transmittal***

***For the Year Ended December 31, 2003***

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**The Reporting Entity**

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

Based on the foregoing, the reporting entity of the City has no component unit but includes the following services as authorized by its charter: public safety (police and fire), health (health department), culture and recreation (parks and recreation), community environment (planning, zoning and community development), basic utility (water, electric, sanitation, public parking, wastewater pollution control and storm water), highways and streets (street and highway maintenance), and general government.

Certain organizations, although sharing some degree of name similarity with the City, are separate and distinct entities, not only from the City, but also from each other. The City is not financially accountable for these entities. Due to their independent nature, the following organizations are not part of the City of Painesville's reporting entity and are excluded from the City's financial statements:

The Painesville Local School District and Painesville Township School District (the "Districts") are distinct governmental entities, independent of the City and one another. The members of boards of the Districts are elected by the voters. The Districts each represent a body both political and corporate and the City is not financially accountable for the Districts.

Painesville Township is a separate and distinct political subdivision governed by a Board of Trustees elected by the residents of the township. The City is not financially accountable for this legally separate organization.

The City of Painesville was incorporated as a town on February 11, 1832, reclassified as an incorporated village in 1852 and became a city in 1903. The City became a home rule municipal corporation operating under the laws of the State of Ohio in 1962. The City's current Charter has been amended four times since its original adoption. The State Constitution prevails when conflicts exist between the Charter and the Constitution and in matters where the Charter is silent. The City's Charter can only be amended by a majority of the City's voters.

Painesville is located approximately 35 miles east of the City of Cleveland in northeastern Ohio. It is the county seat for Lake County and is the fourth largest city, based upon population, within the County. According to the 2000 Census, Painesville is the 97<sup>th</sup> largest city in the State. Some of the City's major transportation arteries include State Routes 2, 44, 84 and 86, U. S. Highway 20 and Interstate Highway I-90. Lake Erie College, a private four-year college with an enrollment of approximately 900, is located near the center of the City.



***Letter of Transmittal  
For the Year Ended December 31, 2003***

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**The Management**

The Council-Manager form of government is established by the Charter. The legislative power of the City is vested in a Council of seven members who are elected on a non-partisan basis for a term of four years. Four of the members are elected from wards and their current terms expire on December 31, 2007; the remaining members are elected At-Large and their current terms expire on December 31, 2005. The chief executive power of the City is vested in the City Manager who is appointed by the City Council. The Director of Finance and Law Director, as well as other administrative directors, are appointed by the City Manager, with the affirmation of City Council.

**Services Provided**

As authorized by its Charter and codified ordinances, the City provides a full range of municipal services that include police and fire protection, emergency medical service, street construction, maintenance and repair, recreation and cultural activities, cemeteries, municipal court, community development, economic development, public improvements, planning and general administrative services. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

The City also operates five enterprise activities: a water system, sanitary sewer system, storm water system, electric system and off-street parking facilities. These activities are accounted for in separate enterprise funds. Enterprise funds are used to account for operation financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

**Basis of Accounting**

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

The measurement focus for the City's proprietary and private-foundation trust funds is on "economic resources." All assets and all liabilities associated with the operation of these funds are included on the balance sheet. The accrual basis of accounting is used for the proprietary and private-foundation trust funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses when they are incurred.

**CITY OF PAINESVILLE, OHIO**

**Letter of Transmittal  
For the Year Ended December 31, 2003**

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual, and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1.

**ECONOMIC CONDITION AND OUTLOOK**

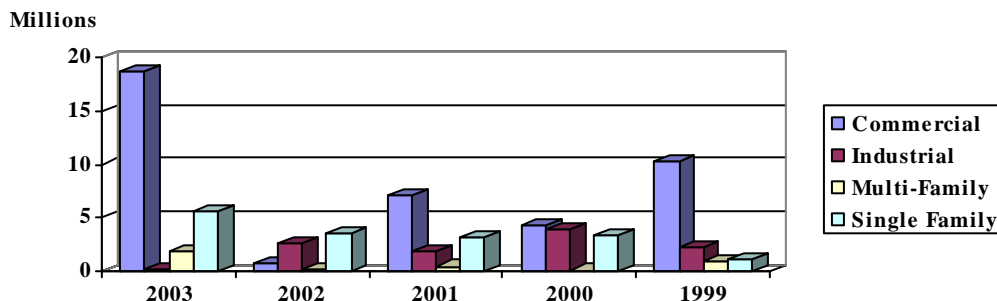
**Local Economy**

During 2003, the City experienced ups and downs throughout the fiscal year with the local economy. The economic slowdown was felt in the tax cuts made by the state that put the collection of taxes back to the amounts received in the late 1990s. Taxes are the major revenue source for the City's General Fund. The City off-set the cuts by adding user fees that it would have absorbed in the past. The Water and Water Pollution Control Revenue Funds experienced increases due to having the first full year billing at the 16% rate increase over the 2001 and 2002 fiscal years. The Electric Revenue Fund experienced a slight decrease in revenue than in 2002. Investment earnings were at an all-time low for the City as well as the nation as a whole. The average yield for an investment was 1.35%. Municipal income tax, the City's primary source of tax revenues, increased when compared to 2002 collections by 1.14%.

The City of Painesville began to reap the benefits of its hard work in economic and community development, as indicated by the value of building permits issued. The chart below provides a summary and comparison of the value of building permits over the past five years. The decrease in 2002 of building permits was primarily attributable to a slowing economy and the development of projects in the planning and zoning stage that the 2003 values reflect the beginning of construction. The City anticipated a resurgence in the level of activity in commercial construction, single-family construction, and multi-family construction. The City is expecting continued interest in economic and community development in the years to come.

<u>Category</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Commercial	\$10,282,310	\$ 4,214,398	\$ 7,042,788	\$ 677,450	\$ 18,639,766
Industrial	2,266,500	3,857,500	1,858,000	2,577,000	122,836
Multi-Family	919,517	93,066	450,000	150,000	1,890,000
Single-Family	<u>1,149,024</u>	<u>3,365,350</u>	<u>3,151,974</u>	<u>3,537,296</u>	<u>5,553,151</u>
Totals	\$14,617,351	\$11,530,314	\$12,502,762	\$ 6,941,746	\$ 26,205,753

**Comparison of Building Permits**



**CITY OF PAINESVILLE, OHIO**

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**Letter of Transmittal  
For the Year Ended December 31, 2003**

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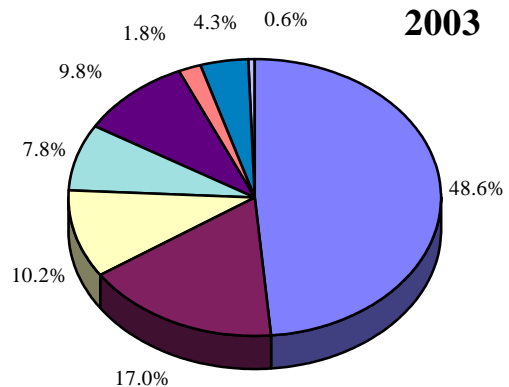
Unemployment in Lake County were considerably higher than the state and national levels during 2003. The unemployment rate for Lake County increased by 2.3% over the 2002 rate of 5.0%. Listed below are the respective unemployment rates for the county, state and nation as of December 31, 2003:

Lake County	7.3%
Ohio	6.1%
United States	6.0%

**Business**

The City of Painesville has 541 businesses which employ approximately 8,293 workers in all sectors of the economy. The percentage of businesses by sector breakdown is as follows:

Sector	Businesses	Percentage of Total
Service	263	48.6%
Retail	92	17.0%
Manufacturing	55	10.2%
Construction	42	7.8%
Finance, Insurance and Real Estate	53	9.8%
Wholesale	10	1.8%
Government	23	4.2%
Other	3	0.6%
<b>Total</b>	<b>541</b>	<b>100.00%</b>



The large number of businesses in the service sector is an outgrowth of the City's position as the county seat for Lake County. The largest sectors in terms of employment continue to be the service and retail sectors with 48.6% and 17% respectively.

The Economic Development Department made marked progress in achieving the City's development goals. The Economic Development Department has been busy enhancing communication with current City businesses, improving the department's marketing abilities, organizing a variety of special events and diligently working on development projects that will attract new businesses and jobs to the City.

Listed below are new businesses which have opened in or relocated to the City of Painesville during 2003. The City of Painesville has taken a very aggressive approach with its economic development programs and is making a concerted effort to acquaint new businesses with the advantages of locating in the City of Painesville.

- C. D. Enterprises
- Green Lake Chinese Restaurant
- Dessert Works
- APS Construction
- Trio Distributing
- Curves
- Avon Retail Sales and Training
- Al's Landscaping
- Hemphill Travel
- Shear Styles
- Artful Hands Studio
- Arabica
- Versitec Mfg., Inc
- Janco Industries

## ***CITY OF PAINESVILLE, OHIO***

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

***For the Year Ended December 31, 2003***

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The new businesses in Painesville are a direct result of the economic development activities of the City of Painesville in the form of business breakfasts, energy audits and the creation or enhancement of business resources. The Economic Development Department enhanced its Business Assistance Resource Guide in 2003. The department also continued to publish its quarterly newsletter entitled "Works for Business." Several special events that introduce business in Painesville to the residents and the surrounding community were Farmer's Market, Art in the Park, Taste of Painesville, and Historic Downtown Painesville Holiday Open Houses.

In an effort to make better use of the City website, the Economic Development Department redesigned its website to include helpful information for businesses in the City, including an up-to-date site selection list, business assistance website links, a summary of all City Economic Development Programs (loans and incentives) and a complete listing of City businesses with website links. The department received very positive feedback from businesses regarding the changes.

The City of Painesville was recognized by Ohio Business Magazine as one of the State of Ohio's Top Growth Communities. The City of Painesville was ranked number 35 out of 50 communities and was listed above its neighboring Lake County communities of Mentor and Willoughby. The highlights of Painesville's growth included: Population Growth of 11.5%, Housing Growth of 9.87%, High School Graduation Growth of 4%, Labor Force Growth of 20% and a Median Household Income Growth of 28%, all since 1990.

The Greater Cleveland Growth Association created the Business Friendly Community Award as a way to recognize communities in Northeast Ohio with progressive economic development programs, and as a method to improve economic development initiatives in the region. The City was honored with this distinction for 2003 because of its proactive commitment to responsible and balanced planning, excellent customer service, innovative business retention, expansion and attraction programs and neighborhood growth efforts.

### **MAJOR INITIATIVES**

#### **Council**

Create an index of ordinance and resolution on the computer as a research tool for legislative actions of the City.

#### **Municipal Court**

Purchase new personal computers all throughout the Clerk of Courts Office and the Judge's Offices. Upgrading the court software package to include graphical interface capabilities. Evaluate and upgrade the videotaping and arraignment systems to listen to court proceedings.

#### **City Manager's Office**

Establish a citywide network to connect all the City facilities. Purchase a new telephone system as the backbone for the network. Ensure implementation of GASB 34 requirements. Develop an atmosphere of cooperation with developers and property owners to expand and invest in the City.

***Letter of Transmittal  
For the Year Ended December 31, 2003***

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**Human Resources**

Increase safety awareness during departmental Safety Meetings. This resulted in the City being awarded the Governor's Excellence in Workers' Compensation for our superior work in providing a safe, supportive and cost effective workplace. Conduct a wage review for clerical staff for 2003.

**Finance**

Assess infrastructure valuation data for compliance with GASB 34. Revise the City's financial policies to meet changes in economic conditions and changes in accounting standards. Upgrade financial management package to include a graphic user interface and departmental access to financial information. Get all departments within the City ready for network access.

**Engineering**

Reestablish sidewalk repair program for pedestrian safety. Develop plans and specifications for the Henry Street Improvement project, the Annual Road Resurfacing projects, North State Street Roadway Improvement project, State Route 84 and State Route 86 Roadway Improvement Project and implement and manage construction on the above listed infrastructure projects.

Submit applications and reimbursement documentation for projects eligible for joint funding through other governmental agencies. Establish and implement the Storm Water Utility including the identification of the first five years of capital improvements that will be funded.

**Public Works**

Continue Fall Treelawn Plantings and the trimming and pruning of existing trees as needed. Sweep the downtown area weekly with the new street sweeper purchased in 2003. Continue working with the Engineering Department on street and concrete repairs of sidewalks and curbs.

**Parking & Traffic**

Complete the replacement of the manual parking meters with electronic mechanisms. Expand long-term parking spaces and meter enforcement. Continue the sign replacement program and inventory and tag all newly installed signage. Complete the crosswalk and stenciling program.

**Police**

Activate substations to enhance police presence in the community and interaction with the community. Establish a K-9 unit. Maintain the network and wireless technology and enhance and upgrade the servers and other peripherals as needed wherever possible and reasonable. Enhance police involvement in the community and responsiveness to its needs based input from the residents. Continue both the Crime Free Multi Housing Program and the Crime Prevention and Community Policing Programs.

***Letter of Transmittal  
For the Year Ended December 31, 2003***

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**Fire**

Improvement in training staff and quality assurance. The fire department conducted and/or participated in three hundred fifty classes and recorded over four thousand hours of training. The City began billing for emergency medical services in 2003.

**Recreation & Public Lands**

Completed the capital improvement to restore Charter Oak Park. Completed renovations at Diamond No.10 in Recreation Park. Continued to offer and expand Special Events including the Easter Egg Hunt, Bicentennial Celebration, Jr. Olympics, the Fishing Derby, participation in Party in the Park, have Gazebo Concerts in Veterans Memorial Park, Fall Festival and Spirit of the Season.

**Community Development**

Implement first phase of GIS system for the City. Hire a City Planner to direct community development activities.

**Water**

Complete two capital improvement projects in fiscal year 2003—filter rehabilitation project at the Water Plant and to expand the Water Distribution System by building the Hermitage Road Pump Station to service Concord Township.

**Water Pollution Control**

Repair and operate the No. 2 Anaerobic Digester so that the collected methane will be used to heat digester contents and provide a combustible fuel to the heat exchanger. Attempt to keep sewer back-ups to a minimum through inspections of sensitive areas.

**Electric**

Completed repairs to the No.5 Coal Bunker. Completed the scheduled maintenance outage on #5 Boiler. Continued installation of new circulating cooling water lines to the No.7 T/G Oil Coolers. Continued installation of new electrical system for the new heating boiler room. Continued modifications to the piping for the heating steam system at the plant.

Built temporary line into Heisley Park to provide temporary electrical service for construction of the model homes. Made several improvements to the distribution system for new business and new developments.

***Letter of Transmittal  
For the Year Ended December 31, 2003***

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**MANAGEMENT PRACTICES**

**Debt Capacity**

The City is well within statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2003 is included in the Statistical Section of this report, along with other related computations and ratios relevant to the City's note and bonded debt. The City currently has no general obligation bonded debt supported by property taxes.

**Cash Management**

The investment and deposit of City monies is governed by the provisions of the Charter and Codified Ordinances of the City. The appropriate sections of the City Code are reviewed annually for compliance and to assure the flexibility necessary to effectively manage the City's investment portfolio.

Effective cash management is recognized as essential to good fiscal managements and is a vital component in the City of Painesville's overall financial strategy. The City's investment portfolio is designed and managed in a manner responsive to the public trust and consistent with state and local statutes. Investments are made on the basis of the following list of objectives which are listed in the order of importance:

1. Security of City funds and investments.
2. Preservation of capital and protection of principal.
3. Maintenance of sufficient liquidity to meet operating needs.
4. Diversification of investments to avoid unreasonable or avoidable risks.
5. Maximization of return on the portfolio within the above constraints.

The City is generally restricted (after quotations are obtained) to investing in certificates of deposit, savings accounts, money market accounts, the State Treasury Asset Reserve (STAR Ohio), obligations of the State of Ohio and obligations of the United States government or certain agencies thereof.

**Risk Management**

The City has taken a very proactive approach in addressing the daily operations of the municipality, which is reflected in its insurance protection package and the favorable loss experience. Deductible levels for the various policies have been selected so as not to expose the City to excessive "first dollar" loss in the case of a claim. In the property damage area, deductibles are maintained at \$5,000 per occurrence, \$1,000 for electronic data processing equipment and \$100,000 for electric plant equipment. In the professional liability areas, no deductible exceeds \$10,000. Public officials and law enforcement employees are covered under separate policies and have aggregate limits of \$5,000,000. A synopsis of insurance is presented in the Statistical Section of this report. In 1992, Painesville applied and was accepted into the States Workers' Compensation Retrospective Rating Plan. Under the terms of the plan, the City will initially pay a minimum premium (a fraction of the premium it would pay as an experience-rated risk), while accepting responsibility for reimbursing workers' compensation claims as they come due, up to an aggregate and specific stop/loss limit. The City expects to realize a reduction in workers'

***Letter of Transmittal  
For the Year Ended December 31, 2003***

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compensation costs through this plan. In 1993, the City established a new internal service fund to account for workers' compensation. During 1998, the City elected to reenter from the retrospective rating program rather than pay the standard worker's compensation assessment which is calculated as a specified rate per \$100 of payroll. An analysis of the retrospective program versus the standard program yielded a greater benefit based on lower cost in the retrospective program. The City will continue to monitor the costs and benefits of both programs.

**OTHER INFORMATION**

**Independent Audit**

Under federal law, the City is required to have an audit performed every year. The accounting firm of S. R. Snodgrass, A. C. performed the 2003 audit. The independent auditors' unqualified report has been included in this report. The Administration plans to continue this audit procedure as required by law as part of the preparation of its CAFR. The annual audit and management letter submitted by the independent public accounting firm provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

**Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Painesville, Ohio for its Comprehensive Annual Financial Report for the year ended December 31, 2002. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement represents a significant accomplishment by a governmental unit.

A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last sixteen consecutive fiscal years ended 1987 – 2002. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

**Public Disclosure**

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Painesville, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is 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, 2003***

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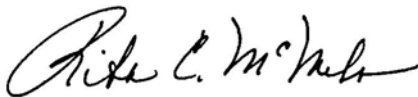
**Acknowledgements**

We would like to thank the staff and extend special recognition to all members of the Finance Department and related departments within the City who assisted with the preparation of the Comprehensive Annual Financial Report and annual independent audit.

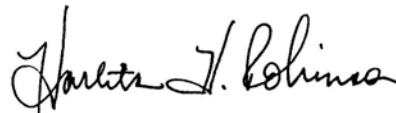
Special thanks are also due to Donald J. Schonhardt, President, Donald J. Schonhardt & Associates, Inc., Columbus, Ohio, and the members of his staff for their efforts in converting the City's budgetary basis accounting records to the generally accepted accounting principles (GAAP) basis. In addition, we would like to express appreciation to the firm of S. R. Snodgrass, A. C., as auditors, for their assistance and review during this project.

In closing, without the leadership and support of the Painesville City Council, preparation of this report would not have been possible.

Sincerely,



Rita C. McMahon  
City Manager



Harlita H. Robinson  
Director of Finance

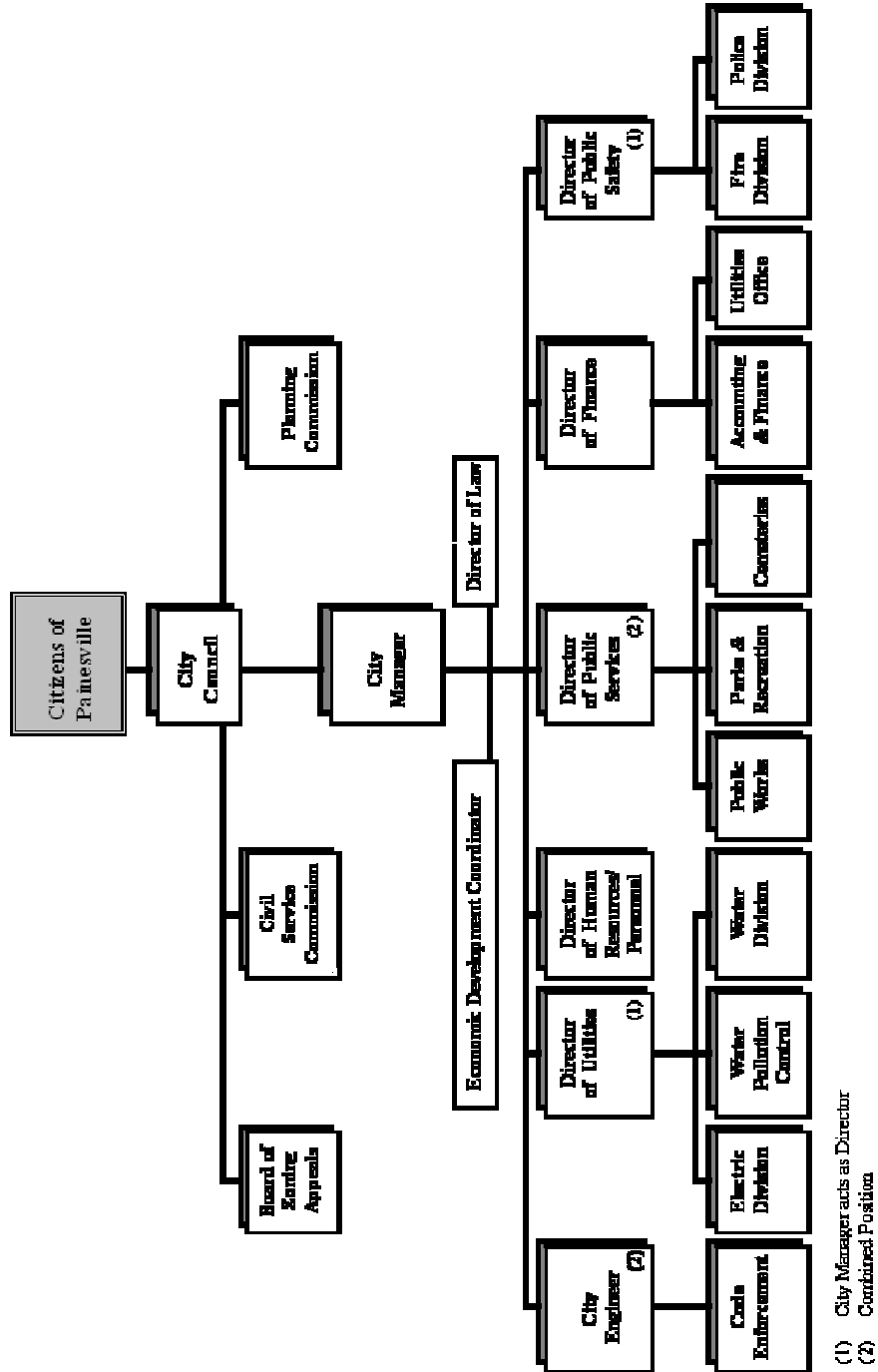
**CITY OF PAINESVILLE, OHIO**

**List of Principal Officials  
For the Year Ended December 31, 2003**

Name	Title	Position	Years of Municipal/Governmental Service			
			City	Municipal/ Governmental Service	Other	Total Public Service
<b>CITY COUNCIL</b>						
Abby DelaMotte	President	(at Large)	3.0	13.0	25.0	26.0 (A)
William Horvath	Vice President	(Ward 2)	3.0	7.5	0.0	7.5
Ella Shaw	Council Member	(Ward 4)	3.0	3.0	0.0	3.0
Robert Fountain	Council Member	(Ward 3)	7.0	7.0	0.0	7.0
Andrew Flock	Council Member	(Ward 1)	7.5	7.5	0.0	7.5
Joseph Hada, Jr.	Council Member	(at Large)	21.0	21.0	0.0	21.0
Arlene L. Becks	Council Member	(at Large)	1.0	1.0	0.0	1.0
Jennifer Bell	Clerk of Council		1.2	1.2	4.2	5.4
<b>CITY ADMINISTRATION</b>						
Rita C. McMahon	City Manager		5.5	10.5	9.5	20.0
Vacant	Assistant City Manager		0.0	0.0	0.0	0.0
Harlita H. Robinson	Director of Finance		1.4	1.4	7.1	8.5
Joseph M. Gurley	Director of Law		15.0	22.3	14.3	26.3 (B)
<b>DEPARTMENT/DIVISION HEADS</b>						
Gary A. Paine, P.E.	City Engineer/Service Director		19.5	19.5	8.5	28.0
Thomas A. Green, P.E.	Electric Power Superintendent		24.0	24.0	0.0	24.0
Vacant	Water Pollution Control Superintendent		0.0	0.0	0.0	0.0
Francis Whittaker	Fire Chief		2.8	25.8	0.0	25.8
David R. Luhta	Chief of Police		1.3	1.3	22.9	24.2
William E. Vargyas	Water Superintendent		16.5	25.0	4.5	29.5
Robert C. Baetzel	Human Resources Director		4.5	4.5	0.0	4.5
Daniel P. Mazur	Director of Recreation and Public Lands		6.0	6.0	25.0	31.0

(A) 12 years concurrent government service  
 (B) 10.3 years concurrent government service

City Organizational Chart  
For the Year Ended December 31, 2003



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Painesville,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

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*

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## Independent Auditors' Report

City Council  
The City of Painesville  
Painesville, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Painesville; Lake County, Ohio (the City), as of and for the year ended December 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Painesville; Lake County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended December 31, 2003, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2004, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information the Government Accounting Standards Board requires. We have applied certain limited procedures, which consist 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.

City Council  
The City of Painesville  
August 13, 2004  
Page 2

We conducted our audit to form opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund financial statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*S. R. Smodgrass, A.C.*

Mentor, Ohio  
August 13, 2004



The discussion and analysis of the City of Painesville's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2003. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the 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 2003 are as follows:

- ❑ In total, net assets increased by \$2,681,560. Net assets of governmental activities increased by \$243,630, which represents a 1.9% increase from 2002. Net assets of business-type activities increased by \$2,437,930, or 5.0% from 2002.
- ❑ General revenues accounted for \$11,358,741 in revenue, or 28.5% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,407,552, or 71.5% of total revenues of \$39,766,293.
- ❑ The City had \$13,847,654 in expenses related to governmental activities; only \$1,951,909 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$11,154,646 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$11,165,660 in revenues and \$12,788,573 in expenditures. The general fund's fund balance decreased \$828,094.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

### **Government-Wide Financial 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 the City's tax base and the condition of the City's capital assets

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 general government, public safety, highways and streets, public health and welfare, culture and recreation, community environment, interest and fiscal charges, and other expenditures.
- 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, sewer, electric, refuse, off-street parking and storm water services are reported as business 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 governmental programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

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

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

	Governmental Activities	Business-type Activities	Total
	2003	2003	2003
Current and other assets	\$13,543,598	\$31,215,962	\$44,759,560
Capital assets, Net	8,470,605	37,687,219	46,157,824
Total assets	22,014,203	68,903,181	90,917,384
Long-term debt outstanding	4,405,772	14,081,218	18,486,990
Other liabilities	4,733,991	3,343,526	8,077,517
Total liabilities	9,139,763	17,424,744	26,564,507
Net assets			
Invested in capital assets, net of related debt	8,072,398	23,500,627	31,573,025
Restricted	2,787,638	897,200	3,684,838
Unrestricted	2,014,404	27,080,610	29,095,014
Total net assets	<u>\$12,874,440</u>	<u>\$51,478,437</u>	<u>\$64,352,877</u>

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

**Changes in Net Assets** – The following table shows the changes in net assets for the fiscal year 2003:

	Governmental Activities	Business-type Activities	Total
	2003	2003	2003
Revenues			
Program revenues:			
Charges for Services and Sales	\$1,756,156	\$26,402,055	\$28,158,211
Operating Grants and Contributions	83,677	53,588	137,265
Capital Grants and Contributions	112,076	0	112,076
General revenues:			
Taxes	7,913,079	0	7,913,079
Grants and Entitlements not Restricted to Specific Programs	2,513,880	0	2,513,880
Investment Earnings	292,903	204,095	496,998
Miscellaneous	434,784	0	434,784
Total revenues	<u>13,106,555</u>	<u>26,659,738</u>	<u>39,766,293</u>
Program Expenses			
General Government	3,041,680	0	3,041,680
Public Safety	7,193,890	0	7,193,890
Highways and Streets	1,138,633	0	1,138,633
Public Health and Welfare	773,593	0	773,593
Culture and Recreation	953,407	0	953,407
Community Environment	648,579	0	648,579
Interest and Fiscal Charges	97,872	0	97,872
Water	0	4,565,407	4,565,407
Sewer	0	3,350,651	3,350,651
Electric	0	14,942,089	14,942,089
Refuse	0	46,365	46,365
Off-Street Parking	0	261,188	261,188
Storm Water Utility	0	71,379	71,379
Total expenses	<u>13,847,654</u>	<u>23,237,079</u>	<u>37,084,733</u>
Excess (deficiency) before Transfers and special items	(741,099)	3,422,659	2,681,560
Transfers	<u>984,729</u>	<u>(984,729)</u>	<u>0</u>
Total Change in Net Assets	243,630	2,437,930	2,681,560
Beginning Net Assets	<u>12,630,810</u>	<u>49,040,507</u>	<u>61,671,317</u>
Ending Net Assets	<u>\$12,874,440</u>	<u>\$51,478,437</u>	<u>\$64,352,877</u>

**Governmental Activities**

Net assets of the City's governmental activities increased by \$243,630. This was due to a combination of factors including an increase in both capital project grant revenues and a decrease in personnel costs.

