

# *THE CITY OF PAINESVILLE, OHIO*

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LAKE COUNTY

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 1999

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# CITY OF PAINESVILLE

June 21, 2000

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

We are pleased to present this Comprehensive Annual Financial Report for the City of Painesville, Ohio for the fiscal year ended December 31, 1999. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## INTRODUCTION

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

### **The Report**

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

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

## **The Reporting Entity**

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

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

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

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

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

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

Painesville is located approximately 35 miles east of the City of Cleveland in northeastern Ohio. It is the county seat for Lake County and is the fourth largest city, based upon population, within the County. According to the 1990 Census, Painesville is the 95th largest city in the State. Some of the City's major transportation arteries include State Routes 2, 44, 84 and 86, U.S. Highway 20 and Interstate Highway I-90. Lake Erie College, a private four-year college with an enrollment of approximately 700, is located near the center of the City.

## **The Management**

The Council-Manager form of government is established by the Charter. The legislative power of the City is vested in a Council of seven members who are elected on a non-partisan basis for a term of four years. Four of the members are elected from wards and their current terms expired on December 31, 1999; the remaining members are elected At-Large and their current terms expire on December 31, 2001. The chief executive power of the City is vested in the City Manager who is appointed by the City Council. The Finance Director and Law Director, as well as other administrative directors, are appointed by the City Manager, with the affirmation of City Council.

## **Services Provided**

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

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

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

## **Bases of Accounting**

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

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



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

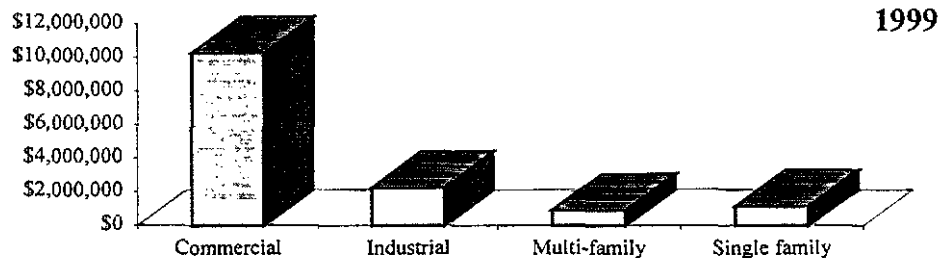
## ECONOMIC CONDITION AND OUTLOOK

### Local Economy

During 1999, the City experienced an upswing in the local economy in contrast with what was happening at the national level. Municipal income tax, the City's primary source of tax revenues, increased significantly compared to 1998 collections.

Another key indicator of the City's economic growth is construction activity, as indicated by the value of building permits issued. The chart below provides a summary and comparison of the value of building permits over the past five years. The decrease in building permits was primarily attributable to a decrease in multi-family and single family housing. This decrease is more reflective of the numerous increases in interest rates by the Federal Reserve Board than a downturn in the economy.

Category	1995	1996	1997	1998	1999
Commercial	\$3,659,501	\$6,719,095	\$1,852,158	\$6,393,106	\$10,282,310
Industrial	5,200,953	1,560,050	2,587,817	3,072,900	2,266,500
Multi-family	6,660,720	4,102,594	580,690	3,487,657	919,517
Single family	2,534,744	2,213,860	1,830,819	2,543,647	1,149,024
Totals	\$18,055,918	\$14,595,599	\$6,851,484	\$15,497,310	\$14,617,351



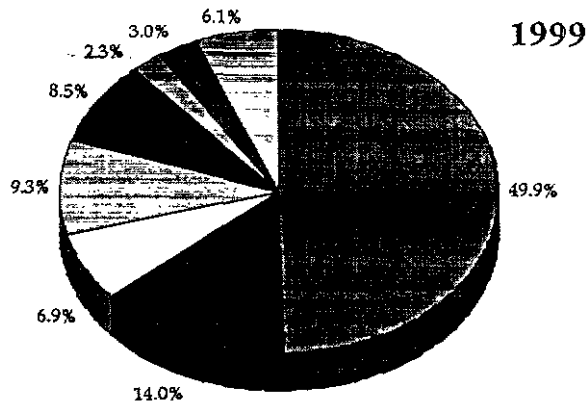
Unemployment in Lake County was comparable to state and national levels during 1999. The unemployment rate for Lake County increased by .4% in 1999 when compared to 1998. Listed below are the respective unemployment rates for the county, state and nation as of December 31, 1999:

Lake County	4.0%
Ohio	4.3%
United States	4.2%

## Business

The City of Painesville has 700 businesses which employ approximately 9,400 workers in all sectors of the economy. The percentage of businesses by sector breakdown is as follows:

Sector	Businesses	Percentage of Total
Service	352	49.9%
Retail	99	14.0%
Finance, Insurance and Real Estate	49	6.9%
Manufacturing	66	9.3%
Construction	60	8.5%
Wholesale	16	2.3%
Government	21	3.0%
Other	43	6.1%
<b>Total</b>	<b>706</b>	<b>100.00%</b>



The large number of businesses in the service sector is an outgrowth of the City's position as the county seat for Lake County. The largest sectors in terms of employment continue to be the service and governmental sectors with approximately 4,900 employees (57.1%) and the retail sector with approximately 1,300 employees (14.2%).

Listed below are new businesses which have opened or relocated to the City of Painesville during 1999. The City of Painesville has taken a very aggressive approach with its economic development program and is making a concerted effort to acquaint new businesses with the advantages of locating in the City of Painesville.

- On Schedule Mfg. & Eng., Inc.
- Mijdocks Food & Beverage Store
- Pool Connection
- Avenue Auto Clinic
- Esterle-Hohlfelder Insurance Agency
- Zeros & Ones
- Uptown Fashions
- All-Finish Detail
- Injection Molding Specialties
- First Mutual Financial Corporation
- New Hope Vocational Services
- Lake County Branch NAACP
- U.S. Department of Veterans' Affairs Medical Center
- Robert S. Forbes, Chiropractor
- Painesville DOJO
- Painesville Welding & Fabrication
- Wing Electric, Inc.
- Goodwill Industries of Ashtabula
- Treasure Shop
- Commonwealth Land Title Agency
- Stark & Bencar, Inc.

## MAJOR INITIATIVES

### **Capital Improvements**

Fiscal year 1999 was a very aggressive year for street repair and/or major reconstruction capital improvements. Numerous projects were either started in 1999 and completed in 1999 or initiated in 1999 with a scheduled completion in early 2000.

A minor road improvement project on Glenwood/Hawkins was initiated in 1998 and completed during 1999 at an approximate cost of \$180,000.

Two major roadway improvement projects originally budgeted in 1998 were initiated during 1999. The Chestnut Street Roadway Improvement Project was completed in September, 1999 at a total cost of \$1,332,600 with the City receiving \$666,300 in State Issue funds. The remaining local share will be split equally between the City and Lake County. The Jackson Street Roadway Improvement Project, also budgeted in 1998, was initiated in 1999 with a scheduled completion date of December, 1999. The local share commitment for this \$1.5 million project is over \$300,000 with the City receiving approximately \$155,300 from Lake County.

The East Walnut Avenue Roadway Improvement project, which included resurfacing and water line upgrades, was also started during 1999. This project, partially funded through an OPWC loan, was completed at a total cost of \$214,700. The City received a Community Development Block Grant for roadway and water line improvements on Morse Avenue and Second Street. This project was initiated in 1999 at a cost of \$234,000. Projected completion date is early 2000.

Major capital improvement activity was centered in the water distribution area during 1999. The City had received \$448,800 in State Issue II funds for construction of a pump station on Morley Road. This project, initiated in 1997, was completed during 1999 at a cost in excess of \$1.6 million. The City issued \$5,000,000 general obligation bonds during 1998; a portion of the proceeds was utilized to fund the City's share of the Morley Road Pump Station Project. In addition, \$1,386,137 of the bond proceeds was used to pay off a note issued in 1997 to fund two other water improvement projects. The balance of the bond proceeds, \$1,200,000, was used to fund water line improvements in the north-end of the City. These improvements in the north-end were initiated in 1998 and completed during 1999.

Another major water project, originally targeted for completion in 1998, is a collaborative effort with Lake County for water line improvements on Girdled Road, to include storage tank installation. The projected cost for this project is \$2,435,000 with a completion date of early 2000. The City's share of the project will come primarily from a joint loan arrangement with the Ohio Water Development Authority and the Water Supply Revolving Loan Account in the amount of \$1,644,613. The Timberlane Water Line project, which was completely funded by Lake County, was initiated and completed during 1999.

Miscellaneous improvements were also made at the Water Plant in 1999. A major project involved replacement of a flat roof at a total cost of \$88,700.

Several major projects at the water pollution control plant/sewer system were either initiated or completed in 1999. Major rehabilitation of the intermediate tank at the Water Pollution Control Plant was accomplished for \$326,800. Construction of a sludge handling facility, initiated in 1998; was completed at a total cost of \$822,100.

An *Inflow and Infiltration (I & I)* study was initiated during 1999 to identify those areas of the city that were contributing to storm water runoff and drainage issues. Cost of the study is \$184,400.

The primary initiative for the Electric Department during 1999 involved major equipment purchases and/or upgrades at the Electric Plant. A major project initiated in 1999 involved installation of a burner management system; which will be completed in late 2000. A minor project at the substation involved raising the grade inside the substation.

