

**CITY OF STRONGSVILLE, OHIO**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 1999**

CITY OF STRONGSVILLE, OHIO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1999

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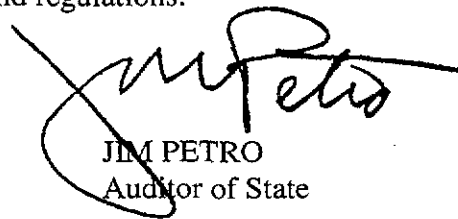
STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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Honorable Mayor, Finance Director and  
Members of City Council  
City of Strongsville, Ohio

We have reviewed the Independent Auditor's Report of the City of Strongsville, Cuyahoga County, prepared by James G. Zupka, Inc., for the audit period January 1, 1999 to December 31, 1999. 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 Strongsville is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

July 14, 2000

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

*Certified Public Accountants  
5240 East 98th Street  
Garfield Heights, Ohio 44125*

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**INDEPENDENT ACCOUNTANT'S REPORT**

Honorable Mayor, Finance Director  
and Members of Council  
City of Strongsville, Ohio

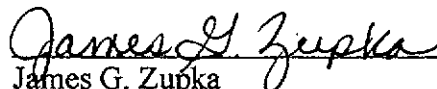
We have audited the accompanying general purpose financial statements of the City of Strongsville, Ohio, as of and for the year ended December 31, 1999. These general purpose financial statements are the responsibility of the City of Strongsville, Ohio's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Strongsville, Ohio, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 19, 2000 on our consideration of the City of Strongsville, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

May 19, 2000

  
James G. Zupka  
Certified Public Accountant

CITY OF STRONGSVILLE, OHIO  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999  
 (with comparative totals for December 31, 1998)

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
<b>Assets and Other Debits</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 2,030,474	\$ 2,668,365	\$ 545,310	\$ 3,461,480	\$ 2,714,888	\$ 263,158
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0	0
Receivables:						
Taxes	2,645,585	3,698,953	1,887,608	524,334	0	0
Accounts	10,323	32,992	0	57,306	1,998,882	0
Special Assessments	0	0	4,531,011	0	0	0
Due from Other Funds	30,901	47,891	2,973,460	207,273	0	78,564
Due from Other Governments	147,288	151,823	0	0	0	0
Inventory of Supplies	36,894	277,819	0	0	0	149,022
Prepaid Items	110,392	104	0	0	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0	45,610,930	0
Other Debits						
Amount Available in Debt Service Funds	0	0	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$ 5,011,857</b>	<b>\$ 6,877,947</b>	<b>\$ 9,937,389</b>	<b>\$ 4,250,393</b>	<b>\$ 50,324,700</b>	<b>\$ 490,744</b>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999  
 (with comparative totals for December 31, 1998)  
 (CONTINUED)

	Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Obligations	1999	1998
<b>Assets and Other Debits</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 1,577,382	\$ 0	\$ 0	\$ 13,261,057	\$ 8,897,452
Cash and Cash Equivalents in Segregated Accounts	71,513	0	0	71,513	95,180
Receivables:					
Taxes	0	0	0	8,756,480	8,095,771
Accounts	0	0	0	2,099,503	1,651,480
Special Assessments	0	0	0	4,531,011	4,185,353
Due from Other Funds	0	0	0	3,338,089	3,354,722
Due from Other Governments	0	0	0	299,111	170,349
Inventory of Supplies	0	0	0	463,735	425,292
Prepaid Items	0	0	0	110,496	116,725
Fixed Assets (Net of Accumulated Depreciation)	0	26,319,883	0	71,930,813	72,760,051
Other Debits					
Amount Available in Debt Service Fund	0	0	3,505,550	3,505,550	5,310,971
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	24,842,160	24,842,160	22,960,775
<b>Total Assets and Other Debits</b>	<b>\$ 1,648,895</b>	<b>\$ 26,319,883</b>	<b>\$ 28,347,710</b>	<b>\$ 133,209,518</b>	<b>\$ 128,024,121</b>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999  
 (with comparative totals for December 31, 1998)  
 (CONTINUED)

	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>Liabilities, Fund Equity, and Other Credits</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 98,520	\$ 123,958	\$ 0	\$ 0	\$ 714,127	\$ 77,273
Contracts Payable	54,956	41,685	0	507,184	9,617	0
Accrued Wages and Benefits	196,446	232,075	0	0	19,346	10,550
Funds Held on Deposit	0	0	0	0	0	0
Due to Other Funds	70,560	247,377	13,220	1,720,000	1,253,481	0
Due to Other Governments	147,008	525,821	0	0	22,956	12,369
Deferred Revenue	681,043	3,490,653	6,418,619	524,334	0	0
General Obligation Notes Payable	0	0	0	0	0	0
General Obligation Bonds Payable	0	0	0	0	2,130,000	0
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0	0	0
Ohio Water Development Authority Bonds Payable	0	0	0	0	5,320,842	0
Ohio Public Works Commission	0	0	0	0	226,763	0
Compensated Absences	103,464	57,441	0	0	21,920	13,175
Police and Fire Pension Accrued Liability	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>1,351,997</b>	<b>4,719,010</b>	<b>6,431,839</b>	<b>2,751,518</b>	<b>9,719,052</b>	<b>113,367</b>
<b>Fund Equity and Other Credits</b>						
Investment in General Fixed Assets	0	0	0	0	0	0
Contributed Capital	0	0	0	0	36,393,768	0
Retained Earnings						
Unreserved	0	0	0	0	4,211,880	377,377
Fund Balances:						
Reserved for Inventory	36,894	277,819	0	0	0	0
Reserved for Prepaid Items	110,392	104	0	0	0	0
Reserved for Encumbrances	43,360	332,184	0	2,054,125	0	0
Reserved for Debt Service	0	0	3,505,550	0	0	0
Unreserved, Undesignated	3,469,214	1,548,830	0	(555,250)	0	0
<b>Total Fund Equity and Other Credits</b>	<b>3,659,860</b>	<b>2,158,937</b>	<b>3,505,550</b>	<b>1,498,875</b>	<b>40,605,648</b>	<b>377,377</b>
<b>Total Liabilities, Fund Equity, and Other Credits</b>	<b>\$ 5,011,857</b>	<b>\$ 6,877,947</b>	<b>\$ 9,937,389</b>	<b>\$ 4,250,393</b>	<b>\$ 50,324,700</b>	<b>\$ 490,744</b>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 1999  
 (with comparative totals for December 31, 1998)  
 (CONTINUED)

	Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Obligations	1999	1998
<b><u>Liabilities, Fund Equity, and Other Credits</u></b>					
<b><u>Liabilities</u></b>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 1,013,878	\$ 1,098,286
Contracts Payable	0	0	0	613,442	259,366
Accrued Wages and Benefits	0	0	0	458,417	378,228
Funds Held on Deposit	1,503,326	0	0	1,503,326	1,289,615
Due to Other Funds	33,451	0	0	3,338,089	3,354,722
Due to Other Governments	46,184	0	0	754,338	1,007,253
Deferred Revenue	0	0	0	11,114,649	10,410,424
General Obligation Notes Payable	0	0	3,300,000	3,300,000	1,550,000
General Obligation Bonds Payable	0	0	20,975,000	23,105,000	24,535,000
Special Assessment Bonds Payable with Governmental Commitment	0	0	2,410,000	2,410,000	2,495,000
Ohio Water Development Authority Bonds Payable	0	0	0	5,320,842	5,573,108
Ohio Public Works Commission	0	0	322,687	549,450	570,672
Compensated Absences	0	0	1,256,783	1,452,783	1,354,302
Police and Fire Pension Accrued Liability	0	0	83,240	83,240	84,236
<b>Total Liabilities</b>	<b>1,582,961</b>	<b>0</b>	<b>28,347,710</b>	<b>55,017,454</b>	<b>53,960,212</b>
<b><u>Fund Equity and Other Credits</u></b>					
Investment in General Fixed Assets	0	26,319,883	0	26,319,883	26,307,944
Contributed Capital	0	0	0	36,393,768	36,423,832
Retained Earnings:					
Unreserved	0	0	0	4,589,257	3,124,511
Fund Balances:					
Reserved for Inventory	0	0	0	314,713	305,616
Reserved for Prepaid Items	0	0	0	110,496	115,363
Reserved for Encumbrances	0	0	0	2,429,669	333,027
Reserved for Debt Service	0	0	0	3,505,550	5,310,971
Unreserved, Undesignated	65,934	0	0	4,528,728	2,142,645
<b>Total Fund Equity and Other Credits</b>	<b>65,934</b>	<b>26,319,883</b>	<b>0</b>	<b>78,192,064</b>	<b>74,063,909</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 1,648,895</b>	<b>\$ 26,319,883</b>	<b>\$ 28,347,710</b>	<b>\$ 133,209,548</b>	<b>\$ 128,024,121</b>

The accompanying notes are an integral part of these financial statements.