**CITY OF PAINESVILLE, OHIO**

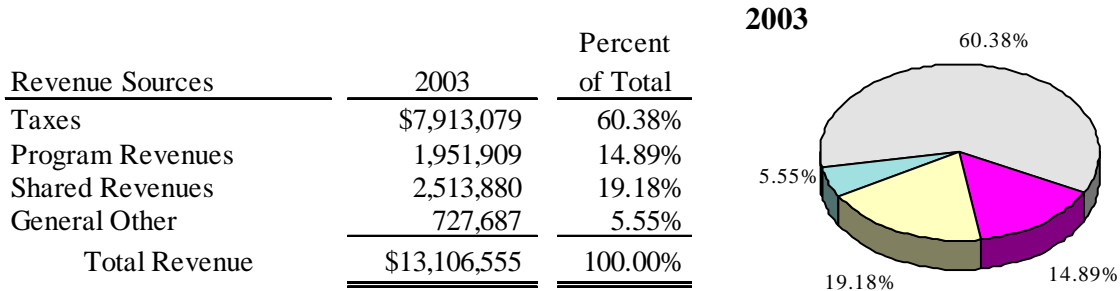
**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

The City also receives an income tax, which is based on 2.0% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City and businesses operating in the City.

Taxes made up 60.38% of revenues for governmental activities for the City in fiscal year 2003. The City's reliance upon tax revenues is demonstrated by the following graph:



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

The City's governmental funds reported a combined fund balance of \$6,015,302, which is a decrease from last year's balance of \$7,710,935. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2003 and 2002:

	Fund Balance <u>December 31, 2003</u>	Fund Balance <u>December 31, 2002</u>	Increase (Decrease)
General	\$2,790,627	\$3,618,721	(\$828,094)
Other Governmental	3,224,675	4,092,214	(867,539)
<b>Total</b>	<b>\$6,015,302</b>	<b>\$7,710,935</b>	<b>(\$1,695,633)</b>

**CITY OF PAINESVILLE, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

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

	2003	2002	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$7,623,918	\$7,840,692	(\$216,774)
Intergovernmental Revenues	1,760,653	1,866,940	(106,287)
Charges for Services	298,555	103,830	194,725
Licenses, Permits and Inspection Fees	178,544	77,657	100,887
Investment Earnings	218,485	310,768	(92,283)
Fines and Forfeitures	723,545	721,805	1,740
All Other Revenue	361,960	164,061	197,899
Total	<u>\$11,165,660</u>	<u>\$11,085,753</u>	<u>\$79,907</u>

General Fund revenues in 2003 increased less than 1% compared to revenues in fiscal year 2002. The most significant factor contributing to this increase was the increase in licenses, permits and inspection fees from 2002 to 2003.

	2003	2002	Increase
	Expenditures	Expenditures	(Decrease)
General Government	\$2,665,414	\$2,181,454	\$483,960
Public Safety	6,795,755	6,449,855	345,900
Highways and Streets	1,655,430	1,313,600	341,830
Public Health and Welfare	100,100	90,071	10,029
Culture and Recreation	921,732	897,968	23,764
Community Environment	636,442	335,371	301,071
Debt Service:			
Interest and Fiscal Charges	13,700	27,400	(13,700)
Total	<u>\$12,788,573</u>	<u>\$11,295,719</u>	<u>\$1,492,854</u>

General Fund expenditures increased by \$1,492,854, or 13.2% over the prior year due to increases in salaries, pension plan payments and workers' compensation premiums.

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

During the course of fiscal year 2003 the City amended its General Fund budget several times, none significant.

**CITY OF PAINESVILLE, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003**

**Unaudited**

For the General Fund, final budget basis revenue of \$10.8 million did not change over the original budget estimates of \$11.6 million. The General Fund had an adequate fund balance to cover expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2003 the City had \$46,157,824 net of accumulated depreciation invested in land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, and infrastructure. Of this total, \$8,470,605 was related to governmental activities and \$37,687,219 to the business-type activities. The following table shows fiscal year 2003 and 2002 balances:

	Governmental Activities		Increase (Decrease)
	2003	2002	
Land	\$1,450,522	\$1,219,458	\$231,064
Construction in Progress	187,107	125,926	61,181
Buildings and Improvements	3,407,072	3,396,378	10,694
Improvements other than Buildings	615,979	440,020	175,959
Machinery and Equipment	6,006,138	5,177,751	828,387
Infrastructure	1,158,842	0	1,158,842
Less: Accumulated Depreciation	(4,355,055)	(3,905,377)	(449,678)
Totals	\$8,470,605	\$6,454,156	\$2,016,449

	Business-Type Activities		Increase (Decrease)
	2003	2002	
Land	\$504,350	\$504,350	\$0
Construction in Progress	3,002,732	1,284,819	1,717,913
Buildings and Improvements	12,834,146	12,834,146	0
Improvements other than Buildings	39,096,072	38,731,705	364,367
Machinery and Equipment	29,392,370	28,771,300	621,070
Infrastructure	141,618	0	141,618
Less: Accumulated Depreciation	(47,284,069)	(45,562,786)	(1,721,283)
Totals	\$37,687,219	\$36,563,534	\$1,123,685

The primary increases in governmental activities' capital assets occurred in machinery and equipment, and infrastructure. During 2003, the City extended roadways and made street improvements, which led to the increase in infrastructure. The increase in machinery and equipment resulted from upgrades to the City's computer network and the acquisition of several cars, trucks and mowers. Traffic signal upgrades and the replacement of a sewer pump led to the increase in infrastructure in the business-type activities' capital assets. Additional information on the City's capital assets can be found in Note 11.

## CITY OF PAINESVILLE, OHIO

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### Management's Discussion and Analysis For the Year Ended December 31, 2003

Unaudited

As of December 31, 2003, the City had contractual commitments of \$2,207,732 related to street and water plant improvements. Additional information on the City's construction commitments can be found in Note 17.

#### Debt

At December 31, 2003, the City had \$11,213,857 in bonds outstanding, \$1,263,903 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Governmental Activities:		
General Obligation Notes	\$100,000	\$100,000
Special Assessment Bonds	225,000	260,000
Ohio Public Works Commission Loan	73,207	99,623
Compensated Absences	1,236,967	1,225,605
Capital Leases	1,071,252	1,365,356
Workers' Compensation Liability	854,870	430,259
Police and Firemen's Accrued Pension	844,476	857,104
Total Governmental Activities	<u>4,405,772</u>	<u>4,337,947</u>
Business-Type Activities:		
General Obligation Bonds	\$8,983,857	\$9,343,097
Mortgage Revenue Bonds	2,005,000	2,595,000
Ohio Water Development Authority Loan	1,333,242	1,658,886
Ohio Public Works Commission Loan	540,000	600,000
Compensated Absences	1,191,474	1,116,401
Capital Leases	27,645	38,300
Total Business-Type Activities	<u>14,081,218</u>	<u>15,351,684</u>
Totals	<u>\$18,486,990</u>	<u>\$19,689,631</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.50% of the total assessed value of real and personal property. At December 31, 2003, 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

The City's original budget for 2003 utilized conservative revenue estimates with limited increases in base operating costs. However, due to projected declines in certain revenues, expenditures were *projected* to exceed revenues in many of the funds, including the General Fund. City Council decided they wanted to maintain current service levels to the residents of the City by utilizing reserve fund balances. Original General Fund revenues were projected to be 8% less than the actual receipts for 2003. This was due to a projected decrease in interest income because of the low interest rates on investments, reductions in state shared revenues and uncertainty in the amount of actual municipal income taxes to be collected due to uncertain economic conditions.

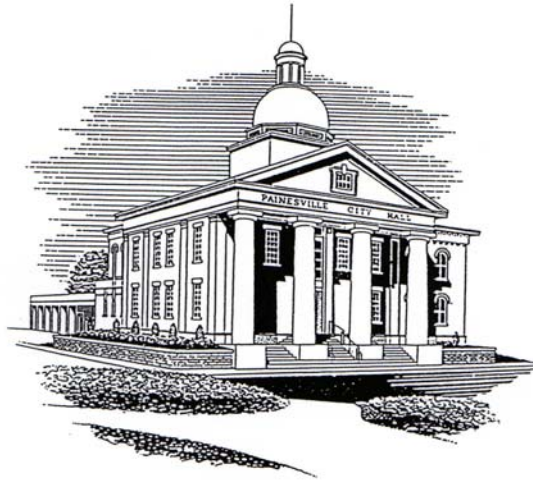


General Fund expenditures were originally budgeted at 13% more than 2003 actual expenditures. No additional personnel were added in the final approved budget. Department requests were reduced from original submissions; certain requested capital projects and capital acquisitions were eliminated or reduced; and only those items that management and City Council determined necessary were appropriated.

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

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Department by calling 440-392-5796 or writing to City of Painesville Finance Department, 7 Richmond Street, Painesville, Ohio 44077.



**CITY OF PAINESVILLE, OHIO**

**Statement of Net Assets  
December 31, 2003**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 3,744,581	\$ 446,638	\$ 4,191,219
Investments	2,470,164	22,439,101	24,909,265
Receivables:			
Taxes	2,751,615	0	2,751,615
Accounts	73,515	2,903,143	2,976,658
Intergovernmental	1,645,107	0	1,645,107
Interest	186,964	0	186,964
Special Assessments	297,825	0	297,825
Internal Balances	(537,916)	537,916	0
Inventory of Supplies at Cost	228,880	704,539	933,419
Land Held for Resale	785,000	0	785,000
Prepaid Items	45,312	17,163	62,475
Investment in Joint Venture	0	2,575,566	2,575,566
Unamortized Bond Issuance Costs	0	(14,005)	(14,005)
Deferred Charge	0	310,760	310,760
Restricted Assets:			
Cash and Cash Equivalents	1,167,551	397,941	1,565,492
Investments	0	897,200	897,200
Capital Assets:			
Capital Assets Not Being Depreciated	1,637,629	3,507,082	5,144,711
Capital Assets Being Depreciated, Net	6,832,976	34,180,137	41,013,113
<b>Total Assets</b>	<b>21,329,203</b>	<b>68,903,181</b>	<b>90,232,384</b>
<b>Liabilities:</b>			
Accounts Payable	174,665	1,146,426	1,321,091
Accrued Wages and Benefits	595,527	434,908	1,030,435
Intergovernmental Payable	588	3,292	3,880
Claims Payable	301,115	0	301,115
Refundable Deposits	0	389,938	389,938
Deferred Revenue	847,325	0	847,325
Accrued Interest Payable	31,771	41,962	73,733
General Obligation Notes Payable	2,098,000	1,327,000	3,425,000
Noncurrent liabilities:			
Due within one year	478,661	1,354,761	1,833,422
Due in more than one year	3,927,111	12,726,457	16,653,568
<b>Total Liabilities</b>	<b>8,454,763</b>	<b>17,424,744</b>	<b>25,879,507</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	8,072,398	23,500,627	31,573,025
Restricted For:			
Capital Projects	379,519	0	379,519
Debt Service	523,635	0	523,635
Other Purposes	1,884,484	897,200	2,781,684
Unrestricted (Deficit)	2,014,404	27,080,610	29,095,014
<b>Total Net Assets</b>	<b>\$ 12,874,440</b>	<b>\$ 51,478,437</b>	<b>\$ 64,352,877</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2003**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Current:				
General Government	\$ 3,041,680	\$ 1,102,103	\$ 0	\$ 0
Public Safety	7,193,890	219,370	81,745	0
Highways and Streets	1,138,633	106,707	1,912	112,076
Public Health and Welfare	773,593	150,643	0	0
Culture and Recreation	953,407	67,889	20	0
Community Environment	648,579	109,444	0	0
Interest and Fiscal Charges	97,872	0	0	0
<b>Total Governmental Activities</b>	<b>13,847,654</b>	<b>1,756,156</b>	<b>83,677</b>	<b>112,076</b>
<b>Business-Type Activities:</b>				
Water	4,565,407	4,328,180	0	0
Sewer	3,350,651	3,331,499	53,588	0
Electric	14,942,089	18,310,051	0	0
Other Enterprise Funds	378,932	432,325	0	0
<b>Total Business-Type Activities</b>	<b>23,237,079</b>	<b>26,402,055</b>	<b>53,588</b>	<b>0</b>
<b>Totals</b>	<b>\$ 37,084,733</b>	<b>\$ 28,158,211</b>	<b>\$ 137,265</b>	<b>\$ 112,076</b>

**General Revenues**

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

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (1,939,577)	\$ 0	\$ (1,939,577)
(6,892,775)	0	(6,892,775)
(917,938)	0	(917,938)
(622,950)	0	(622,950)
(885,498)	0	(885,498)
(539,135)	0	(539,135)
(97,872)	0	(97,872)
<u>(11,895,745)</u>	<u>0</u>	<u>(11,895,745)</u>
0	(237,227)	(237,227)
0	34,436	34,436
0	3,367,962	3,367,962
0	53,393	53,393
<u>0</u>	<u>3,218,564</u>	<u>3,218,564</u>
<u>(11,895,745)</u>	<u>3,218,564</u>	<u>(8,677,181)</u>
7,913,079	0	7,913,079
2,513,880	0	2,513,880
292,903	204,095	496,998
434,784	0	434,784
984,729	(984,729)	0
<u>12,139,375</u>	<u>(780,634)</u>	<u>11,358,741</u>
243,630	2,437,930	2,681,560
<u>12,630,810</u>	<u>49,040,507</u>	<u>61,671,317</u>
<u>\$ 12,874,440</u>	<u>\$ 51,478,437</u>	<u>\$ 64,352,877</u>

**CITY OF PAINESVILLE, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2003**

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 117,682	\$ 3,078,522	\$ 3,196,204
Investments	1,353,964	1,116,200	2,470,164
Receivables:			
Taxes	2,400,951	350,664	2,751,615
Accounts	73,515	0	73,515
Intergovernmental	1,247,246	395,658	1,642,904
Interest	186,964	0	186,964
Special Assessments	0	297,825	297,825
Inventory of Supplies, at Cost	188,334	1,657	189,991
Land Held for Resale	785,000	0	785,000
Prepaid Items	43,230	2,082	45,312
Restricted Assets:			
Cash and Cash Equivalents	58,714	1,108,837	1,167,551
<b>Total Assets</b>	<b>\$ 6,455,600</b>	<b>\$ 6,351,445</b>	<b>\$ 12,807,045</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 97,085	\$ 67,343	\$ 164,428
Accrued Wages and Benefits Payable	559,698	35,829	595,527
Intergovernmental Payable	300	288	588
Interfund Loans Payable	685,000	0	685,000
Deferred Revenue	2,322,890	921,543	3,244,433
Accrued Interest Payable	0	3,767	3,767
General Obligation Notes Payable	0	2,098,000	2,098,000
<b>Total Liabilities</b>	<b>3,664,973</b>	<b>3,126,770</b>	<b>6,791,743</b>
<b>Fund Balances:</b>			
Reserved for Encumbrances	377,936	602,395	980,331
Reserved for Prepaid Items	43,230	2,082	45,312
Reserved for Supplies Inventory	188,334	1,657	189,991
Reserved for Debt Service	0	236,917	236,917
Reserved for Endowments	0	966,400	966,400
Undesignated/Unreserved	2,181,127	1,415,224	3,596,351
<b>Total Fund Balances</b>	<b>2,790,627</b>	<b>3,224,675</b>	<b>6,015,302</b>
<b>Total Liabilities and Funds Balances</b>	<b>\$ 6,455,600</b>	<b>\$ 6,351,445</b>	<b>\$ 12,807,045</b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2003***

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<b>Total Governmental Fund Balances</b>	\$ 6,015,302
 <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.	8,470,605
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	2,397,108
Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(429,669)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,578,906)</u>
<b><i>Net Assets of Governmental Funds</i></b>	<b><u><u>\$ 12,874,440</u></u></b>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2003**

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 7,623,918	\$ 244,171	\$ 7,868,089
Intergovernmental Revenues	1,760,653	843,438	2,604,091
Charges for Services	298,555	150,643	449,198
Licenses, Permits and Inspection Fees	178,544	0	178,544
Investment Earnings	218,485	28,547	247,032
Special Assessments	0	68,358	68,358
Fines and Forfeitures	723,545	296,749	1,020,294
All Other Revenue	361,960	104,970	466,930
<b>Total Revenue</b>	<b>11,165,660</b>	<b>1,736,876</b>	<b>12,902,536</b>
<b>Expenditures:</b>			
Current:			
General Government	2,665,414	242,099	2,907,513
Public Safety	6,795,755	207,636	7,003,391
Highways and Streets	1,655,430	1,339,322	2,994,752
Public Health and Welfare	100,100	669,575	769,675
Culture and Recreation	921,732	21,366	943,098
Community Environment	636,442	3,196	639,638
Capital Outlay	0	540,850	540,850
Debt Service:			
Principal Retirement	0	61,416	61,416
Interest & Fiscal Charges	13,700	92,195	105,895
<b>Total Expenditures</b>	<b>12,788,573</b>	<b>3,177,655</b>	<b>15,966,228</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,622,913)	(1,440,779)	(3,063,692)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	26,210	0	26,210
Transfers In	1,284,729	958,650	2,243,379
Transfers Out	(572,000)	(386,650)	(958,650)
<b>Total Other Financing Sources (Uses)</b>	<b>738,939</b>	<b>572,000</b>	<b>1,310,939</b>
Net Change in Fund Balances	(883,974)	(868,779)	(1,752,753)
<b>Fund Balances at Beginning of Year</b>	<b>3,618,721</b>	<b>4,092,214</b>	<b>7,710,935</b>
Increase in Inventory Reserve	55,880	1,240	57,120
<b>Fund Balances End of Year</b>	<b>\$ 2,790,627</b>	<b>\$ 3,224,675</b>	<b>\$ 6,015,302</b>

See accompanying notes to the basic financial statements



***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For the Year Ended December 31, 2003***

---

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,752,753)

***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 capital outlay exceeded depreciation in the current period. 2,016,449

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 120,689

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. 368,148

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 8,023

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 45,758

The internal service funds are used by management to charge the costs of services to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. (562,684)

***Change in Net Assets of Governmental Activities*** \$ 243,630

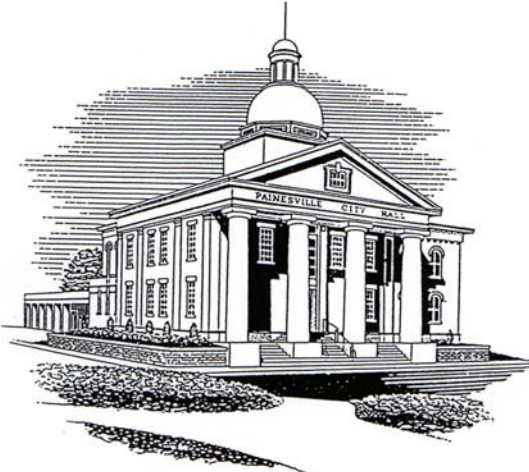
See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, 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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 7,996,641	\$ 7,452,274	\$ 7,658,364	\$ 206,090
Intergovernmental Revenue	1,763,963	1,643,881	1,689,343	45,462
Charges for Services	311,741	290,521	298,555	8,034
Licenses, Permits and Inspection Fees	186,431	173,739	178,544	4,805
Investment Earnings	205,871	191,856	197,162	5,306
Fines and Forfeitures	759,155	707,476	727,041	19,565
All Other Revenues	381,366	355,405	365,233	9,828
Total Revenues	<u>11,605,168</u>	<u>10,815,152</u>	<u>11,114,242</u>	<u>299,090</u>
<b>Expenditures:</b>				
Current:				
General Government	2,805,483	2,760,718	2,570,247	190,471
Public Safety	7,195,163	7,350,570	7,010,722	339,848
Highways and Streets	1,419,110	1,743,504	1,624,614	118,890
Public Health and Welfare	101,781	106,303	104,623	1,680
Culture and Recreation	1,168,887	1,034,090	943,445	90,645
Community Environment	642,734	675,052	644,654	30,398
Total Expenditures	<u>13,333,158</u>	<u>13,670,237</u>	<u>12,898,305</u>	<u>771,932</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,727,990)	(2,855,085)	(1,784,063)	1,071,022
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	26,210	26,210	26,210	0
Transfers In	1,284,729	1,284,729	1,284,729	0
Transfers Out	0	(574,700)	(572,000)	2,700
Advances In	685,000	685,000	685,000	0
Advances Out	(712,400)	(698,700)	(698,700)	0
Total Other Financing Sources (Uses):	<u>1,283,539</u>	<u>722,539</u>	<u>725,239</u>	<u>2,700</u>
Net Change In Fund Balance	(444,451)	(2,132,546)	(1,058,824)	1,073,722
Fund Balance at Beginning of Year	1,330,768	1,330,768	1,330,768	0
Prior Year Encumbrances	787,537	787,537	787,537	0
Fund Balance at End of Year	<u>\$ 1,673,854</u>	<u>\$ (14,241)</u>	<u>\$ 1,059,481</u>	<u>\$ 1,073,722</u>

See accompanying notes to the basic financial statements



**CITY OF PAINESVILLE, OHIO**

**Statement of Net Assets  
Proprietary Fund  
December 31, 2003**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Electric
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 33,588	\$ 68,561	\$ 244,449
Investments	2,690,569	2,560,342	16,970,250
Accounts Receivable (net of allowance for uncollectibles)	398,119	351,465	2,129,108
Intergovernmental Receivable	0	0	0
Interfund Loans Receivable	0	0	685,000
Inventory of Supplies at Cost	124,854	49,075	530,610
Prepaid Items	5,164	4,718	6,990
Total Current Assets	<u>3,252,294</u>	<u>3,034,161</u>	<u>20,566,407</u>
Noncurrent Assets:			
Restricted Assets:			
Cash and Cash Equivalents	110,993	0	284,441
Investments	0	0	897,200
Total Restricted Assets	<u>110,993</u>	<u>0</u>	<u>1,181,641</u>
Investment in Joint Venture	0	0	2,575,566
Unamortized Bond Issuance Cost	0	0	(14,005)
Deferred Charges	58,670	0	252,090
Capital Assets:			
Capital Assets Not Being Depreciated	260,395	349,039	2,778,676
Capital Assets Being Depreciated, Net	<u>13,924,668</u>	<u>8,312,618</u>	<u>10,988,356</u>
Total Noncurrent Assets	<u>14,354,726</u>	<u>8,661,657</u>	<u>17,762,324</u>
Total Assets	<u>17,607,020</u>	<u>11,695,818</u>	<u>38,328,731</u>

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 100,040	\$ 446,638	\$ 548,377
217,940	22,439,101	0
24,451	2,903,143	0
0	0	2,203
0	685,000	0
0	704,539	38,889
291	17,163	0
<u>342,722</u>	<u>27,195,584</u>	<u>589,469</u>
2,507	397,941	0
0	897,200	0
<u>2,507</u>	<u>1,295,141</u>	<u>0</u>
0	2,575,566	0
0	(14,005)	0
0	310,760	0
118,972	3,507,082	0
<u>954,495</u>	<u>34,180,137</u>	<u>0</u>
<u>1,075,974</u>	<u>41,854,681</u>	<u>0</u>
<u>1,418,696</u>	<u>69,050,265</u>	<u>589,469</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Net Assets  
Proprietary Fund  
December 31, 2003**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Electric
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	71,069	86,640	982,493
Accrued Wages and Benefits	99,071	83,642	244,444
Intergovernmental Payable	3,088	156	48
Claims Payable	0	0	0
Refundable Deposits	102,990	0	284,441
Accrued Interest Payable	20,913	1,274	19,775
General Obligation Notes Payable	617,000	710,000	0
Capital Leases Payable - Current	12,764	0	0
General Obligation Bonds Payable - Current	475,000	0	118,903
Revenue Bond Payable - Current	0	0	630,000
OWDA Loans Payable - Current	58,094	0	0
OPWC Loans Payable - Current	60,000	0	0
Total Current Liabilities	<u>1,519,989</u>	<u>881,712</u>	<u>2,280,104</u>
Noncurrent Liabilities:			
Capital Leases Payable	14,881	0	0
General Obligation Bonds Payable	5,485,000	0	2,904,954
Revenue Bonds Payable	0	0	1,375,000
OWDA Loans Payable	1,275,148	0	0
OPWC Loans Payable	480,000	0	0
Compensated Absences Payable	340,463	253,415	597,596
Total Noncurrent Liabilities	<u>7,595,492</u>	<u>253,415</u>	<u>4,877,550</u>
<b>Total Liabilities</b>	<u>9,115,481</u>	<u>1,135,127</u>	<u>7,157,654</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	5,734,821	7,951,657	8,738,175
Restricted for Other Purposes	0	0	897,200
Unrestricted	2,756,718	2,609,034	21,535,702
Total Net Assets	<u>\$ 8,491,539</u>	<u>\$ 10,560,691</u>	<u>\$ 31,171,077</u>

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.  
Net Assets of Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
6,224	1,146,426	10,237
7,751	434,908	0
0	3,292	0
0	0	1,155,985
2,507	389,938	0
0	41,962	0
0	1,327,000	0
0	12,764	0
0	593,903	0
0	630,000	0
0	58,094	0
0	60,000	0
<u>16,482</u>	<u>4,698,287</u>	<u>1,166,222</u>
0	14,881	0
0	8,389,954	0
0	1,375,000	0
0	1,275,148	0
0	480,000	0
<u>0</u>	<u>1,191,474</u>	<u>0</u>
<u>0</u>	<u>12,726,457</u>	<u>0</u>
<u>16,482</u>	<u>17,424,744</u>	<u>1,166,222</u>
1,075,974	23,500,627	0
0	897,200	0
<u>326,240</u>	<u>27,227,694</u>	<u>(576,753)</u>
<u>\$ 1,402,214</u>	<u>\$ 51,625,521</u>	<u>\$ (576,753)</u>
	<u>(147,084)</u>	
	<u>\$ 51,478,437</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended December 31, 2003**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Electric
<b>Operating Revenues:</b>			
Charges for Services	\$ 3,797,027	\$ 3,062,918	\$ 18,243,551
Other Charges for Services	158,550	0	0
Other Operating Revenues	362,147	13,081	46,655
<b>Total Operating Revenues</b>	<b>4,317,724</b>	<b>3,075,999</b>	<b>18,290,206</b>
<b>Operating Expenses:</b>			
Personal Services	2,309,474	1,910,515	5,139,089
Contractual Services	588,372	610,662	469,699
Materials and Supplies	310,815	174,019	4,970,482
Utilities	288,249	224,256	2,747,466
Depreciation	551,748	399,541	767,713
<b>Total Operating Expenses</b>	<b>4,048,658</b>	<b>3,318,993</b>	<b>14,094,449</b>
<b>Operating Income (Loss)</b>	<b>269,066</b>	<b>(242,994)</b>	<b>4,195,757</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	46,841	13,051	143,691
Interest and Fiscal Charges	(478,731)	(31,658)	(427,531)
Loss on Investment in Joint Venture	0	0	(136,729)
Intergovernmental Grants	0	53,588	0
Other Nonoperating Revenue	10,456	255,500	19,845
Other Nonoperating Expense	(38,018)	0	(7,641)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(459,452)</b>	<b>290,481</b>	<b>(408,365)</b>
<b>Income (Loss) Before Transfers</b>	<b>(190,386)</b>	<b>47,487</b>	<b>3,787,392</b>
<b>Transfers:</b>			
Transfers In	0	20,000	0
Transfers Out	0	0	(984,729)
<b>Total Transfers</b>	<b>0</b>	<b>20,000</b>	<b>(984,729)</b>
<b>Change in Net Assets</b>	<b>(190,386)</b>	<b>67,487</b>	<b>2,802,663</b>
Net Assets Beginning of Year	8,681,925	10,493,204	28,368,414
<b>Net Assets End of Year</b>	<b>\$ 8,491,539</b>	<b>\$ 10,560,691</b>	<b>\$ 31,171,077</b>