The City continued the renovations of various baseball diamonds at Recreation Park. The renovations to the baseball diamonds at Recreation Park were a cooperative effort with the Painesville Local School District. A similar arrangement is anticipated for 2000. Installation of a restroom at Recreation Park, partially funded through a grant from the Ohio Department of Natural Resources, was initiated in 1999 and carried over into 2000 for completion. Total project cost is estimated at over \$92,000.

## FINANCIAL INFORMATION

### **Internal Control Structure**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the determination of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

### **Summary of Accounting Policies and Budgetary Control**

The City's financial statements for its governmental, expendable trust and agency funds have been prepared on the modified accrual basis of accounting. Revenues on this basis are recognized when measurable and available to finance current City operations; expenditures are recognized when the liability is incurred, if measurable, except for interest on general long-term debt which is recognized when due.

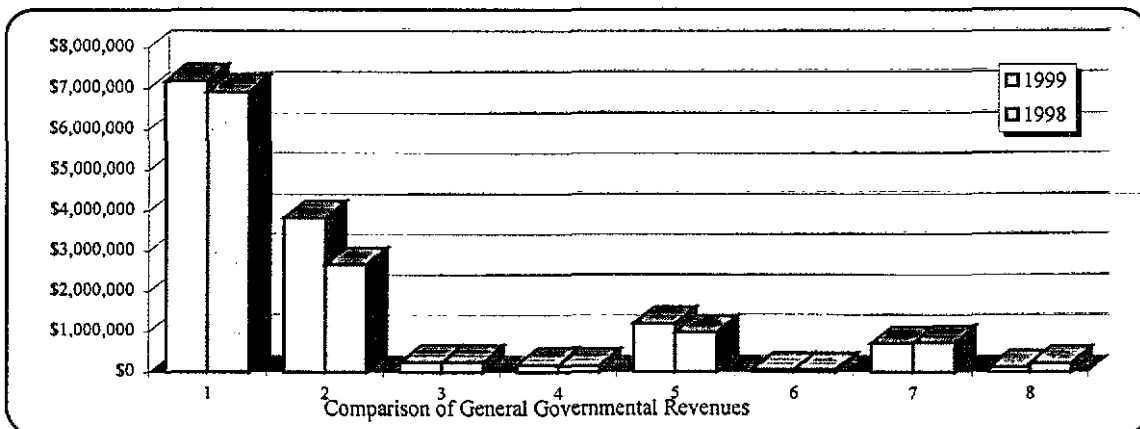
The City's proprietary and nonexpendable trust funds are accounted for on the accrual basis. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. See Note 1 to the general purpose financial statements for a summary of the City's significant accounting policies.

The City is legally required to adopt an annual budget for all funds other than agency funds; however, only governmental funds are required to be reported. Budget amendments require an ordinance of the City Council. The primary level of budgetary control is at the program level (General Government, Public Safety, Highways and Streets, Public Health and Welfare, Culture and Recreation and Community Environment) and within each program at the level of personal services, all other expenditures, capital outlay and operating transfers as established by Ohio law. Purchase order amounts are encumbered prior to the release of the order to the vendor. Open encumbrances are individually reviewed prior to year end and a determination is made whether or not to carry them forward to the following year. These encumbrances are reported as a reservation of fund balance at December 31, 1999 for all governmental funds. Budgets are legally adopted and controlled on a cash/encumbrance basis. Unencumbered appropriations lapse at year end.

### General Governmental Functions

The following schedule presents a summary of general fund, special revenue funds and debt service funds revenues for the year ended December 31, 1999 and the amount of increases and decreases in relation to prior year revenues.

Revenue Source	Total 1999 Revenues	Percent of Total	Total 1998 Revenues	Increase (Decrease) over 1998	Percent of Change
1 Taxes	\$7,181,523	53.12%	\$6,921,888	\$259,635	3.75%
2 Intergovernmental Revenues	3,830,361	28.33%	2,670,751	1,159,610	43.42%
3 Charges for Services	248,725	1.84%	247,654	1,071	0.43%
4 Licenses and Permits	179,690	1.33%	160,646	19,044	11.85%
5 Investment Earnings	1,201,096	8.88%	989,273	211,823	21.41%
6 Special Assessments	60,007	0.45%	61,648	(1,641)	(2.66%)
7 Fines and Forfeitures	700,811	5.18%	729,995	(29,184)	(4.00%)
8 All Other Revenue	117,626	0.87%	222,263	(104,637)	(47.08%)
<b>Total</b>	<b>\$13,519,839</b>	<b>100.00%</b>	<b>\$12,004,118</b>	<b>\$1,515,721</b>	



## Revenues Narrative

The overall increase in revenues from 1998 to 1999 was primarily attributable to three major factors: increased income tax collections, significantly higher intergovernmental revenues and additional investment earnings.

The \$259,635 increase in taxes results primarily from City income tax collections, although property taxes did experience a modest increase during fiscal year 1999.

The increase in Intergovernmental Revenue was due to a significant increase in revenues received from the Local Government Fund-County. In addition, the City was reimbursed under a State Issue II Grant for a street project (\$259,466). The significant increase in Intergovernmental Revenues primarily reflects the reimbursement from Lake County for various city projects.

The third major component of the overall increase in revenues was in Investment Earnings. This source experienced an increase because of the increase in interest rates as well as an increase in the availability of idle funds for investment purposes.

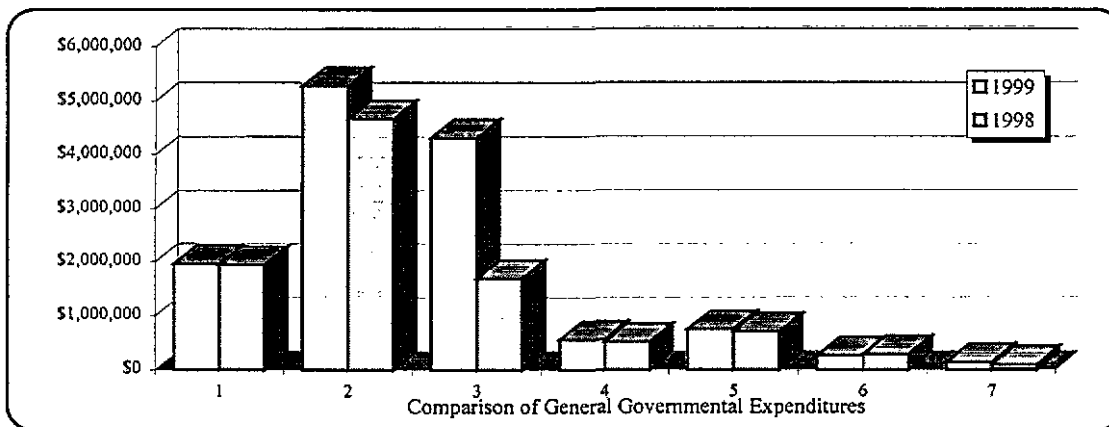
The City's income tax continues to be its primary source of governmental revenue accounting for approximately 60.4% of total general fund revenues. Income tax receipts for 1999 were \$219,000 higher than 1998 receipts. This significant increase is representative of the healthy environment and economy in Lake County. The tax applies to all wages, salaries, commissions and other compensation paid by employers and/or the net profits from the operation of a business, profession or other enterprise activity. Income tax rates of cities and villages within the State of Ohio are limited to a maximum of 1% unless specifically approved by a majority of the resident voters of the respective city or village. The income tax rate for the City of Painesville is 2% and has remained unchanged for ten years. Approximately \$6.59 million of tax revenues for 1999 are attributable to income tax collections.

Property taxes in Ohio are levied and collected by its 88 counties. The counties, after collection, distribute portions of these taxes to the various political subdivisions within their geographic borders. Property taxes for the City represent a tax rate of 3.7 mills (\$3.70 per \$1000 of assessed valuation) applied to the assessed value of property located in the City. Assessed values represent approximately 35% of appraised values. The details of property tax valuations and tax rates relating to collections for the last three years are as follows:

TAX RATES			
(Per \$1000 of Assessed Valuation)			
Purpose	1999	1998	1997
General Fund	\$2.10	\$2.10	\$2.10
Bond Retirement	0.30	0.30	0.30
Police/Fire Pension	0.60	0.60	0.60
Fire Levy Fund	0.70	0.70	0.70
Totals	\$3.70	\$3.70	\$3.70
Assessed Valuations	\$185,486,930	\$185,269,703	\$162,827,572

The following schedule presents a summary of general fund, special revenue funds and debt service funds expenditures for the year ended December 31, 1999. Expenditures for general governmental purposes totaled \$13,263,584 in 1999, an increase of \$3,355,208 over 1998. Expenditures for the major functions of the City and the percentage of total for 1999 and the percentage increase/(decrease) over 1998 are shown in the following table:

Expenditures	Total 1999 Expenditures	Percent of Total	Total 1998 Expenditures	Increase (Decrease) over 1998	Percent of Change
1 General Government	\$1,967,990	14.84%	\$1,950,541	\$17,449	0.89%
2 Public Safety	5,281,060	39.82%	4,672,076	608,984	13.03%
3 Highways and Streets	4,322,320	32.59%	1,695,777	2,626,543	154.89%
4 Public Health and Welfare	554,676	4.18%	514,971	39,705	7.71%
5 Culture and Recreation	745,573	5.62%	702,249	43,324	6.17%
6 Community Environment	257,296	1.94%	279,138	(21,842)	(7.82%)
7 Debt Service	134,669	1.01%	93,624	41,045	43.84%
<b>Total</b>	<b>\$13,263,584</b>	<b>100.00%</b>	<b>\$9,908,376</b>	<b>\$3,355,208</b>	



### Expenditure Narrative

The increase in total expenditures in the general, special revenue and debt service funds from 1998 to 1999 is primarily the result of activity in the Public Safety and Highways & Streets expenditures.