CITY OF STRONGSVILLE, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 ALL GOVERNMENTAL FUND TYPES AND AGENCY TRUST FUND  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (with comparative totals for the year ended December 31, 1998)

	Governmental Fund Types				Fiduciary	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Trust & Agency	(Memorandum Only) 1999	Restated 1998
<b>Revenues</b>							
Taxes	\$ 15,426,735	\$3,559,426	\$1,934,681	\$ 537,412	\$ 0	\$ 21,458,254	\$ 22,863,253
Special Assessments	0	0	253,249	0	0	253,249	234,607
Intergovernmental	2,044,828	3,561,006	0	1,650,090	0	7,255,924	2,114,200
Interest	570,138	0	5,727	0	0	575,865	564,349
Charges for Services	219,754	2,880,713	0	222,314	0	3,322,781	2,708,066
Fines, Licenses, and Permits	1,732,505	16,190	0	7,040	0	1,755,735	1,859,223
Miscellaneous	277,272	61,590	2,554	0	24,865	366,281	905,754
<b>Total Revenues</b>	<b>20,271,232</b>	<b>10,078,925</b>	<b>2,196,211</b>	<b>2,416,856</b>	<b>24,865</b>	<b>34,988,089</b>	<b>31,249,452</b>
<b>Expenditures</b>							
Current							
Public Safety	5,331,925	5,344,332	0	0	0	10,676,257	9,569,317
Public Health and Welfare	695,720	398,778	0	0	0	1,094,498	975,635
Culture and Recreation	660,808	3,167,262	0	0	0	3,828,070	4,234,526
Community Development	1,245,682	179,796	0	0	0	1,425,478	1,424,876
Sanitation	1,466,804	2,665	0	0	0	1,469,469	1,567,286
Streets and Highways	0	6,616,437	0	0	0	6,616,437	6,027,915
General Government	2,957,685	15,035	0	0	0	2,972,720	2,863,702
Capital Outlay	54,956	0	0	2,690,168	0	2,745,124	1,991,173
Debt Service:							
Principal Retirement	0	14,321	2,990,000	4,545	0	3,008,866	1,410,866
Interest and Fiscal Charges	0	0	1,501,632	0	0	1,501,632	1,586,819
<b>Total Expenditures</b>	<b>12,413,580</b>	<b>15,738,626</b>	<b>4,491,632</b>	<b>2,694,713</b>	<b>0</b>	<b>35,338,551</b>	<b>31,652,115</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,857,652	(5,659,701)	(2,295,421)	(277,857)	24,865	(350,462)	(402,663)
<b>Other Financing Sources (Uses)</b>							
Sale of Fixed Assets	22,483	0	0	0	0	22,483	15,042
Proceeds from Sale of Notes	0	0	1,550,000	1,750,000	0	3,300,000	0
Proceeds from Sale of Bonds	0	0	0	0	0	0	305,000
Proceeds from Sale of OPWC Loan	0	0	0	11,817	0	11,817	0
Transfers In	0	6,102,750	650,000	725,000	0	7,477,750	6,769,000
Transfers Out	(7,329,150)	(150,000)	0	0	0	(7,479,150)	(6,770,500)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,306,667)</b>	<b>5,952,750</b>	<b>2,200,000</b>	<b>2,486,817</b>	<b>0</b>	<b>3,332,900</b>	<b>318,542</b>
Excess(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	550,985	293,049	(95,421)	2,208,960	24,865	2,982,438	(84,121)
Fund Balances(Deficit) at Beginning of Year, Restated	3,095,569	1,870,097	3,600,971	(710,085)	41,069	7,897,621	7,876,247
Increase(Decrease) in Reserve for Inventory	13,306	(4,209)	0	0	0	9,097	105,495
<b>Fund Balances at End of Year</b>	<b>\$ 3,659,860</b>	<b>\$2,158,937</b>	<b>\$3,505,550</b>	<b>\$ 1,498,875</b>	<b>\$ 65,934</b>	<b>\$ 10,889,156</b>	<b>\$ 7,897,621</b>

The accompanying notes are an integral part of the financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - (NON-GAAP BASIS) - BUDGET AND ACTUAL  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance-Favorable (Unfavorable)	Revised Budget	Actual	Variance-Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ 15,868,464	\$ 15,868,464	\$ 0	\$ 3,522,150	\$ 3,522,150	\$ 0
Special Assessments	0	0	0	0	0	0
Intergovernmental	1,274,640	1,274,640	0	3,531,147	3,531,147	0
Interest	570,138	570,138	0	0	0	0
Charges for Services	220,705	220,705	0	2,860,430	2,860,430	0
Fines, License, Permits	1,769,325	1,769,325	0	14,362	14,362	0
Miscellaneous	289,901	289,901	0	61,163	61,163	0
<b>Total Revenues</b>	<b>19,993,173</b>	<b>19,993,173</b>	<b>0</b>	<b>9,989,252</b>	<b>9,989,252</b>	<b>0</b>
<b>Expenditures</b>						
Current:						
Public Safety	5,715,354	5,422,178	293,176	5,309,382	5,117,061	192,321
Public Health and Welfare	700,490	689,323	11,167	410,000	398,717	11,283
Culture and Recreation	712,457	686,209	26,248	3,245,540	3,196,951	48,589
Community Development	1,243,415	1,233,755	9,660	217,635	229,845	(12,210)
Sanitation	2,053,220	1,790,390	262,830	2,700	2,665	35
Street and Highways	0	0	0	7,450,000	6,865,792	584,208
General Government	3,148,168	3,052,126	96,042	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service						
Principal Retirement	0	0	0	14,321	14,321	0
Interest and Fiscal Charges	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>13,573,104</b>	<b>12,873,981</b>	<b>699,123</b>	<b>16,649,578</b>	<b>15,825,352</b>	<b>824,226</b>
Excess(Deficiency) of Revenues Over(Under) Expenditures	6,420,069	7,119,192	699,123	(6,660,326)	(5,836,100)	824,226
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Fixed Assets	22,483	22,483	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0	0	0
Proceeds from OPWC Loan	0	0	0	0	0	0
Transfers In	0	0	0	6,102,750	6,102,750	0
Transfers Out	(7,329,150)	(7,329,150)	0	(156,000)	(150,000)	6,000
<b>Total Other Financing Sources (Uses)</b>	<b>(7,306,667)</b>	<b>(7,306,667)</b>	<b>0</b>	<b>5,946,750</b>	<b>5,952,750</b>	<b>6,000</b>
Excess(Deficiency) of Revenues and Other Financing Sources Over (Under)Expenditures and Other Financing Uses	(886,598)	(187,475)	699,123	(713,576)	116,650	830,226
Fund Balance at Beginning of Year, Restated	1,778,378	1,778,378	0	2,077,999	2,077,999	0
Prior Year Encumbrances Appropriated	333,311	333,311	0	98,926	98,926	0
<b>Fund Balances at End of Year</b>	<b>\$ 1,225,091</b>	<b>\$ 1,924,214</b>	<b>\$ 699,123</b>	<b>\$ 1,463,349</b>	<b>\$ 2,293,575</b>	<b>\$ 830,226</b>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - (NON-GAAP BASIS) - BUDGET AND ACTUAL  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (CONTINUED)

	Debt Service			Capital Projects		
	Revised Budget	Actual	Variance- Favorable (Unfavorable)	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ 1,934,681	\$ 1,934,681	\$ 0	\$ 537,412	\$ 537,412	\$ 0
Special Assessments	253,249	253,249	0	0	0	0
Intergovernmental	0	0	0	1,650,091	1,650,091	0
Interest	5,727	5,727	0	0	0	0
Charges for Services	0	0	0	165,009	165,009	0
Fines, License, Permits	0	0	0	45,200	45,200	0
Miscellaneous	2,554	2,554	0	0	0	0
<b>Total Revenues</b>	<b>2,196,211</b>	<b>2,196,211</b>	<b>0</b>	<b>2,397,712</b>	<b>2,397,712</b>	<b>0</b>
<b>Expenditures</b>						
Current:						
Public Safety	0	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0	0
Culture and Recreation	0	0	0	0	0	0
Community Development	0	0	0	0	0	0
Sanitation	0	0	0	0	0	0
Street and Highways	0	0	0	0	0	0
General Government	0	0	0	0	0	0
Capital Outlay	0	0	0	5,073,047	4,681,664	391,383
Debt Service:						
Principal Retirement	2,993,300	2,990,000	3,300	4,545	4,545	0
Interest and Fiscal Charges	1,516,700	1,502,135	14,565	0	0	0
<b>Total Expenditures</b>	<b>4,510,000</b>	<b>4,492,135</b>	<b>17,865</b>	<b>5,077,592</b>	<b>4,686,209</b>	<b>391,383</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,313,789)	(2,295,924)	17,865	(2,679,880)	(2,288,497)	391,383
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Fixed Assets	0	0	0	0	0	0
Proceeds from Sale of Notes	1,550,000	1,550,000	0	1,750,000	1,750,000	0
Proceeds from OPWC Loan	0	0	0	11,817	11,817	0
Transfers In	650,000	650,000	0	725,000	725,000	0
Transfers Out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>0</b>	<b>2,486,817</b>	<b>2,486,817</b>	<b>0</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(113,789)	(95,924)	17,865	(193,063)	198,320	391,383
Fund Balances at Beginning of Year, Restated	641,234	641,234	0	583,251	583,251	0
Prior Year Encumbrances Appropriated	0	0	0	190,329	190,329	0
<b>Fund Balances at End of Year</b>	<b>\$ 527,445</b>	<b>\$ 545,310</b>	<b>\$ 17,865</b>	<b>\$ 580,517</b>	<b>\$ 971,900</b>	<b>\$ 391,383</b>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - (NON-GAAP BASIS) - BUDGET AND ACTUAL  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (CONTINUED)

	<u>Totals (Memorandum Only)</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>Revenues</u></b>			
Taxes	\$ 21,862,707	\$ 21,862,707	\$ 0
Special Assessments	253,249	253,249	0
Intergovernmental	6,455,878	6,455,878	0
Interest	575,865	575,865	0
Charges for Services	3,246,144	3,246,144	0
Fines, License, Permits	1,828,887	1,828,887	0
Miscellaneous	353,618	353,618	0
<b>Total Revenues</b>	<b>34,576,348</b>	<b>34,576,348</b>	<b>0</b>
<b><u>Expenditures</u></b>			
Current:			
Public Safety	11,024,736	10,539,239	485,497
Public Health and Welfare	1,110,490	1,088,040	22,450
Culture and Recreation	3,957,997	3,883,160	74,837
Community Development	1,461,050	1,463,600	(2,550)
Sanitation	2,055,920	1,793,055	262,865
Streets and Highways	7,450,000	6,865,792	584,208
General Government	3,148,168	3,052,126	96,042
Capital Outlay	5,073,047	4,681,664	391,383
Debt Service:			
Principal Retirement	3,012,166	3,008,866	3,300
Interest and Fiscal Charges	1,516,700	1,502,135	14,565
<b>Total Expenditures</b>	<b>39,810,274</b>	<b>37,877,677</b>	<b>1,932,597</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,233,926)	(3,301,329)	1,932,597
<b><u>Other Financing Sources(Uses)</u></b>			
Proceeds from Sale Fixed Assets	22,483	22,483	0
Proceeds from Sale of Notes	3,300,000	3,300,000	0
Proceeds from OPWC Loan	11,817	11,817	0
Transfers In	7,477,750	7,477,750	0
Transfers Out	(7,485,150)	(7,479,150)	6,000
<b>Total Other Financing Sources (Uses)</b>	<b>3,326,900</b>	<b>3,332,900</b>	<b>6,000</b>
Excess(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,907,026)	31,571	1,938,597
Fund Balances at Beginning of Year, Restated	5,080,862	5,080,862	0
Prior Year Encumbrances Appropriated	622,566	622,566	0
<b>Fund Balances at End of Year</b>	<b>\$ 3,796,402</b>	<b>\$ 5,734,999</b>	<b>\$ 1,938,597</b>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN RETAINED EARNINGS (DEFICIT) -  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (with comparative totals for the year ended December 31, 1998)