Change in Net Assets - Total Enterprise Funds

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

Change in Net Assets - Business-type Activities

See accompanying notes to the basic financial statements



**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 428,255	\$ 25,531,751	\$ 2,570,304
0	158,550	0
3,920	425,803	0
<u>432,175</u>	<u>26,116,104</u>	<u>2,570,304</u>
151,669	9,510,747	2,537,256
152,097	1,820,830	388,708
20,234	5,475,550	182,763
25,953	3,285,924	0
28,979	1,747,981	0
<u>378,932</u>	<u>21,841,032</u>	<u>3,108,727</u>
53,243	4,275,072	(538,423)
512	204,095	0
0	(937,920)	0
0	(136,729)	0
0	53,588	0
150	285,951	0
0	(45,659)	0
<u>662</u>	<u>(576,674)</u>	<u>0</u>
53,905	3,698,398	(538,423)
0	20,000	0
<u>(20,000)</u>	<u>(1,004,729)</u>	<u>(300,000)</u>
<u>(20,000)</u>	<u>(984,729)</u>	<u>(300,000)</u>
33,905	2,713,669	(838,423)
<u>1,368,309</u>	<u>48,911,852</u>	<u>261,670</u>
<u>\$ 1,402,214</u>	<u>\$ 51,625,521</u>	<u>\$ (576,753)</u>
	2,713,669	
	<u>(275,739)</u>	
	<u>\$ 2,437,930</u>	

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2003**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Electric
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$4,375,550	\$3,384,700	\$18,297,812
Cash Receipts from Interfund Services Provided	0	0	0
Cash Payments for Goods and Services	(1,230,380)	(1,022,424)	(8,089,057)
Cash Payments to Employees	(2,278,555)	(1,915,833)	(5,115,258)
Cash Payments for Employee Medical Claims	0	0	0
Net Cash Provided by Operating Activities	866,615	446,443	5,093,497
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	0	53,588	0
Transfers In from Other Funds	0	20,000	0
Transfers Out to Other Funds	0	0	(984,729)
Advances In from Other Funds	0	0	698,700
Advances Out to Other Funds	0	0	(685,000)
Net Cash Provided (Used) by Noncapital Financing Activities	0	73,588	(971,029)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds of General Obligation Notes	617,000	710,000	0
Principal Paid on General Obligation Notes	(617,000)	(760,000)	0
Intergovernmental Grants Received	0	0	73,588
Acquisition and Construction of Assets	(184,622)	(421,965)	(2,303,657)
Principal Paid on Revenue Bonds	0	0	(590,000)
Proceeds of General Obligation Bonds	2,380,000	0	0
Principal Paid on General Obligation Bonds	(2,625,000)	0	(114,240)
Principal Paid on Ohio Public Works Commission Loans	(60,000)	0	0
Principal Paid on Ohio Water Development Authority Loans	(55,563)	(270,081)	0
Interest Paid on All Debt	(483,706)	(43,167)	(47,206)
Net Cash Used for Capital and Related Financing Activities	(1,028,891)	(785,213)	(2,981,515)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Principal and Interest on Investments	60,301	23,754	170,323
Sale of Investments	0	0	0
Purchase of Investments	(1,274,827)	(1,180,303)	(9,281,332)
Net Cash Used for Investing Activities	(1,214,526)	(1,156,549)	(9,111,009)
Net Decrease in Cash and Cash Equivalents	(1,376,802)	(1,421,731)	(7,970,056)
Cash and Cash Equivalents at Beginning of Year	1,521,383	1,490,292	8,498,946
Cash and Cash Equivalents at End of Year	\$144,581	\$68,561	\$528,890

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total Enterprise Funds	Governmental Activities
		Internal Service Funds
\$408,168	\$26,466,230	\$0
0	0	2,568,101
(205,908)	(10,547,769)	(476,197)
(150,162)	(9,459,808)	(94,543)
0	0	(1,990,579)
<u>52,098</u>	<u>6,458,653</u>	<u>6,782</u>
0	53,588	0
0	20,000	0
(20,000)	(1,004,729)	(300,000)
0	698,700	0
0	(685,000)	0
<u>(20,000)</u>	<u>(917,441)</u>	<u>(300,000)</u>
0	1,327,000	0
0	(1,377,000)	0
0	73,588	0
0	(2,910,244)	0
0	(590,000)	0
0	2,380,000	0
0	(2,739,240)	0
0	(60,000)	0
0	(325,644)	0
0	(574,079)	0
<u>0</u>	<u>(4,795,619)</u>	<u>0</u>
1,171	255,549	0
91,891	91,891	0
(217,948)	(11,954,410)	0
<u>(124,886)</u>	<u>(11,606,970)</u>	<u>0</u>
(92,788)	(10,861,377)	(293,218)
195,335	11,705,956	841,595
<u>\$102,547</u>	<u>\$844,579</u>	<u>\$548,377</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

**Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2003**

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Electric
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>			
Cash and Cash Equivalents	\$33,588	\$68,561	\$244,449
Restricted Cash and Cash Equivalents	110,993	0	284,441
Cash and Cash Equivalents at End of Year	<u>\$144,581</u>	<u>\$68,561</u>	<u>\$528,890</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	\$269,066	(\$242,994)	\$4,195,757
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	551,748	399,541	767,713
Miscellaneous Nonoperating Revenues	13,160	255,500	21,929
Miscellaneous Nonoperating Expenses	(51,213)	0	(7,676)
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	44,666	53,201	(14,323)
Increase in Intergovernmental Receivable	0	0	0
(Increase) Decrease in Inventory	1,595	3,612	(24,003)
Increase in Prepaid Items	(4,046)	(3,935)	(3,151)
Increase (Decrease) in Accounts Payable	30,142	7,945	340,336
Increase (Decrease) in Accrued Wages and Benefits	(9,679)	(8,641)	(8,765)
Decrease in Intergovernmental Payable	(18,840)	(20,909)	(206,672)
Increase (Decrease) in Compensated Absences Payable	40,016	3,123	32,352
Increase in Claims Liability	0	0	0
Total Adjustments	<u>597,549</u>	<u>689,437</u>	<u>897,740</u>
Net Cash Provided by Operating Activities	<u>\$866,615</u>	<u>\$446,443</u>	<u>\$5,093,497</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2003 the Water, Sewer, and Electric Funds had outstanding liabilities of \$6,220, \$3,215, and \$51,950 respectively for the purchase of certain capital assets. During 2003 the fair value of investments decreased by \$93, \$86, \$568, and \$8 in the Water, Sewer, Electric, and Storm Water Utility Funds, respectively.

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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Other Enterprise Funds	Total Enterprise Funds	Governmental Activities
		Internal Service Funds
\$100,040	\$446,638	\$548,377
2,507	397,941	0
<u>\$102,547</u>	<u>\$844,579</u>	<u>\$548,377</u>
\$53,243	4,275,072	(\$538,423)
28,979	1,747,981	0
306	290,895	0
0	(58,889)	0
(24,313)	59,231	0
0	0	(2,203)
0	(18,796)	262
(132)	(11,264)	0
(5,065)	373,358	469
1,925	(25,160)	0
(2,427)	(248,848)	0
(418)	75,073	0
0	0	546,677
<u>(1,145)</u>	<u>1,285,841</u>	<u>545,205</u>
<u>\$52,098</u>	<u>\$6,458,653</u>	<u>\$6,782</u>

**CITY OF PAINESVILLE, OHIO**

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**Statement of Net Assets  
Fiduciary Funds  
December 31, 2003**

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	Private Purpose Trust	
	Deposit Trust	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 117,905	\$ 242,881
<b>Total Assets</b>	<u>117,905</u>	<u>242,881</u>
<b>Liabilities:</b>		
Due to Others	0	242,881
<b>Total Liabilities</b>	<u>0</u>	<u>242,881</u>
Unrestricted	117,905	0
<b>Total Net Assets</b>	<u>\$ 117,905</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF PAINESVILLE, OHIO**

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**Statement of Changes in Net Assets  
Fiduciary Funds  
For the Year Ended December 31, 2003**

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	Private Purpose Trust
	<u>Deposit Trust</u>
<b>Additions:</b>	
Contributions:	
Private Donations	\$ 7,407
Total Additions	<u>7,407</u>
<b>Deductions:</b>	
Administrative Expenses	<u>1,813</u>
Total Deductions	<u>1,813</u>
Change in Net Assets	5,594
Net Assets at Beginning of Year	<u>112,311</u>
Net Assets End of Year	<u><u>\$ 117,905</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

**A. Reporting Entity**

The City of Painesville, 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 Council/Manager form of government, was adopted on November 6, 1962 and has been amended four times (1963, 1973, 1983 and 1989).

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

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, agencies, boards and commissions that are part of the primary government, which includes the following services: public safety (police and fire), health (health department), culture and recreation (parks and recreation), community environment (planning, zoning and community development), basic utility (water, electric, sanitation, public parking and wastewater pollution control), highways and streets (street and highway maintenance), and general government (administrative services including the municipal court).

*Joint Venture with Equity Interest* – The City is a participant with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2). The Omega JV-2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economics of the participants' respective municipal electric utility systems. The Omega JV-2 is managed by AMP-Ohio, which acts as the joint venture's agent. See Note 18, "Joint Venture."

**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).



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

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

The various funds are grouped into generic fund types and three broad fund categories for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise and internal service funds. Fiduciary funds include trust and agency funds. The following fund types are used by the City:

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

**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 provisions of the City Charter.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

***Proprietary Funds*** - All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are presented as assets and liabilities of the funds to which they relate. Proprietary fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

**Enterprise Funds** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where 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 maintains separate enterprise funds for its water, sewer, electricity, refuse, off-street parking and storm water utility services. The following are the City's major enterprise funds:

**Water Fund** - This fund is used to account for the operation of the City's water treatment and distribution systems.

**Sewer Fund** - This fund is used to account for the operation of the City's sewage treatment and collection systems.

**Electric Fund** - This fund is used to account for the operation of the City's electric generation and distribution systems.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

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

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

***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. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's fiduciary funds are private-purpose trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**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. In order to avoid distorting the measurement of the cost of individual functional activities, entries are made to eliminate the activity provided by the internal service funds to those funds considered governmental and those considered business-type. These balances appear as internal balances on the statement of net assets.

The government-wide statements are prepared using the economic 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, 2003***

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**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**

The basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. 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 and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. 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 considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

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

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, fines and forfeitures, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, 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 they are generally not measurable until actually received.

Special assessment installments, including related accrued interest, which are measurable but not available at December 31 are recorded as deferred revenue. Property taxes which are measurable at December 31, 2003, but which are not intended to finance 2003 operations or are not expected to be received within sixty (60) days after year end, are recorded as deferred revenue as further described in Note 6.

The accrual basis of accounting is utilized for reporting purposes by all proprietary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in the proprietary funds.

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.

**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 annual tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budgetary control is at the program level (general government, public safety, highways and streets, public health and welfare, culture and recreation and community environment) and within each program at the level of personal services, certain other expenditures, capital outlay and transfers as required by Ohio law. The City Manager is authorized to transfer appropriations between objects of expenditure budgeted within the same program, so long as total appropriations for each program do not exceed the amount approved by Council. Budgetary modifications, other than those noted previously, may only be made by ordinance of the City Council.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

**E. Budgetary Process (Continued)**

1. Tax Budget

By July 15, the City Manager submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources which states 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 will 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 estimated revenue amounts reported on the accompanying budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued for 2003.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. By Charter, the City Manager must submit an annual appropriation ordinance (for the period January 1 through December 31) to City Council by March 31 of each year. The appropriation ordinance establishes spending controls at the fund, program (General Government, Public Safety, Highways and Streets, Public Health and Welfare, Culture and Recreation and Community Environment) and object level (personal services, all other expenditures, capital outlay, and transfers). The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. During the year, several supplemental appropriations were necessary. The budgetary figures which appear in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual—General Fund are presented 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, 2003***

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

**E. Budgetary Process (Continued)**

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year end, however, are reported as reservations of fund balances for subsequent year expenditures in the accompanying combined balance sheet.

5. 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.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for the City's transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures on the budgetary basis as opposed to reservation of fund balance on the GAAP basis. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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

**E. Budgetary Process (Continued)**

**6. Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" for the General Fund:

	Net Change in Fund Balance
	<u>General Fund</u>
GAAP Basis (as reported)	(\$883,974)
Increase (Decrease):	
Accrued Revenues at December 31, 2003 received during 2004	(1,585,786)
Accrued Revenues at December 31, 2002 received during 2003	1,528,440
Accrued Expenditures at December 31, 2003 paid during 2004	1,616,369
Accrued Expenditures at December 31, 2002 paid during 2003	(1,385,356)
2002 Prepays for 2003	55,363
2003 Prepays for 2004	(43,230)
Loss on Land Held for Resale	45,640
2003 Adjustment to Fair Value	53
2002 Adjustment to Fair Value	5,875
Outstanding Encumbrances	<u>(412,218)</u>
Budget Basis	<u><u>(\$1,058,824)</u></u>

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio), repurchase agreements and short-term certificates of deposit with original maturities of three months or less. 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

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

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash, including the investment instrument described above, represents the balance on hand as if each fund maintained its own cash and investments account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be a cash equivalent. See Note 5 "Cash, Cash Equivalents and Investments."

**G. Investments**

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

The City has invested funds in the STAR Ohio during 2003. 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, 2003. See Note 5, "Cash, Cash Equivalents and Investments."

**H. Accounts Receivable**

Receivables consist primarily of taxes in the governmental funds and accounts (billings for user charged services, including unbilled amounts) in the proprietary funds.

**I. Inventory**

Inventories are stated at cost (first-in, first-out) in the governmental funds, and at the lower of cost (first-in, first-out) or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. The reservations for inventory in the balance sheet of the governmental fund types indicate that a portion of the fund balance is not available for future expenditures.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

**J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold of three or more years. GASB 34 allows entities to defer retroactive reporting of infrastructure for four years. For 2003, the City has elected to show only the 2003 additions as infrastructure.

**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.

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, improvements to 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.

**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. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (Years)
Buildings and Improvements	40 - 60
Utility Plant in Service	20 - 60
Improvements other than Buildings	20
Infrastructure	25 - 50
Machinery, Equipment, Furniture, Fixtures and Vehicles	5 - 15

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

**K. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. To the extent that certain transactions between funds have not been paid or received as of year end, interfund receivables or payables have been recorded.

**L. Compensated Absences**

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

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

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.

**M. Long-Term Debt**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits are reported in the government wide statement of net assets as a liability to the extent that they will not be paid with current expendable available financial resources. Such liabilities are reported in the government wide statement of net assets in the "Due within one year" account and the "Due in more than one year" account. Payments made more than 60 days after year end are generally considered not to have been paid with current available financial resources. Bonds are recognized as a liability in the government wide statement of net assets. Long-term debt and other obligations to be paid from proprietary funds are reported in those funds.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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

**M. Long-Term Debt (Continued)**

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Water Fund, Electric Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Public Works Commission Loans	Street Construction, Maintenance and Repair Fund Water Fund
Ohio Water Development Authority (OWDA) Loans	Water Fund Sewer Fund
Mortgage Revenue Bonds	Electric Fund
Police and Fire Pension Accrued Liability	General Fund
Workers' Compensation Liability	Workers' Compensation Retrospective Fund
Capital Leases	General Fund Street Construction, Maintenance and Repair Fund Cemeteries Fund Capital Equipment Reserve Fund Capital Improvement Fund Water Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Cemeteries Fund Water Fund Sewer Fund Electric Fund Off-Street Parking Fund
Long-Term Notes Payable	General Fund

**N. Issuance Costs**

In governmental fund types, issuance costs are recognized in the current period. Issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

**O. Reservations of Fund Balances**

Fund balances are reserved for inventories of supplies, prepaid items and encumbered amounts that have not been accrued at year end. The fund balances in the debt service funds are reserved for the retirement of debt principal and interest.

**P. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**Q. Restricted Assets**

Certain cash and cash equivalents are classified as restricted on the balance sheet because these funds are being held by a trustee, an agent or by the City for specified purposes.

**R. Intergovernmental Revenues**

In governmental funds, grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital.

**S. Pensions**

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

**T. Net Assets**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

**U. Estimates**

The preparation of the 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.

**V. Operating Revenues and Expenses**

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

**W. 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 2003.

**NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE**

**A. Changes in Accounting Principles**

For fiscal year 2003, the City has implemented GASB Statement No. 34, "*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*"; GASB Statement No. 37, "*Basic Financial Statements for State and Local Governments: Omnibus*"; GASB Statement No. 38, "*Certain Financial Statement Note Disclosures*"; and GASB Interpretation No. 6, "*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statement.*" At December 31, 2002, there was no effect on fund balance as a result of implementing GASB Statements 36, 37 and 38, or Interpretation No. 6.

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE (Continued)**

**A. Changes in Accounting Principles (Continued)**

The government-wide financial statements split the City's programs between business-type and governmental activities. Certain funds have been reclassified as a result of implementing GASB 34. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at December 31, 2002, caused by the elimination of the internal service funds and the conversion to the accrual basis of accounting.

**B. Prior Period Adjustments**

The fund balances of the enterprise funds at December 31, 2002 were restated to correct an error in the accounting for the customer deposits liability and in the reporting of capital assets. The fund balance of the general fund was restated to correct an error in the reporting of a short-term note payable.

**C. Restatement of Fund Balance**

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Fund Balance at December 31, 2002	\$7,784,908	\$44,031,304
Prior Period Adjustments:		
Reclassified funds from Expendable Trust		
Fund to Special Revenue Funds	26,613	0
Correction of Accounting Errors (Customer Deposits)	0	(61,990)
Correction of Accounting Errors (Capital Assets)	0	(291,420)
Correction of Accounting Errors (Notes Payable)	(1,063,750)	0
GASB 34 Adjustments:		
Permanent Funds	963,164	0
Capital Assets	6,454,156	0
Contributed Capital	0	5,233,958
Internal Service Fund	133,015	128,655
Long-Term Liabilities	(3,943,715)	0
Long-Term (Deferred) Assets	2,276,419	0
Total GASB 34 Adjustments	<u>5,883,039</u>	<u>5,362,613</u>
Net Assets at December 31, 2002	<u>\$12,630,810</u>	<u>\$49,040,507</u>

*Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003*

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

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

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

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

Delinquent Tax Revenue	\$889,258
Licences, Permits and Inspection Fees	73,076
Shared Revenues	1,042,377
Interest Revenues	94,572
Special Assessment Revenue	297,825
	<hr/>
	\$2,397,108

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

Special Assessment Bonds Payable	(\$225,000)
OPWC Loans Payable	(73,207)
Long-Term Note Payable	(100,000)
Accrued Interest on Long-Term Debt	(28,004)
Capital Leases Payable	(1,071,252)
Police/Firemen's Pension Accrued Liability	(844,476)
Compensated Absences Payable	(1,236,967)
	<hr/>
	(\$3,578,906)

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

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

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

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

Capital Outlay	\$2,530,189
Depreciation Expense	<u>(513,740)</u>
	\$2,016,449

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$43,797
Decrease in Licences, Permits and Inspection Fees	(4,386)
Increase in Shared Revenue	115,513
Increase in Interest Revenue	45,871
Decrease in Special Assessment Revenue	<u>(80,106)</u>
	\$120,689

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

Increase in Compensated Absences Payable	(\$11,362)
Increase in supplies inventory	<u>57,120</u>
	\$45,758

**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY**

The deficits at December 31, 2003 of \$16,867 in the Probation Services Fund, \$94,509 in the Municipal Court Improvement Fund and \$575,998 in the Industrial Park Project Fund (nonmajor governmental funds) arose from the recognition of general obligation notes payable under the modified accrual basis of accounting. Under the budgetary basis of accounting, proceeds from the sale of notes are recognized as revenue and expenditures are recognized when paid, therefore, a deficit does not exist. The deficits of \$280,249 in the Employee Health Insurance Fund and \$401,711 in the Workers' Compensation Retrospective Fund (internal service funds) were the result of recognizing expenses on the accrual basis, which result in expenses greater than those on the cash basis. Deficits did not exist on a cash basis. The General Fund provides transfers, upon City Council's approval, when cash is required, not when accruals occur.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

Cash resources of a majority of individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents."

The investment and deposit of City monies is governed by the provisions of the Charter and Codified Ordinances of the City as well as the Ohio Revised Code. Accordingly, only financial institutions approved by City Council are eligible to hold the City's cash deposits. In addition, investments may only be purchased, after competitive quotations are obtained, through financial institutions located within Ohio or through "primary securities dealers" as designated by the Federal Reserve Bank.

Ohio law requires the classification of funds held by the City into three categories: Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" 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 not later than the end of the current period of designation of depositories.

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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

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

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

Governmental Accounting Standards Board Statement Number 3 (GASB No. 3) has established risk categories for deposits and investments as follows:

*Deposits:*

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

*Investments:*

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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

**A. Deposits**

At December 31, 2003, the carrying amount of the City's deposits was \$15,509,428 and the bank balance was \$16,273,153. Federal depository insurance covered \$500,040 of the bank balance. The remaining deposits of \$15,773,113 were classified as Category 3, uncollateralized, as defined by GASB (securities are pledged with the pledging financial institution's trust department or agent, but not in the City's name).

**B. Investments**

The City's investments at December 31, 2003 are categorized below to give an indication of the level of risk assumed by the City at year end.

<u>Categorized Investments</u>	Category 1	Category 2	Fair Value
Federal Home Loan Bank	\$7,016,435	\$0	\$7,016,435
Federal Home Loan Mortgage Corporation	2,992,263	0	2,992,263
Federal National Mortgage Association	4,996,883	0	4,996,883
U.S. Treasury Bills	0	229,874	229,874
U.S. Treasury Notes	0	667,325	667,325
Total Categorized Investments	15,005,581	897,199	15,902,780
 <u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	511,754
Total Investments	\$15,005,581	\$897,199	\$16,414,534

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

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined balance sheet and the classifications per this GASB Statement No. 3 disclosure is as follows:

	Cash and Cash Equivalents	Investments
Per Combined Balance Sheet	\$6,117,497	\$25,806,465
Certificates of Deposit (with maturities of more than 3 months)	9,903,685	(9,903,685)
Investments:		
STAR Ohio	(511,754)	511,754
Per GASB Statement No. 3	\$15,509,428	\$16,414,534

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 6 - PROPERTY TAX**

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 2003 were levied after October 1, 2002 on assessed values as of January 1, 2002, the lien date. Assessed values are established by the County Auditor at 35% 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 2000 and the equalization adjustment was made 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% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually. The first payment is due April 30; the remainder is payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

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. Public utility tangible personal property is currently assessed at 100% of its true value and real property is assessed at 35% of its true (market) 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 Painesville. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2003 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2003 collection was based was \$226,496,195. This amount constitutes \$186,161,600 in real property assessed value, \$5,611,190 in public utility assessed value and \$34,723,405 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. Property taxes recorded as revenue in 2003 were based on a tax rate equal to .370% (3.70 mills) of assessed value.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2003 consisted of taxes, interest, accounts receivable (net of allowance of \$29,349), special assessments, loans and intergovernmental receivables arising from shared revenues.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 8 - LAND HELD FOR RESALE**

In December 1999, the City purchased 43.1 acres of land with the intent of resale as part of the City's economic development strategy. Additional land was purchased during 2001 for the same purpose. This land is instrumental in the development of commercial or industrial facilities to create and preserve jobs. At December 31, 2003 the City's Land Held for Resale balance was \$785,000.

**NOTE 9 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2003:

Fund	Transfers In	Transfers Out
Major Governmental Fund:		
General Fund	\$1,284,729	\$572,000
Major Enterprise Funds:		
Sewer Fund	20,000	0
Electric Fund	0	984,729
Total Major Enterprise Funds	20,000	984,729
Nonmajor Governmental Funds:		
Street Construction, Maintenance and Repair Fund	101,000	0
Cemeteries Fund	317,000	0
Law Enforcement Fund	6,500	0
Municipal Motor Vehicle License Tax Fund	0	33,000
City Motor Vehicle License Tax Fund	0	68,000
COPS Fast Grant Fund	15,000	0
General Bond Retirement Fund	0	67,650
Capital Equipment Reserve Fund	100,000	0
Capital Improvement Fund	67,650	100,000
Shamrock Boulevard Road Project Fund	301,500	50,000
Jackson Street Interchange Fund	50,000	51,500
Law Enforcement Trust Fund	0	6,500
Cemetery Trust Operations Fund	0	7,000
Special Endowment Operations Fund	0	3,000
Total Nonmajor Governmental Funds	958,650	386,650
Nonmajor Enterprise Fund:		
Storm Water Utility Fund	0	20,000
Internal Service Funds:		
Employee Health Insurance Fund	0	50,000
Workers' Compensation Retrospective Fund	0	250,000
Total Internal Service Funds	0	300,000
Total All Funds	\$2,263,379	\$2,263,379

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 10 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at December 31, 2003 consist of the following individual fund receivables and payables:

Fund	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$0	\$685,000
Enterprise Fund: Electric Fund	685,000	0
Totals	<u>\$685,000</u>	<u>\$685,000</u>

The interfund loan balances result from the General Fund's issuance of a note payable during 2001 to fund the City's purchase of land to be held for resale. The Electric Fund acquired the \$685,000 note payable at that time. The note payable was retired and reissued for \$685,000 during 2002 and 2003. The note payable bears an interest rate of 1.50% and matures on March 15, 2004.

**NOTE 11 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2003:

Class	Restated December 31, 2002	Additions	Deletions	December 31, 2003
<b><i>Historical Cost:</i></b>				
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$1,219,458	\$231,064	\$0	\$1,450,522
Construction in Progress	125,926	124,761	(63,580)	187,107
<b><i>Capital assets being depreciated:</i></b>				
Buildings and Improvements	3,396,378	10,694	0	3,407,072
Improvements other than Buildings	440,020	175,959	0	615,979
Machinery and Equipment	5,177,751	892,449	(64,062)	6,006,138
Infrastructure	0	1,158,842	0	1,158,842
Total Cost	<u>\$10,359,533</u>	<u>\$2,593,769</u>	<u>(\$127,642)</u>	<u>\$12,825,660</u>
<b><i>Accumulated Depreciation:</i></b>				
Class	Restated December 31, 2002	Additions	Deletions	December 31, 2003
Buildings and Improvements	(\$728,255)	(\$57,814)	\$0	(\$786,069)
Improvements other than Buildings	(214,175)	(19,702)	0	(233,877)
Machinery and Equipment	(2,962,947)	(378,282)	64,062	(3,277,167)
Infrastructure	0	(57,942)	0	(57,942)
Total Depreciation	<u>(\$3,905,377)</u>	<u>(\$513,740) *</u>	<u>\$64,062</u>	<u>(\$4,355,055)</u>
<b><i>Net Value:</i></b>	<u>\$6,454,156</u>			<u>\$8,470,605</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 11 - CAPITAL ASSETS (Continued)**

**A. Governmental Activities Capital Assets (Continued)**

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

General Government	\$117,643
Public Safety	128,885
Highways and Streets	212,108
Public Health and Welfare	22,458
Culture and Recreation	32,051
Community Environment	595
Total Depreciation Expense	<u>\$513,740</u>

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

Summary by category of changes in business-type activities capital assets at December 31, 2003:

<i>Historical Cost:</i>	Restated December 31, 2002	Additions	Deletions	December 31, 2003
<i>Capital assets not being depreciated:</i>				
Land	\$504,350	\$0	\$0	\$504,350
Construction In Progress	1,284,819	2,423,633	(705,720)	3,002,732
<i>Capital assets being depreciated:</i>				
Buildings and Improvements	12,834,146	0	0	12,834,146
Improvements other than Buildings	38,731,705	364,367	0	39,096,072
Machinery and Equipment	28,771,300	647,770	(26,700)	29,392,370
Infrastructure	0	141,618	0	141,618
Total Cost	<u>\$82,126,320</u>	<u>\$3,577,388</u>	<u>(\$732,420)</u>	<u>\$84,971,288</u>
 <i>Accumulated Depreciation:</i>				
	Restated December 31, 2002	Additions	Deletions	December 31, 2003
Buildings and Improvements	(\$6,533,583)	(\$241,990)	\$0	(\$6,775,573)
Improvements other than Buildings	(18,016,459)	(743,390)	0	(18,759,849)
Machinery and Equipment	(21,012,744)	(755,531)	26,700	(21,741,575)
Infrastructure	0	(7,072)	0	(7,072)
Total Depreciation	<u>(\$45,562,786)</u>	<u>(\$1,747,983)</u>	<u>\$26,700</u>	<u>(\$47,284,069)</u>
 <i>Net Value:</i>	<u>\$36,563,534</u>			<u>\$37,687,219</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 12 - 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. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2003, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2003 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2003, 2002 and 2001 were \$1,445,611, \$1,386,965 and \$1,325,700, respectively, which were equal to the required contributions for each year.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 12 - 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 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 2003 employer contribution rate (identified above) that was used to fund health care for the year 2003 was 5.0% of covered payroll which amounted to \$533,436.