The increase in Streets and Highways can be traced to the Street Construction, Maintenance and Repair Fund. Several major street renovation/repair projects originally budgeted for 1998 were delayed until 1999, thereby reducing expenditures for this purpose in that year while increasing expenditures during 1999. The Chestnut Street and East Walnut Roadway Improvement Projects account for the majority of this increase.

The increase in Public Safety costs was due to the salary and benefit expenditures associated with the addition of another Police Officer in the General Fund and the award of a third Patrol Officer under the COPS Grants program (special revenue fund).

Debt Service costs included the payment of principal, interest and related administration charges for the retirement of the City's outstanding Ohio Public Works Commission Loan (OPWC) and special assessment debt. During 1999, the January 1, 2000 payment for the OPWC Loan was paid in December 1999.

### **General Fund**

Most municipalities are service oriented organizations as is the City of Painesville. Not only is the general fund the largest governmental fund, it is also responsible for funding the major governmental services of the City, such as public safety, culture/recreation and a portion of general administration. Consequently, considerable time in the budget process is dedicated to the general fund. The budget of this fund is prepared by the City Manager, with the assistance of the Finance Director, the City's chief fiscal officer, and is submitted to City Council for their consideration.

A series of public budget hearings which take place on various dates over a period of up to 60 days constitutes the review process. Final appropriations and amendments thereof are passed by Council in the form of an appropriations ordinance as required by the City Charter and state statutes.

The major revenue source is the City's municipal income tax. A great variety of other sources of income flow into the general fund, including general property taxes, licenses, fees, permits, sales taxes, court fines, penalties, investment earnings and revenues from other governments.

The fund balance of the general fund at December 31, 1999 was \$3,930,509, an increase of \$421,076 from the 1998 fund balance of \$3,509,433. It continues to be the goal of the City Manager and her administration to provide a sufficient fund balance in the general fund to serve as a hedge against any future unforeseen contingency. The current fund balance is indicative of the sound management principles that have been adhered to throughout 1998 and 1999.

### **Special Revenue Funds**

Special revenue funds of the City are used to account for revenues derived from specific taxes or other legally restricted revenue sources. Considerable attention by the administration has been given to compliance with regulations pertaining to public hearings and other requirements relating to grants received by the City. All special revenue funds are controlled through the same detailed budget process used for the general fund.

### **Capital Projects Funds**

The capital projects funds are used to account for transactions relating to the City's major capital improvement projects. The main sources of revenue for the capital projects funds are special assessments, fines and forfeitures and transfers from other funds. However, the City has decreased its capital improvements expenditures over the past few years, reducing the need for revenue other than transfers from other funds into the capital projects funds.



## **Proprietary Funds**

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. The measurement focus is based upon determination of net income, financial position and cash flows. The following are the City's proprietary fund types:

### Enterprise Funds

Enterprise funds, which are comparable to profit-making businesses, were established to account for the City's self-supporting activities.

The Water Fund accounts for the operation of the City's water treatment and distribution system. Operating revenues decreased by \$65,590 or 2% and the operating expenses increased \$512,548 or 16% which resulted in an operating loss of \$213,100. It is anticipated that growth in the developing service area to the south and recently annexed properties of the City will produce increased revenues by expanding the number of customer accounts within the next five years.

The Sewer Fund accounts for the operation of the City's water pollution control plant and the sanitary sewer collection system. The 1999 operating loss for the Sewer Fund was \$216,226. The fund ended the year with retained earnings of \$8,044,960 which is a decrease over 1998.

The Electric Fund accounts for the operation of the City's electric generating plant and distribution system. A decrease in major maintenance and repair activity resulted in an operating income for 1999 of \$1,945,271.

The Refuse Fund is used to account for the collection and disposal of solid waste, which is contracted to a private operation. The Off-Street Parking Fund, which is used to account for the operation of the City's downtown garage, had a 1999 operating loss of \$123,826 and retained earnings of \$971,444.

### Internal Service Funds

The internal service rotary funds are used to account for the purchase of materials and supplies and petroleum products that are obtained in large volumes and then made available to the various departments on a cost reimbursement basis. Items purchased by the internal service funds are typically purchased at a lower cost than would be obtainable if each department had to make provisions to purchase their own materials and supplies and petroleum products. Revenues are generated for the internal service funds from billings to the various departments for goods obtained from the central warehouse or City maintenance/refueling facilities. The Fuel and Oil Rotary Fund experienced an operating loss of \$37,841 in 1999. The Supplies Rotary Fund recorded an operations loss of \$2,084. Internal billing charges are adjusted when necessary to insure that sufficient fund equity is maintained within the internal service funds.

In addition to the two rotary funds discussed above, the Workers' Compensation Retrospective Fund was established to account for transactions related to the City's participation in the State of Ohio Workers' Compensation Retrospective Rating Program. The program was initiated in conjunction with various safety and loss control programs designed to reduce the incidence of risk. Under the retrospective rating program, the City agrees to pay a fraction of the premium it would normally pay while accepting the responsibility of reimbursing workers' compensation claims as they come due. The City has broadened

the definition of the fund to include participation in the regular State Workers' Compensation Program. The City has the option to participate or not participate in the program based on the cost-benefit analysis performed each year to determine the most cost effective approach to the overall workers' compensation program. The City will pay current premiums to the State Workers' Compensation based upon a cost per \$100 of payroll as well as paying for actual claims filed under the terms of the retrospective program.

### **Fiduciary Funds**

#### Trust Funds

The expendable trust funds of the City are used to account for monies held by the City to insure compliance with local statutes. The expendable trust funds are accounted for and reported similarly to governmental funds.

The City also maintains nonexpendable trust funds, all of which are associated with the two cemeteries operated by the City and are used to account for principal balances from contributions and endowments where capital maintenance is of primary importance. The nonexpendable trust funds are accounted for and reported in a manner similar to proprietary funds.

#### Agency Funds

Agency funds are custodial in nature and do not involve the measurement of results of operations.

### **Debt Administration**

The total general obligation bond and note debt on December 31, 1999 was \$9,130,000, which consisted of \$7,405,000 of general obligation bonds and \$1,725,000 of general obligation bond anticipation notes. In addition, the City had mortgage revenue bonds outstanding at December 31, 1999 of \$4,465,000. The City believes that the preparation of this report in the past helped the City obtain lower interest rates and maintain an A3 rating from Moody's.

### **Debt Capacity**

The City is well within statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 1999 is included in the Statistical Section of this report, along with other related computations and ratios relevant to the City's note and bonded debt. The City currently has no general obligation bonded debt supported by property taxes.

### **Cash Management**

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

Effective cash management is recognized as essential to good fiscal management and is a vital component in the City of Painesville's overall financial strategy. The City's investment portfolio is designed and managed in a manner responsive to the public trust and consistent with state and local

statutes. Investments are made on the basis of the following list of objectives which are listed in the order of importance :

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

The City is generally restricted (after quotations are obtained) to investing in certificates of deposit, savings accounts, money market accounts, the State Treasury Asset Reserve (STAR Ohio), obligations of the State of Ohio and obligations of the United States government or certain agencies thereof. There is no limitation on the maturity of the City's investments.

### Fixed Assets

It is essential that the City maintain a complete record of assets which it owns and for which it is responsible. Fixed assets directly involved in the revenue producing activities of the enterprise funds are accounted for within those funds, and their related costs are included in the determination of the user charge rate structure.

The General Fixed Assets Account Group includes all fixed assets of the City not used in a proprietary operation. Such assets include public safety facilities, streets and highways facilities, parks and recreation facilities, general government buildings, motor vehicles and other major general government equipment. Infrastructure (streets, highways, sidewalks, curbs, gutters and bridges) which the City owns and is responsible for are excluded from the amounts shown. The City carries sufficient insurance on all assets subject to hazard or destruction.

The cost of items recorded in the General Fixed Assets Account Group at December 31, 1999 is as follows:

Land	\$952,876
Buildings and Improvements	1,338,772
Improvements other than Buildings	333,092
Machinery and Equipment	4,472,035
Construction in Progress	21,545
Total General Fixed Assets	<u>\$7,118,320</u>

### Risk Management

The City has taken a very proactive approach in addressing the daily operations of the municipality, which is reflected in its insurance protection package and the favorable loss experience. Deductible levels for the various policies have been selected so as not to expose the City to excessive "first dollar" loss in the case of a claim. In the property damage area, deductibles are maintained at \$1,000 or less per loss. In the professional liability areas, no deductible exceeds \$25,000. Public officials and law enforcement employees are covered under separate policies and have aggregate limits of \$1,000,000. A synopsis of insurance is presented in the Statistical Section of this report.