	Enterprise	Internal Service	Totals (Memorandum Only)	
			1999	Restated 1998
<b>Operating Revenues</b>				
Charges for Services	\$ 9,892,647	\$ 3,061,633	\$ 12,954,280	\$ 11,109,195
Miscellaneous	4,112	0	4,112	0
<b>Total Operating Revenues</b>	<u>9,896,759</u>	<u>3,061,633</u>	<u>12,958,392</u>	<u>11,109,195</u>
<b>Operating Expenses</b>				
Wages and Benefits	804,318	418,489	1,222,807	1,174,157
Utilities	34,363	391,801	426,164	426,681
Contractual Services	6,362,480	1,008,899	7,371,379	6,611,281
Maintenance	139,623	0	139,623	145,645
Depreciation	1,775,755	0	1,775,755	1,757,435
Benefit Payments	0	1,130,438	1,130,438	1,088,912
Other	0	9,877	9,877	17,317
<b>Total Operating Expenses</b>	<u>9,116,539</u>	<u>2,959,504</u>	<u>12,076,043</u>	<u>11,221,428</u>
Operating Income	<u>780,220</u>	<u>102,129</u>	<u>882,349</u>	<u>(112,233)</u>
<b>Nonoperating Expenses</b>				
Interest and Fiscal Charges	(693,647)	0	(693,647)	(721,882)
Income before Operating Transfers	<u>86,573</u>	<u>102,129</u>	<u>188,702</u>	<u>(834,115)</u>
Operating Transfers In	0	1,400	1,400	1,500
Net Income	<u>86,573</u>	<u>103,529</u>	<u>190,102</u>	<u>(832,615)</u>
Depreciation on Fixed Assets Acquired				
By Contributed Capital - City of Strongsville and Others	964,642	0	964,642	969,129
Decrease in Retained Earnings	<u>1,051,215</u>	<u>103,529</u>	<u>1,154,744</u>	<u>136,514</u>
Retained Earnings at Beginning of Year, Restated	<u>3,160,665</u>	<u>273,846</u>	<u>3,434,511</u>	<u>3,297,997</u>
<b>Retained Earnings at End of Year</b>	<u>\$ 4,211,880</u>	<u>\$ 377,375</u>	<u>\$ 4,589,255</u>	<u>\$ 3,434,511</u>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND EQUITY (DEFICIT) - (NON-GAAP BASIS)  
 BUDGET AND ACTUAL - ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Enterprise			Internal Service		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Charges for Services	\$ 7,893,766	\$ 7,893,766	\$ 0	\$ 3,061,633	\$ 3,061,633	\$ 0
Miscellaneous	4,112	4,112	0	0	0	0
<b>Total Revenues</b>	<b>7,897,878</b>	<b>7,897,878</b>	<b>0</b>	<b>3,061,633</b>	<b>3,061,633</b>	<b>0</b>
<b>Expenses</b>						
Wages and Benefits	881,944	852,154	29,790	433,542	436,298	(2,756)
Utilities	8,400	6,950	1,450	378,929	377,464	1,465
Contractual Services	5,265,228	4,782,072	483,156	1,079,002	1,077,368	1,634
Maintenance	152,500	139,622	12,878	0	0	0
Benefit Payments	0	0	0	1,151,400	1,130,438	20,962
Other	0	0	0	7,800	9,487	(1,687)
Debt Service:						
Principal Retirement	327,266	341,439	(14,173)	0	0	0
Interest and Fiscal Charges	697,734	693,243	4,491	0	0	0
<b>Total Expenses</b>	<b>7,333,072</b>	<b>6,815,480</b>	<b>517,592</b>	<b>3,050,673</b>	<b>3,031,055</b>	<b>19,618</b>
Operating Income before Transfers	564,806	1,082,398	517,592	10,960	30,578	19,618
Operating Transfers In	0	0	0	1,400	1,400	0
Net Income	564,806	1,082,398	517,592	12,360	31,978	19,618
Fund Balances at Beginning of Year, Restated	1,549,385	1,549,385	0	231,180	231,180	0
Prior Year Encumbrances Appropriated	33,072	33,072	0	0	0	0
<b>Fund Balance at End of Year</b>	<b>\$ 2,147,263</b>	<b>\$ 2,664,855</b>	<b>\$ 517,592</b>	<b>\$ 243,540</b>	<b>\$ 263,158</b>	<b>\$ 19,618</b>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND EQUITY (DEFICIT) - (NON-GAAP BASIS)  
 BUDGET AND ACTUAL - ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (CONTINUED)

	TOTALS (MEMORANDUM ONLY)		
	Revised Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues</b>			
Charges for Services	\$ 10,955,399	\$ 10,955,399	\$ 0
Miscellaneous	4,112	4,112	0
<b>Total Revenues</b>	<u>10,959,511</u>	<u>10,959,511</u>	<u>0</u>
<b>Expenses</b>			
Wages and Benefits	1,315,486	1,288,452	27,034
Utilities	387,329	384,414	2,915
Contractual Services	6,344,230	5,859,440	484,790
Maintenance	152,500	139,622	12,878
Benefit Payments	1,151,400	1,130,438	20,962
Other	7,800	9,487	(1,687)
Debt Service:			
Principal Retirement	327,266	341,439	(14,173)
Interest and Fiscal Charges	697,734	693,243	4,491
<b>Total Expenses</b>	<u>10,383,745</u>	<u>9,846,535</u>	<u>537,210</u>
Operating Income Before Transfers	575,766	1,112,976	537,210
Operating Transfers In	1,400	1,400	0
Net Income	<u>577,166</u>	<u>1,114,376</u>	<u>537,210</u>
Fund Balances at Beginning of Year, Restated	1,780,565	1,780,565	0
Prior Year Encumbrances Appropriated	33,072	33,072	0
<b>Ending Fund Balance at End of Year</b>	<u>\$ 2,390,803</u>	<u>\$ 2,928,013</u>	<u>\$ 537,210</u>

The accompanying notes are an integral part of these financial statements.

CITY OF STRONGSVILLE, OHIO  
 COMBINED STATEMENT OF CASH FLOWS -  
 ALL PROPRIETARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (with comparative totals for the year ended December 31, 1998)

	Enterprise	Internal Service	1999	(Restated) 1998
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash Received from Users	\$ 7,893,765	\$ 3,061,633	\$ 10,955,398	\$ 11,060,629
Cash Paid to Suppliers for Goods and Services	(4,890,368)	(1,454,832)	(6,345,200)	(5,548,438)
Cash Paid to Employees for Services	(849,120)	(1,566,736)	(2,415,856)	(2,289,305)
Other Operating Revenue	4,112	0	4,112	0
Other Operating Expense	0	(9,487)	(9,487)	(18,085)
Net Cash Provided by Operating Activities	<u>2,158,389</u>	<u>30,578</u>	<u>2,188,967</u>	<u>3,204,801</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Operating Transfers - In	0	1,400	1,400	1,500
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>1,400</u>	<u>1,400</u>	<u>1,500</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Acquisition and Construction of Capital Assets	0	0	0	(2,218,902)
Principal Paid on Bonds and Notes	(341,439)	0	(341,439)	(312,385)
Interest Paid on Bonds and Notes	(693,647)	0	(693,647)	(721,882)
Net Cash(Used in) Capital and Related Financing Activities	<u>(1,035,086)</u>	<u>0</u>	<u>(1,035,086)</u>	<u>(3,253,169)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,123,303	31,978	1,155,279	(46,868)
Cash and Cash Equivalents at Beginning of Year	1,591,585	231,180	1,822,765	1,869,633
Cash and Cash Equivalents at End of Year	<u>\$ 2,714,888</u>	<u>\$ 263,158</u>	<u>\$ 2,978,044</u>	<u>\$ 1,822,765</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$ 780,220	\$ 102,129	\$ 882,349	\$ 1,493,819
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities				
Depreciation	1,775,755	0	1,775,755	1,757,835
Changes in Assets and Liabilities:				
(Increase)Decrease in Accounts Receivable	(402,368)	0	(402,368)	(48,568)
(Increase) in Inventory of Supplies	0	(29,346)	(29,346)	(4,626)
(Increase) in Prepays	454	908	1,362	(1,362)
Increase(Decrease) in Accounts Payable	55,751	(25,303)	30,448	(50,820)
Increase(Decrease) in Contracts Payable	2,507	0	2,507	5,973
Increase(Decrease) in Accrued Wages and Benefits	1,364	(2,446)	(1,082)	(49,838)
Increase (Decrease) Due to Other Governments	(16,099)	(7,173)	(23,272)	34,586
Increase (Decrease) Compensated Absences	(39,195)	(8,191)	(47,386)	67,802
Net Cash Provided by Operating Activities	<u>\$ 2,158,389</u>	<u>\$ 30,578</u>	<u>\$ 2,188,967</u>	<u>\$ 3,204,801</u>

The accompanying notes are an integral part of these financial statements.



CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999

NOTE 1: **REPORTING ENTITY AND BASIS OF PRESENTATION**

The City of Strongsville, Cuyahoga County, Ohio (City) was incorporated under the laws of the State of Ohio in 1958. The City operates under and is governed by a Mayor/Council form of government in accordance with the general laws of the State of Ohio. In addition, the City may exercise all powers of local self-government under the Ohio Constitution, to the extent not in conflict with the applicable general laws of Ohio.

A. **Reporting Entity**

The City provides various services including police and fire protection, road maintenance and repair, snow removal, traffic signalization, street lighting, storm and sanitary sewers, waste collection and general administrative services. These City operations form the oversight unit and are included as part of the reporting entity.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of the public service. Application of this criterion involves considering whether the activity benefits the City or whether the activity is conducted within the geographic boundaries of the City and is generally available to its residents. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Based upon the application of these criterion, the financial activities of the following component units have been excluded from the City's financial statements:

- Strongsville City School District
- Cuyahoga County Regional Library - Strongsville Branch
- Southwest General Hospital
- Rocky River Metropark
- Greater Cleveland Regional Transit Authority

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 1: **REPORTING ENTITY AND BASIS OF PRESENTATION** (Continued)

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

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources.

For financial statement presentation purposes, the various funds of the City are grouped into governmental, proprietary, and fiduciary fund types.

**Governmental Fund Types**

Governmental funds are those through which most governmental functions of the City 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 and trust funds) are accounted for through governmental funds. The following are the City's governmental fund types:

**General Fund**

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

**Special Revenue Fund**

The special revenue funds are established to account for the proceeds of specific revenue sources (other than amounts relating to special assessments, major capital projects) that are legally restricted to expenditure for specified purposes.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 1: **REPORTING ENTITY AND BASIS OF PRESENTATION** (Continued)

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

**Governmental Fund Types** (Continued)

**Debt Service Fund**

The debt service fund is used to account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal, interest, and related costs.

**Capital Projects Funds**

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by propriety funds).

**Proprietary Fund Types**

Proprietary funds are used to account for the City's ongoing activities which are similar to those found in the private sector. The following are the City's proprietary fund types:

**Enterprise Funds**

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service Funds**

Internal service funds are used to account for goods and services provided by City departments and funds on a cost-reimbursement basis.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 1: **REPORTING ENTITY AND BASIS OF PRESENTATION** (Continued)

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

**Fiduciary Fund Types**

**Trust and Agency Funds**

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City's fiduciary funds are agency funds. Agency funds are custodial (assets equal liabilities) and do not involve measurement of results of operations.

**Account Groups**

**General Fixed Assets Account Group**

This account group is used to account for all general fixed assets of the City other than those accounted for in the proprietary funds.

**General Long-Term Obligations Account Group**

This account group is used to account for all unmatured long-term indebtedness of the City that is not a specific liability of the proprietary funds or trust funds.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

A. **Measurement Focus and Basis of Accounting**

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. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Measurement Focus and Basis of Accounting** (Continued)

All proprietary funds 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 balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

All governmental fund types, trust and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current year. The City considers governmental fund revenues as available if they are collected within 60 days after year end.

In applying the "susceptible to accrual" concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, municipal income taxes, estate tax, fine and forfeitures, and state-levied locally shared taxes (including gasoline tax and motor vehicle fees).

The City reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 1999, whose availability cannot be determined and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Measurement Focus and Basis of Accounting** (Continued)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized when earned and measurable, and expenses are recognized when incurred, if measurable. Unbilled service charges receivable are recognized as revenue.

With respect to proprietary activities, the City has adopted GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting*. The City has elected to apply all applicable GASB pronouncements, as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict pronouncements.

B. **Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the presentation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level with each department. Any budgetary modifications at this level may only be made by resolution of the City Council.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Budgetary Process** (Continued)

Tax Budget

A budget of estimated cash receipts and disbursements which has been adopted by City Council is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1, to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources which states the projected receipts of each 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 appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the Director of Finance determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of Council. During 1999 the appropriation ordinance was amended. The budgetary figures which appear in the

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Budgetary Process** (Continued)

Appropriations (Continued)

statements of budgetary comparison represent the final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent year expenditures for governmental funds and reported in the notes to the financial statements for proprietary fund types.

Lapsing of Appropriations

At the close of each 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 succeeding year and need not be reappropriated.

Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, appropriations and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Combined Statement of Revenues, Expenditures and Changes in Fund Cash Balances (Non-GAAP Basis) - Budget and Actual - All Governmental Fund Types and Similar Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity (Non-GAAP Basis) - Budget and Actual - All Proprietary Fund Types are presented on the budgetary basis to provide a comparison of actual results with the budget and to demonstrate compliance with state statute. The major differences between the budget basis and the GAAP basis are:



CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Budgetary Process** (Continued)

Budgetary Basis of Accounting (Continued)

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget) rather than as a reservation of fund balance for governmental fund types and as note disclosure for the proprietary fund type (GAAP).
4. Proceeds from and principal payments on short-term note obligations redeemed within the same year are reported on the operating statement (budget) rather than on the balance sheet (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statements on a fund type basis:

Excess of Revenues and Other Financing Sources  
 Over (Under) Expenditures  
 Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$ 550,985	\$ 293,049	\$ (95,421)	\$ 2,208,960
Revenue Accruals	(278,060)	(89,673)	0	(18,885)
Expenditure Accruals	(354,140)	288,064	(503)	497,825
Adjustments for Encumbrances	(106,260)	(374,790)	0	(2,489,580)
Budget Basis	<u>\$ (187,475)</u>	<u>\$ 116,650</u>	<u>\$ (95,924)</u>	<u>\$ 198,320</u>

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Budgetary Process** (Continued)

Net Income/Excess of Revenues Over Expenses Proprietary Fund Type		
	<u>Enterprise</u>	<u>Internal Service</u>
GAAP Basis	\$ 1,051,215	\$ 103,529
Net Adjustments for Revenue Accruals	(1,998,881)	0
Net Adjustments for Expense Accruals	4,197,291	(71,551)
Principal Retirement	(341,439)	0
Depreciation Expense	(1,775,755)	0
Adjustment for Encumbrances	(50,033)	0
Budget Basis	\$ 1,082,398	\$ 31,978

C. **Cash and Investments**

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

The portfolio of the City was limited to nonparticipating interest-earning investment contracts and U.S. Government Securities. Market value is based on quoted market prices as of the valuation date except for U.S. Government Securities, which are reported at amortized cost since the remaining maturity is less than one year at the time of purchase, and nonparticipating investments contracts such as non-negotiable certificates of deposit and money market investments, which are reported at cost.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Cash and Investments** (Continued)

The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$570,138, which includes \$479,487 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented on the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury.

For purposes on the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

D. **Inventory of Supplies**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. 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. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that the supplies inventory does not constitute available spendable resources even though it is a component of net assets.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. **Fixed Assets**

General fixed assets are recorded as expenditures in the governmental fund that finances the acquisition. When purchased, such assets are capitalized at cost in the general fixed assets account group. Contributed fixed assets are recorded at their estimated fair market value at the time received.

Certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

Property, plant and equipment used by enterprise funds is stated at cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Depreciation for the enterprise fund is charged to operations by allocating the cost of the fixed assets over the estimated useful lives of the assets on the straight-line basis. Depreciation is recorded in the general fixed asset account group as a reduction to the investment in general fiscal assets account. Estimated useful lives of the various classes of fixed assets are:

Land and Land Improvements	15-40 years
Buildings and Improvements	25-50 years
Furniture and Fixtures	10 years
Machinery and Equipment	5-20 years
Sanitary Sewer Installations	50 years

Depreciation recognized on fixed assets acquired by contributed capital is closed to the contributed capital account. Net income or loss, adjusted by the amount of depreciation recognized on fixed assets acquired by contributed capital, is closed to retained earnings.

F. **Short-Term Receivables/Payables**

Receivables and payables resulting from transactions between funds for goods received or services provided are classified as "Due from Other Funds" or "Due to Other Funds" on the balance sheet.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

G. **Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, shared revenues, and entitlements, are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants, entitlements or shared revenues received for proprietary fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

H. **Contributed Capital**

Contributed capital represents resources from other funds, other governments, and private sources provided to the enterprise funds and is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on assets acquired or constructed with contributed resources is expensed and closed to contributed capital at year end. There were \$934,578 in additions to contributed capital in the current year.

I. **Fund Equity**

Reservations of fund balances of governmental funds are to satisfy legal covenants that require a portion of the fund balance to be segregated or to identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserved for encumbrances - This reserve represents encumbrances outstanding at the end of the year based upon purchase orders and contracts signed by the City but not completed as of the close of the fiscal year.

Reserved for inventories - This reserve was created to represent the portion of the fund balance that is not available for expenditures because the City expects to use these resources within the next budgetary period.

Reserved for prepaid items - This reserve was created to represent the portion of the fund balance that is not available for expenditures because the City expects to use these resources within the next budgetary period.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

J. **Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements from a different fund for expenditures/expenses previously incurred, (that are properly applicable to the other fund), are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is being reimbursed.

Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

K. **Long-Term Obligations**

Long-term obligations are recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligation account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Under Ohio law, a debt retirement fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among the appropriate funds and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt retirement fund has been split among the appropriated funds and account groups. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

L. **Total Columns on General Purpose Financial Statements**

Total columns on the general purpose financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3: **ACCOUNTABILITY AND COMPLIANCE**

**Legal Compliance and Accountability**

Section 5705.41(B), Ohio Revised Code, states that no subdivision shall make any expenditure of money unless it has been appropriated. Section 5705.41(D), Ohio Revised Code, states in part that encumbrances should be charged against proper appropriations and actual disbursements plus outstanding encumbrances should not be greater than the total appropriations. The following funds have expenditures in excess of appropriations.