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, 2002. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2002 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 364,881. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2002 is \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 12- DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Ohio Police and Fire Pension Fund (the "OP&F Fund") (Continued)**

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2003, 2002 and 2001 were \$431,879, \$407,339 and \$395,021 for police and \$406,680, \$413,875 and \$395,428 for firefighters, respectively, which were equal to the required contributions for each year.

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

The portion of the 2003 covered payroll that was used to fund postemployment health care benefits was \$171,644 representing 7.75% of covered payroll for police and \$131,324 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2002, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,527 for police and 10,396 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, 2002 were \$141,028,006, which was net of member contributions of \$12,623,875.

**CITY OF PAINESVILLE, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 13 - LONG-TERM DEBT**

Long-term debt of the City at December 31, 2003 was as follows:

		Balance December 31, 2002	Issued	(Retired)	Balance December 31, 2003	Amount Due Within One Year
<b>Business-Type Activities:</b>						
Mortgage Revenue Bonds:						
2.900 - 6.000% Electric System	1992	\$2,595,000	\$0	(\$590,000)	\$2,005,000	\$630,000
General Obligation Bonds:						
2.900 - 6.400% Waterworks	1992	2,205,000	0	(2,205,000)	0	0
1.500 - 3.600% Waterworks	2003	0	2,380,000	(170,000)	2,210,000	225,000
3.250 - 4.600% Waterworks	1998	4,000,000	0	(250,000)	3,750,000	250,000
4.600 - 4.750% Joint Venture Agreement	2001	3,138,097	0	(114,240)	3,023,857	118,903
Total General Obligation Bonds		9,343,097	2,380,000	(2,739,240)	8,983,857	593,903
Ohio Water Development Authority Loans (OWDA):						
7.490% Water Pollution Control Plant (Original)	1979	260,027	0	(260,027)	0	0
7.820% Water Pollution Control Plant (1st Supplement)	1980	10,054	0	(10,054)	0	0
4.618% Safe Drinking Water	1998	1,388,805	0	(55,563)	1,333,242	58,094
Total OWDA Loans		1,658,886	0	(325,644)	1,333,242	58,094
Ohio Public Works Commission Loan (OPWC):						
0.000% Raw Water Pump Station Replacement	2002	600,000	0	(60,000)	540,000	60,000
Capital Leases Payable		38,300	0	(10,655)	27,645	12,764
Compensated Absences		1,116,401	1,191,474	(1,116,401)	1,191,474	0
Total Business-Type Activities		<u>\$15,351,684</u>	<u>\$3,571,474</u>	<u>(\$4,841,940)</u>	<u>\$14,081,218</u>	<u>\$1,354,761</u>
<b>Governmental Activities:</b>						
Special Assessment Debt (with governmental commitment)						
8.000 - 8.125% Chicago/Forest/Roosevelt Street Improvements	1988	\$260,000	\$0	(\$35,000)	\$225,000	\$40,000
Ohio Public Works Commission Loans (OPWC):						
0.000% Skinner Avenue Rehabilitation Loan	1994	24,623	0	(16,416)	8,207	8,207
0.000% East Walnut Avenue Improvements Loan	2000	75,000	0	(10,000)	65,000	10,000
Total OPWC Loans		99,623	0	(26,416)	73,207	18,207
Long-Term Notes Payable:						
5.000% Land Purchase	2001	100,000	0	0	100,000	100,000
Compensated Absences		1,225,605	1,236,967	(1,225,605)	1,236,967	0
Workers' Compensation Liability		430,259	424,611	0	854,870	0
Capital Lease Payable		1,365,356	0	(294,104)	1,071,252	307,283
Police/Firemen's Pension Accrued Liability		857,104	0	(12,628)	844,476	13,171
Total Governmental Activities		<u>\$4,337,947</u>	<u>\$1,661,578</u>	<u>(\$1,593,753)</u>	<u>\$4,405,772</u>	<u>\$478,661</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 13 - LONG-TERM DEBT (Continued)**

**A. Defeased Debt**

In December 1985, the City defeased \$4,540,000 of Electric Plant First Mortgage Revenue Bonds dated July 1, 1972 and August 1, 1974 and \$3,400,000 of Special Obligation Electric System Refunding Bonds dated December 1, 1985 through the issuance of Electric System Mortgage Revenue Bonds (the "1985 Bonds"). In December 1992, the City defeased \$5,090,000 of the 1985 Bonds through the issuance of \$6,000,000 of Electric System Mortgage Revenue Refunding Bonds (the "1992 Bonds"). In February of 2003, the City defeased \$2,205,000 of Waterworks General Revenue Bonds dated December 1, 1992 (the "1992 Waterworks Bonds") through the issuance of \$2,380,000 of Waterworks General Obligation Refunding Bonds (the "2003 Waterworks Bonds"). The net proceeds of both the 1985 and 1992 Bonds have been invested in U.S. Treasury 1992 obligations and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$4,580,000 at December 31, 2003, are not included in the City's outstanding debt since the City has satisfied its obligations through the advanced refunding.

**B. Compensated Absences**

City management staff and employees in each bargaining unit earn sick leave credit. Employees with at least 10 years of service are paid for one-third of their accumulated sick leave credit upon termination of employment, which may not exceed 120 days. This obligation amounted to \$1,382,206 for the City as of December 31, 2003.

In addition, management staff and personnel in each bargaining unit earn vacation at different rates based upon length of service. Vacation carried forward to the current year may not exceed one year's leave balance. In case of death, termination or retirement, an employee (or his estate) is paid for unused vacation up to a maximum of one year credit and two week accrual. The total obligation for accrued vacation for the City as a whole at December 31, 2003 amounted to \$1,046,235.

**C. Police and Firemen's Pension Accrued Liability**

The City's liability for past service costs related to the Police and Fire Pension Fund at December 31, 2003 was \$1,538,854 in principal and scheduled interest payments through the year 2035. Only the principal portion of the payments due are included in the in the government-wide statement of net assets.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 13 - LONG-TERM DEBT (Continued)**

**D. Capital Leases**

The City has entered into agreements to lease equipment. The original cost of the equipment was \$1,493,147. Such agreements are, in substance, lease purchases (capital leases) and are classified as long-term obligations in the financial statements. The costs of these assets are included in the capital asset balances of both the Governmental Activities and Water Fund (major enterprise fund). The capital leases payable are recorded in Governmental Activities and the Water Fund in the amount of \$1,071,252 and \$27,645, respectively.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2003:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Water Enterprise Fund</u>
2004	\$341,571	\$14,415
2005	341,907	14,079
2006	191,583	0
2007	191,583	0
2008	46,002	0
2009	46,002	0
Minimum Lease Payments	1,158,648	28,494
Less: amount representing interest at the City's incremental borrowing rate of interest	(87,396)	(849)
Present value of minimum lease payments	<u>\$1,071,252</u>	<u>\$27,645</u>

**E. Special Assessments with Governmental Commitment**

The principal amount of the City's special assessment debt outstanding at December 31, 2003, \$225,000, 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. The fund balance of \$231,574 in the Special Assessment Bond Retirement Fund at December 31, 2003 is reserved for the retirement of outstanding special assessment bonds.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 13 - LONG-TERM DEBT (Continued)**

**F. Ohio Water Development Authority Loan**

In 1998, the City entered into an agreement with the Ohio Water Development Authority to receive loans from the Water Supply Revolving Loan Account and the Freshwater Loan Agreement in the amounts of \$1,644,613. The interest rate on the loan is 4.618% per annum. This loan is payable from water service charges. The loan can only be received by the City in increments as the project is completed. As of December 31, 2003 the City had received \$1,524,401. The City began repaying the loan in semiannual payments in 1999 based on a loan amount of \$1,664,613 to be paid through 2019. As of December 31, 2003, the loan had an outstanding balance of \$1,333,242.

**G. Principal and Interest Requirements**

The principal and interest requirements to retire long-term debt and Police and Fire Pension Liability obligations at December 31, 2003, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$593,903	\$372,580	\$40,000	\$18,000	\$630,000	\$120,300
2005	603,899	354,401	40,000	14,800	665,000	82,500
2006	614,227	335,236	45,000	11,600	710,000	42,600
2007	619,556	315,367	50,000	8,000	0	0
2008	631,218	291,711	50,000	4,000	0	0
2009-2013	3,116,660	1,061,208	0	0	0	0
2014-2018	2,306,802	449,759	0	0	0	0
2019-2020	497,592	35,723	0	0	0	0
Totals	<u>\$8,983,857</u>	<u>\$3,215,985</u>	<u>\$225,000</u>	<u>\$56,400</u>	<u>\$2,005,000</u>	<u>\$245,400</u>

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$58,094	\$60,811	\$78,207	\$0	\$13,171	\$35,752
2005	60,748	58,158	70,000	0	13,736	35,186
2006	63,529	55,376	70,000	0	14,326	34,596
2007	66,446	52,460	70,000	0	14,942	33,981
2008	69,503	49,402	70,000	0	15,584	33,339
2009-2013	398,870	195,657	255,000	0	88,551	156,061
2014-2018	501,198	93,329	0	0	109,274	135,338
2019-2023	114,854	13,290	0	0	134,846	109,767
2024-2035	0	0	0	0	440,046	120,358
Totals	<u>\$1,333,242</u>	<u>\$578,483</u>	<u>\$613,207</u>	<u>\$0</u>	<u>\$844,476</u>	<u>\$694,378</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 13 - LONG-TERM DEBT (Continued)**

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

Years	Long-Term Notes Payable	
	Principal	Interest
2004	\$100,000	\$5,000

The repayment of the mortgage revenue bonds is secured by the revenues and a first mortgage on the property of the related utility operation. All other bonds, notes and the police and fire pension accrued liability are backed by the full faith and credit of the City. The Ohio Water Development Authority construction loans are secured by the revenues of the City's wastewater treatment operations. The loans require, among other things, that the City charge sufficient rates and fees for wastewater treatment services to enable the revenues to service the loan principal and provide resources for the payment of the necessary operating and maintenance expenses of the facility. The City was not required to pledge the general resources or general credit of the City to secure the repayment of the loans.

**NOTE 14 - NOTES PAYABLE**

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

**NOTE 14 - NOTES PAYABLE (Continued)**

Below is a summary of notes payable activity during 2003:

	Restated Balance January 1, 2003	Issued (Retired)	Balance December 31, 2003
<b>Special Revenue Funds:</b>			
<b>Street Construction, Maintenance and Repair Fund:</b>			
3.00% Street Construction and Resurfacing	\$378,000	(\$378,000)	
1.56% Street Construction and Resurfacing		178,000	178,000
<b>Fire Levy Fund:</b>			
3.00% Motorized Equipment Acquisition	150,000	(150,000)	
1.56% Motorized Equipment Acquisition		75,000	75,000
<b>Probation Services Fund:</b>			
3.00% Municipal Court/Safety Center Renovation	50,000	(50,000)	
1.56% Municipal Court/Safety Center Renovation		45,000	45,000
Total Special Revenue	<u>578,000</u>	<u>(280,000)</u>	<u>298,000</u>
<b>Capital Projects Funds:</b>			
<b>Municipal Court Improvement Fund:</b>			
3.00% Municipal Court/Safety Center Renovation	450,000	(450,000)	
1.56% Municipal Court/Safety Center Renovation		375,000	375,000
<b>Capital Improvement Fund:</b>			
3.00% City Office Building Improvements	255,000	(255,000)	
1.56% City Office Building Improvements		195,000	195,000
<b>Shamrock Boulevard Road Project Fund:</b>			
3.00% Construction of Shamrock Boulevard	150,000	(150,000)	
1.56% Construction of Shamrock Boulevard		100,000	100,000
<b>Industrial Park Project Fund:</b>			
3.00% Renaissance Parkway Improvements	1,105,000	(1,105,000)	
1.56% Renaissance Parkway Improvements		1,130,000	1,130,000
Total Capital Projects	<u>1,960,000</u>	<u>(160,000)</u>	<u>1,800,000</u>
<b>Enterprise Funds:</b>			
<b>Water Fund:</b>			
3.00% Water Treatment Plant Improvements	617,000	(617,000)	
1.56% Water Treatment Plant Improvements		617,000	617,000
<b>Sewer Fund:</b>			
3.00% Wastewater Treatment Plant Improvements	760,000	(760,000)	
1.56% Wastewater Treatment Plant Improvements		710,000	710,000
Total Enterprise	<u>1,377,000</u>	<u>(50,000)</u>	<u>1,327,000</u>
Total Notes Payable	<u>\$3,915,000</u>	<u>(\$490,000)</u>	<u>\$3,425,000</u>



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 15 - CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued Industrial Revenue Bonds and Economic Development Revenue Bonds to provide financial assistance to private and public sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private or public sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2003, there was one series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$780,000. In addition, there was one series of Economic Development Revenue Bonds with an aggregate principal amount payable of \$741,784.

**NOTE 16 - RISK MANAGEMENT**

The City purchases insurance policies in varying amounts providing coverage for general liability, vehicle liability, property damage, employee and public officials liability, professional liability and errors and omissions liability. The City also pays unemployment claims to the State of Ohio as incurred.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2003 the City contracted with several different insurance providers for various insurance coverages, as follows:

<u>Insurance Provider</u>	<u>Coverage</u>	<u>Deductible</u>
Pollutro/Custis	Law Enforcement Professional Liability	\$10,000
Pollutro/Custis	Public Officials Liability	10,000
Cincinnati Insurance Company	Public Employee Dishonesty/Forgery	0
Cincinnati Insurance Company	Comprehensive General Liability	Varies
Cincinnati Insurance Company	Property	1,000
Cincinnati Insurance Company	Ohio Employers Intentional Tort Liability	0
Cincinnati Insurance Company	Commercial Umbrella Liability	0
Cincinnati Insurance Company	Boiler and Machinery	Varies
Cincinnati Insurance Company	Automobile	250
AAIC	Emergency Service Management Liability	0
AAIC	Commercial General Liability (Fire)	0
AAIC	Commercial Umbrella	0

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 16 - RISK MANAGEMENT (Continued)**

In 1993, the Workers' Compensation Retrospective Rating Fund was established to account for the funding of the City's workers' compensation plan. Under the plan, the City is charged by the State of Ohio for administrative fees, claims paid and premiums for individual and aggregate claim limits. All City funds are charged a premium per employee covered by the Workers' Compensation Retrospective Rating Fund based on claims experience. The City has a claims limit of \$250,000 per individual and a maximum yearly amount for all claims which varies each policy year. The claims liability of \$854,870 reported in the fund at December 31, 2003 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past two years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2002	\$661,168	\$91,589	(\$322,498)	\$430,259
2003	430,259	943,765	(519,154)	854,870

In 2000, the Employee Health Insurance Fund was created to account for the City's self-funded employee health insurance. Under this program, the City operates with a third party administrator and under stop-loss thresholds. The actual claims are passed through the City for payment. There is protection as to the amount of claims that can be passed through to the City—both specific and aggregate stop-loss protection. Under specific stop-loss, the City pays 100% for any one individual generating claims up to the specific level of \$40,000. Any dollar amount over this specific level is paid by the re-insurance carrier. The aggregate stop-loss protects the City from having a large number of claims exceeding the expected claims level by more than 20% or 25%. Any claims over the specific level do not count toward the aggregate level. Only claims less than the specific level are applied toward the aggregate level. The claims liability of \$301,115 reported in the fund at December 31, 2003 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past two years are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2002	\$460,039	\$1,318,328	(\$1,599,318)	\$179,049
2003	179,049	2,528,876	(2,406,810)	301,115

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003***

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**NOTE 17 - CONSTRUCTION COMMITMENTS**

As of December 31, 2003, the City had the following contracts with respect to capital improvements:

<u>Project</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Renaissance Parkway Roadway Extension	\$353,084	07/01/04
Water Plant Filter Rehabilitation Project	611,344	12/01/04
Septage Receiving Station	231,333	08/01/04
Digester Cover Replacement	312,218	04/01/04
Shamrock Feeder and Line Extension	699,753	05/01/04
Total	<u>\$2,207,732</u>	

**NOTE 18 - JOINT VENTURE**

The City of Painesville is a Financing Participant and an Owner Participant with percentages of liability and ownership of 6.66% and 5.22% respectively and shares participation with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency (OMEGA JV2). Owner Participants own undivided interests, as tenants in common, in the OMEGA JV2 Project in the amount of their respective Project Shares. Purchaser Participants agree to purchase the output associated with their respective Project shares, ownership of which is held in trust for such Purchaser Participants.

Pursuant to the OMEGA JV2 Agreement, the participants jointly undertook as either Financing Participants or Non-Financing Participants and as either Owner Participants or Purchaser Participants, the acquisition, construction, and equipping of OMEGA JV2, including such portions of OMEGA JV2 as have been acquired, constructed or equipped by AMP-Ohio and to pay or incur the costs of the same in accordance with the JV2 Agreement.

OMEGA JV2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economic status of the participants' respective municipal electric utility system. The Project consists of 138.65 MW of distributed generation of which 134.081MW is the participants entitlement and 4.569MW are held in reserve. On dissolution of OMEGA JV2, the net assets will be shared by the participants on a percentage of ownership basis. OMEGA JV2 is managed by AMP-Ohio, which acts as the joint venture's agent. During 2001, AMP-Ohio issued \$50,260,000 of 20 year fixed rate bonds on behalf of the Financing Participants of OMEGA JV2. The net proceeds of the bond issue of \$45,904,712 were contributed to OMEGA JV2. The City's net obligation for these bonds at December 31, 2003 was \$2,636,463 (net of amounts withheld for debt service reserve, amounts held in the bond fund, previous billings to members, interest payable and debt service paid and collected). The City's net investment and its share of operating results of OMEGA JV2 are reported in the City's electric fund (an enterprise fund). The City's net investment in OMEGA JV2 was \$2,575,566 at December 31, 2003. Complete financial statements for OMEGA JV2 may be obtained from AMP-Ohio or from the City's Finance Director.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2003**

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**NOTE 18 - JOINT VENTURE (Continued)**

The City's liability for the 2001 bonds is disclosed below:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2004	\$118,903	\$147,730	\$266,633
2005	123,899	142,676	266,575
2006	129,227	137,411	266,638
2007	134,556	132,242	266,798
2008-2020	<u>2,517,272</u>	<u>949,420</u>	<u>3,466,692</u>
Total Gross Liability	3,023,857	<u>\$1,509,479</u>	<u>\$4,533,336</u>
Less: Amounts Held in Reserve	<u>(387,394)</u>		
Net Obligation	<u>\$2,636,463</u>		

**NOTE 19 - CONTINGENCIES**

**A. Environmental Matters**

The City owns land and operates a wastewater pollution control facility on a portion of an area which has been declared by the United States Environmental Protection Agency (USEPA) as a "Superfund Site" under the Comprehensive Environmental Response, Compensation and Liabilities Act. Under this Act, the City could be held liable for a portion of the cost of the clean-up of the site. A liability has not been recorded in the accompanying combined financial statements for this matter because the extent and cost of the possible required corrective action as well as the City's share is unknown at this time.

**B. Litigation**

There are several lawsuits pending in which the City is involved. The City's management believes that the ultimate outcome of these matters will not significantly impact the City's financial position or operations.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Street Construction, Maintenance and Repair Fund**

Required by the Ohio Revised Code to account for 92.5% of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

**State Highway Improvement Fund**

Required by the Ohio Revised Code to account for 7.5% of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

**Cemeteries Fund**

To account for revenue received from the operation of the City's two municipal cemeteries.

**Police Pension Transfer Fund**

To accumulate property taxes levied for the partial payment of the current and accrued liability for police disability and pension.

**Fire Pension Transfer Fund**

To accumulate property taxes levied for the partial payment of the current and accrued liability for fire disability and pension.

**Law Enforcement Fund**

To account for the proceeds from the confiscation of contraband.

**Municipal Motor Vehicle License Tax Fund**

To account for County-levied motor vehicle registration fees designated for street construction, maintenance and repair.

**Indigent Drivers Alcohol Treatment Fund**

To account for funds received pursuant to Ohio Revised Code Section 4511.191 (M) to be used for the incarceration and/or treatment of alcohol abuse by individuals that are determined by the courts to be indigent.

**Enforcement and Education Fund**

To account for funds received pursuant to Ohio Revised Code Section 4511.99 (A) to be used by the Painesville Police to pay the costs of educating the public about laws governing operation of a motor vehicle while under the influence of alcohol.

***Special Revenue Funds*** (Continued)

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**City Motor Vehicle License Tax Fund**

To account for City-levied motor vehicle registration fees designated for street construction, maintenance and repair.

**Fire Levy Fund**

To account for property tax revenues derived from a voted tax levy for the purchase of fire fighting apparatus.

**Underground Storage Tank Fund**

To account for monies to pay for the deductible amount of costs of third party damages and corrective actions necessary to clean up a petroleum release from an underground storage tank.

**Probation Services Fund**

To account for monies received pursuant to Ohio Revised Code Section 2951.021 to be used for operating expenses of the Probation Department.

**Community Oriented Policing Services (COPS) Fast Grant Fund**

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

**Skate Facility Fund**

To account for monies designated for the costs to construct and maintain a skate facility.

**Fire Fund**

To account for grants and donated monies received for funding the operations of the Fire Division.

**Plan Review Fund**

To account for monies received and held by the City for various deposits for review of construction plans.

**Zoning Application Fund**

To account for monies received and held by the City for zoning application requests.

**Columbarium Trust Fund**

To account for monies received and held by the City for charges related to columbarium burial site.

**Law Enforcement Trust Fund**

To account for monies received by the police division from the sale of drug related contraband.

***Debt Service Funds***

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

**General Bond Retirement Fund**

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

**Special Assessment Bond Retirement Fund**

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment bonds.

**Land Acquisition Note Retirement Fund**

To account for the accumulation of resources for the payments of land acquisition notes of the City. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

***Capital Projects Funds***

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

**Municipal Court Improvement Fund**

To account for the expansion to a second municipal courtroom, including remodeling and furnishing of the existing facilities financed by unvoted general obligation bond anticipation notes.

**Capital Equipment Reserve Fund**

To account for the costs associated with the purchase and maintenance of capital equipment.

**Capital Improvement Fund**

To account for the accumulation of funds for the acquisition of capital assets and/or the construction of major capital facilities.

**Shamrock Boulevard Road Project Fund**

To account for the costs associated with the construction of Shamrock Boulevard Road.



*Capital Projects Funds* (Continued)

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**Jackson Street Interchange Project Fund**

To account for the costs associated with the construction of an interchange off of State Route 44 and Jackson Street.

**Industrial Park Project Fund**

To account for the costs associated with the construction of the Renaissance Industrial Park located on Newell Street.

**Municipal Court Special Projects Fund**

To account for the accumulation of funds for the general use of the Municipal Court.

*Permanent Funds*

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

**Cemetery Trust Operations Fund**

To account for interest income earned from the investment of cemetery trust principal. The interest portion of the trust can be used to maintain the City's two cemeteries.

**Special Endowment Operations Fund**

To account for interest income earned from the investment of special endowment (non-resident) principal. The interest portion of the trust can be used to maintain the City's two cemeteries.

**Evergreen Cemetery Trust Fund**

To account for the principal, acquired from contributions and endowments, for the City's Evergreen Cemetery.

**Riverside Cemetery Trust Fund**

To account for the principal, acquired from contributions and endowments, for the City's Riverside Cemetery.

**Special Endowment Trust Fund**

To account for the principal, acquired from contributions and endowments, from non-residents, for the City's two cemeteries.

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 1,438,909	\$ 13,744	\$ 1,618,826	\$ 7,043	\$ 3,078,522
Investments	359,943	222,357	533,900	0	1,116,200
Receivables:					
Taxes	272,828	77,836	0	0	350,664
Intergovernmental	378,273	3,760	13,625	0	395,658
Special Assessments	0	297,825	0	0	297,825
Inventory of Supplies, at Cost	1,657	0	0	0	1,657
Prepaid Items	2,082	0	0	0	2,082
Restricted Assets:					
Cash and Cash Equivalents	112,785	0	29,652	966,400	1,108,837
<b>Total Assets</b>	<b>\$ 2,566,477</b>	<b>\$ 615,522</b>	<b>\$ 2,196,003</b>	<b>\$ 973,443</b>	<b>\$ 6,351,445</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 54,603	\$ 0	\$ 12,740	\$ 0	\$ 67,343
Accrued Wages and Benefits Payable	35,316	0	513	0	35,829
Intergovernmental Payable	288	0	0	0	288
Deferred Revenue	542,938	378,605	0	0	921,543
Accrued Interest Payable	536	0	3,231	0	3,767
General Obligation Notes Payable	298,000	0	1,800,000	0	2,098,000
<b>Total Liabilities</b>	<b>931,681</b>	<b>378,605</b>	<b>1,816,484</b>	<b>0</b>	<b>3,126,770</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	120,617	0	481,778	0	602,395
Reserved for Prepaid Items	2,082	0	0	0	2,082
Reserved for Supplies Inventory	1,657	0	0	0	1,657
Reserved for Debt Service	0	236,917	0	0	236,917
Reserved for Endowments	0	0	0	966,400	966,400
Undesignated/Unreserved	1,510,440	0	(102,259)	7,043	1,415,224
<b>Total Fund Balances</b>	<b>1,634,796</b>	<b>236,917</b>	<b>379,519</b>	<b>973,443</b>	<b>3,224,675</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,566,477</b>	<b>\$ 615,522</b>	<b>\$ 2,196,003</b>	<b>\$ 973,443</b>	<b>\$ 6,351,445</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 193,092	\$ 51,079	\$ 0	\$ 0	\$ 244,171
Intergovernmental Revenues	833,888	9,550	0	0	843,438
Charges for Services	150,643	0	0	0	150,643
Investment Earnings	1,935	913	16,519	9,180	28,547
Special Assessments	0	68,358	0	0	68,358
Fines and Forfeitures	111,412	0	185,337	0	296,749
All Other Revenue	85,336	0	3,253	16,381	104,970
<b>Total Revenue</b>	<b>1,376,306</b>	<b>129,900</b>	<b>205,109</b>	<b>25,561</b>	<b>1,736,876</b>
<b>Expenditures:</b>					
Current:					
General Government	124,277	0	117,822	0	242,099
Public Safety	203,980	0	3,656	0	207,636
Highways and Streets	1,338,448	0	874	0	1,339,322
Public Health and Welfare	664,293	0	0	5,282	669,575
Culture and Recreation	21,000	0	366	0	21,366
Community Environment	56	0	3,140	0	3,196
Capital Outlay	0	0	540,850	0	540,850
Debt Service:					
Principal Retirement	26,416	35,000	0	0	61,416
Interest & Fiscal Charges	15,880	21,050	55,265	0	92,195
<b>Total Expenditures</b>	<b>2,394,350</b>	<b>56,050</b>	<b>721,973</b>	<b>5,282</b>	<b>3,177,655</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,018,044)	73,850	(516,864)	20,279	(1,440,779)
<b>Other Financing Sources (Uses):</b>					
Transfers In	439,500	0	519,150	0	958,650
Transfers Out	(107,500)	(67,650)	(201,500)	(10,000)	(386,650)
<b>Total Other Financing Sources (Uses)</b>	<b>332,000</b>	<b>(67,650)</b>	<b>317,650</b>	<b>(10,000)</b>	<b>572,000</b>
Net Change in Fund Balances	(686,044)	6,200	(199,214)	10,279	(868,779)
<b>Fund Balances at Beginning of Year</b>	<b>2,319,600</b>	<b>230,717</b>	<b>578,733</b>	<b>963,164</b>	<b>4,092,214</b>
Increase in Inventory Reserve	1,240	0	0	0	1,240
<b>Fund Balances End of Year</b>	<b>\$ 1,634,796</b>	<b>\$ 236,917</b>	<b>\$ 379,519</b>	<b>\$ 973,443</b>	<b>\$ 3,224,675</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 1,012,563	\$ 76,535	\$ 3,986	\$ 641
Investments	235,364	0	116,607	0
Receivables:				
Taxes	0	0	0	77,836
Intergovernmental	191,802	15,552	0	3,760
Inventory of Supplies, at Cost	0	0	1,657	0
Prepaid Items	0	0	2,082	0
Restricted Assets:				
Cash and Cash Equivalents	87,032	0	25,753	0
<b>Total Assets</b>	<b>\$ 1,526,761</b>	<b>\$ 92,087</b>	<b>\$ 150,085</b>	<b>\$ 82,237</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 48,495	\$ 0	\$ 2,802	\$ 0
Accrued Wages and Benefits Payable	9,972	0	20,091	0
Intergovernmental Payable	0	0	288	0
Deferred Revenue	127,868	10,368	0	80,780
Accrued Interest Payable	320	0	0	0
General Obligation Notes Payable	178,000	0	0	0
<b>Total Liabilities</b>	<b>364,655</b>	<b>10,368</b>	<b>23,181</b>	<b>80,780</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	50,220	0	11,854	0
Reserved for Prepaid Items	0	0	2,082	0
Reserved for Supplies Inventory	0	0	1,657	0
Undesignated/Unreserved	1,111,886	81,719	111,311	1,457
<b>Total Fund Balances</b>	<b>1,162,106</b>	<b>81,719</b>	<b>126,904</b>	<b>1,457</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,526,761</b>	<b>\$ 92,087</b>	<b>\$ 150,085</b>	<b>\$ 82,237</b>