In 1992, Painesville applied and was accepted into the States Workers' Compensation Retrospective Rating Plan. Under the terms of the plan, the City will initially pay a minimum premium (a fraction of the premium it would pay as an experience-rated risk), while accepting responsibility for reimbursing workers' compensation claims as they come due, up to an aggregate and specific stop/loss limit. The City expects to realize a reduction in workers' compensation costs through this plan. In 1993, the City established a new internal service fund to account for workers' compensation. During 1998, the City elected to reenter from the retrospective rating program rather than pay the standard workers' compensation assessment which is calculated as a specified rate per \$100 of payroll. An analysis of the retrospective program versus the standard program yielded a greater benefit based on lower cost in the retrospective program. The City will continue to monitor the costs and benefits of both programs.

Employee health insurance is provided by Anthem Blue Cross and Blue Shield.

### **OTHER INFORMATION**

#### **Independent Audit**

Under federal law, the City is required to have an audit performed every year. The accounting firm of S. R. Snodgrass, A. C. performed the 1999 audit. The independent auditors' unqualified report has been included in this report. The Administration plans to continue this audit procedure as required by law as part of the preparation of its CAFR. The annual audit and management letter submitted by the independent public accounting firm provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Painesville, Ohio for its Comprehensive Annual Financial Report for the year ended December 31, 1998. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement represents a significant accomplishment by a governmental unit.

A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last twelve consecutive years, fiscal years ended 1987-1998. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

## Public Disclosure

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

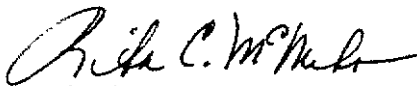
## Acknowledgments

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

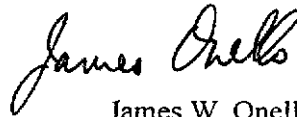
Special thanks are also due to Donald J. Schonhardt, President, Donald J. Schonhardt & Associates, Inc., Columbus, Ohio, and the members of his staff for their efforts in converting the City's budgetary basis accounting records to the generally accepted accounting principles (GAAP) basis. In addition,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

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

Sincerely,



Rita C. McMahon  
City Manager



James W. Onello  
Director of Finance

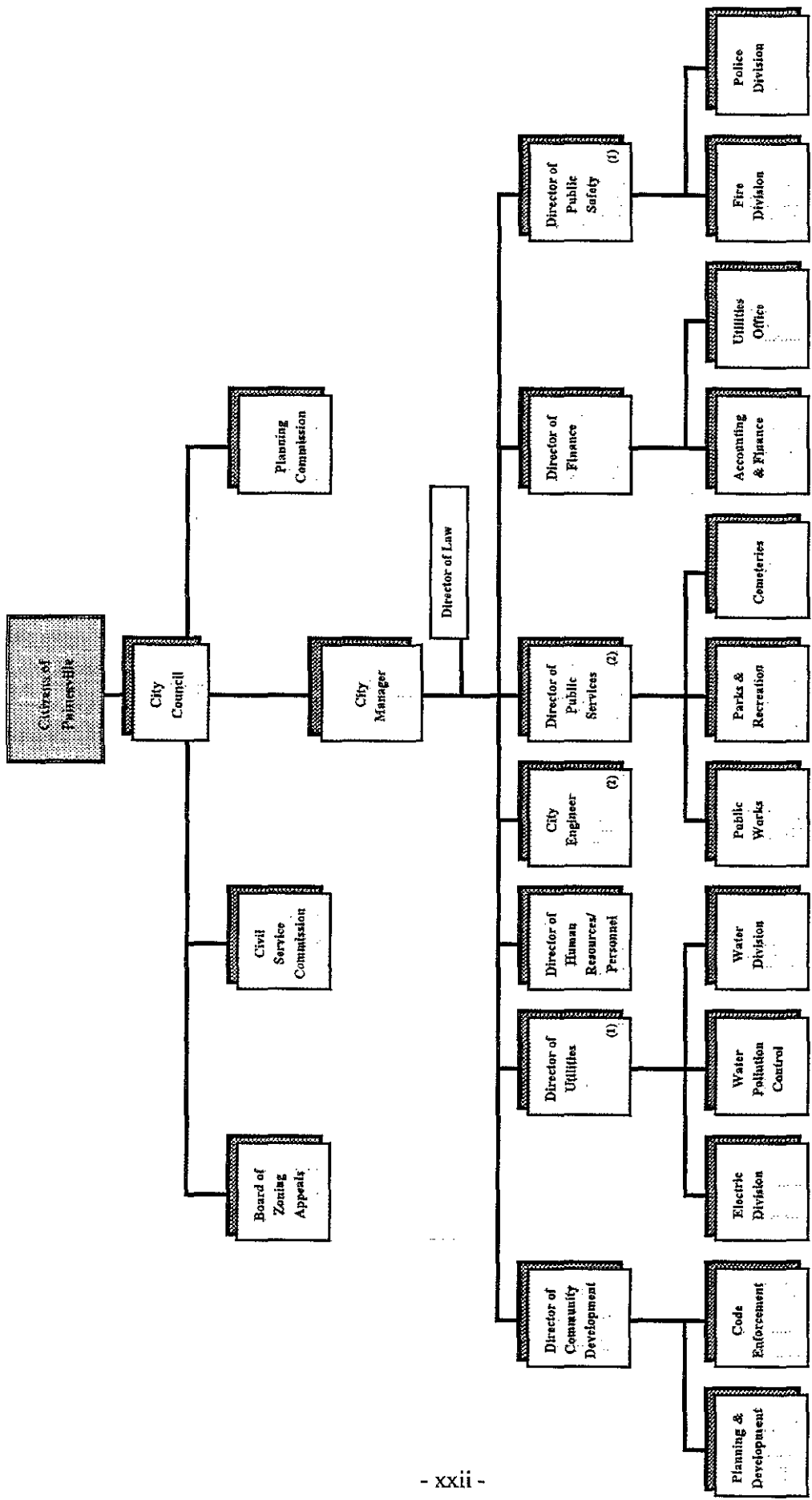
**THE CITY OF PAINESVILLE, OHIO**  
**LIST OF PRINCIPAL OFFICIALS**  
**SHOWING YEARS OF MUNICIPAL/GOVERNMENTAL SERVICE**  
**DECEMBER 31, 1999**

Name	Title	Position	Years of Municipal/Governmental Service			
			City	Other Municipal/ Governmental Service	Total Public Service	
<b>CITY COUNCIL</b>						
John F. Clair, III	President	(at Large)	4.0	11.8	19.5	19.5 (A)
Abby DelaMotte	Vice President	(at Large)	4.0	10.0	22.0	23.0 (B)
Wendell P. Walker	Council Member	(Ward 4)	13.5	13.5	0.0	13.5
Robert Fountain	Council Member	(Ward 3)	4.0	4.0	0.0	4.0
Andrew Flock	Council Member	(Ward 1)	4.5	4.5	0.0	4.5
William Horvath	Council Member	(Ward 2)	4.5	4.5	0.0	4.5
Joseph Hada, Jr.	Council Member	(at Large)	18.0	18.0	0.0	18.0
<b>CITY ADMINISTRATION</b>						
Rita McMahon	City Manager		2.5	7.5	9.5	17.0
James W. Onello	Director of Finance		5.0	5.0	10.0	15.0
Joseph M. Gurley	Director of Law		12.0	19.3	13.3	23.3 (C)
Gary A. Paine, P.E.	City Engineer/Service Director		16.5	16.5	8.5	25.0
Shirley A. Onderisin	Clerk of Council		21.0	28.0	0.0	28.0
<b>DEPARTMENT/DIVISION HEADS</b>						
Thomas A. Green, P.E.	Electric Power Superintendent		21.0	21.0	0.0	21.0
Walter A. White	Water Pollution Control Superintendent		32.5	47.5	0.0	47.5
Jack A. Martin	Fire Chief		18.0	28.0	0.0	28.0
Jerry T. White	Chief of Police		15.5	32.0	0.0	32.0
Raymond L. Dray	Public Works Superintendent		15.3	15.3	18.0	33.3
William E. Vargyas	Water Superintendent		13.5	22.0	4.5	26.5
vacant	Assistant Finance Director		0.0	0.0	0.0	0.0
Robert C. Baetzel	Human Resources Director		1.5	1.5	0.0	1.5
Norman L. Eager	Cemeteries and Parks Superintendent		16.5	23.5	6.5	30.0
Daniel Mazur	Recreation Director		3.0	3.0	25.0	28.0

(A) 11.75 years concurrent government service  
(B) 9 years concurrent government service  
(C) 5.3 years concurrent government service

# The City of Painesville, Ohio

Organizational Chart



(1) City Manager acts as Director  
 (2) Combined Position

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Painesville,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1998.

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



*CC Bruck*  
President

*Jeffrey L. Esser*  
Executive Director





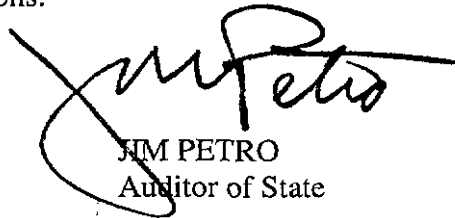
STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-728-7398

City Council  
City of Painesville  
Painesville, Ohio

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




JIM PETRO  
Auditor of State

July 18, 2000

# SNODGRASS

Certified Public Accountants and Consultants

## Independent Auditors' Report



City Council  
City of Painesville  
Painesville, Ohio

We have audited the accompanying general-purpose financial statements of City of Painesville (the "City"), as of and for the year ended December 31, 1999. These general-purpose financial statements are the responsibility of the City'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 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, 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 16, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City. 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 presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and, therefore, express no opinion thereon.