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Special Revenue:			
Community Development	\$ 217,635	\$ 229,845	\$ (12,210)
Enterprise:			
Principal Retirement	327,266	341,439	(14,173)
Internal Service:			
Wages and Benefits	433,542	436,298	(2,756)
Miscellaneous	7,800	9,487	(1,687)

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 4: **RESTATEMENT OF FUND EQUITY**

The special revenue and capital projects fund balance increased and the debt service fund balance decreased due to the reclassification of the Multi-Purpose Complex Funds and an accounting error for debt payment.

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Fund Balance Previously Reported			
January 1, 1998	\$ (86,614)	\$ 4,802,272	\$(1,485,699)
Multi-Purpose Complex Fund	1,318,633	0	0
Accounting Error	0	290,000	(600,000)
Restatement January 1, 1998	<u>\$ 1,232,019</u>	<u>\$ 5,092,272</u>	<u>\$(2,085,699)</u>

The effect of this change on excess of revenues and other financing sources over (under) expenditures and other uses as previously reported for the year ended December 31, 1998 is as follows:

Excess as Previously Reported	\$ 50,230	\$ (23,802)	\$ (463,739)
Activity of Multipurpose Complex Fund	(351,922)	0	0
Accounting Error	0	290,000	(600,000)
Restated Amounts for the			
Year Ended December 31, 1998	<u>\$ (301,692)</u>	<u>\$ 266,198</u>	<u>\$(1,063,739)</u>

Retained earnings were previously reported as of January 1, 1998 as \$2,684,479 for the enterprise funds. This amount increased by \$346,043 to \$3,030,522 due to the reclassification of the Multi-Purpose Complex Funds and an accounting error for debt payments. The net loss decreased from \$2,160,113 to \$2,118,191.

	<u>Enterprise</u>
Retained Earnings as Previously Reported at January 1, 1998	\$ 2,684,479
Multi-Purpose Complex	(1,318,633)
Reclassified General Obligation Bonds to GLTDAG	14,690,000
Reclassified Fixed Assets (Net A/D) to GLTFAG	(13,335,324)
Accounting Error	310,000
Restatement January 1, 1998	<u>\$ 3,030,522</u>
Net Loss as Previously Reported at January 1, 1998	\$(2,160,113)
Multi-Purpose Complex Fund	351,922
Accounting Error	310,000
Restatement January 1, 1998	<u>\$(1,498,191)</u>



CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 4: **RESTATEMENT OF FUND EQUITY** (Continued)

Long term liabilities increased by \$14,690,000 in the general long-term obligation account group at January 1, 1998 and the general fixed assets increased by \$13,335,324, net accumulated depreciation, due to the fund reclassification.

NOTE 5: **DEPOSITS AND INVESTMENTS**

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

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

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

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

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

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 5: **DEPOSITS AND INVESTMENTS** (Continued)

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
- The State Treasury Asset Reserve of Ohio (STAROhio).

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 110 percent 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 institution's agent in the pool's name are classified as Category 3.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 5: **DEPOSITS AND INVESTMENTS** (Continued)

The GASB 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* - Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

**Investments**

- Category 1* - Insured or registered, with 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.

A. **Deposits**

At year end, the carrying amount of the City's deposits was \$1,406,295 with \$2,700 of cash on hand and the bank balance was \$2,306,478. Of the bank balance, \$865,357 was fully insured by federal depository insurance. All remaining deposits were classified at Category 3.

The credit risk, for purposes of Governmental Accounting Standards Board Statement No. 3 is the same as that of uncollateralized deposits. The pledged assets consist of eligible securities with an aggregate market value at least equal to the excess of all public deposits over and above those insured by the Federal Deposit Insurance Corporation or any other agency or instrumentality of the Federal government.

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 5: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments**

Investments as of December 31, 1999 are summarized below.

	Category		Carrying Amount	Fair Value
	1	3		
Repurchase Agreement	\$ 0	\$5,615,434	\$ 5,615,434	\$ 5,615,434
U.S. Government Securities	6,310,841	0	6,310,841	6,310,841
<b>Totals</b>	<b>\$6,310,841</b>	<b>\$5,615,434</b>	<b>\$11,926,275</b>	<b>\$11,926,275</b>

All of the investments are carried at cost or amortized cost.

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

The classification of cash and cash equivalents 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. The captions on the combined balance sheet related to cash and cash equivalents are as follows:

	Cash & Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$13,332,570	\$ 0
Investments:		
U.S. Government Securities	(6,310,841)	6,310,841
Repurchase Agreement	(5,615,434)	5,615,434
<b>GASB Statement No. 3</b>	<b>\$ 1,406,295</b>	<b>\$11,926,275</b>

The City maintains a cash pool that is available for the use by all funds and accounts except for the Mayor's Court agency fund and builder's cash deposit trust fund, which are maintained separately.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 6: **PROPERTY TAXES** (Continued)

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) property located in the City. Real property taxes were levied after October 1, 1997 on the assessed value as of January 1, 1998, the lien date, and were collected in 1998. Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be revaluated every six years. The latest revaluation was completed in 1996. Public utility property taxes received in 1998 attached as a lien on December 31, 1996, were levied after October 1, 1997 and are collected with real property taxes. Public utility property taxes are assessed on tangible personal property at 88 percent of true value. The 1999 tangible personal property taxes are levied after October 1, 1998, on the value listed as of December 31, 1998 and are collected in 1999. Tangible personal property assessments are 25 percent of true value.

The assessed value upon which the 1999 taxes were collected was \$1,134,605,453. The full tax rate for all City operations applied to taxable property for the year ended December 31, 1999 was \$11.10 per \$1,000 of assessed valuation.

Real and public utility property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of December 31, 1999. Total property tax collections for the next fiscal year are measurable amounts, however, since these tax collections will not be received during the available period nor are they intended to finance 1999 operations, the receivable is offset by a credit to deferred revenue.

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 7: **INCOME TAXES**

The City's municipal income tax of 2.0 percent is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and on the earnings of nonresidents (except certain transients) earned in the City. This tax also applies to net income of business organizations within the City. Residents of the City are granted a 100 percent credit for all income taxes paid to other municipalities.

Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by RITA and remitted to the City monthly.

Municipal income taxes are allocated by City ordinance as follows: 16.67 percent of the original 1.5 percent of the City income tax is restricted in its use for street construction and road surface maintenance and is included in the special revenue funds. All other income tax proceeds are included in the general fund.

NOTE 8: **RECEIVABLES**

Receivables at December 31, 1999 consisted of taxes, accounts (billings for user charged services including unbilled sewer services), interest and intergovernmental receivables arising from shared revenues. All receivables are deemed collectible in full.

A summary of the principal items of intergovernmental receivables follows:

<u>Due from other Governments</u>	<u>Amount</u>
General Fund:	
Liquor Permit Fees	\$ 10,768
Local Government	136,520
Total General Fund	<u>\$ 147,288</u>
Special Revenue Fund:	
Auto Registration Fees	\$ 16,339
Gasoline Tax	90,025
Highway Tax	45,459
Total Special Revenue Fund	<u>\$ 151,823</u>
Total Due from Other Governments	<u>\$ 299,111</u>

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 9: **FIXED ASSETS**

A summary of changes in general fixed assets for the year ended December 31, 1999 follows:

	Restated Balance <u>Jan. 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 1999</u>
Land and Land Improvements	\$ 3,829,994	\$ 5,289	\$ 0	\$ 3,835,283
Buildings and Improvements	20,814,744	155,216	0	20,969,960
Furniture and Fixtures	3,026,494	1,546	0	3,028,040
Machinery and Equipment	1,178,834	477,344	(83,982)	1,572,196
Vehicles	5,640,802	329,314	(173,590)	5,796,526
Construction in Progress	0	666,781	0	666,781
Totals	<u>34,490,868</u>	<u>1,635,490</u>	<u>(257,572)</u>	<u>35,868,786</u>
Less Accumulated Depreciation	(8,182,924)	(1,365,979)	0	(9,548,903)
Totals	<u>\$ 26,307,944</u>	<u>\$ 269,511</u>	<u>\$ (257,572)</u>	<u>\$ 26,319,883</u>

A summary of changes in proprietary fund fixed assets for the year ended December 31, 1999 is as follows:

	Restated Balance <u>Jan. 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 1999</u>
Land & Land Improvements	\$ 5,054,726	\$ 0	\$ 0	\$ 5,054,726
Buildings & Improvements	10,659,370	0	0	10,659,370
Furniture & Fixtures	5,000,449	0	0	5,000,449
Machinery & Equipment	1,893,652	0	0	1,893,652
Vehicles	103,783	0	0	103,783
Sanitary Sewer Installation	55,390,644	934,578	0	56,325,222
	<u>78,102,624</u>	<u>934,578</u>	<u>0</u>	<u>79,037,202</u>
Less Accumulated Depreciation	(31,650,517)	(1,775,755)	0	(33,426,272)
Totals	<u>\$ 46,452,107</u>	<u>\$ (841,177)</u>	<u>\$ 0</u>	<u>\$ 45,610,930</u>

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 10: **RISK MANAGEMENT**

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' liability.

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 1999, the City contracted with several companies for various types of insurance as follows:

<b><u>Company</u></b>	<b><u>Type of Coverage</u></b>	<b><u>Deductible</u></b>
Gulf Insurance Co.	Commercial General Liability (3,000,000 in aggregate 1,000,000 per occurrence)	no deductible
Gulf Insurance Co.	Boiler & Machinery	\$ 1,000
Gulf Insurance Co.	Blanket Property (\$63,877,738 in aggregate)	no deductible
American Casualty Co. Reading, PA	Contractor Equipment	no deductible
Gulf Insurance Co.	Blanket Bond	no deductible
Gulf Insurance Co.	Auto - Comprehensive	250
Gulf Insurance Co.	Auto - Collision	1,000
Gulf Insurance Co.	Employer's Liability	no deductible
Gulf Insurance Co.	Fire Dept. & EMT Liability	no deductible
Gulf Insurance Co.	Umbrella Liability	10,000
Gulf Insurance Co.	Law Enforcement Liability	10,000
Gulf Insurance Co.	Public Officials Liability	10,000

In addition to the above coverage the City has contracted with Arthur J. Gallagher & Co. to carry a commercial umbrella policy. The umbrella policy was acquired to cover losses which exceeded the initial coverage amount.