**CITY OF PAINESVILLE, OHIO**

<u>Fire Pension Transfer Fund</u>	<u>Law Enforcement Fund</u>	<u>Municipal Motor Vehicle License Tax Fund</u>	<u>Indigent Drivers Alcohol Treatment Fund</u>	<u>Enforcement and Education Fund</u>	<u>City Motor Vehicle License Tax Fund</u>	<u>Fire Levy Fund</u>
\$ 641	\$ 4,534	\$ 6,385	\$ 109,718	\$ 38,066	\$ 10,041	\$ 99,782
0	7,972	0	0	0	0	0
77,836	0	0	0	0	0	117,156
3,760	0	14,748	648	43	29,501	5,132
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>82,237</u>	<u>12,506</u>	<u>21,133</u>	<u>110,366</u>	<u>38,109</u>	<u>39,542</u>	<u>222,070</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
80,780	0	9,832	0	0	19,668	120,881
0	0	0	0	0	0	135
0	0	0	0	0	0	75,000
<u>80,780</u>	<u>0</u>	<u>9,832</u>	<u>0</u>	<u>0</u>	<u>19,668</u>	<u>196,016</u>
0	0	0	13,850	0	0	43,361
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,457	12,506	11,301	96,516	38,109	19,874	(17,307)
<u>1,457</u>	<u>12,506</u>	<u>11,301</u>	<u>110,366</u>	<u>38,109</u>	<u>19,874</u>	<u>26,054</u>
<u>\$ 82,237</u>	<u>\$ 12,506</u>	<u>\$ 21,133</u>	<u>\$ 110,366</u>	<u>\$ 38,109</u>	<u>\$ 39,542</u>	<u>\$ 222,070</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003**

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	Underground Storage Tank Fund	Probation Services Fund	COPS Fast Grant Fund	Skate Facility Fund
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 6,685	\$ 26,305	\$ 2,479	\$ 1,234
Investments	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	6,118	98,954	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
<b>Total Assets</b>	<u>\$ 6,685</u>	<u>\$ 32,423</u>	<u>\$ 101,433</u>	<u>\$ 1,234</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 1,105	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	3,104	2,149	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	88,637	0
Accrued Interest Payable	0	81	0	0
General Obligation Notes Payable	0	45,000	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>49,290</u>	<u>90,786</u>	<u>0</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	861	471	0
Reserved for Prepaid Items	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0
Undesignated/Unreserved	6,685	(17,728)	10,176	1,234
<b>Total Fund Balances</b>	<u>6,685</u>	<u>(16,867)</u>	<u>10,647</u>	<u>1,234</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,685</u>	<u>\$ 32,423</u>	<u>\$ 101,433</u>	<u>\$ 1,234</u>

**CITY OF PAINESVILLE, OHIO**

<u>Fire Fund</u>	<u>Plan Review Fund</u>	<u>Zoning Application Fund</u>	<u>Columbarium Trust Fund</u>	<u>Law Enforcement Trust Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 17,005	\$ 16,883	\$ 4,181	\$ 89	\$ 1,156	\$ 1,438,909
0	0	0	0	0	359,943
0	0	0	0	0	272,828
8,255	0	0	0	0	378,273
0	0	0	0	0	1,657
0	0	0	0	0	2,082
0	0	0	0	0	112,785
<u>\$ 25,260</u>	<u>\$ 16,883</u>	<u>\$ 4,181</u>	<u>\$ 89</u>	<u>\$ 1,156</u>	<u>\$ 2,566,477</u>
\$ 2,201	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,603
0	0	0	0	0	35,316
0	0	0	0	0	288
4,124	0	0	0	0	542,938
0	0	0	0	0	536
0	0	0	0	0	298,000
<u>6,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>931,681</u>
0	0	0	0	0	120,617
0	0	0	0	0	2,082
0	0	0	0	0	1,657
18,935	16,883	4,181	89	1,156	1,510,440
<u>18,935</u>	<u>16,883</u>	<u>4,181</u>	<u>89</u>	<u>1,156</u>	<u>1,634,796</u>
<u>\$ 25,260</u>	<u>\$ 16,883</u>	<u>\$ 4,181</u>	<u>\$ 89</u>	<u>\$ 1,156</u>	<u>\$ 2,566,477</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

	Street Construction, Maintenance and Repair Fund	State Highway Improvement Fund	Cemeteries Fund	Police Pension Transfer Fund
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 51,035
Intergovernmental Revenues	603,244	40,642	0	9,550
Charges for Services	0	0	150,643	0
Investment Earnings	651	0	134	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	50,561	0	0	0
<b>Total Revenue</b>	<b>654,456</b>	<b>40,642</b>	<b>150,777</b>	<b>60,585</b>
<b>Expenditures:</b>				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	62,000
Highways and Streets	1,296,697	39,873	0	0
Public Health and Welfare	0	0	664,293	0
Culture and Recreation	0	0	0	0
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	26,416	0	0	0
Interest and Fiscal Charges	10,355	0	0	0
<b>Total Expenditures</b>	<b>1,333,468</b>	<b>39,873</b>	<b>664,293</b>	<b>62,000</b>
Excess (Deficiency) of Revenues Over Expenditures	(679,012)	769	(513,516)	(1,415)
<b>Other Financing Sources (Uses):</b>				
Transfers In	101,000	0	317,000	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>101,000</b>	<b>0</b>	<b>317,000</b>	<b>0</b>
Net Change in Fund Balances	(578,012)	769	(196,516)	(1,415)
<b>Fund Balances at Beginning of Year</b>	<b>1,740,118</b>	<b>80,950</b>	<b>322,180</b>	<b>2,872</b>
Increase in Inventory Reserve	0	0	1,240	0
<b>Fund Balances End of Year</b>	<b>\$ 1,162,106</b>	<b>\$ 81,719</b>	<b>\$ 126,904</b>	<b>\$ 1,457</b>



**CITY OF PAINESVILLE, OHIO**

Fire Pension Transfer Fund	Law Enforcement Fund	Municipal Motor Vehicle License Tax Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	City Motor Vehicle License Tax Fund	Fire Levy Fund
\$ 51,035	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91,022
9,550	1,680	36,085	0	0	72,172	15,620
0	0	0	0	0	0	0
0	0	0	0	0	0	983
0	2,297	0	25,879	1,304	0	0
0	19,973	0	0	0	0	0
<u>60,585</u>	<u>23,950</u>	<u>36,085</u>	<u>25,879</u>	<u>1,304</u>	<u>72,172</u>	<u>107,625</u>
0	0	0	38,610	0	0	0
62,000	17,944	0	0	0	0	3,736
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	4,117
<u>62,000</u>	<u>17,944</u>	<u>0</u>	<u>38,610</u>	<u>0</u>	<u>0</u>	<u>7,853</u>
(1,415)	6,006	36,085	(12,731)	1,304	72,172	99,772
0	6,500	0	0	0	0	0
0	0	(33,000)	0	0	(68,000)	0
0	6,500	(33,000)	0	0	(68,000)	0
(1,415)	12,506	3,085	(12,731)	1,304	4,172	99,772
2,872	0	8,216	123,097	36,805	15,702	(73,718)
0	0	0	0	0	0	0
<u>\$ 1,457</u>	<u>\$ 12,506</u>	<u>\$ 11,301</u>	<u>\$ 110,366</u>	<u>\$ 38,109</u>	<u>\$ 19,874</u>	<u>\$ 26,054</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

	Underground Storage Tank Fund	Probation Services Fund	COPS Fast Grant Fund	Skate Facility Fund
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	45,345	0
Charges for Services	0	0	0	0
Investment Earnings	0	165	0	0
Fines and Forfeitures	0	81,932	0	0
All Other Revenue	0	0	0	0
<b>Total Revenue</b>	<b>0</b>	<b>82,097</b>	<b>45,345</b>	<b>0</b>
<b>Expenditures:</b>				
Current:				
General Government	0	85,667	0	0
Public Safety	0	0	50,414	0
Highways and Streets	1,878	0	0	0
Public Health and Welfare	0	0	0	0
Culture and Recreation	0	0	0	21,000
Community Environment	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	1,408	0	0
<b>Total Expenditures</b>	<b>1,878</b>	<b>87,075</b>	<b>50,414</b>	<b>21,000</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,878)	(4,978)	(5,069)	(21,000)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	15,000	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>0</b>
Net Change in Fund Balances	(1,878)	(4,978)	9,931	(21,000)
<b>Fund Balances at Beginning of Year</b>	<b>8,563</b>	<b>(11,889)</b>	<b>716</b>	<b>22,234</b>
Increase in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 6,685</b>	<b>\$ (16,867)</b>	<b>\$ 10,647</b>	<b>\$ 1,234</b>

**CITY OF PAINESVILLE, OHIO**

<u>Fire Fund</u>	<u>Plan Review Fund</u>	<u>Zoning Application Fund</u>	<u>Columbarium Trust Fund</u>	<u>Law Enforcement Trust Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 193,092
0	0	0	0	0	833,888
0	0	0	0	0	150,643
0	0	0	2	0	1,935
0	0	0	0	0	111,412
<u>12,552</u>	<u>0</u>	<u>575</u>	<u>0</u>	<u>1,675</u>	<u>85,336</u>
<u>12,552</u>	<u>0</u>	<u>575</u>	<u>2</u>	<u>1,675</u>	<u>1,376,306</u>
0	0	0	0	0	124,277
7,886	0	0	0	0	203,980
0	0	0	0	0	1,338,448
0	0	0	0	0	664,293
0	0	0	0	0	21,000
0	0	56	0	0	56
0	0	0	0	0	26,416
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,880</u>
<u>7,886</u>	<u>0</u>	<u>56</u>	<u>0</u>	<u>0</u>	<u>2,394,350</u>
4,666	0	519	2	1,675	(1,018,044)
0	0	0	0	0	439,500
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,500)</u>	<u>(107,500)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,500)</u>	<u>332,000</u>
4,666	0	519	2	(4,825)	(686,044)
14,269	16,883	3,662	87	5,981	2,319,600
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,240</u>
<u>\$ 18,935</u>	<u>\$ 16,883</u>	<u>\$ 4,181</u>	<u>\$ 89</u>	<u>\$ 1,156</u>	<u>\$ 1,634,796</u>

**CITY OF PAINESVILLE, OHIO**

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**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2003**

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	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 4,527	\$ 9,217	\$ 13,744
Investments	0	222,357	222,357
Receivables:			
Taxes	77,836	0	77,836
Intergovernmental	3,760	0	3,760
Special Assessments	0	297,825	297,825
<b>Total Assets</b>	<u>\$ 86,123</u>	<u>\$ 529,399</u>	<u>\$ 615,522</u>
<b>Liabilities:</b>			
Deferred Revenue	\$ 80,780	\$ 297,825	\$ 378,605
<b>Total Liabilities</b>	<u>80,780</u>	<u>297,825</u>	<u>378,605</u>
<b>Fund Balances:</b>			
Reserved for Debt Service	5,343	231,574	236,917
<b>Total Fund Balances</b>	<u>5,343</u>	<u>231,574</u>	<u>236,917</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 86,123</u>	<u>\$ 529,399</u>	<u>\$ 615,522</u>

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003***

	General Bond Retirement Fund	Special Assessment Bond Retirement Fund	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Taxes	\$ 51,079	\$ 0	\$ 51,079
Intergovernmental Revenues	9,550	0	9,550
Investment Earnings	731	182	913
Special Assessments	0	68,358	68,358
<b>Total Revenue</b>	<b>61,360</b>	<b>68,540</b>	<b>129,900</b>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	0	35,000	35,000
Interest & Fiscal Charges	250	20,800	21,050
<b>Total Expenditures</b>	<b>250</b>	<b>55,800</b>	<b>56,050</b>
Excess (Deficiency) of Revenues Over Expenditures	61,110	12,740	73,850
<b>Other Financing Sources (Uses):</b>			
Transfers Out	(67,650)	0	(67,650)
<b>Total Other Financing Sources (Uses)</b>	<b>(67,650)</b>	<b>0</b>	<b>(67,650)</b>
Net Change in Fund Balances	(6,540)	12,740	6,200
<b>Fund Balances at Beginning of Year</b>	<b>11,883</b>	<b>218,834</b>	<b>230,717</b>
<b>Fund Balances End of Year</b>	<b>\$ 5,343</b>	<b>\$ 231,574</b>	<b>\$ 236,917</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2003**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Shamrock Boulevard Road Project Fund
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 276,098	\$ 322,492	\$ 637,934	\$ 210,700
Investments	0	0	0	0
Receivables (net of allowance for doubtful accounts):				
Intergovernmental	7,809	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	29,652	0	0
<b>Total Assets</b>	<b>\$ 283,907</b>	<b>\$ 352,144</b>	<b>\$ 637,934</b>	<b>\$ 210,700</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 2,230	\$ 7,832	\$ 0	\$ 1,146
Accrued Wages and Benefits Payable	513	0	0	0
Accrued Interest Payable	673	0	350	180
General Obligation Notes Payable	375,000	0	195,000	100,000
<b>Total Liabilities</b>	<b>378,416</b>	<b>7,832</b>	<b>195,350</b>	<b>101,326</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	5,000	104,773	8,323	11,081
Undesignated/Unreserved	(99,509)	239,539	434,261	98,293
<b>Total Fund Balances</b>	<b>(94,509)</b>	<b>344,312</b>	<b>442,584</b>	<b>109,374</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 283,907</b>	<b>\$ 352,144</b>	<b>\$ 637,934</b>	<b>\$ 210,700</b>

**CITY OF PAINESVILLE, OHIO**

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Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Projects Fund	Total Nonmajor Capital Projects Funds
\$ 53,361	\$ 22,130	\$ 96,111	\$ 1,618,826
0	533,900	0	533,900
0	0	5,816	13,625
0	0	0	29,652
<u>\$ 53,361</u>	<u>\$ 556,030</u>	<u>\$ 101,927</u>	<u>\$ 2,196,003</u>
\$ 0	\$ 0	\$ 1,532	\$ 12,740
0	0	0	513
0	2,028	0	3,231
0	1,130,000	0	1,800,000
<u>0</u>	<u>1,132,028</u>	<u>1,532</u>	<u>1,816,484</u>
1,061	350,580	960	481,778
52,300	(926,578)	99,435	(102,259)
<u>53,361</u>	<u>(575,998)</u>	<u>100,395</u>	<u>379,519</u>
<u>\$ 53,361</u>	<u>\$ 556,030</u>	<u>\$ 101,927</u>	<u>\$ 2,196,003</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2003**

	Municipal Court Improvement Fund	Capital Equipment Reserve Fund	Capital Improvement Fund	Shamrock Boulevard Road Project Fund
<b>Revenues:</b>				
Investment Earnings	\$ 1,372	\$ 0	\$ 0	\$ 366
Fines and Forfeitures	112,108	0	0	0
All Other Revenue	0	3,253	0	0
<b>Total Revenue</b>	<b>113,480</b>	<b>3,253</b>	<b>0</b>	<b>366</b>
<b>Expenditures:</b>				
Current:				
General Government	53,315	45,755	0	0
Public Safety	0	3,656	0	0
Highways and Streets	0	874	0	0
Culture and Recreation	0	366	0	0
Community Environment	0	3,140	0	0
Capital Outlay	13,000	119,912	75,677	327,815
Debt Service:				
Interest & Fiscal Charges	12,620	0	7,120	4,162
<b>Total Expenditures</b>	<b>78,935</b>	<b>173,703</b>	<b>82,797</b>	<b>331,977</b>
Excess (Deficiency) of Revenues Over Expenditures	34,545	(170,450)	(82,797)	(331,611)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	100,000	67,650	301,500
Transfers Out	0	0	(100,000)	(50,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>100,000</b>	<b>(32,350)</b>	<b>251,500</b>
Net Change in Fund Balances	34,545	(70,450)	(115,147)	(80,111)
<b>Fund Balances (Deficits) at Beginning of Year</b>	<b>(129,054)</b>	<b>414,762</b>	<b>557,731</b>	<b>189,485</b>
<b>Fund Balances (Deficits) End of Year</b>	<b>\$ (94,509)</b>	<b>\$ 344,312</b>	<b>\$ 442,584</b>	<b>\$ 109,374</b>



**CITY OF PAINESVILLE, OHIO**

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Jackson Street Interchange Project Fund	Industrial Park Project Fund	Municipal Court Special Fund	Total Nonmajor Capital Project Funds
\$ 0	\$ 14,781	\$ 0	\$ 16,519
0	0	73,229	185,337
0	0	0	3,253
0	14,781	73,229	205,109
0	0	18,752	117,822
0	0	0	3,656
0	0	0	874
0	0	0	366
0	0	0	3,140
0	4,446	0	540,850
0	31,363	0	55,265
0	35,809	18,752	721,973
0	(21,028)	54,477	(516,864)
50,000	0	0	519,150
(51,500)	0	0	(201,500)
(1,500)	0	0	317,650
(1,500)	(21,028)	54,477	(199,214)
54,861	(554,970)	45,918	578,733
<u>\$ 53,361</u>	<u>\$ (575,998)</u>	<u>\$ 100,395</u>	<u>\$ 379,519</u>

**CITY OF PAINESVILLE, OHIO**

***Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2003***

	Cemetery Trust Operations Fund	Special Endowment Operations Fund	Evergreen Cemetery Trust Fund	Riverside Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 4,206	\$ 2,837	\$ 0	\$ 0	\$ 0	\$ 7,043
Restricted Assets:						
Cash and Cash Equivalents	0	0	373,412	307,352	285,636	966,400
<b>Total Assets</b>	<u>\$ 4,206</u>	<u>\$ 2,837</u>	<u>\$ 373,412</u>	<u>\$ 307,352</u>	<u>\$ 285,636</u>	<u>\$ 973,443</u>
<b>Liabilities:</b>						
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund Balances:</b>						
Reserved for Endowments	0	0	373,412	307,352	285,636	966,400
Undesignated/Unreserved	4,206	2,837	0	0	0	7,043
<b>Total Fund Balances</b>	<u>4,206</u>	<u>2,837</u>	<u>373,412</u>	<u>307,352</u>	<u>285,636</u>	<u>973,443</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,206</u>	<u>\$ 2,837</u>	<u>\$ 373,412</u>	<u>\$ 307,352</u>	<u>\$ 285,636</u>	<u>\$ 973,443</u>

**CITY OF PAINESVILLE, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2003***

	Cemetery Trust Operations Fund	Special Endowment Operations Fund	Evergreen Cemetery Trust Fund	Riverside Cemetery Trust Fund	Special Endowment Trust Fund	Total Nonmajor Permanent Funds
<b>Revenues:</b>						
Investment Earnings	\$ 6,314	\$ 2,866	\$ 0	\$ 0	\$ 0	\$ 9,180
All Other Revenue	0	0	1,560	8,581	6,240	16,381
<b>Total Revenue</b>	<b>6,314</b>	<b>2,866</b>	<b>1,560</b>	<b>8,581</b>	<b>6,240</b>	<b>25,561</b>
<b>Expenditures:</b>						
Current:						
Public Health and Welfare	2,086	0	2,298	898	0	5,282
<b>Total Expenditures</b>	<b>2,086</b>	<b>0</b>	<b>2,298</b>	<b>898</b>	<b>0</b>	<b>5,282</b>
Excess (Deficiency) of Revenues Over Expenditures	4,228	2,866	(738)	7,683	6,240	20,279
<b>Other Financing Sources (Uses):</b>						
Transfers Out	(7,000)	(3,000)	0	0	0	(10,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,000)</b>	<b>(3,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,000)</b>
Net Change in Fund Balances	(2,772)	(134)	(738)	7,683	6,240	10,279
<b>Fund Balances at Beginning of Year</b>	<b>6,978</b>	<b>2,971</b>	<b>374,150</b>	<b>299,669</b>	<b>279,396</b>	<b>963,164</b>
<b>Fund Balances End of Year</b>	<b>\$ 4,206</b>	<b>\$ 2,837</b>	<b>\$ 373,412</b>	<b>\$ 307,352</b>	<b>\$ 285,636</b>	<b>\$ 973,443</b>

**CITY OF PAINESVILLE, 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, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Taxes:				
Property Taxes:				
Real Estate and Public Utility	\$ 318,246	\$ 296,581	\$ 304,783	\$ 8,202
Tangible Personal	75,073	69,962	71,897	1,935
Total Property Taxes	393,319	366,543	376,680	10,137
Municipal Income Tax	7,603,322	7,085,733	7,281,684	195,951
Total Taxes	7,996,641	7,452,274	7,658,364	206,090
Intergovernmental Revenues:				
Local	21	19	20	1
Local Government Fund - County	1,337,112	1,246,089	1,280,549	34,460
Local Government Fund - State	179,018	166,831	171,445	4,614
Inheritance Tax	19,484	18,158	18,660	502
Property Tax Allocation	69,801	65,049	66,848	1,799
Miscellaneous Tax	158,527	147,735	151,821	4,086
Total Intergovernmental Revenues	1,763,963	1,643,881	1,689,343	45,462
Charges for Services:				
General Government	1,275	1,188	1,221	33
Public Safety	192,155	179,074	184,026	4,952
Highways and Streets	47,281	44,062	45,281	1,219
Culture and Recreation	70,483	65,685	67,501	1,816
Community Environment	549	512	526	14
Total Charges for Services	311,741	290,521	298,555	8,034
Licenses, Permits and Inspection Fees:				
License Fees	7,153	6,666	6,850	184
Permit Fees	71,499	66,631	68,474	1,843
Inspection Fees	18,351	17,102	17,575	473
Zoning Appeal Fees	16,727	15,588	16,019	431
Other Fees	72,701	67,752	69,626	1,874
Total License, Permit and Inspection Fees	186,431	173,739	178,544	4,805
Investment Earnings	205,871	191,856	197,162	5,306
Fines and Forfeitures	759,155	707,476	727,041	19,565
All Other Revenues	381,366	355,405	365,233	9,828
Total Revenues	11,605,168	10,815,152	11,114,242	299,090

(Continued)

**CITY OF PAINESVILLE, 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, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Council:				
Personal Services	14,497	14,497	13,364	1,133
All Other Expenditures	3,622	3,622	2,028	1,594
Clerk of Council:				
Personal Services	6,434	8,434	6,145	2,289
All Other Expenditures	3,466	5,026	3,150	1,876
Judicial - Municipal Court:				
Judicial Activities:				
Personal Services	173,214	246,154	233,602	12,552
All Other Expenditures	12,569	13,169	9,736	3,433
Clerk of Court:				
Personal Services	757,346	705,012	658,271	46,741
All Other Expenditures	94,748	92,952	88,212	4,740
Probation:				
Personal Services	217,871	212,912	205,662	7,250
All Other Expenditures	2,000	2,000	485	1,515
Executive:				
City Manager:				
Personal Services	71,137	63,137	49,517	13,620
All Other Expenditures	13,750	13,850	6,886	6,964
Capital Outlay	1,303	24,203	23,801	402
Comm., Promotions and Public Relations Activities:				
Personal Services	7,296	7,296	77	7,219
All Other Expenditures	20,233	9,933	5,833	4,100
Information Technology:				
All Other Expenditures	21,519	16,119	14,993	1,126
Capital Outlay	37,500	12,500	12,023	477
Human Resources:				
Personal Services	46,543	46,543	44,370	2,173
All Other Expenditures	26,476	21,876	18,347	3,529

(Continued)

**CITY OF PAINESVILLE, 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, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Economic Development:				
Personal Services	26,739	27,741	25,129	2,612
All Other Expenditures	16,288	17,614	15,554	2,060
Finance:				
Administration:				
Personal Services	52,448	52,452	52,347	105
All Other Expenditures	13,830	31,850	28,895	2,955
Capital Outlay	9,575	9,575	8,713	862
Accounting:				
Personal Services	45,154	41,154	35,901	5,253
All Other Expenditures	30,376	32,176	25,728	6,448
Purchasing/Warehousing:				
Personal Services	28,770	28,773	24,352	4,421
All Other Expenditures	2,342	2,526	1,662	864
Income Tax Collection:				
All Other Expenditures	65,200	132,200	132,077	123
Law:				
Administration:				
Personal Services	51,361	56,803	54,801	2,002
All Other Expenditures	9,686	55,061	53,659	1,402
Engineering:				
Administration:				
Personal Services	152,978	152,985	149,362	3,623
All Other Expenditures	13,969	13,718	8,961	4,757
Capital Outlay	5,750	4,750	4,031	719
Public Lands and Buildings:				
Building Operations Maintenance and Repair:				
Personal Services	63,560	67,945	63,270	4,675
All Other Expenditures	227,898	244,823	234,020	10,803
Capital Outlay	55,233	46,233	46,002	231
Boards and Commissions:				
Civil Service Commission:				
Personal Services	5	5	0	5
All Other Expenditures	28,225	11,225	10,790	435

(Continued)

**CITY OF PAINESVILLE, 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, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Miscellaneous:				
Insurance:				
All Other Expenditures	106,541	81,541	80,715	826
Tax Settlement Deductions:				
All Other Expenditures	13,900	13,350	11,798	1,552
Other Miscellaneous:				
All Other Expenditures	254,131	116,983	105,978	11,005
Total General Government	<u>2,805,483</u>	<u>2,760,718</u>	<u>2,570,247</u>	<u>190,471</u>
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Personal Services	3,197,997	3,280,671	3,099,746	180,925
Law Enforcement - Other:				
Personal Services	482,458	456,263	408,959	47,304
All Other Expenditures	273,603	268,905	242,013	26,892
Capital Outlay	30,500	69,500	69,249	251
Fire:				
Fire Fighting, Prevention and Inspection:				
Personal Services	2,483,229	2,579,755	2,523,744	56,011
All Other Expenditures	220,696	192,196	177,857	14,339
Fire Service - Other:				
Personal Services	70,221	65,721	51,605	14,116
Police and Fire Communications:				
Control Center:				
All Other Expenditures	436,459	437,559	437,549	10
Total Public Safety	<u>7,195,163</u>	<u>7,350,570</u>	<u>7,010,722</u>	<u>339,848</u>
Highways and Streets:				
Public Works:				
Administration:				
Personal Services	200,175	224,377	217,214	7,163
All Other Expenditures	60,424	57,549	45,580	11,969

(Continued)

**CITY OF PAINESVILLE, 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, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Street Maintenance and Repair:				
Personal Services	0	1,600	1,437	163
All Other Expenditures	13,131	13,131	8,413	4,718
Sidewalks:				
All Other Expenditures	12,970	12,970	6,646	6,324
Street Cleaning:				
All Other Expenditures	7,860	7,860	6,429	1,431
Building Maintenance:				
Personal Services	32,310	47,195	44,272	2,923
All Other Expenditures	30,303	49,428	38,709	10,719
Equipment Maintenance:				
Personal Services	125,829	208,204	184,330	23,874
All Other Expenditures	44,605	45,205	36,823	8,382
Employee Benefits:				
Personal Services	594,734	773,895	747,602	26,293
Leaf/Yard Waste Removal:				
All Other Expenditures	22,950	22,950	20,933	2,017
Parking:				
Parking Meters:				
Personal Services	72,161	72,166	71,680	486
Other Expenditures	12,337	12,428	11,587	841
Parking Lots:				
All Other Expenditures	15,037	15,037	14,732	305
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
Personal Services	120,228	120,434	113,708	6,726
All Other Expenditures	40,383	41,183	37,440	3,743
Capital Outlay	8,861	17,080	17,079	1
Total Highways and Streets	<u>1,419,110</u>	<u>1,743,504</u>	<u>1,624,614</u>	<u>118,890</u>

(Continued)