*S. R. Snodgrass, A. C.*

Mentor, Ohio  
May 16, 2000

## *GENERAL PURPOSE FINANCIAL STATEMENTS*

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*THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 1999 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY AND NONEXPENDABLE TRUST FUNDS FOR THE YEAR THEN ENDED.*

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

	<i>Governmental Fund Types</i>			
	General	Special Revenue	Debt Service	Capital Projects
<b><u>Assets and Other Debits:</u></b>				
Cash and Cash Equivalents	\$224,548	\$1,617,983	\$193,765	\$840,590
Investments	1,507,060	0	0	0
Receivables (net of allowances for doubtful accounts):				
Taxes	1,481,123	224,247	57,534	0
Accounts	71,702	0	0	0
Special Assessments	0	0	510,875	0
Interest	249,059	2,375	1,818	0
Intergovernmental Receivables	122,501	1,144,274	0	9,715
Inventory of Supplies at Cost	131,863	904	0	0
Prepaid Items	49,932	2,536	0	2,709
Land Held for Resale	1,185,500	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Investments	0	0	0	0
Deferred Charges	0	0	0	0
Fixed Assets in Service:				
Land	0	0	0	0
Buildings and Improvements	0	0	0	0
Improvements Other than Buildings	0	0	0	0
Utility Plant in Service	0	0	0	0
Machinery and Equipment	0	0	0	0
Less: Accumulated Depreciation	0	0	0	0
Net Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Construction in Progress	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets and Other Debits</b>	<b><u>\$5,023,288</u></b>	<b><u>\$2,992,319</u></b>	<b><u>\$763,992</u></b>	<b><u>\$853,014</u></b>

The notes to the general purpose financial statements are an integral part of this statement.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

<u>Proprietary Fund Types</u>		<u>Fiduciary</u> <u>Fund Types</u>	<u>Account Groups</u>		<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	<u>Trust and</u> <u>Agency</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Obligations</u>	
\$2,183,301	\$862,300	\$213,041	\$0	\$0	\$6,135,528
16,662,232	0	0	0	0	18,169,292
0	0	0	0	0	1,762,904
2,919,255	0	225	0	0	2,991,182
0	0	0	0	0	510,875
16,238	0	4,191	0	0	273,681
470,569	0	100	0	0	1,747,159
1,094,790	46,596	0	0	0	1,274,153
111,799	0	0	0	0	166,976
0	0	0	0	0	1,185,500
373,348	0	880,424	0	0	1,253,772
1,052,636	0	0	0	0	1,052,636
92,896	0	0	0	0	92,896
497,072	0	0	952,876	0	1,449,948
12,553,787	0	0	1,338,772	0	13,892,559
0	0	0	333,092	0	333,092
32,875,908	0	0	0	0	32,875,908
27,993,432	0	0	4,472,035	0	32,465,467
(40,714,150)	0	0	0	0	(40,714,150)
33,206,049	0	0	7,096,775	0	40,302,824
3,002,766	0	0	21,545	0	3,024,311
0	0	0	0	195,820	195,820
0	0	0	0	2,200,523	2,200,523
<u>\$61,185,879</u>	<u>\$908,896</u>	<u>\$1,097,981</u>	<u>\$7,118,320</u>	<u>\$2,396,343</u>	<u>\$82,340,032</u>

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

	<i>Governmental Fund Types</i>			
	General	Special Revenue	Debt Service	Capital Projects
<b><u>Liabilities, Equity and Other Credits:</u></b>				
<b>Liabilities:</b>				
Accounts Payable	\$98,459	\$459,633	\$0	\$4,029
Accrued Wages and Benefits	456,763	33,586	0	0
Intergovernmental Payables	27,817	39,203	0	0
Due to Others	0	0	0	0
Accrued Interest Payable	0	6,038	0	274
Customer Deposits	0	0	0	0
Deferred Revenue	509,740	223,395	568,172	0
General Obligation Notes Payable	0	1,650,000	0	75,000
Compensated Absences Payable	0	0	0	0
Capital Lease Payable	0	0	0	0
Claims Liability	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Bonds Payable (with governmental commitment)	0	0	0	0
Revenue Bonds Payable	0	0	0	0
Ohio Water Development Authority Loans Payable	0	0	0	0
Ohio Public Works Commission Loans Payable	0	0	0	0
Police/Firemen's Pension Accrued Liability	0	0	0	0
<b>Total Liabilities</b>	<b>1,092,779</b>	<b>2,411,855</b>	<b>568,172</b>	<b>79,303</b>
<b>Equity and Other Credits:</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
<b>Retained Earnings:</b>				
Reserved for Revenue Bond Indenture	0	0	0	0
Unreserved	0	0	0	0
<b>Total Retained Earnings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balance (Deficit):</b>				
Reserved for Encumbrances	756,383	665,302	0	146,440
Reserved for Supplies Inventory	131,863	904	0	0
Reserved for Prepaid Items	49,932	2,536	0	2,709
Reserved for Debt Service	0	0	195,820	0
Reserved for Endowments	0	0	0	0
Unreserved	2,992,331	(88,278)	0	624,562
<b>Total Fund Balance</b>	<b>3,930,509</b>	<b>580,464</b>	<b>195,820</b>	<b>773,711</b>
<b>Total Equity and Other Credits</b>	<b>3,930,509</b>	<b>580,464</b>	<b>195,820</b>	<b>773,711</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$5,023,288</b>	<b>\$2,992,319</b>	<b>\$763,992</b>	<b>\$853,014</b>

The notes to the general purpose financial statements are an integral part of this statement.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 1999**

<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$1,551,913	\$14,929	\$532	\$0	\$0	\$2,129,495
409,630	0	0	0	0	899,979
87,220	0	0	0	0	154,240
0	0	84,894	0	0	84,894
59,206	0	0	0	0	65,518
373,348	0	0	0	0	373,348
0	0	0	0	0	1,301,307
0	0	0	0	0	1,725,000
1,161,460	0	0	0	1,081,897	2,243,357
0	0	0	0	6,830	6,830
0	428,100	0	0	0	428,100
7,405,000	0	0	0	0	7,405,000
0	0	0	0	350,000	350,000
4,465,000	0	0	0	0	4,465,000
2,180,289	0	0	0	0	2,180,289
0	0	0	0	65,662	65,662
0	0	0	0	891,954	891,954
<u>17,693,066</u>	<u>443,029</u>	<u>85,426</u>	<u>0</u>	<u>2,396,343</u>	<u>24,769,973</u>
0	0	0	7,118,320	0	7,118,320
5,649,890	0	0	0	0	5,649,890
1,052,636	0	0	0	0	1,052,636
<u>36,790,287</u>	<u>465,867</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,256,154</u>
<u>37,842,923</u>	<u>465,867</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,308,790</u>
0	0	0	0	0	1,568,125
0	0	0	0	0	132,767
0	0	0	0	0	55,177
0	0	0	0	0	195,820
0	0	880,424	0	0	880,424
0	0	132,131	0	0	3,660,746
0	0	1,012,555	0	0	6,493,059
<u>43,492,813</u>	<u>465,867</u>	<u>1,012,555</u>	<u>7,118,320</u>	<u>0</u>	<u>57,570,059</u>
<u>\$61,185,879</u>	<u>\$908,896</u>	<u>\$1,097,981</u>	<u>\$7,118,320</u>	<u>\$2,396,343</u>	<u>\$82,340,032</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types			Fiduciary	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		Expendable Trust
<b>Revenues</b>						
Taxes	\$6,937,478	\$194,344	\$49,701	\$0	\$0	\$7,181,523
Intergovernmental Revenues	1,861,134	1,963,881	5,346	0	0	3,830,361
Charges for Services	107,238	141,487	0	0	18,273	266,998
Licenses, Permit and Inspection Fees	175,061	4,629	0	0	0	179,690
Investment Earnings	1,177,595	8,529	14,972	0	44,346	1,245,442
Special Assessments	0	0	60,007	9,715	0	69,722
Fines and Forfeitures	577,305	123,506	0	103,702	5,225	809,738
Other Revenues	81,263	36,363	0	2,551	0	120,177
<b>Total Revenues</b>	<b>10,917,074</b>	<b>2,472,739</b>	<b>130,026</b>	<b>115,968</b>	<b>67,844</b>	<b>13,703,651</b>
<b>Expenditures</b>						
Current:						
General Government	1,857,775	110,215	0	32,794	0	2,000,784
Public Safety	4,910,605	370,455	0	0	4,273	5,285,333
Highways and Streets	1,340,425	2,981,895	0	0	0	4,322,320
Public Health and Welfare	84,617	470,059	0	0	2,313	556,989
Culture and Recreation	745,573	0	0	0	0	745,573
Community Environment	257,296	0	0	0	94	257,390
Other Expenditures	0	0	0	0	7,245	7,245
Capital Outlay	0	0	0	485,720	0	485,720
Debt Service:						
Principal Retirement	0	24,624	25,000	0	0	49,624
Interest and Fiscal Charges	0	54,976	30,069	17,550	0	102,595
<b>Total Expenditures</b>	<b>9,196,291</b>	<b>4,012,224</b>	<b>55,069</b>	<b>536,064</b>	<b>13,925</b>	<b>13,813,573</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,720,783	(1,539,485)	74,957	(420,096)	53,919	(109,922)
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Fixed Assets	27,010	0	0	0	0	27,010
Operating Transfers In	24,981	1,388,000	0	117,535	250	1,530,766
Operating Transfers Out	(1,349,250)	(185,000)	(117,535)	0	(43,000)	(1,694,785)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,297,259)</b>	<b>1,203,000</b>	<b>(117,535)</b>	<b>117,535</b>	<b>(42,750)</b>	<b>(137,009)</b>
Excess (Deficiency) of Revenues Other Financing Sources Over (Under) Expenditures and Other Financing Uses	423,524	(336,485)	(42,578)	(302,561)	11,169	(246,931)
Unaudited Balance at Beginning of Year	3,509,433	917,092	238,398	1,076,272	120,962	5,862,157
Increase in Inventory Reserve	(2,448)	(143)	0	0	0	(2,591)
<b>Unaudited Balance at End of Year</b>	<b>\$3,930,509</b>	<b>\$580,464</b>	<b>\$195,820</b>	<b>\$773,711</b>	<b>\$132,131</b>	<b>\$5,612,635</b>

The notes to the general purpose financial statements are an integral part of this statement.