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



CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 11: **DEFINED BENEFIT PENSION PLANS**

The City pays the State Workers' Compensation system a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

A. **Public Employees Retirement System (PERS of Ohio):**

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

The City of Strongsville contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand alone financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 13.55 percent of covered payroll. The City's required contributions to PERS for the years ended December 31, 1999, 1998, and 1997 were \$932,702, \$788,524, and \$679,208, respectively. The full amount has been contributed for 1998 and 1997; 76 percent has been contributed for 1999, with the remainder being reported as a liability within the respective funds.

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

The City of Strongsville contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan. The Fund provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 11: **DEFINED BENEFIT PENSIONS PLANS** (Continued)

B. **Ohio Police and Fire Pension Fund** (Continued)

Code. The Fund issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The report may be obtained by writing to the Ohio Police and Fire Pension Fund (OP&F), 140 East Town Street, Columbus, Ohio 43215- 5164.

Plan members are required to contribute 10 percent of their annual covered salary and the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters. The City's contributions to OP&F for the years ended December 31, 1999, 1998, and 1997 were \$631,063, \$581,157, and \$559,709 for police and \$671,927, \$612,892, and \$560,975 for firefighters, respectively. The full amount has been contributed for 1998 and 1997; 72 percent has been contributed for 1999, with the remainder being reported as a liability within the respective funds.

NOTE 12: **POSTEMPLOYMENT BENEFITS**

A. **Public Employees Retirement System**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contributions to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate was 13.55 percent of covered payroll for employees not engaged in law enforcement; 4.2 percent was the portion that was used to fund health care for 1999. The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2 percent of covered payroll which amounted to \$289,103.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 12: **POSTEMPLOYMENT BENEFITS** (Continued)

A. **Public Employees Retirement System** (Continued)

Other postemployment benefits are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustment in health care provisions, are expected to be sufficient to sustain the program indefinitely.

Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future other postemployment benefits payments were \$9,870,285,641. The number of benefit recipients eligible for other postemployment benefits at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to other postemployment benefits. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. **Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (the "Fund") provides postretirement health care coverage to any person who receives 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 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered 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 Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 12: **POSTEMPLOYMENT BENEFITS** (Continued)

B. **Ohio Police and Fire Pension Fund** (Continued)

The Ohio Revised Code provides statutory authority allowing the fund's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.5 percent and 7.0 percent of covered payroll in 1998 and 1999, respectively. The allocation is 7.25 percent in 2000. 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.

The number of participants eligible to receive health care benefits as of December 31, 1998, (the latest information available) was 11,424 for police and 9,186 for firefighters. The portion of the City's contributions that was used to pay postemployment benefits was \$226,552 for police and \$196,203 for firefighters. The Fund's total health care expenses for the year ended December 31, 1998 (the date of the last actuarial valuation) were \$78,596,790, which was net of member contributions of \$5,331,515.

NOTE 13: **OTHER EMPLOYER BENEFITS**

**Compensated Absences**

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

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 13: **OTHER EMPLOYER BENEFITS** (Continued)

**Compensated Absences** (Continued)

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave is recognized as earned. All full-time City employees earn vacation at varying rates based upon length of service. An employee's vacation leave balance will carry over into the next fiscal year if it is not used. Upon retirement, termination, lay-off or death, employees are paid accumulated vacation leave. Sick leave may accrue with various limits based upon contracts. Upon retirement, an employee with at least ten years of continuous service is paid one-fourth (1/4) or one-third (1/3) of his or her accumulated sick leave up to various maximum number of hours at current wage rates, based on their contract agreements.

In accordance with Governmental Accounting Standards Board (GASB) Statement 16, the City has accrued a liability for compensated absences at December 31, 1999. For governmental fund types, the City recognized the current portion of this liability at December 31, 1999 that is expected to be liquidated with expendable available financial resources. Accumulated vacation and sick leave totaled \$160,905 and is recorded as a liability within the respective fund type since it was used within sixty days of year-end. The remainder of the compensated absences liability for governmental fund types amounted to \$1,256,783 and is recorded as a liability in the general long-term debt group since the timing of future payments is not determinable. For proprietary funds, accumulated vacation and sick leave is \$35,095 at December 31, 1999. These amounts are recorded as liabilities in the respective enterprise and internal service funds.

CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 14: **LONG-TERM OBLIGATIONS**

Long-term obligations of the City as of December 31, 1999 were as follows:

<u>Account Group</u>	<u>Balance (Restated)</u> <u>January 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 1999</u>
<b>General Long-Term Obligations</b>				
<b>General Long-Term Debt</b>				
Variable Rate (4.0% in 1999 to 5.95% in 2021), 1999 Various Purpose Improvement Bonds due through 2021	\$14,370,000	\$ 0	\$ 335,000	\$14,035,000
5.375%, 1978 City Hall Improvement Bonds due through 1999	0			
7.22%, 1989 Street Improvement Bonds due through 2009	645,000	0	645,000	0
Variable Rate (3.6% in 1996 to 6.55% in 2009), 1992 various purpose Improvement Bonds due through 2009	2,655,000	0	220,000	2,435,000
Variable Rate (4.0% in 1999 to 6.0% in 2014), 1996 various purpose Improvement Bonds due through 2014	835,000	0	155,000	680,000
Variable Rate (4.05% in 2000 to 5.05% in 2009), 1997 street Improvement Bonds due through 2009	3,825,000	0	0	3,825,000
<b>Total General Obligation Bonds Payable</b>	<b>22,330,000</b>	<b>0</b>	<b>1,355,000</b>	<b>20,975,000</b>
<b>General Obligation Notes Payable:</b>				
Ohio Public Works Commission - 0% Note due through 2015	186,097	0	10,947	175,150
Ohio Public Works Commission - 0% Note due through 2016	79,537	0	4,545	74,992
Ohio Public Works Commission - 0% Note due through 2017	64,102	0	3,374	60,728
Ohio Public Works Commission 0% Note Due through 2020	0	11,817	0	11,817
<b>Total General Obligation Notes Payable:</b>	<b>329,736</b>	<b>11,817</b>	<b>18,866</b>	<b>322,687</b>

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 14: **LONG-TERM OBLIGATIONS** (Continued)

	Balance (Restated) January 1, 1999	Additions	Reductions	Balance December 31, 1999
<b>General Long-Term Debt (Cont'd)</b>				
Special Assessments Bonds Payable with Government Commitment:				
1994 Various Purpose Improvement Bonds due through 2014	\$ 1,015,000	\$ 0	\$ 40,000	\$ 975,000
5.7%, 1996 Various Purpose Improvement Bonds due through 2016	1,175,000	0	40,000	1,135,000
1999 Various Purpose Improvement Bonds due through 2018	305,000	0	5,000	300,000
<b>Total Special Assessments Bonds Payable with Government Commitments</b>	<u>2,495,000</u>	<u>0</u>	<u>85,000</u>	<u>2,410,000</u>
<b>Total General Long-Term Debt</b>	<u>25,154,736</u>	<u>11,817</u>	<u>1,458,866</u>	<u>23,707,687</u>
<b>Other Long-Term Obligations</b>				
Notes Payable	1,550,000	3,300,000	1,550,000	3,300,000
Due to Government	319,582	0	319,582	0
Compensated Absences	1,163,192	93,591	0	1,256,783
Police & Fire Pension Liability	84,236	0	996	83,240
<b>Total Other Obligations</b>	<u>3,117,010</u>	<u>3,393,591</u>	<u>1,870,578</u>	<u>4,640,023</u>
<b>Total General Long-Term Obligations Account Group</b>	<u>\$28,271,746</u>	<u>\$ 3,405,408</u>	<u>\$ 3,329,444</u>	<u>\$28,347,710</u>
<b>Enterprise Funds</b>				
7.22%, 1989 Sanitary Sewer General Obligation Bonds due through 2014	\$ 75,000	\$ 0	\$ 75,000	\$ 0
Ohio Water Development Authority, 10.54% 1986 Bonds due through 2011	5,573,108	0	252,266	5,320,842
Ohio Public Works Commission - 0% Note due through 2015	240,936	0	14,173	226,763
Variable Rate (4.05% in 2000 to 5.05% in 2014), 1997 Sanitary Sewer various purpose improvement due through 2014	2,130,000	0	0	2,130,000
<b>Total Enterprise Funds Debt</b>	<u>\$ 8,019,044</u>	<u>\$ 0</u>	<u>\$ 341,439</u>	<u>\$ 7,677,605</u>

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

NOTE 14: **LONG-TERM OBLIGATIONS** (Continued)

General obligation bonds will be paid from revenue derived from charges for services in the enterprise funds. The special assessment bonds will be paid from special assessments and property tax receipts in the debt service fund. In the event the special assessment is not paid by the property owner, the City would be required to pay the debt. The police and fire pension liability will be paid from general revenues. Compensated absences reported in the "compensated absences" account will be paid from the fund from which the employees' salaries are paid.