**CITY OF PAINESVILLE, 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, 2003***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public Health and Welfare:				
Support of Prisoners:				
Prisoner Expense:				
All Other Expenditures	8,031	6,431	5,426	1,005
Payments to County Health Board:				
County Health District Assessments:				
All Other Expenditures	91,250	98,872	98,872	0
Assistance to Needy/Aged:				
Poor Relief:				
All Other Expenditures	2,500	1,000	325	675
Total Public Health and Welfare	<u>101,781</u>	<u>106,303</u>	<u>104,623</u>	<u>1,680</u>
Culture and Recreation:				
Parks:				
Administration:				
Personal Services	134,661	136,089	121,735	14,354
All Other Expenditures	3,226	3,726	2,538	1,188
Parks Systems:				
Personal Services	205,326	184,103	173,799	10,304
All Other Expenditures	110,057	105,557	95,607	9,950
Capital Outlay	48,061	30,661	29,985	676
Building Maintenance:				
All Other Expenditures	14,736	15,986	14,642	1,344
Morse Avenue Community Center:				
Personal Services	47,195	44,195	39,265	4,930
All Other Expenditures	19,270	19,270	16,548	2,722
Capital Outlay	14	14	14	0
Recreation Activities:				
Personal Services	349,056	260,783	245,973	14,810
All Other Expenditures	115,251	120,337	94,949	25,388
Capital Outlay	37,200	37,835	37,835	0

(Continued)

**CITY OF PAINESVILLE, 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, 2003**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other Leisure Time Activities:				
Senior Citizens Center:				
All Other Expenditures	25,000	25,000	25,000	0
Community Functions:				
All Other Expenditures	59,834	50,534	45,555	4,979
Total Culture and Recreation	<u>1,168,887</u>	<u>1,034,090</u>	<u>943,445</u>	<u>90,645</u>
Community Environment:				
Community Planning and Zoning:				
Planning Commission:				
Personal Services	1,290	2,597	2,573	24
All Other Expenditures	2,719	2,719	1,443	1,276
Demolition:				
All Other Expenditures	14,225	11,525	11,250	275
Planning and Development:				
Personal Services	11,242	19,375	18,203	1,172
All Other Expenditures	33,084	19,958	16,633	3,325
Capital Outlay	219,798	269,798	269,798	0
Housing and Building Code Enforcement:				
Code Enforcement:				
Personal Services	323,137	313,741	294,390	19,351
All Other Expenditures	23,243	21,343	17,286	4,057
Tree Care and Weed Control:				
Tree Care:				
All Other Expenditures	4,271	4,271	3,984	287
Weed Control:				
Personal Services	60	60	40	20
All Other Expenditures	9,665	9,665	9,054	611
Total Community Environment	<u>642,734</u>	<u>675,052</u>	<u>644,654</u>	<u>30,398</u>
Total Expenditures	<u>13,333,158</u>	<u>13,670,237</u>	<u>12,898,305</u>	<u>771,932</u>

(Continued)

**CITY OF PAINESVILLE, OHIO**

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***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, 2003***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,727,990)	(2,855,085)	(1,784,063)	1,071,022
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	26,210	26,210	26,210	0
Transfers In	1,284,729	1,284,729	1,284,729	0
Transfers Out	0	(574,700)	(572,000)	2,700
Advances In	685,000	685,000	685,000	0
Advances Out	<u>(712,400)</u>	<u>(698,700)</u>	<u>(698,700)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,283,539</u>	<u>722,539</u>	<u>725,239</u>	<u>2,700</u>
Net Change In Fund Balance	(444,451)	(2,132,546)	(1,058,824)	1,073,722
Fund Balance at Beginning of Year	1,330,768	1,330,768	1,330,768	0
Prior Year Encumbrances	<u>787,537</u>	<u>787,537</u>	<u>787,537</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,673,854</u>	<u>\$ (14,241)</u>	<u>\$ 1,059,481</u>	<u>\$ 1,073,722</u>

**CITY OF PAINESVILLE, 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, 2003***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>				
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 957,026	\$ 593,954	\$ 602,088	\$ 8,134
Licenses, Permits and Inspection Fees	0	0	0	0
Investment Earnings	1,035	642	651	9
All Other Revenues	80,367	49,878	50,561	683
Total Revenues	<u>1,038,428</u>	<u>644,474</u>	<u>653,300</u>	<u>8,826</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
Street Construction and Reconstruction:				
Capital Outlay	756,745	666,445	632,387	34,058
Street Maintenance and Repair:				
All Other Expenditures	47,042	45,857	33,932	11,925
Snow and Ice Removal:				
All Other Expenditures	196,422	256,247	254,546	1,701
Capital Outlay	24,700	116,185	116,185	0
Storm Sewers and Drains:				
All Other Expenditures	2,748	2,748	375	2,373
Capital Outlay	11,800	11,800	11,800	0
Debt Service:				
Principal Retirement	404,416	404,416	404,416	0
Interest Charges	9,450	11,340	11,340	0
Total Expenditures	<u>1,453,323</u>	<u>1,515,038</u>	<u>1,464,981</u>	<u>50,057</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(414,895)	(870,564)	(811,681)	58,883
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	178,000	178,000	178,000	0
Transfers In	101,000	101,000	101,000	0
Total Other Financing Sources (Uses)	<u>279,000</u>	<u>279,000</u>	<u>279,000</u>	<u>0</u>
Net Change In Fund Balance	(135,895)	(591,564)	(532,681)	58,883
Fund Balance at Beginning of Year	1,542,450	1,542,450	1,542,450	0
Prior Year Encumbrances	147,707	147,707	147,707	0
Fund Balance at End of Year	<u>\$ 1,554,262</u>	<u>\$ 1,098,593</u>	<u>\$ 1,157,476</u>	<u>\$ 58,883</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 24,733	\$ 39,731	\$ 39,731	\$ 0
Total Revenues	<u>24,733</u>	<u>39,731</u>	<u>39,731</u>	<u>0</u>
<b>Expenditures:</b>				
Highways and Streets:				
Public Works:				
State Highway Maintenance:				
All Other Expenditures	<u>50,127</u>	<u>50,127</u>	<u>50,127</u>	<u>0</u>
Total Expenditures	<u>50,127</u>	<u>50,127</u>	<u>50,127</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,394)	(10,396)	(10,396)	0
Fund Balance at Beginning of Year	66,804	66,804	66,804	0
Prior Year Encumbrances	<u>20,127</u>	<u>20,127</u>	<u>20,127</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 61,537</u>	<u>\$ 76,535</u>	<u>\$ 76,535</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, 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, 2003***

<b>CEMETERIES FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for Services	\$ 298,632	\$ 243,742	\$ 150,643	\$ (93,099)
Investment Earnings	274	223	138	(85)
Total Revenues	<u>298,906</u>	<u>243,965</u>	<u>150,781</u>	<u>(93,184)</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
Cemeteries:				
Administration:				
Personal Services	194,513	196,963	165,799	31,164
All Other Expenditures	35,759	42,359	29,375	12,984
Evergreen/Riverside Cemeteries:				
Personal Services	422,131	431,131	351,061	80,070
All Other Expenditures	55,727	52,632	44,310	8,322
Capital Outlay	40,377	40,722	40,105	617
Building Maintenance:				
All Other Expenditures	15,165	16,165	13,397	2,768
Total Expenditures	<u>763,672</u>	<u>779,972</u>	<u>644,047</u>	<u>135,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(464,766)	(536,007)	(493,266)	42,741
<b>Other Financing Sources (Uses):</b>				
Transfers In	317,000	317,000	317,000	0
Total Other Financing Sources (Uses)	<u>317,000</u>	<u>317,000</u>	<u>317,000</u>	<u>0</u>
Net Change In Fund Balance	(147,766)	(219,007)	(176,266)	42,741
Fund Balance at Beginning of Year	252,225	252,225	252,225	0
Prior Year Encumbrances	31,870	31,870	31,870	0
Fund Balance at End of Year	<u>\$ 136,329</u>	<u>\$ 65,088</u>	<u>\$ 107,829</u>	<u>\$ 42,741</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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<b>POLICE PENSION TRANSFER FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 56,113	\$ 56,113	\$ 52,458	\$ (3,655)
Intergovernmental Revenues	10,215	10,215	9,550	(665)
Total Revenues	<u>66,328</u>	<u>66,328</u>	<u>62,008</u>	<u>(4,320)</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Sworn Officer:				
Personal Services	66,869	66,869	62,000	4,869
Total Expenditures	<u>66,869</u>	<u>66,869</u>	<u>62,000</u>	<u>4,869</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(541)	(541)	8	549
Fund Balance at Beginning of Year	<u>633</u>	<u>633</u>	<u>633</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ 641</u>	<u>\$ 549</u>

**CITY OF PAINESVILLE, 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, 2003**

<b>FIRE PENSION TRANSFER FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 56,113	\$ 56,113	\$ 52,458	\$ (3,655)
Intergovernmental Revenues	10,215	10,215	9,550	(665)
Total Revenues	<u>66,328</u>	<u>66,328</u>	<u>62,008</u>	<u>(4,320)</u>
<b>Expenditures:</b>				
Public Safety:				
Fire:				
Fire Fighting, Prevention, Inspection:				
Personal Services	66,869	66,869	62,000	4,869
Total Expenditures	<u>66,869</u>	<u>66,869</u>	<u>62,000</u>	<u>4,869</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(541)	(541)	8	549
Fund Balance at Beginning of Year	633	633	633	0
Fund Balance at End of Year	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ 641</u>	<u>\$ 549</u>



**CITY OF PAINESVILLE, 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, 2003**

<b>LAW ENFORCEMENT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 1,923	\$ 1,680	\$ 1,680	\$0
Fines and Forfeitures	2,629	2,297	2,297	0
All Other Revenues	22,858	19,973	19,973	0
Total Revenues	<u>27,409</u>	<u>23,950</u>	<u>23,950</u>	<u>0</u>
<b>Expenditures:</b>				
Public Safety:				
Police:				
Law-Enforcement-Other:				
Capital Outlay	0	26,154	17,944	8,210
Total Expenditures	<u>0</u>	<u>26,154</u>	<u>17,944</u>	<u>8,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,409	(2,204)	6,006	8,210
<b>Other Financing Sources (Uses):</b>				
Transfers In	6,500	6,500	6,500	0
Total Other Financing Sources (Uses)	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>0</u>
Net Change In Fund Balance	33,909	4,296	12,506	8,210
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 33,909</u>	<u>\$ 4,296</u>	<u>\$ 12,506</u>	<u>\$ 8,210</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 30,661	\$ 36,137	\$ 36,137	\$ 0
Total Revenues	<u>30,661</u>	<u>36,137</u>	<u>36,137</u>	<u>0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,661	36,137	36,137	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(33,000)</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(33,000)</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>0</u>
Net Change In Fund Balance	(2,339)	3,137	3,137	0
Fund Balance at Beginning of Year	<u>3,248</u>	<u>3,248</u>	<u>3,248</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 909</u>	<u>\$ 6,385</u>	<u>\$ 6,385</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 21,785	\$ 25,796	\$ 25,796	\$ 0
Total Revenues	<u>21,785</u>	<u>25,796</u>	<u>25,796</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	<u>82,459</u>	<u>82,459</u>	<u>52,460</u>	<u>29,999</u>
Total Expenditures	<u>82,459</u>	<u>82,459</u>	<u>52,460</u>	<u>29,999</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,674)	(56,663)	(26,664)	29,999
Fund Balance at Beginning of Year	100,073	100,073	100,073	0
Prior Year Encumbrances	<u>22,459</u>	<u>22,459</u>	<u>22,459</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 61,858</u>	<u>\$ 65,869</u>	<u>\$ 95,868</u>	<u>\$ 29,999</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 487	\$ 1,286	\$ 1,286	\$ 0
Total Revenues	<u>487</u>	<u>1,286</u>	<u>1,286</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
All Other Expenditures	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,513)	(1,714)	1,286	3,000
Fund Balance at Beginning of Year	<u>36,780</u>	<u>36,780</u>	<u>36,780</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 34,267</u>	<u>\$ 35,066</u>	<u>\$ 38,066</u>	<u>\$ 3,000</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 62,873	\$ 72,275	\$ 72,275	\$ 0
Total Revenues	<u>62,873</u>	<u>72,275</u>	<u>72,275</u>	<u>0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,873	72,275	72,275	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>0</u>
Net Change In Fund Balance	(5,127)	4,275	4,275	0
Fund Balance at Beginning of Year	<u>5,766</u>	<u>5,766</u>	<u>5,766</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 639</u>	<u>\$ 10,041</u>	<u>\$ 10,041</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, 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, 2003**

	FIRE LEVY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 65,766	\$ 93,612	\$ 93,611	\$ (1)
Intergovernmental Revenues	10,974	15,620	15,620	0
Investment Earnings	743	1,058	1,058	0
Total Revenues	<u>77,483</u>	<u>110,290</u>	<u>110,289</u>	<u>(1)</u>
<b>Expenditures:</b>				
Public Safety:				
Fire Fighting, Prevention, Inspection:				
All Other Expenditures	1,016	1,016	1,016	0
Capital Outlay	50,000	50,000	47,097	2,903
Debt Service:				
Principal Retirement	150,000	150,000	150,000	0
Interest and Fiscal Charges	3,750	4,500	4,500	0
Total Expenditures	<u>204,766</u>	<u>205,516</u>	<u>202,613</u>	<u>2,903</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,283)	(95,226)	(92,324)	2,902
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	75,000	75,000	75,000	0
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net Change In Fund Balance	(52,283)	(20,226)	(17,324)	2,902
Fund Balance at Beginning of Year	72,729	72,729	72,729	0
Prior Year Encumbrances	1,016	1,016	1,016	0
Fund Balance at End of Year	<u>\$ 21,462</u>	<u>\$ 53,519</u>	<u>\$ 56,421</u>	<u>\$ 2,902</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Highways and Streets:				
All Other Expenditures	2,500	2,500	1,878	622
Total Expenditures	2,500	2,500	1,878	622
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500)	(2,500)	(1,878)	622
Fund Balance at Beginning of Year	8,563	8,563	8,563	0
Fund Balance at End of Year	\$ 6,063	\$ 6,063	\$ 6,685	\$ 622

**CITY OF PAINESVILLE, 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, 2003***

<b>PROBATION SERVICES FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Investment Earnings	\$ 223	\$ 162	\$ 165	\$ 3
Fines and Forfeitures	110,450	80,240	81,486	1,246
Total Revenues	<u>110,673</u>	<u>80,402</u>	<u>81,651</u>	<u>1,249</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Probation:				
Personal Services	65,885	67,027	63,374	3,653
All Other Expenditures	41,896	41,896	24,393	17,503
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	1,250	1,500	1,500	0
Total Expenditures	<u>159,031</u>	<u>160,423</u>	<u>139,267</u>	<u>21,156</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,358)	(80,021)	(57,616)	22,405
<b>Other Financing Sources (Uses):</b>				
Sale of General Obligation Notes	45,000	45,000	45,000	0
Total Other Financing Sources (Uses)	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Net Change In Fund Balance	(3,358)	(35,021)	(12,616)	22,405
Fund Balance at Beginning of Year	34,216	34,216	34,216	0
Prior Year Encumbrances	2,739	2,739	2,739	0
Fund Balance at End of Year	<u>\$ 33,597</u>	<u>\$ 1,934</u>	<u>\$ 24,339</u>	<u>\$ 22,405</u>



**CITY OF PAINESVILLE, 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, 2003***

<b>COPS FAST GRANT FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 34,074	\$ 34,061	\$ 35,028	\$ 967
Total Revenues	<u>34,074</u>	<u>34,061</u>	<u>35,028</u>	<u>967</u>
<b>Expenditures:</b>				
Public Safety:				
Law Enforcement-Sworn Officers:				
Personal Services	49,144	52,702	51,160	1,542
Total Expenditures	<u>49,144</u>	<u>52,702</u>	<u>51,160</u>	<u>1,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,070)	(18,641)	(16,132)	2,509
<b>Other Financing Sources (Uses):</b>				
Transfers In	15,000	15,000	15,000	0
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Net Change In Fund Balance	(70)	(3,641)	(1,132)	2,509
Fund Balance at Beginning of Year	1,979	1,979	1,979	0
Prior Year Encumbrances	1,161	1,161	1,161	0
Fund Balance at End of Year	<u>\$ 3,070</u>	<u>\$ (501)</u>	<u>\$ 2,008</u>	<u>\$ 2,509</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 20,500	\$ 0	\$ 0	\$ 0
Total Revenues	<u>20,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Culture and Recreation:				
Capital Outlay	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>0</u>
Total Expenditures	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(21,000)	(21,000)	0
Fund Balance at Beginning of Year	1,234	1,234	1,234	0
Prior Year Encumbrances	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,734</u>	<u>\$ 1,234</u>	<u>\$ 1,234</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	<b>FIRE FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
All Other Revenues	<u>\$ 7,845</u>	<u>\$ 8,421</u>	<u>\$ 8,421</u>	<u>\$ 0</u>
Total Revenues	<u>7,845</u>	<u>8,421</u>	<u>8,421</u>	<u>0</u>
<b>Expenditures:</b>				
Public Safety:				
All Other Expenditures	<u>15,139</u>	<u>15,139</u>	<u>5,685</u>	<u>9,454</u>
Total Expenditures	<u>15,139</u>	<u>15,139</u>	<u>5,685</u>	<u>9,454</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,294)</u>	<u>(6,718)</u>	<u>2,736</u>	<u>9,454</u>
Fund Balance at Beginning of Year	<u>14,269</u>	<u>14,269</u>	<u>14,269</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 6,975</u></u>	<u><u>\$ 7,551</u></u>	<u><u>\$ 17,005</u></u>	<u><u>\$ 9,454</u></u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003***

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	PLAN REVIEW FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
All Other Revenues	\$ 250	\$ 0	\$ 0	\$ 0
Total Revenues	<u>250</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Public Safety:				
All Other Expenditures	2,000	2,000	0	2,000
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,750)	(2,000)	0	2,000
Fund Balance at Beginning of Year	16,883	16,883	16,883	0
Fund Balance at End of Year	<u>\$ 15,133</u>	<u>\$ 14,883</u>	<u>\$ 16,883</u>	<u>\$ 2,000</u>

**CITY OF PAINESVILLE, 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, 2003***

	ZONING APPLICATION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
All Other Revenues	\$ 413	\$ 575	\$ 575	\$ 0
Total Revenues	<u>413</u>	<u>575</u>	<u>575</u>	<u>0</u>
<b>Expenditures:</b>				
Public Safety:				
All Other Expenditures	110	110	56	54
Total Expenditures	<u>110</u>	<u>110</u>	<u>56</u>	<u>54</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	303	465	519	54
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(100)	(100)	0	100
Total Other Financing Sources (Uses)	<u>(100)</u>	<u>(100)</u>	<u>0</u>	<u>100</u>
Net Change In Fund Balance	203	365	519	154
Fund Balance at Beginning of Year	3,662	3,662	3,662	0
Fund Balance at End of Year	<u>\$ 3,865</u>	<u>\$ 4,027</u>	<u>\$ 4,181</u>	<u>\$ 154</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 0	\$ 2	\$ 2
Total Revenues	<u>0</u>	<u>0</u>	<u>2</u>	<u>2</u>
<b>Expenditures:</b>				
Public Safety:				
All Other Expenditures	50	50	0	50
Total Expenditures	<u>50</u>	<u>50</u>	<u>0</u>	<u>50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50)	(50)	2	52
Fund Balance at Beginning of Year	87	87	87	0
Fund Balance at End of Year	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 89</u>	<u>\$ 52</u>

**CITY OF PAINESVILLE, 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, 2003**

**LAW ENFORCEMENT TRUST FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 1,228	\$ 1,675	\$ 1,675	\$ 0
Total Revenues	<u>1,228</u>	<u>1,675</u>	<u>1,675</u>	<u>0</u>
<b>Expenditures:</b>				
Public Safety:				
All Other Expenditures	2,000	0	0	0
Total Expenditures	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(772)	1,675	1,675	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0	(6,500)	(6,500)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(6,500)</u>	<u>(6,500)</u>	<u>0</u>
Net Change In Fund Balance	(772)	(4,825)	(4,825)	0
Fund Balance at Beginning of Year	5,981	5,981	5,981	0
Fund Balance at End of Year	<u>\$ 5,209</u>	<u>\$ 1,156</u>	<u>\$ 1,156</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003***

**GENERAL BOND RETIREMENT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 60,287	\$ 52,502	\$ 52,502	\$ 0
Intergovernmental Revenues	10,966	9,550	9,550	0
Investment Earnings	840	731	731	0
Total Revenues	<u>72,093</u>	<u>62,783</u>	<u>62,783</u>	<u>0</u>
<b>Expenditures:</b>				
Debt Service Function:				
Debt Service:				
Principal Retirement	255,000	255,000	255,000	0
Interest and Fiscal Charges	<u>6,375</u>	<u>7,900</u>	<u>7,900</u>	<u>0</u>
Total Expenditures	<u>261,375</u>	<u>262,900</u>	<u>262,900</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(189,282)	(200,117)	(200,117)	0
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	<u>195,000</u>	<u>195,000</u>	<u>195,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>195,000</u>	<u>195,000</u>	<u>195,000</u>	<u>0</u>
Net Change In Fund Balance	5,718	(5,117)	(5,117)	0
Fund Balance at Beginning of Year	<u>9,644</u>	<u>9,644</u>	<u>9,644</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 15,362</u>	<u>\$ 4,527</u>	<u>\$ 4,527</u>	<u>\$ 0</u>



**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 1,133	\$ 1,100	\$ 1,100	\$ 0
Special Assessments	70,455	68,358	68,358	0
Total Revenues	<u>71,588</u>	<u>69,458</u>	<u>69,458</u>	<u>0</u>
<b>Expenditures:</b>				
Debt Service Function:				
Debt Service - Unvoted:				
Debt Service:				
Principal Retirement	35,000	35,000	35,000	0
Interest and Fiscal Charges	<u>20,800</u>	<u>20,800</u>	<u>20,800</u>	<u>0</u>
Total Expenditures	<u>55,800</u>	<u>55,800</u>	<u>55,800</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,788	13,658	13,658	0
Fund Balance at Beginning of Year	<u>217,923</u>	<u>217,923</u>	<u>217,923</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 233,711</u>	<u>\$ 231,581</u>	<u>\$ 231,581</u>	<u>\$ 0</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003**

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
<b>Other Financing Sources (Uses):</b>				
Advances In	712,400	712,400	698,700	(13,700)
Advances Out	(712,400)	(712,400)	(698,700)	13,700
Total Other Financing Sources (Uses)	0	0	0	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 PAINESVILLE, 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, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>MUNICIPAL COURT IMPROVEMENT FUND</b>				
<b>Revenues:</b>				
Investment Earnings	\$ 4,186	\$ 1,372	\$ 1,372	\$ 0
Fines and Forfeitures	343,296	112,502	112,502	0
Total Revenues	347,482	113,874	113,874	0
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
Capital Outlay	0	13,000	13,000	0
Clerk of Court:				
Personal Services	0	13,300	13,288	12
All Other Expenditures	47,970	49,670	45,280	4,390
Debt Service:				
Principal Retirement	450,000	450,000	450,000	0
Interest and Fiscal Charges	11,250	13,500	13,500	0
Total Expenditures	509,220	539,470	535,068	4,402
Excess (Deficiency) of Revenues Over (Under) Expenditures	(161,738)	(425,596)	(421,194)	4,402
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	375,000	375,000	375,000	0
Total Other Financing Sources (Uses)	375,000	375,000	375,000	0
Net Change In Fund Balance	213,262	(50,596)	(46,194)	4,402
Fund Balance at Beginning of Year	302,126	302,126	302,126	0
Prior Year Encumbrances	13,615	13,615	13,615	0
Fund Balance at End of Year	\$ 529,003	\$ 265,145	\$ 269,547	\$ 4,402

**CITY OF PAINESVILLE, 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, 2003**

CAPITAL EQUIPMENT RESERVE FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 3,253	\$ 3,253	\$ 0
Total Revenues	<u>0</u>	<u>3,253</u>	<u>3,253</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
Legislative:				
Clerk of Council:				
All Other Expenditures	486	527	0	527
Executive:				
City Manager:				
All Other Expenditures	973	1,749	775	974
Capital Outlay	0	509	509	0
Human Resources:				
All Other Expenditures	1,157	1,254	0	1,254
Economic Development:				
All Other Expenditures	302	2,882	2,551	331
Finance:				
Administration:				
All Other Expenditures	486	3,733	3,246	487
Accounting:				
All Other Expenditures	486	5,616	5,089	527
Capital Outlay	21,700	21,700	21,700	0
Purchasing/Warehousing:				
All Other Expenditures	302	1,264	962	302
Engineering:				
Administration:				
All Other Expenditures	604	655	0	655
Capital Outlay	3,400	9,028	9,028	0

(Continued)

**CITY OF PAINESVILLE, 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, 2003***

CAPITAL EQUIPMENT RESERVE FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Public Lands and Buildings:				
Building Operations Maintenance and Repair:				
All Other Expenditures	788	1,154	295	859
Capital Outlay	0	4,145	4,145	0
Other Miscellaneous:				
All Other Expenditures	<u>26,892</u>	<u>52,240</u>	<u>49,105</u>	<u>3,135</u>
Total General Government	<u>57,576</u>	<u>106,456</u>	<u>97,405</u>	<u>9,051</u>
Public Safety:				
Police:				
Law Enforcement - Sworn Officers:				
Capital Outlay	21,500	12,385	11,504	881
Law Enforcement - Other:				
All Other Expenditures	985	2,949	2,948	1
Capital Outlay	14,000	109,590	109,589	1
Fire:				
Fire Fighting, Prevention and Inspection:				
All Other Expenditures	<u>2,339</u>	<u>6,156</u>	<u>6,111</u>	<u>45</u>
Total Public Safety	<u>38,824</u>	<u>131,080</u>	<u>130,152</u>	<u>928</u>
Highways and Streets:				
Public Works:				
Equipment Maintenance:				
All Other Expenditures	0	2,187	2,186	1
Traffic Signs, Markings:				
Traffic Signs, Markings, Signals:				
All Other Expenditures	<u>842</u>	<u>2,989</u>	<u>2,986</u>	<u>3</u>
Total Highways and Streets	<u>842</u>	<u>5,176</u>	<u>5,172</u>	<u>4</u>
Culture and Recreation:				
Parks:				
Recreation Activities:				
All Other Expenditures	<u>0</u>	<u>1,753</u>	<u>1,752</u>	<u>1</u>
Total Culture and Recreation	<u>0</u>	<u>1,753</u>	<u>1,752</u>	<u>1</u>

(Continued)

**CITY OF PAINESVILLE, 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, 2003***

<b>CAPITAL EQUIPMENT RESERVE FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Community Environment:				
Community Planning and Zoning:				
Planning and Development:				
All Other Expenditures	0	2,956	2,956	0
Capital Outlay	0	1,344	1,344	0
Housing and Building Code Enforcement:				
Code Enforcement:				
All Other Expenditures	1,341	1,641	184	1,457
Total Community Environment	1,341	5,941	4,484	1,457
Total Expenditures	98,583	250,406	238,965	11,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,583)	(247,153)	(235,712)	11,441
<b>Other Financing Sources (Uses):</b>				
Transfers In	69,004	100,000	100,000	0
Total Other Financing Sources (Uses)	69,004	100,000	100,000	0
Net Change In Fund Balance	(29,579)	(147,153)	(135,712)	11,441
Fund Balance at Beginning of Year	285,911	285,911	285,911	0
Prior Year Encumbrances	59,687	59,687	59,687	0
Fund Balance at End of Year	<u>\$ 316,019</u>	<u>\$ 198,445</u>	<u>\$ 209,886</u>	<u>\$ 11,441</u>

**CITY OF PAINESVILLE, 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, 2003**

**CAPITAL IMPROVEMENT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
General Government:				
Public Lands and Buildings:				
Building Operations Maintenance and Repair:				
Capital Outlay	102,815	121,943	121,713	230
Total General Government	102,815	121,943	121,713	230
Highways and Streets:				
Parking:				
Parking Garage:				
Capital Outlay	752	752	752	0
Total Highways and Streets	752	752	752	0
Culture and Recreation:				
Parks:				
Recreation Activities:				
Capital Outlay	6,957	6,957	6,957	0
Total Culture and Recreation	6,957	6,957	6,957	0
Total Expenditures	110,524	129,652	129,422	230
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,524)	(129,652)	(129,422)	230
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0	(100,000)	(100,000)	0
Total Other Financing Sources (Uses)	0	(100,000)	(100,000)	0
Net Change In Fund Balance	(110,524)	(229,652)	(229,422)	230
Fund Balance at Beginning of Year	652,840	754,659	754,659	0
Prior Year Encumbrances	104,374	104,374	104,374	0
Fund Balance at End of Year	\$ 757,214	\$ 629,381	\$ 629,611	\$ 230