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

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised	Actual	Variance:	Revised	Actual	Variance:
	Budget		Favorable (Unfavorable)	Budget		Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$7,272,453	\$6,884,384	(\$388,069)	\$196,348	\$196,348	\$0
Intergovernmental Revenues	1,902,914	1,851,175	(51,739)	930,352	848,207	(82,145)
Charges for Services	122,200	107,161	(15,039)	153,315	141,487	(11,828)
License, Permit and Inspection Fees	224,800	171,028	(53,772)	1,300	4,629	3,329
Investment Earnings	1,177,297	1,146,157	(31,140)	7,000	6,944	(56)
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	620,000	569,562	(50,438)	133,361	123,940	(9,421)
Lawsuit Settlement	0	0	0	0	0	0
All Other Revenues	120,000	119,992	(8)	103,943	35,822	(68,121)
<b>Total Revenues</b>	<b>11,439,664</b>	<b>10,849,459</b>	<b>(590,205)</b>	<b>1,525,619</b>	<b>1,357,377</b>	<b>(168,242)</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	2,058,876	2,000,883	57,993	208,048	142,179	65,869
Public Safety	5,563,059	5,160,672	402,387	424,728	379,653	45,075
Highways and Streets	1,592,472	1,437,804	154,668	3,675,380	3,631,205	44,175
Public Health and Welfare	94,975	84,829	10,146	516,120	488,488	27,632
Culture and Recreation	855,936	795,351	60,585	0	0	0
Community Environment	2,014,551	1,978,963	35,588	0	0	0
Capital Outlay	0	0	0	0	0	0
<b>Debt Service:</b>						
Principal Retirement	0	0	0	1,744,626	1,744,624	2
Interest and Fiscal Charges	0	0	0	62,950	51,475	11,475
<b>Total Expenditures</b>	<b>12,179,869</b>	<b>11,458,502</b>	<b>721,367</b>	<b>6,631,852</b>	<b>6,437,624</b>	<b>194,228</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(740,205)	(609,043)	131,162	(5,106,233)	(5,080,247)	25,986
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	0	27,010	27,010	0	0	0
Proceeds of General Obligation Notes	0	0	0	1,650,000	1,650,000	0
Operating Transfers In	200,000	0	(200,000)	1,389,100	1,388,000	(1,100)
Operating Transfers Out	(1,549,350)	(1,349,250)	200,100	(185,000)	(185,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,349,350)</b>	<b>(1,322,240)</b>	<b>27,110</b>	<b>2,854,100</b>	<b>2,853,000</b>	<b>(1,100)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,089,555)	(1,931,283)	158,272	(2,252,133)	(2,227,247)	24,886
Fund Balance at Beginning of Year	1,740,786	1,740,786	0	2,488,902	2,488,902	0
Prior Year Encumbrances	762,400	762,400	0	180,823	180,823	0
<b>Fund Balance at End of Year</b>	<b>\$413,631</b>	<b>\$571,903</b>	<b>\$158,272</b>	<b>\$417,592</b>	<b>\$442,478</b>	<b>\$24,886</b>

The notes to the general purpose financial statements are an integral part of this statement.

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

<i>Debt Service Funds</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised		Variance:	Revised		Variance:	Revised		Variance:
Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
\$50,186	\$50,186	\$0	\$0	\$0	\$0	\$7,518,987	\$7,130,918	(\$388,069)
5,346	5,346	0	137,111	0	(137,111)	2,975,723	2,704,728	(270,995)
0	0	0	0	0	0	275,515	248,648	(26,867)
0	0	0	0	0	0	226,100	175,657	(50,443)
14,151	14,151	0	0	0	0	1,198,448	1,167,252	(31,196)
60,007	60,007	0	0	0	0	60,007	60,007	0
0	0	0	112,282	112,282	0	865,643	805,784	(59,859)
0	0	0	0	13,461	13,461	0	13,461	13,461
0	0	0	1,392	2,551	1,159	225,335	158,365	(66,970)
129,690	129,690	0	250,785	128,294	(122,491)	13,345,758	12,464,820	(880,938)
0	0	0	32,462	31,544	918	2,299,386	2,174,606	124,780
0	0	0	0	0	0	5,987,787	5,540,325	447,462
0	0	0	0	0	0	5,267,852	5,069,009	198,843
0	0	0	0	0	0	611,095	573,317	37,778
0	0	0	0	0	0	855,936	795,351	60,585
0	0	0	0	0	0	2,014,551	1,978,963	35,588
0	0	0	695,824	646,533	49,291	695,824	646,533	49,291
200,000	200,000	0	0	0	0	1,944,626	1,944,624	2
47,640	47,604	36	0	0	0	110,590	99,079	11,511
247,640	247,604	36	728,286	678,077	50,209	19,787,647	18,821,807	965,840
(117,950)	(117,914)	36	(477,501)	(549,783)	(72,282)	(6,441,889)	(6,356,987)	84,902
0	0	0	0	0	0	0	27,010	27,010
75,000	75,000	0	0	0	0	1,725,000	1,725,000	0
0	0	0	0	0	0	1,589,100	1,388,000	(201,100)
0	0	0	0	0	0	(1,734,350)	(1,534,250)	200,100
75,000	75,000	0	0	0	0	1,579,750	1,605,760	26,010
(42,950)	(42,914)	36	(477,501)	(549,783)	(72,282)	(4,862,139)	(4,751,227)	110,912
236,679	236,679	0	1,120,291	1,120,291	0	5,586,658	5,586,658	0
0	0	0	122,491	122,491	0	1,065,714	1,065,714	0
\$193,729	\$193,765	\$36	\$765,281	\$692,999	(\$72,282)	\$1,790,233	\$1,901,145	\$110,912

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS/FUND BALANCES**  
**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<b>Operating Revenues</b>				
Charges for Services	\$22,343,752	\$240,309	\$0	\$22,584,061
Other Charges for Services	199,035	0	0	199,035
Other Operating Revenues	369,617	0	0	369,617
Contributions	0	0	15,858	15,858
Total Operating Revenues	22,912,404	240,309	15,858	23,168,571
<b>Operating Expenses</b>				
Personal Services	8,268,646	278,117	0	8,546,763
Materials and Supplies	5,148,437	146,824	0	5,295,261
Contractual Services	2,864,197	0	0	2,864,197
Utilities	3,226,975	0	0	3,226,975
Depreciation	2,031,430	0	0	2,031,430
Other Operating Expenses	0	0	240	240
Total Operating Expenses	21,539,685	424,941	240	21,964,866
Operating Income (Loss)	1,372,719	(184,632)	15,618	1,203,705
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental Grants	21,682	0	0	21,682
Investment Earnings	129,532	0	0	129,532
Interest and Fiscal Charges	(803,790)	0	0	(803,790)
Other Nonoperating Revenue	113,317	0	0	113,317
Other Nonoperating Expense	(78,004)	0	0	(78,004)
Total Nonoperating Revenues (Expenses)	(617,263)	0	0	(617,263)
Income (Loss) Before Operating Transfers	755,456	(184,632)	15,618	586,442
<b>Operating Transfers</b>				
Operating Transfers In	160,000	29,000	0	189,000
Operating Transfers Out	(24,981)	0	0	(24,981)
Total Operating Transfers	135,019	29,000	0	164,019
Net Income (Loss)	890,475	(155,632)	15,618	750,461
Add: Depreciation Charged to Contributed Capital	123,357	0	0	123,357
Increase (Decrease) in Retained Earnings/Fund Balance	1,013,832	(155,632)	15,618	873,818
Retained Earnings/Fund Balance at Beginning of Year	36,829,091	621,499	864,806	38,315,396
Retained Earnings/Fund Balance at End of Year	\$37,842,923	\$465,867	\$880,424	\$39,189,214