In October, 2000, \$3,300,000 in principal and \$131,340 in interest is due on the notes payable.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 1999 are as follows:

Due In	Governmental					
	General Obligation Bonds		Special Assessment Bonds		Police & Fire Pension	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 900,000	\$ 1,204,659	\$ 100,000	\$ 124,677	\$ 1,039	\$ 3,527
2001	1,015,000	1,261,381	100,000	120,357	1,083	3,482
2002	1,080,000	1,112,953	110,000	115,948	1,130	3,436
2003	1,130,000	1,060,087	110,000	110,948	1,179	3,387
2004	1,180,000	1,005,939	110,000	103,354	1,229	3,337
2005-2009	5,900,000	4,775,952	675,000	439,977	6,985	15,842
2010-2014	3,365,000	2,564,392	710,000	207,266	8,619	14,209
2015-2019	4,305,000	1,421,962	495,000	17,505	10,637	12,193
2020-2024	2,100,000	189,210	0	0	13,124	9,704
2025-2029	0	0	0	0	16,196	6,631
2030-2034	0	0	0	0	19,985	2,843
2035-2039	0	0	0	0	2,034	43
	<u>\$ 20,975,000</u>	<u>\$ 14,596,535</u>	<u>\$ 2,410,000</u>	<u>\$ 1,240,030</u>	<u>\$ 83,240</u>	<u>\$ 78,634</u>

Due In	OPWC		
	Principal	Interest	Total
2000	\$ 19,161	\$ 0	\$ 2,353,063
2001	19,457	0	2,520,760
2002	19,457	0	2,442,924
2003	19,457	0	2,435,058
2004	19,457	0	2,423,316
2005-2009	97,283	0	11,911,039
2010-2014	97,283	0	6,966,769
2015-2019	31,132	0	6,293,429
2020-2024	0	0	2,312,038
2025-2029	0	0	22,827
2030-2034	0	0	22,828
2035-2039	0	0	2,077
	<u>\$ 322,687</u>	<u>\$ 0</u>	<u>\$ 9,706,128</u>



CITY OF STRONGSVILLE, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED DECEMBER 31, 1999  
(CONTINUED)

NOTE 14: **LONG-TERM OBLIGATIONS** (Continued)

Due In	General Obligation Bonds		Enterprise				Total
	Principal	Interest	ODWA		OPWC		
			Principal	Interest	Principal	Interest	
2000	\$ 30,000	\$ 100,887	\$ 278,855	\$ 560,817	\$ 14,173	\$ 0	\$ 984,732
2001	75,000	99,673	308,246	531,425	14,173	0	1,028,517
2002	95,000	96,598	340,735	498,936	14,173	0	1,045,442
2003	115,000	92,607	376,649	463,023	14,173	0	1,061,452
2004	120,000	87,662	416,348	423,324	14,173	0	1,061,507
2005-2009	775,000	346,020	2,840,114	1,358,244	70,863	0	5,390,241
2008-2014	920,000	144,682	759,895	79,778	70,863	0	1,975,218
2015-2019	0	0	0	0	14,172	0	14,172
	<u>\$ 2,130,000</u>	<u>\$ 968,129</u>	<u>\$ 5,320,842</u>	<u>\$ 3,915,547</u>	<u>\$226,763</u>	<u>\$ 0</u>	<u>\$ 12,561,281</u>

NOTE 15: **INTERFUND TRANSACTIONS**

Interfund balances at December 31, 1999 consist of the following fund type receivable and payables:

Fund Type	Due To	Due From
General Fund	\$ 70,560	\$ 30,901
Special Revenue Funds:		
Motor Vehicle License Fund	205,000	0
Street Construction, Maintenance & Repair	34,423	34,394
Recreation Levy	6,611	0
Clerk of Court-Computer	0	2,375
Fire Levy	1,343	0
Drainage Levy	0	10,947
Law Enforcement DUI/DWI	0	175
Total Special Revenue Funds	<u>247,377</u>	<u>47,891</u>
Debt Service Fund:		
General Bond Retirement	13,220	2,973,460
Capital Projects Fund:		
General Capital Improvement	1,720,000	207,273
Internal Service Funds:		
Building Maintenance	0	34,096
Municipal Garage	0	44,468
Total Internal Service Funds	<u>0</u>	<u>78,564</u>
Enterprise Funds:		
Sanitary Sewer	321,511	0
Sewer Capital Improvement	931,970	0
Total Enterprise Funds	<u>1,253,481</u>	<u>0</u>
Agency Fund:		
Mayor's Court	33,451	0
Total Agency Funds	<u>33,451</u>	<u>0</u>
Total Interfund Balances	<u>\$ 3,338,089</u>	<u>\$ 3,338,089</u>

CITY OF STRONGSVILLE, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED DECEMBER 31, 1999  
 (CONTINUED)

**NOTE 16: SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City's enterprise funds account for the provision of sewer services . The table below reflects, in a summarized format, the more significant financial data relating to the enterprise funds of the City of Strongsville as of and for the year ended December 31, 1999 on a GAAP basis:

	<u>Sanitary Sewer</u>	<u>Sewer Capital Improvement</u>	<u>Total</u>
Operating Revenues	\$8,895,210	\$1,001,549	\$9,896,759
Operating Expenses, excluding Depreciation Expense	7,267,331	73,453	7,340,784
Depreciation Expense	1,169,957	605,798	1,775,755
Operating Income	457,922	322,298	780,220
Non-Operating Expenses -			
Interest and Fiscal Charges	0	693,647	693,647
Net Income	457,922	(371,349)	86,573
Bonds and Other Long-Term Liabilities	2,130,000	5,569,525	7,699,525
Total Assets	38,991,683	11,333,017	50,324,700
Net Working Capital	2,499,049	1,448,675	3,947,724
Retained Earnings	2,303,917	1,907,963	4,211,880

**NOTE 17: CONSTRUCTION COMMITMENTS**

As of December 31, 1999, the City had the following significant commitments with respect to Capital Projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>
Fire Station	\$ 1,521,815
Traffic Signalization	1,495,003

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Ohio Society of Certified Public Accountants

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

Honorable Mayor, Finance Director and  
Members of City Council  
City of Strongsville, Ohio

We have audited the general purpose financial statements of the City of Strongsville, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated May 19, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 an instance of noncompliance that is required to be reported under Government Auditing Standards.

### **Contract Bidding**

Ohio Revised Code Section 735.05 states in part... "When an expenditure within the department, other than the compensation of persons employed therein, exceeds fifteen thousand dollars, such expenditures shall first be authorized and directed by Ordinance of the city legislative authority. When so authorized and directed...the director shall make a written contract with the lowest and best bidder after advertisement for not less than two nor more than four consecutive weeks in a newspaper of general circulation within the city." In addition, Article V, Section 5 of the Strongsville City Charter requires compliance with these statutory requirements. Contrary to the aforementioned statutory and Charter requirements, the City paid some vendors in excess of \$15,000 for services without complying with the requirements of the above referenced statute or authorizing the expenditure in accordance with Ohio Revised Code Section 735.051 if the circumstances so warranted. Additionally, and also contrary to Ohio Revised Code Section 735.05 and the City

**Contract Bidding** (Continued)

Charter, these expenditures were made without initiating a formal contract with the vendor. In the event the expenditure resulted from an unforeseen emergency, it would have been prudent for the City to have solicited an estimate of cost from the City Engineer or other qualified individual, obtain quotes from more than one vendor, and have the expenditure authorized by City Council as required by Revised Code Section 735.051 and subparagraph (b) of Article V, Section 5 of the City Charter.

**Corrective Action Plan**

The City has implemented a policy to be in compliance with the Ohio Revised Code Section 735.05 in the year 2000.

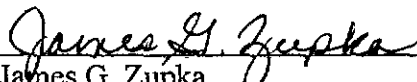
**Internal Control Over Financial Reporting**

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 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 also noted certain immaterial instances of internal control weaknesses and noncompliance over financial reporting that we have reported to the management of the City in a separate letter dated May 19, 2000.

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

May 19, 2000

  
James G. Zupka  
Certified Public Accountant

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

*Certified Public Accountants  
5240 East 98th Street  
Garfield Heights, Ohio 44125*

(216) 475-6136

Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

Honorable Mayor, Finance Director,  
and Members of City Council  
City of Strongsville, Ohio

**Compliance**

We have audited the compliance of the City of Strongsville, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City of Strongsville, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Strongsville, Ohio's management. Our responsibility is to express an opinion on the City of Strongsville, Ohio's compliance based on our audit.

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

In our opinion, the City of Strongsville, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

### **Internal Control Over Compliance**

The management of the City of Strongsville, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Strongsville, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

### **Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the City of Strongsville, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 19, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the City of Strongsville, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information and use of the audit committee, members of City Council, management, and 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.

  
James G. Zupka  
Certified Public Accountant

May 19, 2000

CITY OF STRONGSVILLE, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Pass Through Entity Identifying Number	Revenues/ Receipts	Expenditures/ Disbursements
<u>United States Department of Transportation</u>				
Pass through the Ohio Department of Transportation				
Highway Planning and Construction (Federal Aid Highway Program)	20.205	42420J85	\$ 451,817	\$ 840,956
Total United States Department of Transportation			<u>451,817</u>	<u>840,956</u>
<u>United States Department of Justice</u>				
Direct Program:				
COPS Fast Grant	16.710	95-CF-WX-3249	150,885	150,885
Total United States Department of Justice			<u>150,885</u>	<u>150,885</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 602,702</u></u>	<u><u>\$ 991,841</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CITY OF STRONGSVILLE, OHIO  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 1: **GENERAL**

The accompanying Schedule of Expenditures of Federal Awards of the City of Strongsville, Ohio, presents the activity of all federal financial assistance programs of the City. The City's reporting entity is defined in Note 1 to the City's general purpose financial statements. Federal financial assistance received directly from federal agencies as well as financial assistance passed through other government agencies are included on this schedule.

NOTE 2: **BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting and has been reconciled to the program's federal financial reports. The following is a reconciliation by grant from the cash basis to the accrual basis at December 31, 1999.