**CITY OF PAINESVILLE, 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, 2003**

**SHAMROCK BOULEVARD ROAD PROJECT FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 366	\$ 366	\$ 0
Total Revenues	<u>0</u>	<u>366</u>	<u>366</u>	<u>0</u>
<b>Expenditures:</b>				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	164,010	338,897	338,897	0
Debt Service:				
Principal Retirement	150,000	100,000	100,000	0
Interest and Fiscal Charges	3,750	3,000	3,000	0
Total Expenditures	<u>317,760</u>	<u>441,897</u>	<u>441,897</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(317,760)	(441,531)	(441,531)	0
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	83,387	100,000	100,000	0
Transfers In	0	250,000	250,000	0
Transfers Out	0	(50,000)	(50,000)	0
Total Other Financing Sources (Uses)	<u>83,387</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Net Change In Fund Balance	(234,373)	(141,531)	(141,531)	0
Fund Balance at Beginning of Year	325,993	325,993	325,993	0
Prior Year Encumbrances	14,010	14,010	14,010	0
Fund Balance at End of Year	<u>\$ 105,630</u>	<u>\$ 198,472</u>	<u>\$ 198,472</u>	<u>\$ 0</u>



**CITY OF PAINESVILLE, 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, 2003**

<b>JACKSON STREET INTERCHANGE PROJECT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	1,061	51,061	1,061	50,000
Debt Service:				
Principal Retirement	0	50,000	50,000	0
Interest and Fiscal Charges	0	1,500	1,500	0
Total Expenditures	<u>1,061</u>	<u>102,561</u>	<u>52,561</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,061)	(102,561)	(52,561)	50,000
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	50,000	50,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change In Fund Balance	(1,061)	(52,561)	(2,561)	50,000
Fund Balance at Beginning of Year	52,739	53,800	53,800	0
Prior Year Encumbrances	1,061	1,061	1,061	0
Fund Balance at End of Year	<u>\$ 52,739</u>	<u>\$ 2,300</u>	<u>\$ 52,300</u>	<u>\$ 50,000</u>

**CITY OF PAINESVILLE, 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, 2003**

	INDUSTRIAL PARK PROJECT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 532,533	\$ 17,715	\$ 17,715	\$ 0
Total Revenues	<u>532,533</u>	<u>17,715</u>	<u>17,715</u>	<u>0</u>
<b>Expenditures:</b>				
Highways and Streets:				
Miscellaneous:				
Capital Outlay	354,368	355,318	355,026	292
Debt Service:				
Principal Retirement	1,105,000	1,105,000	1,105,000	0
Interest and Fiscal Charges	<u>27,625</u>	<u>33,610</u>	<u>33,150</u>	<u>460</u>
Total Expenditures	<u>1,486,993</u>	<u>1,493,928</u>	<u>1,493,176</u>	<u>752</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(954,460)	(1,476,213)	(1,475,461)	752
<b>Other Financing Sources (Uses):</b>				
General Obligation Notes Issued	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,130,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,130,000</u>	<u>1,130,000</u>	<u>1,130,000</u>	<u>0</u>
Net Change In Fund Balance	175,540	(346,213)	(345,461)	752
Fund Balance at Beginning of Year	546,561	546,561	546,561	0
Prior Year Encumbrances	<u>4,368</u>	<u>4,368</u>	<u>4,368</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 726,469</u>	<u>\$ 204,716</u>	<u>\$ 205,468</u>	<u>\$ 752</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2003**

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**MUNICIPAL COURT SPECIAL PROJECTS FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 90,642	\$ 72,520	\$ 72,520	\$ 0
Total Revenues	<u>90,642</u>	<u>72,520</u>	<u>72,520</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
Judicial - Municipal Court:				
Judicial Activities:				
All Other Expenditures	9,000	9,000	3,725	5,275
Clerk of Court:				
All Other Expenditures	<u>6,208</u>	<u>16,208</u>	<u>15,385</u>	<u>823</u>
Total General Government	<u>15,208</u>	<u>25,208</u>	<u>19,110</u>	<u>6,098</u>
Total Expenditures	<u>15,208</u>	<u>25,208</u>	<u>19,110</u>	<u>6,098</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,434	47,312	53,410	6,098
Fund Balance at Beginning of Year	37,828	37,828	37,828	0
Prior Year Encumbrances	<u>2,983</u>	<u>2,983</u>	<u>2,983</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 116,245</u>	<u>\$ 88,123</u>	<u>\$ 94,221</u>	<u>\$ 6,098</u>

**CITY OF PAINESVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2003**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>CEMETERY TRUST OPERATIONS FUND</b>				
<b>Revenues:</b>				
Investment Earnings	\$ 9,434	\$ 10,000	\$ 7,147	\$ (2,853)
Total Revenues	9,434	10,000	7,147	(2,853)
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	5,000	5,000	2,086	2,914
Total Expenditures	5,000	5,000	2,086	2,914
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,434	5,000	5,061	61
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(10,000)	(10,000)	(7,000)	3,000
Total Other Financing Sources (Uses)	(10,000)	(10,000)	(7,000)	3,000
Net Change In Fund Balance	(5,566)	(5,000)	(1,939)	3,061
Fund Balance at Beginning of Year	6,145	6,145	6,145	0
Fund Balance at End of Year	\$ 579	\$ 1,145	\$ 4,206	\$ 3,061

**CITY OF PAINESVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2003**

	SPECIAL ENDOWMENT OPERATIONS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Investment Earnings	\$ 4,086	\$ 3,208	\$ 3,208	\$ 0
Total Revenues	<u>4,086</u>	<u>3,208</u>	<u>3,208</u>	<u>0</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,086	3,208	3,208	0
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(4,500)</u>	<u>(4,500)</u>	<u>(3,000)</u>	<u>1,500</u>
Total Other Financing Sources (Uses)	<u>(4,500)</u>	<u>(4,500)</u>	<u>(3,000)</u>	<u>1,500</u>
Net Change In Fund Balance	(414)	(1,292)	208	1,500
Fund Balance at Beginning of Year	<u>2,629</u>	<u>2,629</u>	<u>2,629</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,215</u>	<u>\$ 1,337</u>	<u>\$ 2,837</u>	<u>\$ 1,500</u>

**CITY OF PAINESVILLE, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2003**

**EVERGREEN CEMETERY TRUST FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 2,780	\$ 1,560	\$ 1,560	\$ 0
Total Revenues	<u>2,780</u>	<u>1,560</u>	<u>1,560</u>	<u>0</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	500	6,500	2,298	4,202
Total Expenditures	<u>500</u>	<u>6,500</u>	<u>2,298</u>	<u>4,202</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,280	(4,940)	(738)	4,202
Fund Balance at Beginning of Year	374,150	374,150	374,150	0
Fund Balance at End of Year	<u>\$ 376,430</u>	<u>\$ 369,210</u>	<u>\$ 373,412</u>	<u>\$ 4,202</u>

**CITY OF PAINESVILLE, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2003**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 7,180	\$ 8,581	\$ 8,581	\$ 0
Total Revenues	<u>7,180</u>	<u>8,581</u>	<u>8,581</u>	<u>0</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	250	5,250	898	4,352
Total Expenditures	<u>250</u>	<u>5,250</u>	<u>898</u>	<u>4,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,930	3,331	7,683	4,352
Fund Balance at Beginning of Year	<u>299,669</u>	<u>299,669</u>	<u>299,669</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 306,599</u>	<u>\$ 303,000</u>	<u>\$ 307,352</u>	<u>\$ 4,352</u>

**CITY OF PAINESVILLE, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2003***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	\$ 6,260	\$ 6,240	\$ 6,240	\$ 0
Total Revenues	<u>6,260</u>	<u>6,240</u>	<u>6,240</u>	<u>0</u>
<b>Expenditures:</b>				
Public Health and Welfare:				
All Other Expenditures	100	100	0	100
Total Expenditures	<u>100</u>	<u>100</u>	<u>0</u>	<u>100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,160	6,140	6,240	100
Fund Balance at Beginning of Year	<u>279,396</u>	<u>279,396</u>	<u>279,396</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 285,556</u>	<u>\$ 285,536</u>	<u>\$ 285,636</u>	<u>\$ 100</u>



***Nonmajor Enterprise Funds***

---

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, whereby the intent of City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or when City Council has decided that periodic determination of net income is appropriate for accountability purposes.

**Refuse Fund**

To account for the operation of the City's solid waste collection systems.

**Off Street Parking Fund**

To account for the operation of the City's off-street parking garage

**Storm Water Utility Fund**

To account for the operation of the City's storm water utility system.

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Net Assets  
Nonmajor Enterprise Funds  
December 31, 2003**

	Refuse	Off Street Parking	Storm Water Utility	Total Nonmajor Enterprise Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 42,030	\$ 48,976	\$ 9,034	\$ 100,040
Investments	0	0	217,940	217,940
Accounts Receivable (net of allowance for uncollectibles)	0	163	24,288	24,451
Prepaid Items	0	291	0	291
<b>Total Current Assets</b>	<b>42,030</b>	<b>49,430</b>	<b>251,262</b>	<b>342,722</b>
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	0	2,507	0	2,507
<b>Total restricted assets</b>	<b>0</b>	<b>2,507</b>	<b>0</b>	<b>2,507</b>
Capital Assets:				
Capital Assets Not Being Depreciated	0	118,972	0	118,972
Capital Assets Being Depreciated, Net	0	954,495	0	954,495
<b>Total Noncurrent Assets</b>	<b>0</b>	<b>1,075,974</b>	<b>0</b>	<b>1,075,974</b>
<b>Total Assets</b>	<b>42,030</b>	<b>1,125,404</b>	<b>251,262</b>	<b>1,418,696</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	400	2,624	3,200	6,224
Accrued Wages and Benefits	0	5,258	2,493	7,751
Refundable Deposits	0	2,507	0	2,507
<b>Total Liabilities</b>	<b>400</b>	<b>10,389</b>	<b>5,693</b>	<b>16,482</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	0	1,075,974	0	1,075,974
Unrestricted	41,630	39,041	245,569	326,240
<b>Total Net Assets</b>	<b>\$ 41,630</b>	<b>\$ 1,115,015</b>	<b>\$ 245,569</b>	<b>\$ 1,402,214</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2003**

	Refuse	Off Street Parking	Storm Water Utility	Total Nonmajor Enterprise Funds
<b>Operating Revenues:</b>				
Charges for Services	\$ 516	\$ 96,734	\$ 331,005	\$ 428,255
Other Operating Revenues	3,920	0	0	3,920
<b>Total Operating Revenues</b>	<b>4,436</b>	<b>96,734</b>	<b>331,005</b>	<b>432,175</b>
<b>Operating Expenses:</b>				
Personal Services	0	123,420	28,249	151,669
Contractual Services	46,365	69,415	36,317	152,097
Materials and Supplies	0	13,421	6,813	20,234
Utilities	0	25,953	0	25,953
Depreciation	0	28,979	0	28,979
<b>Total Operating Expenses</b>	<b>46,365</b>	<b>261,188</b>	<b>71,379</b>	<b>378,932</b>
<b>Operating Income (Loss)</b>	<b>(41,929)</b>	<b>(164,454)</b>	<b>259,626</b>	<b>53,243</b>
<b>Non-Operating Revenue (Expenses):</b>				
Interest Income	79	143	290	512
Other Nonoperating Revenue	0	150	0	150
<b>Total Non-Operating Revenues (Expenses)</b>	<b>79</b>	<b>293</b>	<b>290</b>	<b>662</b>
<b>Income (Loss) Before Transfers</b>	<b>(41,850)</b>	<b>(164,161)</b>	<b>259,916</b>	<b>53,905</b>
<b>Transfers:</b>				
Transfers Out	0	0	(20,000)	(20,000)
<b>Total Transfers</b>	<b>0</b>	<b>0</b>	<b>(20,000)</b>	<b>(20,000)</b>
<b>Change in Net Assets</b>	<b>(41,850)</b>	<b>(164,161)</b>	<b>239,916</b>	<b>33,905</b>
Net Assets Beginning of Year	83,480	1,279,176	5,653	1,368,309
<b>Net Assets End of Year</b>	<b>\$ 41,630</b>	<b>\$ 1,115,015</b>	<b>\$ 245,569</b>	<b>\$ 1,402,214</b>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended December 31, 2003**

	Refuse	Off Street Parking	Storm Water Utility	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$4,436	\$97,015	\$306,717	\$408,168
Cash Payments for Goods and Services	(45,965)	(114,975)	(44,968)	(205,908)
Cash Payments to Employees	0	(124,406)	(25,756)	(150,162)
Net Cash Provided (Used) by Operating Activities	(41,529)	(142,366)	235,993	52,098
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers Out to Other Funds	0	0	(20,000)	(20,000)
Net Cash Used for Noncapital Financing Activities	0	0	(20,000)	(20,000)
<b>Cash Flows from Investing Activities:</b>				
Receipts of Principal and Interest on Investments	79	794	298	1,171
Sale of Investments	0	91,891	0	91,891
Purchase of Investments	0	0	(217,948)	(217,948)
Net Cash Provided (Used) by Investing Activities	79	92,685	(217,650)	(124,886)
Net Decrease in Cash and Cash Equivalents	(41,450)	(49,681)	(1,657)	(92,788)
Cash and Cash Equivalents at Beginning of Year	83,480	101,164	10,691	195,335
Cash and Cash Equivalents at End of Year	\$42,030	\$51,483	\$9,034	\$102,547
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	(\$41,929)	(\$164,454)	\$259,626	\$53,243
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	0	28,979	0	28,979
Miscellaneous Nonoperating Revenues	0	306	0	306
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	0	(25)	(24,288)	(24,313)
Increase in Prepaid Items	0	(132)	0	(132)
Increase (Decrease) in Accounts Payable	400	(3,627)	(1,838)	(5,065)
Increase (Decrease) in Accrued Wages and Benefits	0	(568)	2,493	1,925
Decrease in Intergovernmental Payable	0	(2,427)	0	(2,427)
Decrease in Compensated Absences Payable	0	(418)	0	(418)
Total Adjustments	400	22,088	(23,633)	(1,145)
Net Cash Provided (Used) by Operating Activities	(\$41,529)	(\$142,366)	\$235,993	\$52,098

**Schedule of Noncash Investing, Capital and Financing Activities:**

During 2003 the fair value of investments decreased by \$8 in the Storm Water Utility Fund.

***Nonmajor Internal Service Fund***

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

**Fuel and Oil Rotary Fund**

To account for the accumulation and allocation of costs associated with petroleum products.

**Supplies Fund**

To account for the accumulation and allocation of costs associated with operating supplies.

**Employee Health Insurance Fund**

To account for the expenses related to employee health insurance coverage provided by the City. This program is partially self-funded by the City as well as through a 'stop-loss' cap arrangement with an outside contractor.

**Workers' Compensation Retrospective Fund**

To account for expenses for workers' compensation coverage provided by the Ohio Bureau of Workers' Compensation.

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Net Assets  
Nonmajor Internal Service Funds  
December 31, 2003**

	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Total
<b>Assets:</b>					
<i>Current Assets:</i>					
Cash and Cash Equivalents	\$ 45,069	\$ 29,283	\$ 20,866	\$ 453,159	\$ 548,377
Receivables:					
Intergovernmental	2,203	0	0	0	2,203
Inventory of Supplies at Cost	0	38,889	0	0	38,889
<b>Total Assets</b>	<u>47,272</u>	<u>68,172</u>	<u>20,866</u>	<u>453,159</u>	<u>589,469</u>
<b>Liabilities:</b>					
<i>Current Liabilities:</i>					
Accounts Payable	0	10,237	0	0	10,237
Claims Payable	0	0	301,115	854,870	1,155,985
<b>Total Liabilities</b>	<u>0</u>	<u>10,237</u>	<u>301,115</u>	<u>854,870</u>	<u>1,166,222</u>
<b>Net Assets:</b>					
Unrestricted	47,272	57,935	(280,249)	(401,711)	(576,753)
<b>Total Net Assets</b>	<u>\$ 47,272</u>	<u>\$ 57,935</u>	<u>\$ (280,249)</u>	<u>\$ (401,711)</u>	<u>\$ (576,753)</u>

**CITY OF PAINESVILLE, OHIO**

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**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Nonmajor Internal Service Funds  
For the Year Ended December 31, 2003**

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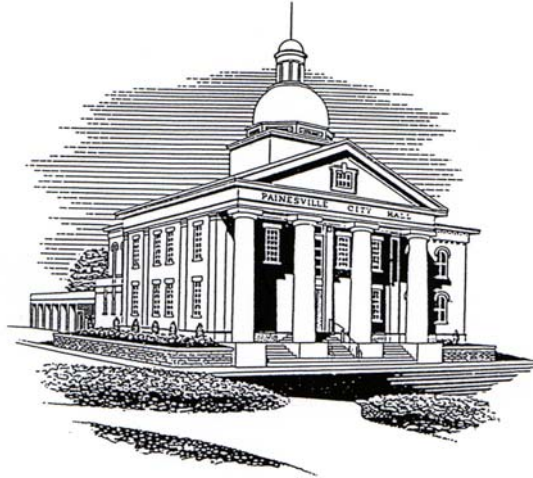
	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Total
<b>Operating Revenues:</b>					
Charges for Services	\$ 145,306	\$ 45,711	\$ 2,284,744	\$ 94,543	\$ 2,570,304
<b>Total Operating Revenues</b>	<u>145,306</u>	<u>45,711</u>	<u>2,284,744</u>	<u>94,543</u>	<u>2,570,304</u>
<b>Operating Expenses:</b>					
Personal Services	0	0	2,112,645	424,611	2,537,256
Contractual Services	0	0	294,165	94,543	388,708
Materials and Supplies	127,735	55,028	0	0	182,763
<b>Total Operating Expenses</b>	<u>127,735</u>	<u>55,028</u>	<u>2,406,810</u>	<u>519,154</u>	<u>3,108,727</u>
Income (Loss) Before Transfers	17,571	(9,317)	(122,066)	(424,611)	(538,423)
Transfers Out	0	0	(50,000)	(250,000)	(300,000)
Change in Net Assets	17,571	(9,317)	(172,066)	(674,611)	(838,423)
Net Assets Beginning of Year	29,701	67,252	(108,183)	272,900	261,670
Net Assets End of Year	<u>\$ 47,272</u>	<u>\$ 57,935</u>	<u>\$ (280,249)</u>	<u>\$ (401,711)</u>	<u>\$ (576,753)</u>

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Cash Flows  
Nonmajor Internal Service Funds  
For the Year Ended December 31, 2003**

	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Total
<u>Cash Flows from Operating Activities:</u>					
Cash Receipts from Interfund Services Provided	\$143,103	\$45,711	\$2,284,744	\$94,543	\$2,568,101
Cash Payments for Goods and Services	(136,173)	(45,859)	(294,165)	0	(476,197)
Cash Payments to Employees	0	0	0	(94,543)	(94,543)
Cash Payments for Employee Medical Claims	0	0	(1,990,579)	0	(1,990,579)
Net Cash Provided (Used) by Operating Activities	6,930	(148)	0	0	6,782
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers Out to Other Funds	0	0	(50,000)	(250,000)	(300,000)
Net Cash Used for Noncapital Financing Activities	0	0	(50,000)	(250,000)	(300,000)
Net Increase (Decrease) in Cash and Cash Equivalents	6,930	(148)	(50,000)	(250,000)	(293,218)
Cash and Cash Equivalents at Beginning of Year	38,139	29,431	70,866	703,159	841,595
Cash and Cash Equivalents at End of Year	\$45,069	\$29,283	\$20,866	\$453,159	\$548,377
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>					
Operating Income (Loss)	\$17,571	(\$9,317)	(\$122,066)	(\$424,611)	(\$538,423)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Increase in Intergovernmental Receivable	(2,203)	0	0	0	(2,203)
Decrease in Inventory	0	262	0	0	262
Increase (Decrease) in Accounts Payable	(8,438)	8,907	0	0	469
Increase in Claims Liability	0	0	122,066	424,611	546,677
Total Adjustments	(10,641)	9,169	122,066	424,611	545,205
Net Cash Provided (Used) by Operating Activities	\$6,930	(\$148)	\$0	\$0	\$6,782





***Fiduciary Funds***

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

***Agency Funds***

---

**Municipal Court Fund**

To account for funds that flow through the municipal court.

**State Patrol Transfer Fund**

To account for the receipt from the City's municipal court and disbursement to the City and County Law Library of fines and forfeitures for State Highway Patrol cases in accordance with provisions of the Ohio Revised Code.

**Electric License Fund**

To account for funds from the fifteen percent (15%) fees as required by Ohio Revised Code

**Land Bank Fund**

To account for the receipt of monies from the sale of property under the Land Bank Program and the disbursement to the County for back taxes.

**CITY OF PAINESVILLE, OHIO**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2003**

	Balance January 1, 2003	Additions	Deductions	Balance December 31, 2003
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents	\$41,586	\$2,581,389	(\$2,413,885)	\$209,090
Total Assets	<u>\$41,586</u>	<u>\$2,581,389</u>	<u>(\$2,413,885)</u>	<u>\$209,090</u>
Liabilities:				
Due to Others	\$41,586	\$2,581,389	(\$2,413,885)	\$209,090
Total Liabilities	<u>\$41,586</u>	<u>\$2,581,389</u>	<u>(\$2,413,885)</u>	<u>\$209,090</u>
<u>State Patrol Transfer</u>				
Assets:				
Cash and Cash Equivalents	\$6,642	\$73,396	(\$73,396)	\$6,642
Total Assets	<u>\$6,642</u>	<u>\$73,396</u>	<u>(\$73,396)</u>	<u>\$6,642</u>
Liabilities:				
Due to Others	\$6,642	\$73,396	(\$73,396)	\$6,642
Total Liabilities	<u>\$6,642</u>	<u>\$73,396</u>	<u>(\$73,396)</u>	<u>\$6,642</u>
<u>Electric License</u>				
Assets:				
Cash and Cash Equivalents	\$7,836	\$1,560	(\$2,190)	\$7,206
Total Assets	<u>\$7,836</u>	<u>\$1,560</u>	<u>(\$2,190)</u>	<u>\$7,206</u>
Liabilities:				
Due to Others	\$7,836	\$1,560	(\$2,190)	\$7,206
Total Liabilities	<u>\$7,836</u>	<u>\$1,560</u>	<u>(\$2,190)</u>	<u>\$7,206</u>
<u>Land Bank</u>				
Assets:				
Cash and Cash Equivalents	\$19,943	\$0	\$0	\$19,943
Total Assets	<u>\$19,943</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,943</u>
Liabilities:				
Due to Others	\$19,943	\$0	\$0	\$19,943
Total Liabilities	<u>\$19,943</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,943</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$76,007	\$2,656,345	(\$2,489,471)	\$242,881
Total Assets	<u>\$76,007</u>	<u>\$2,656,345</u>	<u>(\$2,489,471)</u>	<u>\$242,881</u>
Liabilities:				
Due to Others	\$76,007	\$2,656,345	(\$2,489,471)	\$242,881
Total Liabilities	<u>\$76,007</u>	<u>\$2,656,345</u>	<u>(\$2,489,471)</u>	<u>\$242,881</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

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***CITY OF PAINESVILLE, OHIO***

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***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2003***

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Capital Assets:

Land	\$1,450,522
Construction in Progress	187,107
Buildings and Improvements	3,407,072
Improvements Other than Buildings	615,979
Machinery and Equipment	6,006,138
Infrastructure	<u>1,158,842</u>
Total Capital Assets	<u>\$12,825,660</u>

Investment in Capital Assets from:

General Fund	\$5,265,604
Special Revenue Funds	3,362,607
Capital Projects Funds	3,068,240
Enterprise Funds	1,106,400
Gifts	<u>22,809</u>
Total Investment in Capital Assets	<u>\$12,825,660</u>

**CITY OF PAINESVILLE, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2003**

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings and Improvements</u>	<u>Improvements Other than Buildings</u>
General Government				
Judicial:				
Municipal Court	\$0	\$0	\$1,392,457	\$0
Executive:				
City Manager	270,516	81,454	0	0
Finance	0	12,256	0	0
Engineering	0	0	0	0
Buildings and Grounds	433,610	62,346	1,239,821	0
Total General Government	<u>704,126</u>	<u>156,056</u>	<u>2,632,278</u>	<u>0</u>
Public Safety				
Police	0	3,253	6,587	0
Fire	0	3,736	14,936	0
Control Center	0	0	0	0
Total Public Safety	<u>0</u>	<u>6,989</u>	<u>21,523</u>	<u>0</u>
Highways and Streets				
Public Works	181,057	4,238	121,290	222,067
Parking	0	0	205,648	0
Total Highways and Streets	<u>181,057</u>	<u>4,238</u>	<u>326,938</u>	<u>222,067</u>
Public Health and Welfare				
Cemeteries	94,372	0	21,530	58,203
Culture/Recreation				
Parks - Recreation	287,467	19,824	404,803	335,709
Community Environment				
Community Development	175,000	0	0	0
Code Enforcement	8,500	0	0	0
Total Community Environment	<u>183,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets	<u>\$1,450,522</u>	<u>\$187,107</u>	<u>\$3,407,072</u>	<u>\$615,979</u>

**CITY OF PAINESVILLE, OHIO**

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<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
\$129,301	\$0	\$1,521,758
104,050	0	456,020
378,311	0	390,567
104,894	0	104,894
307,550	0	2,043,327
<u>1,024,106</u>	<u>0</u>	<u>4,516,566</u>
703,236	0	713,076
1,412,868	0	1,431,540
54,498	0	54,498
<u>2,170,602</u>	<u>0</u>	<u>2,199,114</u>
2,074,130	1,158,842	3,761,624
<u>182,841</u>	<u>0</u>	<u>388,489</u>
<u>2,256,971</u>	<u>1,158,842</u>	<u>4,150,113</u>
<u>325,829</u>	<u>0</u>	<u>499,934</u>
<u>207,114</u>	<u>0</u>	<u>1,254,917</u>
5,954	0	180,954
<u>15,562</u>	<u>0</u>	<u>24,062</u>
<u>21,516</u>	<u>0</u>	<u>205,016</u>
<u>\$6,006,138</u>	<u>\$1,158,842</u>	<u>\$12,825,660</u>

**CITY OF PAINESVILLE, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule Changes by Function and Activity  
For Year Ended December 31, 2003**

Function and Activity	December 31, 2002	Transfers	Additions	Deletions	December 31, 2003
General Government					
Judicial					
Municipal Court	\$1,484,595	\$0	\$37,163	\$0	\$1,521,758
Executive					
City Manager	86,318	0	369,702	0	456,020
Finance	356,640	0	33,927	0	390,567
Engineering	59,794	0	45,100	0	104,894
Buildings and Grounds	2,043,327	0	0	0	2,043,327
Total General Government	4,030,674	0	485,892	0	4,516,566
Public Safety					
Police	560,593	0	152,483	0	713,076
Fire	1,427,804	0	3,736	0	1,431,540
Control Center	54,498	0	0	0	54,498
Total Public Safety	2,042,895	0	156,219	0	2,199,114
Highways and Streets					
Public Works	2,084,603	0	1,729,527	(52,506)	3,761,624
Parking	388,489	0	0	0	388,489
Total Highways and Streets	2,473,092	0	1,729,527	(52,506)	4,150,113
Public Health and Welfare					
Cemeteries	421,924	0	78,010	0	499,934
Culture/Recreation					
Parks - Recreation	1,174,376	0	144,121	(63,580)	1,254,917
Community Environment					
Community Development	186,980	0	0	(6,026)	180,954
Code Enforcement	29,592	0	0	(5,530)	24,062
Total Community Environment	216,572	0	0	(11,556)	205,016
Total Capital Assets	\$10,359,533	\$0	\$2,593,769	(\$127,642)	\$12,825,660



# *STATISTICAL SECTION*

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*STATISTICAL TABLES*

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

**CITY OF PAINESVILLE, OHIO**

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

<b>Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Highways and Streets</b>	<b>Public Health and Welfare</b>	<b>Culture and Recreation</b>	<b>Community Environment</b>	<b>Loss On Investments</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Total</b>
1994	\$1,232,577	\$4,172,949	\$1,719,908	\$457,876	\$593,817	\$374,061	\$58,523	\$0	\$124,088	\$8,733,799
1995	1,748,574	4,309,200	1,544,478	446,951	473,912	246,096	0	0	128,253	8,897,464
1996	1,703,874	4,189,794	2,157,851	490,890	544,366	240,277	0	0	117,868	9,444,920
1997	1,960,806	4,579,914	2,034,240	510,526	609,551	250,780	0	0	127,962	10,073,779
1998	1,950,541	4,672,076	1,695,777	514,971	702,249	279,138	0	0	93,624	9,908,376
1999	1,967,990	5,281,060	4,322,320	554,676	745,573	257,296	0	0	134,669	13,263,584
2000	2,118,972	5,471,391	2,396,435	594,196	841,974	438,083	0	0	151,666	12,012,717
2001	2,321,333	5,919,145	2,360,440	606,275	908,401	390,534	0	0	131,234	12,637,362
2002	2,358,232	6,802,401	2,316,349	690,005	901,394	335,371	0	0	114,756	13,518,508
2003	2,789,691	6,999,735	2,993,878	764,393	942,732	636,498	0	0	112,046	15,238,973

- 52 -

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds  
Beginning in 1994 Capital Outlay is included as part of the function.