The notes to the general purpose financial statements are an integral part of this statement.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$22,454,229	\$0	\$0	\$22,454,229
Cash Received from Interfund Charges	0	240,309	0	240,309
Cash Received from Settlement of Lawsuit	40,384	0	0	40,384
Cash Received from Contributions	0	0	15,858	15,858
Cash Payments for Goods and Services	(11,352,764)	(132,050)	(240)	(11,485,054)
Cash Payments to Employees	(8,165,867)	(189,699)	0	(8,355,566)
Net Cash Provided (Used) by Operating Activities	<u>2,975,982</u>	<u>(81,440)</u>	<u>15,618</u>	<u>2,910,160</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	21,360	0	0	21,360
Transfers In from Other Funds	160,000	29,000	0	189,000
Transfers Out to Other Funds	(24,981)	0	0	(24,981)
Net Cash Provided by Noncapital Financing Activities	<u>156,379</u>	<u>29,000</u>	<u>0</u>	<u>185,379</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds of Ohio Water Development Authority Loans	1,219,654	0	0	1,219,654
Intergovernmental Grants Received	1,329,736	0	0	1,329,736
Acquisition and Construction of Assets	(3,491,342)	0	0	(3,491,342)
Principal Paid on Revenue Bonds	(565,000)	0	0	(565,000)
Principal Paid on General Obligation Bonds	(425,000)	0	0	(425,000)
Principal Paid on Ohio Water Development Authority Loans	(336,336)	0	0	(336,336)
Interest Paid on All Debt	(856,131)	0	0	(856,131)
Net Cash Used for Capital and Related Financing Activities	<u>(3,124,419)</u>	<u>0</u>	<u>0</u>	<u>(3,124,419)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Principal and Interest on Investments	2,139,831	0	0	2,139,831
Sale of Investments	256,291	0	0	256,291
Purchase of Investments	(4,792,556)	0	0	(4,792,556)
Net Cash Used for Investing Activities	<u>(2,396,434)</u>	<u>0</u>	<u>0</u>	<u>(2,396,434)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,388,492)	(52,440)	15,618	(2,425,314)
Cash and Cash Equivalents at Beginning of Year	4,945,141	914,740	864,806	6,724,687
Cash and Cash Equivalents at End of Year	<u>\$2,556,649</u>	<u>\$862,300</u>	<u>\$880,424</u>	<u>\$4,299,373</u>
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>				
Cash and Cash Equivalents	\$2,183,301	\$862,300	\$213,041	\$3,258,642
Restricted Cash and Cash Equivalents	373,348	0	880,424	1,253,772
Less: Cash in Expendable Trust and Agency Funds	0	0	(213,041)	(213,041)
Cash and Cash Equivalents at End of Year	<u>\$2,556,649</u>	<u>\$862,300</u>	<u>\$880,424</u>	<u>\$4,299,373</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>	<i>Fund Types</i>	<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$1,372,719	(\$184,632)	\$15,618	\$1,203,705
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	2,031,430	0	0	2,031,430
Miscellaneous Nonoperating Revenues	164,561	0	0	164,561
Miscellaneous Nonoperating Expenses	(78,026)	0	0	(78,026)
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(582,265)	0	0	(582,265)
Increase in Intergovernmental Receivable	(87)	0	0	(87)
(Increase) Decrease in Inventory	(56,355)	5,364	0	(50,991)
Increase in Prepaid Items	(54,081)	0	0	(54,081)
Increase (Decrease) in Accounts Payable	(11,755)	9,410	0	(2,345)
Decrease in Accrued Wages and Benefits	(25,974)	0	0	(25,974)
Increase in Intergovernmental Payable	87,062	0	0	87,062
Increase in Compensated Absences Payable	128,753	0	0	128,753
Increase in Claims Liability	0	88,418	0	88,418
Total Adjustments	1,603,263	103,192	0	1,706,455
Net Cash Provided (Used) by Operating Activities	<u>\$2,975,982</u>	<u>(\$81,440)</u>	<u>\$15,618</u>	<u>\$2,910,160</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 1999 the Water, Sewer, and Electric Funds had outstanding liabilities of \$482,481, \$360,478, and \$8,885 respectively for the purchase of certain capital assets. During 1999 the fair value of investments decreased by \$25,225, \$20,431 and \$66,665 in the Water, Sewer, and Electric Funds, respectively.

The notes to the general purpose financial statements are an integral part of this statement.

**THE CITY OF PAINESVILLE, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999**

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

**A. Reporting Entity**

The City of Painesville, Ohio (the City), is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted on November 6, 1962 and has been amended four times (1963, 1973, 1983 and 1989).

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

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

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

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses).

The various funds are grouped into generic fund types and three broad fund categories for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise and internal service funds. Fiduciary funds include trust and agency funds. Account groups are established to maintain accountability over fixed assets not related to a specific fund and long-term obligations that are not a specific liability of a proprietary or trust fund. The following fund types and account groups are used by the City:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

**Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes.

**Debt Service Funds** - These funds are used for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal and interest.

**Capital Projects Funds** - These 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 proprietary funds).

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

**Enterprise Funds** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City maintains separate enterprise funds for its water, sewer, electricity, refuse and off-street parking services.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

*Fiduciary Funds*

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains expendable trust funds, nonexpendable trust funds and agency funds. Expendable trust funds are accounted for and reported similarly to governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*Account Groups* - To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the City except those accounted for in the proprietary funds.

**C. Basis of Accounting**

The basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus. The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, fines and forfeitures, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Special assessment installments, including related accrued interest, which are measurable but not available at December 31 are recorded as deferred revenue. Property taxes which are measurable at December 31, 1999, but which are not intended to finance 1999 operations or are not expected to be received within sixty (60) days after year end, are recorded as deferred revenue as further described in Note 5.

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

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. Budgetary Process

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

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

1. Tax Budget

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The estimated revenue amounts reported on the accompanying budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued for 1999.

3. Appropriations

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

4. Encumbrances

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

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

D. Budgetary Process (Continued)6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
GAAP Basis (as reported)	\$423,524	(\$336,485)	(\$42,578)	(\$302,561)
Increase (Decrease):				
Accrued Revenues at December 31, 1999 received during 2000	(1,414,645)	(1,147,501)	(2,055)	(9,715)
Accrued Revenues at December 31, 1998 received during 1999	1,334,109	27,156	1,719	22,041
Accrued Expenditures at December 31, 1999 paid during 2000	583,039	538,460	0	4,303
Accrued Expenditures at December 31, 1998 paid during 1999	(501,749)	(66,798)	0	(189,897)
1998 Prepays for 1999	30,852	962	0	1,346
1999 Prepays for 2000	(49,932)	(2,536)	0	(2,709)
Land Held for Resale	(1,185,500)	0	0	0
Note Proceeds	0	1,650,000	0	75,000
Note Retirements	0	(1,715,000)	0	0
1999 Adjustment to Fair Value	4,197	0	0	0
1998 Adjustment to Fair Value	8,724	0	0	0
Outstanding Encumbrances	(1,163,902)	(1,175,505)	0	(147,591)
Budget Basis	<u>(\$1,931,283)</u>	<u>(\$2,227,247)</u>	<u>(\$42,914)</u>	<u>(\$549,783)</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**E. Cash and Cash Equivalents**

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

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash, including the investment instrument described above, represents the balance on hand as if each fund maintained its own cash and investments account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be a cash equivalent. See Note 4 "Cash, Cash Equivalents and Investments."

**F. Investments**

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

The City has invested funds in the STAR Ohio during 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 1999. See Note 4, "Cash, Cash Equivalents and Investments."

**G. Accounts Receivable**

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

**H. Inventory**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**I. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

**1. Property, Plant and Equipment - General Governmental Purposes**

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the stewardship for such capital expenditures can be satisfied without recording these assets.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

**2. Property, Plant and Equipment - Proprietary Fund Types**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost for assets not purchased in recent years), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed fixed assets are recorded at fair market value at the date received.

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

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings and Improvements	40 - 60
Utility Plant in Service	20 - 60
Improvements Other Than Buildings	20
Machinery, Equipment, Furniture and Fixtures	5 - 15

**J. Interfund Transactions**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**K. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "compensated absences payable". The remaining portion of the liability is reported in the General Long-Term Obligations Account Group.

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

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

**L. Long-Term Obligations**

Long-term debt is 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 obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

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

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Water Fund, Sewer Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Public Works Commission Loan	Street Construction, Maintenance and Repair Fund
Ohio Water Development Authority (OWDA) Loans	Water Fund Sewer Fund
Mortgage Revenue Bonds	Electric Fund Off-Street Parking Fund

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

**L. Long-Term Obligations** (Continued)

Obligation	Fund
Police and Fire Pension Accrued Liability	General Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Cemetery Fund Water Fund Sewer Fund Electric Fund Off-Street Parking Fund

**M. Issuance Costs**

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

**N. Contributed Capital**

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

**O. Reservations of Fund Balances**

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

**P. Total Columns on Combined Financial Statements - Overview**

Total columns on the "Combined Financial Statements - Overview" are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.



**NOTE 2 - RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS**

The retained earnings balances at December 31, 1998 of the Water, Sewer, and Electric Funds were restated from amounts previously reported to eliminate the reporting of Property, Plant and Equipment below the capitalization threshold, which was increased from \$1,000 to \$2,000. The General Fixed Asset account group was also restated from the balance previously reported of \$7,298,676 to \$6,977,940, a decrease of \$320,736.