	<u>Receipt</u> <u>Recognized</u>	<u>Direct Program</u> <u>Expenditures</u>
<u>Department of Transportation</u>		
Cash Basis	\$ 451,817	\$ 520,852
Accrual Adjustment	0	320,104
Department of Transportation - Accrual Basis	<u>\$ 451,817</u>	<u>\$ 840,956</u>
 <u>Department of Justice</u>		
Cash Basis	\$ 150,885	\$ 150,885
Accrual Adjustment	0	0
Department of Justice - Accrual Basis	<u>\$ 150,885</u>	<u>\$ 150,885</u>



CITY OF STRONGSVILLE  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 & .505  
 DECEMBER 31, 1999

**1. SUMMARY OF AUDITOR'S RESULTS**

1999(i)	Type of Financial Statement Opinion	Unqualified
1999(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
1999(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
1999(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
1999(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
1999(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
1999(v)	Type of Major Programs' Compliance Opinions	Unqualified
1999(vi)	Are there any reportable findings under .510?	No
1999(vii)	Major Programs (list):	1. Highway Planning and Construction (Federal Aid Highway Program)
1999(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
1999(ix)	Low Risk Auditee?	Yes

CITY OF STRONGSVILLE, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & .505  
DECEMBER 31, 1999

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

None.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

CITY OF STRONGSVILLE, OHIO  
STATUS OF PRIOR CITATIONS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1999

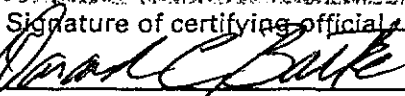
The prior audit report, as of December 31, 1998, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

FORM **SF-SAC**  
(8-97)U.S. DEPARTMENT OF COMMERCE - BUREAU OF THE CENSUS  
ACTING AS COLLECTING AGENT FOR  
OFFICE OF MANAGEMENT AND BUDGET**Data Collection Form for Reporting on**  
**AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS**Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." **RETURN TO** Single Audit Clearinghouse  
1201 E. 10th Street  
Jeffersonville, IN 47132**Part I GENERAL INFORMATION (To be completed by auditee, except for Item 7)**

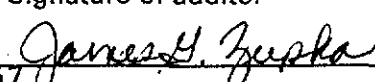
1. Fiscal year ending date for this submission Month Day Year 12 / 31 / 99		2. Type of Circular A-133 audit 1 <input checked="" type="checkbox"/> Single audit 2 <input type="checkbox"/> Program-specific audit										
3. Audit period covered 1 <input checked="" type="checkbox"/> Annual 2 <input type="checkbox"/> Biennial 3 <input type="checkbox"/> Other - _____ Months		FEDERAL GOVERNMENT USE ONLY	4. Date received by Federal clearinghouse									
5. Employer Identification Number (EIN)												
a. Auditee EIN <table border="1"><tr><td>3</td><td>4</td><td>6</td><td>0</td><td>0</td><td>2</td><td>7</td><td>5</td><td>1</td></tr></table>		3	4	6	0	0	2	7	5	1	b. Are multiple EINs covered in this report? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3	4	6	0	0	2	7	5	1				

<b>6. AUDITEE INFORMATION</b>		<b>7. AUDITOR INFORMATION (To be completed by auditor)</b>	
a. Auditee name City of Strongsville, Ohio		a. Auditor name James G. Zupka, CPA, Inc.	
b. Auditee address (Number and street) 18688 Royalton Road City Strongsville State Ohio ZIP Code 44136		b. Auditor address (Number and street) 5240 E. 98th Street City Garfield Heights, Ohio State Ohio ZIP Code 44125	
c. Auditee contact Name Donald Batke Title Finance Director		c. Auditor contact Name James G. Zupka Title President	
d. Auditee contact telephone (440) 238 - 5720		d. Auditor contact telephone (216) 475 - 6136	
e. Auditee contact FAX (Optional) ( ) -		e. Auditor contact FAX (Optional) (216) 475 - 1006	
f. Auditee contact E-mail (Optional)		f. Auditor contact E-mail (Optional)	

**g. AUDITEE CERTIFICATION STATEMENT** - This is to certify that, to the best of my knowledge and belief, the auditee has: (1) Engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in Parts I, II, and III of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official  Date  
Month Day Year  
6 / 19 / 00  
Name/Title of certifying official  
Donald Batke, Finance Director

**g. AUDITOR STATEMENT** - The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 5 and 6, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is **not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in Parts II and III of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor  Date  
Month Day Year  
6 / 19 / 00

**PART I GENERAL INFORMATION - Continued**

8. Indicate whether the auditee has either a Federal cognizant or oversight agency for audit. (Mark (X) one box)  
1  Cognizant agency 2  Oversight agency

9. Name of Federal cognizant or oversight agency for audit (Mark (X) one box)

01 <input type="checkbox"/> African Development Foundation	03 <input type="checkbox"/> Federal Emergency Management Agency	16 <input type="checkbox"/> Justice	08 <input type="checkbox"/> Peace Corps
02 <input type="checkbox"/> Agency for International Development	34 <input type="checkbox"/> Federal Mediation and Conciliation Service	17 <input type="checkbox"/> Labor	59 <input type="checkbox"/> Small Business Administration
10 <input type="checkbox"/> Agriculture	39 <input type="checkbox"/> General Services Administration	43 <input type="checkbox"/> National Aeronautics and Space Administration	96 <input type="checkbox"/> Social Security Administration
11 <input type="checkbox"/> Commerce	93 <input type="checkbox"/> Health and Human Services	89 <input type="checkbox"/> National Archives and Records Administration	19 <input type="checkbox"/> State
94 <input type="checkbox"/> Corporation for National and Community Service	14 <input type="checkbox"/> Housing and Urban Development	05 <input type="checkbox"/> National Endowment for the Arts	20 <input checked="" type="checkbox"/> Transportation
12 <input type="checkbox"/> Defense	03 <input type="checkbox"/> Institute for Museum Services	06 <input type="checkbox"/> National Endowment for the Humanities	21 <input type="checkbox"/> Treasury
84 <input type="checkbox"/> Education	04 <input type="checkbox"/> Inter-American Foundation	07 <input type="checkbox"/> National Science Foundation	82 <input type="checkbox"/> United States Information Agency
81 <input type="checkbox"/> Energy	15 <input type="checkbox"/> Interior	07 <input type="checkbox"/> Office of National Drug Control Policy	64 <input type="checkbox"/> Veterans Affairs
66 <input type="checkbox"/> Environmental Protection Agency			00 <input type="checkbox"/> Other - Specify:

**PART II FINANCIAL STATEMENTS (To be completed by auditor)**

1. Type of audit report (Mark (X) one box)  
1  Unqualified opinion 2  Qualified opinion 3  Adverse opinion 4  Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report? 1  Yes 2  No

3. Is a reportable condition disclosed? 1  Yes 2  No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness? 1  Yes 2  No

5. Is a material noncompliance disclosed? 1  Yes 2  No

**PART III FEDERAL PROGRAMS (To be completed by auditor)**

1. Type of audit report on major program compliance  
1  Unqualified opinion 2  Qualified opinion 3  Adverse opinion 4  Disclaimer of opinion

2. What is the dollar threshold to distinguish Type A and Type B programs § 520(b)?  
\$ 300,000

3. Did the auditee qualify as a low-risk auditee (§ 530)?  
1  Yes 2  No

4. Are there any audit findings required to be reported under § 510(a)?  
1  Yes 2  No

5. Which Federal Agencies are required to receive the reporting package? (Mark (X) all that apply)

01  African Development Foundation

03 <input type="checkbox"/> Federal Emergency Management Agency	16 <input type="checkbox"/> Justice	08 <input type="checkbox"/> Peace Corps
34 <input type="checkbox"/> Federal Mediation and Conciliation Service	17 <input type="checkbox"/> Labor	59 <input type="checkbox"/> Small Business Administration
39 <input type="checkbox"/> General Services Administration	43 <input type="checkbox"/> National Aeronautics and Space Administration	96 <input type="checkbox"/> Social Security Administration
93 <input type="checkbox"/> Health and Human Services	89 <input type="checkbox"/> National Archives and Records Administration	19 <input type="checkbox"/> State
14 <input type="checkbox"/> Housing and Urban Development	05 <input type="checkbox"/> National Endowment for the Arts	20 <input type="checkbox"/> Transportation
03 <input type="checkbox"/> Institute for Museum Services	06 <input type="checkbox"/> National Endowment for the Humanities	21 <input type="checkbox"/> Treasury
04 <input type="checkbox"/> Inter-American Foundation	07 <input type="checkbox"/> National Science Foundation	82 <input type="checkbox"/> United States Information Agency
15 <input type="checkbox"/> Interior	07 <input type="checkbox"/> Office of National Drug Control Policy	64 <input type="checkbox"/> Veterans Affairs
		00 <input checked="" type="checkbox"/> None
		00 <input type="checkbox"/> Other - Specify:

**PART III FEDERAL PROGRAMS - Continued**

6. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR							7. AUDIT FINDINGS AND QUESTIONED COSTS			
CFDA number (a)	Name of Federal program (b)	Amount expended (c)	Major program (a)	Type of compliance requirement <sup>2</sup> (b)	Amount of questioned costs (c)	Internal control findings <sup>3</sup> (d)	Audit finding reference number(s) (e)			
20.205	Highway Planning & Construction (Federal Highway Program)	\$ 840,956	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	NONE	\$ 0	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A			
16.710	COPS Fast Grant	\$ 150,885	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	NONE	\$ 0	1 <input type="checkbox"/> A <input checked="" type="checkbox"/> C 2 <input type="checkbox"/> B	N/A			
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
		\$	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$	1 <input type="checkbox"/> A <input type="checkbox"/> C 2 <input type="checkbox"/> B				
<b>TOTAL FEDERAL AWARDS EXPENDED</b>		\$ 991,841								

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS

<sup>1</sup> Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available.  
<sup>2</sup> Type of compliance requirement (Enter the letter(s) of all that apply to audit findings and questioned costs reported for each Federal program.)  
 A. Activities allowed or unallowed  
 B. Allowable costs/cost principles  
 C. Cash management  
 D. Davis - Bacon Act  
 E. Eligibility  
 F. Equipment and real property management  
 G. Matching, level of effort, earmarking  
 H. Period of availability of funds  
 I. Procurement  
 J. Program income  
 K. Real property acquisition and relocation assistance  
 L. Reporting  
 M. Subrecipient monitoring  
 N. Special tests and provisions  
 O. None

<sup>3</sup> Type of internal control findings (Mark (X) all that apply)  
 A. Material weaknesses  
 B. Reportable conditions  
 C. None reported



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

CITY OF STRONGSVILLE

CUYAHOGA 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.

By: Susan Babbitt

Date: JUL 27 2000