**CITY OF PAINESVILLE, OHIO**

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

<b>Year</b>	<b>Taxes</b>	<b>Inter-Governmental Revenue</b>	<b>Charges for Service</b>	<b>License Permit and Inspection Fees</b>	<b>Investment Earnings</b>	<b>Fines and Forfeitures</b>	<b>All Other (2)</b>	<b>Total</b>
1994	\$6,236,930	\$2,098,574	\$266,852	\$113,937	\$247,822	\$484,045	\$152,307	\$9,600,467
1995	6,632,131	2,124,305	239,467	210,125	731,112	648,844	184,350	10,770,334
1996	6,562,820	2,008,206	221,904	142,377	782,622	657,265	198,734	10,573,928
1997	6,480,015	2,406,303	226,022	191,120	1,026,908	699,768	364,248	11,394,384
1998	6,921,888	2,670,751	247,654	160,646	989,273	729,995	283,911	12,004,118
1999	7,181,523	3,830,361	248,725	179,690	1,201,096	700,811	177,633	13,519,839
2000	7,371,683	3,903,437	334,241	189,621	1,292,816	702,842	173,171	13,967,811
2001	7,301,526	2,948,823	327,915	163,558	1,219,328	675,402	154,813	12,791,365
2002	8,087,055	2,860,610	301,580	78,377	315,711	829,496	251,342	12,724,171
2003	7,868,089	2,604,091	449,198	178,544	221,333	834,957	515,654	12,671,866

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

(2) Includes Special Assessments and Lawsuit Settlement

**CITY OF PAINESVILLE, OHIO**

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**PROPERTY TAX LEVIES AND COLLECTIONS  
REAL AND PUBLIC UTILITY PROPERTY ONLY  
LAST TEN YEARS**

<b>Tax Year</b>	<b>Collection Year</b>	<b>Net Tax Levy (1)</b>	<b>Current Collections (1)</b>	<b>Percent of Current Tax Collections To Net Levy</b>	<b>Delinquent Collections</b>	<b>Total Collections</b>	<b>Total Outstanding Delinquent Taxes</b>	<b>Percentage of Total Collections To Net Tax Levy</b>
1993	1994	\$377,614	\$370,411	98.09%	\$8,661	\$379,072	\$6,837	100.39%
1994	1995	414,039	401,722	97.03%	9,970	411,692	9,085	99.43%
1995	1996	411,805	400,846	97.34%	11,947	412,793	12,639	100.24%
1996	1997	419,690	405,958	96.73%	13,786	419,744	13,326	100.01%
1997	1998	473,491	456,579	96.43%	12,310	468,889	23,245	99.03%
1998	1999	482,028	460,701	95.58%	11,388	472,089	21,130	97.94%
1999	2000	552,863	531,055	96.06%	17,636	548,691	16,538	99.25%
2000	2001	611,662	589,199	96.33%	23,021	612,220	21,717	100.09%
2001	2002	632,217	598,964	94.74%	18,699	617,663	28,837	97.70%
2002	2003	690,115	617,077	89.42%	27,241	644,318	34,478	93.36%

- 54 -

Source: Lake County Auditor.

(1) Neither net tax levy nor collections include state reimbursements for property tax reductions of Rollback, 2.5% reduction or Homestead exemption.

**CITY OF PAINESVILLE, OHIO**

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**TANGIBLE PERSONAL PROPERTY TAX COLLECTED  
LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1994	\$88,953
1995	91,006
1996	100,965
1997	116,768
1998	116,106
1999	120,171
2000	134,291
2001	123,870
2002	118,251
2003	126,716

Uncollected as of 12/31/03 - \$13,718

Source: Lake County Auditor.

**CITY OF PAINESVILLE, OHIO**

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

<u>Tax Year</u>	<u>Collection Year</u>	<u>Real Property (1)</u>	<u>Tangible Personal Property (2)</u>	<u>Total Assessed Valuations</u>
1993	1994	\$108,526,740	\$34,473,389	\$143,000,129
1994	1995	121,733,660	35,509,086	157,242,746
1995	1996	122,215,230	34,492,728	156,707,958
1996	1997	125,862,610	36,964,962	162,827,572
1997	1998	145,024,530	40,245,173	185,269,703
1998	1999	146,893,740	38,593,190	185,486,930
1999	2000	149,272,580	40,701,794	189,974,374
2000	2001	170,066,980	42,553,627	212,620,607
2001	2002	185,158,360	43,194,366	228,352,726
2002	2003	186,161,600	40,334,595	226,496,195

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property -35%, public utility personal property - 100% and tangible personal property - 25%.

- (1) Includes public utility real property.
- (2) Includes public utility personal property.

Source: Lake County Auditor.

For real property the estimated true values for the last ten years are computed as follows:

<u>Tax Year</u>	<u>Collection Year</u>	<u>Estimated True Values</u>
1993	1994	\$310,076,400
1994	1995	347,810,457
1995	1996	349,186,371
1996	1997	359,607,457
1997	1998	414,355,800
1998	1999	419,696,400
1999	2000	426,493,086
2000	2001	485,905,657
2001	2002	529,023,886
2002	2003	531,890,286

**CITY OF PAINESVILLE, OHIO**

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

<u>Collection Year</u>	<u>General Fund</u>	<u>Bond Retirement</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Fire Levv</u>	<u>Total City</u>	<u>County</u>	<u>School</u>	<u>Auburn Vocational</u>	<u>Lake County Financing District</u>	<u>Library</u>	<u>Total</u>
1994	2.10	0.30	0.30	0.30	0.70	3.70	13.90	76.27	1.50	4.90	1.00	101.27
1995	2.10	0.30	0.30	0.30	0.70	3.70	14.00	75.04	1.50	4.90	1.00	100.14
1996	2.10	0.30	0.30	0.30	0.70	3.70	14.00	73.34	1.50	4.90	1.00	98.44
1997	2.10	0.30	0.30	0.30	0.70	3.70	14.00	73.09	1.50	4.90	1.00	98.19
1998	2.10	0.30	0.30	0.30	0.70	3.70	14.10	72.08	1.50	4.90	1.00	97.28
1999	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.18	1.50	4.90	1.00	103.98
2000	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.18	1.50	4.90	1.00	103.98
2001	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.15	1.50	4.90	1.00	103.95
2002	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.08	1.50	4.90	2.00	104.88
2003	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.08	1.50	4.90	1.90	104.78

Sources: County Auditor, Lake County, Ohio.  
County Treasurer, Lake County, Ohio.



**CITY OF PAINESVILLE, OHIO**

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

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Current Delinquent</u>
1994	\$166,604	\$47,793	\$91,627
1995	92,736	54,843	18,130
1996	96,792	70,280	8,076
1997	98,723	67,506	3,569
1998	92,860	61,649	12,729
1999	92,127	74,576	5,505
2000	93,832	53,923	47,131
2001	78,502	47,330	9,454
2002	88,679	53,258	6,884
2003	117,865	80,105	14,549

Source: Lake County Auditor.

# **CITY OF PAINESVILLE, OHIO**

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## **COMPUTATION OF LEGAL DEBT MARGIN DECEMBER 31, 2003**

Total debt (principal amount of all outstanding bonds and notes)		\$14,738,857
Debt exempt from net indebtedness calculation:		
Special assessment bonds and notes	\$225,000	
Self-supporting bonds and notes:		
Water system	6,577,000	
Sewer system	710,000	
Electric system	3,023,857	
Mortgage revenue bonds:		
Electric system	2,005,000	
Total exempt debt		<u>12,540,857</u>
Net indebtedness (voted and unvoted) subject to 10.5% debt limitation		<u><u>\$2,198,000</u></u>
Assessed valuation of City (2002 for 2003 collection)		<u><u>\$226,496,195</u></u>
Overall debt limitation- 10.5% of assessed valuation (maximum voted and unvoted general obligation debt allowed)		\$23,782,100
Voted and unvoted debt subject to 10.5% debt limitation	\$2,198,000	
Less: Amount available in Debt Service Fund	(5,343)	
Net voted and unvoted debt subject to 10.5% debt limitation		<u>2,192,657</u>
Legal debt margin within 10.5% limitation		<u><u>\$21,589,443</u></u>
Unvoted debt limitation - 5.5% of assessed valuation		\$12,457,291
Unvoted debt subject to 5.5% debt limitation	\$1,800,000	
Less: Amount available in Debt Service Fund	(5,343)	
Net unvoted debt subject to 5.5% limitation		<u>1,794,657</u>
Legal debt margin within 5.5% limitation		<u><u>\$10,662,634</u></u>

**CITY OF PAINESVILLE, OHIO**

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

<b>Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt (3)</b>	<b>Debt Service Funds Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Valuation</b>	<b>Net Bonded Debt Per Capita</b>
1994	15,599 (a)	\$143,000,129	\$90,000	\$80,745	\$9,255	0.01%	\$1
1995	15,599 (a)	157,242,746	60,000	100,793	0	0.00%	0.00
1996	15,599 (a)	156,707,958	30,000	77,486	0	0.00%	0.00
1997	15,599 (a)	162,827,572	0	16,072	0	0.00%	0.00
1998	15,599 (a)	185,269,703	0	73,321	0	0.00%	0.00
1999	15,599 (a)	185,486,930	0	16,407	0	0.00%	0.00
2000	17,503 (b)	189,974,374	0	1,019	0	0.00%	0.00
2001	17,503 (b)	212,620,607	0	4,681	0	0.00%	0.00
2002	17,503 (b)	228,352,726	0	11,883	0	0.00%	0.00
2003	17,503 (b)	226,496,195	0	5,343	0	0.00%	0.00

(1) (a) 1990 Population - U.S. Bureau of the Census.

(b) 2000 Population - U.S. Bureau of the Census.

(2) Lake County Auditor's Office. Values listed are for year of collections.

(3) General Obligation Bonded Debt supported by property taxes. Does not include General Obligation Debt payable from Enterprise Fund revenues or Special Assessments.

**CITY OF PAINESVILLE, OHIO**

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

<u>Year</u>	<u>Total Bonded Debt Service (1)</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Bonded Debt Service to Total General Governmental Expenditures</u>
1994	\$43,403	\$8,733,799	0.50%
1995	35,288	8,897,464	0.40%
1996	33,525	9,444,920	0.35%
1997	31,798	10,073,779	0.32%
1998	0	9,908,376	0.00%
1999	0	13,263,584	0.00%
2000	0	12,012,717	0.00%
2001	0	12,637,362	0.00%
2002	0	13,518,508	0.00%
2003	0	15,238,973	0.00%

Principal and Interest on General Obligation Bonded Debt.  
Does not include General Obligation Debt payable from  
enterprise funds or special assessments.

**CITY OF PAINESVILLE, OHIO**

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**COMPUTATION OF ALL DIRECT AND OVERLAPPING  
GENERAL OBLIGATION DEBT  
DECEMBER 31, 2003**

<u>Jurisdiction</u>	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping</u>	<u>Net Tax Supported Overall Debt</u>
<b>Direct</b>				
City of Painesville	\$226,496,195	\$3,008,000	100.00%	\$3,008,000
<b>Overlapping Subdivisions</b>				
Painesville City Schools	220,587,905	905,000	100.00%	905,000
Painesville Township Schools	334,413,898	8,175,000	0.81%	66,218
Lake County	5,569,264,708	15,085,000	4.07%	<u>613,960</u>
			Subtotal	<u>1,585,177</u>
			Total	<u><u>\$4,593,177</u></u>

(1) Source: Lake County Auditor.

(2) Source: Lake County Auditor; Painesville City School Treasurer, includes general obligation notes payable, but does not include general obligation debt supported by Enterprise Revenue or Special Assessments.

**CITY OF PAINESVILLE, OHIO**

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**REVENUE BOND COVERAGE - WATER SYSTEM BONDS (1)  
LAST TEN YEARS**

<b>Year</b>	<b>Gross Revenues (2)</b>	<b>Direct Operating Expenses (3)</b>	<b>Net Revenue Available For Debt Service</b>	<b>Annual Debt Service Requirement (4)</b>	<b>Coverage</b>
1994	\$2,941,261	\$2,835,487	\$105,774	\$130,375	0.81
1995	3,237,427	2,563,034	674,393	133,625	5.05
1996	3,037,340	2,547,577	489,763	131,200	3.73
1997	3,304,648	3,003,316	301,332	133,438	2.26
1998	3,647,272	2,871,823	775,449	0	0.00
1999	3,581,363	3,348,975	232,388	0	0.00
2000	3,378,045	3,129,235	248,810	0	0.00
2001	3,553,382	2,812,411	740,971	0	0.00
2002	4,376,326	3,393,934	982,392	0	0.00
2003	4,364,565	3,496,910	867,655	0	0.00

(1) The Waterworks system 1st Mortgage Revenue Bonds were issued in 1972, in the amount of \$1,600,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only.  
It does not include the general obligation bonds reported in the Water Revenue Fund.

**CITY OF PAINESVILLE, OHIO**

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**REVENUE BOND COVERAGE - ELECTRIC SYSTEM BONDS (1)  
LAST TEN YEARS**

<u>Year</u>	<u>Gross Revenues (2)</u>	<u>Direct Operating Expenses (3)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Annual Debt Service Requirement (4)</u>	<u>Coverage</u>
1994	\$14,110,342	\$11,604,607	\$2,505,735	\$746,445	3.36
1995	14,630,288	12,118,293	2,511,995	752,245	3.34
1996	14,203,659	11,688,137	2,515,522	744,780	3.38
1997	13,792,894	13,088,809	704,085	749,645	0.94
1998	14,440,100	12,393,936	2,046,164	749,620	2.73
1999	16,247,338	13,047,575	3,199,763	747,533	4.28
2000	15,407,695	13,783,257	1,624,438	753,768	2.16
2001	17,324,667	14,242,983	3,081,684	747,503	4.12
2002	19,609,552	15,402,889	4,206,663	749,415	5.61
2003	18,433,897	13,326,736	5,107,161	848,259	6.02

(1) The \$4,540,000 balance of the 1st Mortgage Revenue bonds-6th and 7th Series were defeased in December, 1985, by the issuance of \$3,400,000 Special Obligation Electric system Refunding Bonds. The bond proceeds were deposited in an escrow account with the City's trustee, and the principal and interest on these funds will be sufficient to retire both the defeased debt and the Special Obligation debt, thus the Special Obligation Bond debt is not included in the annual debt service requirements above. The City also issued \$7,490,000 Electric system Mortgage Revenue bonds, Series 1985, which debt service requirements are included above. In 1992, the City defeased \$5,090,000 of the 1985 Bonds through the issuance of \$6,000,000 of Electric System Mortgage Revenue Refunding Bonds.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only. It does not include the general obligation bonds reported in the Electric Revenue Fund.

**CITY OF PAINESVILLE, OHIO**

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**REVENUE BOND COVERAGE - OFF-STREET PARKING FACILITY BONDS (1)  
LAST TEN YEARS**

<u>Year</u>	<u>Gross Revenues (2)</u>	<u>Direct Operating Expenses (3)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Annual Debt Service Requirement (4)</u>	<u>Coverage</u>
1994	\$147,567 (5)	\$174,132	(\$26,565)	\$131,450	0.00
1995	131,825 (5)	170,700	(38,875)	125,850	0.00
1996	103,188 (5)	237,539	(134,351)	120,250	0.00
1997	76,778 (5)	210,238	(133,460)	114,650	0.00
1998	72,036 (5)	143,925	(71,889)	109,296	0.00
1999	70,676 (5)	164,240	(93,564)	103,450	0.00
2000	81,369 (5)	177,957	(96,588)	101,378	0.00
2001	89,722 (5)	182,889	(93,167)	8,924	0.00
2002	100,535 (5)	177,654	(77,119)	178,032	0.00
2003	96,877 (5)	232,209	(135,332)	0	0.00

(1) The Off-Street Parking Facility 1st Mortgage Revenue bonds were issued in 1973, in the amount of \$1,600,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only.

(5) The 1993 gross revenues do not reflect a \$240,000 transfer from General Fund. The 1994 gross revenues do not reflect a \$180,000 transfer from the General Fund. The 1995 gross revenues do not reflect a \$180,000 transfer from the General Fund. The 1996 gross revenues do not reflect a \$265,000 transfer from the General Fund. The 1997 gross revenues do not reflect a \$240,000 transfer from the General Fund. The 1998 gross revenues do not reflect a \$145,000 transfer from the General Fund. Gross revenues for 1999 do not reflect a \$150,000 transfer from General Fund. Gross revenues for 2000 do not reflect a \$215,000 transfer from the General Fund. Gross revenues for 2001 do not reflect a \$225,000 transfer from the General Fund. Gross revenues for 2002 do not reflect a \$255,000 transfer from the General Fund.



# CITY OF PAINESVILLE, OHIO

## THE CITY OF PAINESVILLE, OHIO DEMOGRAPHIC STATISTICS DECEMBER 31, 2003

Year	Income		Housing Units		
	Median Family	Per Capita	Total	Owner Occupied	Percent of Total
1960	\$6,805	\$0	4,965	3,155	63.54%
1970	10,178	3,128	5,498	3,029	55.09%
1980	19,068	6,700	6,509	3,439	52.83%
1990	29,279	11,254	6,424	3,597	55.99%
2000	34,842	15,391	6,525	3,402	52.14%

Sources: U.S. Bureau of the Census  
The City of Painesville Economic Development Department

### Population

The population of the City, Lake County, and the Cleveland Primary Metropolitan Statistical Area (PMSA) (which is comprised of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina Counties) for each decade from 1940 to 2000 is as follows:

Year	City	County	PMSA
1940	12,235	50,020	1,319,734
1950	14,432	75,979	1,532,574
1960	16,116	148,700	1,909,483
1970	16,536	197,200	2,063,729
1980	16,391	212,801	1,898,825
1990	15,599	215,499	2,202,069
2000	17,503	227,511	2,250,871

### Employment

The following table compares estimated employment statistics for Lake County and the Cleveland-Lorain-Elyria PMSA including comparisons with unemployment rates for the State of Ohio and the United States.

Year	Employed		Unemployed		Unemployment Rate			
	County	PMSA	County	PMSA	County	PMSA	Ohio	U.S.
1994	114,300	1,022,800	6,800	62,800	5.6%	5.8%	5.5%	6.1%
1995	117,900	1,021,700	5,300	49,500	4.3%	4.5%	4.8%	5.6%
1996	117,800	1,041,300	5,500	54,000	4.4%	4.7%	4.9%	5.4%
1997	118,100	1,132,800	4,900	50,400	4.0%	4.4%	4.6%	4.9%
1998	121,500	1,091,800	4,500	44,900	3.6%	3.8%	4.3%	4.5%
1999	119,400	1,127,300	5,800	61,500	4.0%	4.2%	4.3%	4.2%
2000	121,800	1,058,402	5,600	58,772	3.5%	5.3%	3.7%	4.0%
2001	119,400	1,049,800	8,000	73,300	5.0%	6.5%	4.5%	5.4%
2002	117,500	1,040,300	7,600	72,700	6.1%	6.5%	5.7%	5.8%
2003	118,900	1,051,600	8,000	75,600	6.3%	6.7%	6.1%	6.0%

Sources: Ohio Bureau of Employment Services.  
U.S. Department of Labor, Bureau of Statistics

**CITY OF PAINESVILLE, OHIO**

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

<u>Year</u>	<u>Building Permits Issued (2)</u>		<u>Assessed Value Real and Personal Property (1)</u>
	<u>Number of Permits</u>	<u>Property Value</u>	
1994	293	\$9,315,465	\$143,000,129
1995	374	18,055,918	157,242,746
1996	532	14,595,599	156,707,958
1997	517	6,851,484	162,827,572
1998	412	15,497,310	185,269,703
1999	382	14,617,351	185,486,930
2000	432	11,530,314	189,974,374
2001	507	12,502,762	212,620,607
2002	417	5,035,338	228,352,726
2003	454	26,205,753	226,496,195

Sources:

(1) Lake County Auditor. Value listed for year of collection.

(2) City Code Enforcement Division.

**CITY OF PAINESVILLE, OHIO**

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**PRINCIPAL TAXPAYERS (PROPERTY TAX)  
DECEMBER 31, 2003**

	<u>Taxpayer</u>	<u>Property Taxable Valuation</u>	<u>Percentage of Total Real Property Taxable Valuation</u>
1.	Lake Erie College	\$7,174,080	3.85%
2.	Avery Adhesive Products	5,481,340	2.94%
3.	Consolidated Investment Corporation	2,059,870	1.11%
4.	Brentwood Phase 2	2,049,780	1.10%
5.	Bank One of Northeast Ohio	1,963,520	1.05%
6.	Coe Manufacturing Company	1,466,540	0.79%
7.	Obron Atlantic Corporation	1,413,520	0.76%
8.	Westminister Invest	1,212,640	0.65%
9.	Shamrock Business Center	1,105,770	0.60%
10.	Liberty Self Stor II	1,090,390	0.59%
	Sub-Total	25,017,450	13.44%
	All Others	161,144,150	86.56%
	Total	<u>\$186,161,600</u>	<u>100.00%</u>

Based on valuation of property taxes collected in 2003 .

Source: Lake County Auditor.

**CITY OF PAINESVILLE, OHIO**

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**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2003**

	<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>		
			<u>Full-Time</u>	<u>Part-Time</u>	<u>Total</u>
1	County of Lake	Government	1,030	147	1,177
2	Lake Hospital System	Medical-Patient Care	524	308	832
3	Fasson Division/ Avery International Corporation	Manufacturing	600	0	600
4	Painesville City Schools	Education	363	49	412
5	The City of Painesville	Government	283	16	299
6	Core Systems	Manufacturing	255	0	255
7	Lake Erie College	Education	100	77	177
8	Ohio Association Enterprises	Manufacturing	140	0	140
9	SAS Rubber Company, Subsidiary of Yokohama	Manufacturing	124	1	125
10	Cintas	Service	95	8	103

The above private and public employers have the ten largest work forces within the City:

Source: City Department of Finance.

**CITY OF PAINESVILLE, OHIO**

**SYNOPSIS OF INSURANCE  
DECEMBER 31, 2003**

<u>Coverage</u>	<u>Carrier</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Liability Limits Aggregate</u>	<u>Deductible</u>	<u>Annual Premium</u>
Public Employee Dishonesty Forgery	Cincinnati Insurance Company	B-80-390582	09/15/03-09/15/04	\$75,000	0	\$2,047
Law Enforcement Professional Liability	Scottsdale/Indemnity Company	PKI001066	09/15/03-09/15/04	5,000,000	10,000	19,526
Public Officials Liability	Scottsdale/Indemnity Company	PKI001066	09/15/03-09/15/04	5,000,000	10,000	58,688
Comprehensive General Liability:	Cincinnati Insurance Company	CPP662772	09/15/03-09/15/04			257,075
General Liability				1,000,000/ 2,000,000	0	
Buildings - General				39,610,738	25,000	
Contents - General				5,613,125	25,000	
Buildings - Power Plant				72,438,328	100,000	
Contents - Power Plant				254,016	100,000	
Earthquake				25,000,000	25,000	
Equipment Floater				1,289,989	250	
Valued Papers				100,000	0	
Accounts Receivable				100,000	0	
Employee Benefits				100,000/ 300,000	0	
Ohio Employers Intentional Tort Liability	Cincinnati Insurance Company	CPP662772	09/15/03-09/15/04	1,000,000	0	7,526
Commercial Umbrella Liability	Cincinnati Insurance Company	CPP662772	09/15/03-09/15/04	10,000,000	0	56,598
Boiler and Machinery:	Cincinnati Insurance Company	BEP2662391	09/15/03-09/15/04		5,000/50,000	53,912
Electric Plant				25,000,000		
City Hall and Richmond Substation				1,000,000		
Other Locations				250,000/ 1,000,000		
Automobile Coverage	Cincinnati Insurance Company	CPP0662772	09/15/03-09/15/04	1,000,000	1,000	Included above
Commercial General Liability (Fire)	AAIC	VFIS-TR-0001228-8/001	09/15/03-09/15/04	1,000,000/ 2,000,000	0	3,554
Commercial Umbrella	AAIC	VFIS-CU-5005986-4/001	09/15/03-09/15/04	5,000,000/ 10,000,000	0	<u>2,300</u>
					Total Premium	<u><u>\$461,226</u></u>

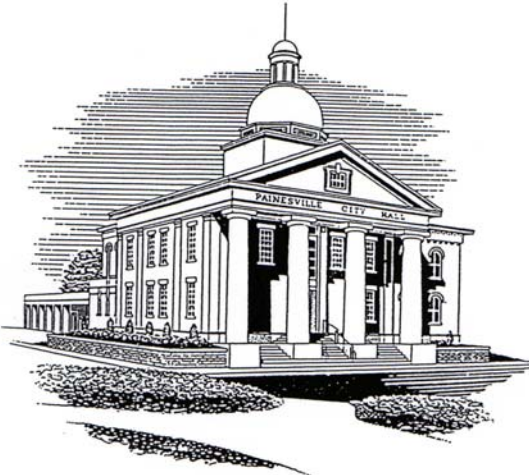
- \$ 20 -

Source: City Finance Department

# CITY OF PAINESVILLE, OHIO

## MISCELLANEOUS STATISTICS DECEMBER 31, 2003

Date of Incorporation	1832	Water System:	
Form of Government	Council/Manager	Number of Purification Plants	1
Area (square miles)	6.69	Miles of Water Mains	124.9
Number of Employees (excluding Police and Fire)		Number of Fire Hydrants	1,498
Full-time	214	Number of Service Connections	8,696
Part-time	11	Average Daily Consumption (gallons)	3,594,520
		Maximum Daily Capacity of Plant (gallons)	7,500,000
Facilities and Services:		Sewerage System:	
Miles of Streets	57	Number of Treatment Plants	1
Number of Street Lights	1,402	Miles of Sanitary Sewers	48
		Miles of Storm Sewers	37
Police Services:		Number of Service Connections	5,699
Number of Stations	1	Average Daily Treatment (gallons)	2,990,000
Number of Police Personnel and Officers	49	Design Capacity (gallons)	6,000,000
Number of Patrol Units	16	Maximum Daily Capacity of Treatment (gallons)	28,000,000
Law Violations:		Electric System:	
Physical arrests	1,064	Number of Generating Plants	1
Traffic Violations	2,362	Number of Interconnections	1
Parking Violations	3,047	Plant Generating Capacity in Megawatts	53.5
		Miles of Line	200
Fire/Emergency Medical Services:		Number of Service Connections	10,889
Number of Stations	1	Average Daily Generation in Kilowatt Hours	521,427
Number of Officers and Fire Personnel	26	Peak Load in Kilowatts - 2000	47,900
Number of Calls Answered	3,009	Parking Facilities:	
Number of Inspections	805	Off-Street Parking Garages	1
Recreation and Culture:		Parking Levels	7
Community Centers	1	Parking Spaces	552
Number of Parks	9	Average Daily Cars Parked	475
Park Acreage	101.16	Off-Street Surface Parking Lots (Leased)	2
Number of Ball Fields:		Parking Spaces	167
Lighted	1	On-Street Parking Meters	172
Unlighted	10	Education:	
Soccer Fields	1	Elementary Schools	5
Basketball Courts	2	Elementary School Students	1,467
Tennis Courts	2	Elementary School Instructors	65
Volleyball Courts	1	Middle Schools	1
Skate Facilities	1	Middle School Students	582
Walking Paths	2	Middle School Instructors	40
Sledding Hill	1	High Schools	1
Fishing Pond	1	High School Students	629
Number of Cemeteries	2	High School Instructors	41
Cemetery Acreage	84	Colleges	1
Hospitals:		College Students	1,970
Number of Hospitals	1		
Number of Patient Beds	168		
Number of Bassinets	40		





**Auditor of State  
Betty Montgomery**

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**CITY OF PAINESVILLE**

**LAKE 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  
NOVEMBER 9, 2004**