The restatement resulted in adjustments to December 31, 1998 retained earnings balances as follows:

Description	Enterprise Funds
Balance at December 31, 1998 (as reported)	\$37,484,327
Restatement of	
Property, Plant and Equipment	(655,236)
Restated Balance at December 31, 1998	\$36,829,091

**NOTE 3 - COMPLIANCE AND ACCOUNTABILITY**

The deficit of \$328,536 in the Fire Levy Fund (special revenue fund) arises from the recognition of general obligation notes payable under the modified accrual basis. Under the budgetary basis of accounting, proceeds from the sale of notes are recognized as revenue and expenditures are recognized when paid, therefore, a deficit does not exist. The deficits of \$1,357 in the COPS Fast Grant Fund (special revenue fund) and \$2,582 in the Fuel and Oil Rotary Fund (internal service fund) arise from the recognition of expenditures/expenses on the modified accrual/accrual basis which are greater than those recognized on a cash/budgetary basis. A deficit does not exist under the cash/budgetary basis of accounting. The General Fund provides operating transfers, upon City Council's approval, when cash is required, not when accruals occur.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Ohio law requires the classification of funds held by the City into three categories. Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" status for immediate use by the City. Such funds must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

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

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

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3 "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

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

*Deposits:*

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

*Investments:*

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

**A. Deposits**

At December 31, 1999, the carrying amount of the City's deposits was \$1,472,208 and the bank balance was \$1,840,151. Federal depository insurance covered \$300,584 of the bank balance. The remaining deposits of \$1,539,567 were classified as Category 3, uncollateralized, as defined by GASB (securities are pledged with the pledging financial institution's trust department or agent, but not in the City's name).

## NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

**B. Investments**

The City's investments at December 31, 1999 are categorized below to give an indication of the level of risk assumed by the City at year end.

<u>Categorized Investments</u>	Category 1	Category 2	Fair Value
Federal Farm Credit Bank Discount Notes	\$1,989,910	\$0	\$1,989,910
Federal Home Loan Bank	6,949,190	0	6,949,190
Federal National Mortgage Association	6,943,004	0	6,943,004
U.S. Treasury Bills	0	155,506	155,506
U.S. Treasury Notes	987,188	897,130	1,884,318
Repurchase Agreements	0	542,333	542,333
Total Categorized Investments	16,869,292	1,594,969	18,464,261
 <u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	6,674,759
Total Investments	\$16,869,292	\$1,594,969	\$25,139,020

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

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

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

	Cash and Cash Equivalents	Investments
Per Combined Balance Sheet	\$7,389,300	\$19,221,928
Certificates of Deposit (with maturities of more than 3 months)	1,300,000	(1,300,000)
Investments:		
Repurchase Agreements	(542,333)	542,333
STAR Ohio	(6,674,759)	6,674,759
Per GASB Statement No. 3	\$1,472,208	\$25,139,020

**NOTE 5 - PROPERTY TAX**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 1999 were levied after October 1, 1998 on assessed values as of January 1, 1998, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 1994 and the equalization adjustment was made in 1997. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually. The first payment is due April 30; the remainder is payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is currently assessed at 100% of its true value and real property is assessed at 35% of its true (market) value. Public utility property taxes are payable on the same dates as real property taxes described previously.

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

The full tax rate for all City operations for the year ended December 31, 1999 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 1999 collection was based was \$185,486,930. This amount constitutes \$146,893,740 in real property assessed value, \$7,638,720 in public utility assessed value and \$30,954,470 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Property taxes recorded as revenue in 1999 were based on a tax rate equal to .370% (3.70 mills) of assessed value.

## NOTE 6 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 1999:

Fund	Transfer In	Transfer Out
General Fund	\$24,981	\$1,349,250
Special Revenue Funds:		
Street Construction, Maintenance and Repair Fund	965,000	0
Cemeteries Fund	308,000	0
Municipal Motor Vehicle Fund	0	50,000
City Motor Vehicle Fund	0	135,000
COPS Fast Grant Fund	115,000	0
Total Special Revenue Funds	1,388,000	185,000
Debt Service Fund		
General Bond Retirement Fund	0	117,535
Capital Projects Fund		
Capital Improvement Fund	117,535	0
Expendable Trust Funds:		
Cemetery Trust Operations Fund	0	30,000
Special Endowment Operations Fund	0	13,000
Safety Town Fund	250	0
Total Expendable Trust Funds	250	43,000
Enterprise Funds:		
Water Fund	10,000	5,563
Sewer Fund	0	5,314
Electric Fund	0	7,459
Off-Street Parking Fund	150,000	6,645
Total Enterprise Funds	160,000	24,981
Internal Service Funds:		
Fuel and Oil Rotary Fund	24,000	0
Supplies Rotary Fund	5,000	0
Total Internal Service Funds	29,000	0
Total All Funds	\$1,719,766	\$1,719,766

**NOTE 7 - FIXED ASSETS**

Changes in general fixed assets during the year ended December 31, 1999 are as follows:

Category	Restated December 31, 1998	Additions	Deletions	December 31, 1999
Land	\$952,876	\$0	\$0	\$952,876
Buildings and Improvements	1,338,772	0	0	1,338,772
Improvements Other than Buildings	325,892	7,200	0	333,092
Machinery and Equipment	4,340,426	134,609	(3,000)	4,472,035
Construction in Progress	19,974	21,545	(19,974)	21,545
Totals	\$6,977,940	\$163,354	(\$22,974)	\$7,118,320

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 1999 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.35% to fund the pension and 4.2% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 1999, 1998 and 1997 were \$1,271,710, \$1,228,274 and \$1,162,290, respectively, which were equal to the required contributions for each year.

## NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 1999 employer contribution rate (identified above) that was used to fund health care for the year 1999 was 4.2% of covered payroll which amounted to \$394,183.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments 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 OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% 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 “OP&F Fund”)**

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 1999, 1998 and 1997 were \$336,864, \$300,972 and \$286,544 for police and \$352,909, \$306,428 and \$290,321 for firefighters, respectively, which were equal to the required contributions for each year.



**NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 1999 covered payroll that was used to fund postemployment health care benefits was \$120,926 representing 7.00% of covered payroll for police and \$102,932 representing 7.00% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1998, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 11,424 for police and 9,186 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1998 were \$78,596,790, which was net of member contributions of \$5,331,515.

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## NOTE 9 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

A summary of long-term obligation activity for the year ended December 31, 1999 follows:

		Balance December 31, 1998	Issued (Retired)	Balance December 31, 1999	
<b>Enterprise Funds:</b>					
Mortgage Revenue Bonds:					
7.70%	Off-Street Parking Facility	1973	\$335,000	(\$80,000)	\$255,000
2.90 - 6.00%	Electric System	1992	4,695,000	(485,000)	4,210,000
	Total Mortgage Revenue Bonds		5,030,000	(565,000)	4,465,000
General Obligation Bonds:					
5.875%	Waterworks	1978	15,000	(15,000)	0
5.875%	Sewage System	1978	25,000	(25,000)	0
2.90 - 6.400%	Waterworks	1992	2,790,000	(135,000)	2,655,000
3.25 - 4.600%	Waterworks	1998	5,000,000	(250,000)	4,750,000
	Total General Obligation Bonds		7,830,000	(425,000)	7,405,000
Ohio Water Development Authority Loans (OWDA):					
7.490%	Water Pollution Control Plant (Original)	1979	1,131,144	(299,468)	831,676
7.820%	Water Pollution Control Plant (1st Supplement)	1980	43,829	(11,414)	32,415
4.618%	Safe Drinking Water	1998	121,998	1,219,654	1,341,652
				(25,454)	1,316,198
	Total OWDA Loans		1,296,971	883,318	2,180,289
	Total Enterprise Funds		\$14,156,971	(\$106,682)	\$14,050,289
<b>Internal Service Fund:</b>					
	Workers' Compensation Retrospective Fund - Workers' Compensation Liability		\$339,682	\$88,418	\$428,100
<b>General Long-Term Obligations Account Group:</b>					
Special Assessment Debt (with governmental commitment)					
8.0% - 8.125%	Chicago/Forest/Roosevelt Street Improvements	1988	\$375,000	(\$25,000)	\$350,000
	Total Special Assessment Debt (with governmental commitment)		375,000	(25,000)	350,000
Ohio Public Works Commission Loan (OPWC):					
	Skinner Avenue Rehabilitation Loan	1994	90,286	(24,624)	65,662
	Total OPWC Loan		90,286	(24,624)	65,662
Other Long-Term Obligations:					
	Compensated Absences		914,063	167,834	1,081,897
	Capital Lease Payable		10,991	(4,161)	6,830
	Police/Firemen's Pension Accrued Liability		902,627	(10,673)	891,954
	Total Other Long-Term Obligations		1,827,681	153,000	1,980,681
	Total General Long-Term Debt and Other Long-Term Obligations		\$2,292,967	\$103,376	\$2,396,343

**NOTE 9 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Defeased Debt**

In December 1985, the City defeased \$4,540,000 of Electric Plant First Mortgage Revenue Bonds dated July 1, 1972 and August 1, 1974 and \$3,400,000 of Special Obligation Electric System Refunding Bonds dated December 1, 1985 through the issuance of Electric System Mortgage Revenue Bonds (the "1985 Bonds"). In December 1992, the City defeased \$5,090,000 of the 1985 Bonds through the issuance of \$6,000,000 of Electric System Mortgage Revenue Refunding Bonds (the "1992 Bonds"). The net proceeds of both the 1985 and 1992 Bonds have been invested in U.S. Treasury obligations and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$5,320,000 at December 31, 1999, are not included in the City's outstanding debt since the City has satisfied its obligations through the advanced refunding.

**B. Compensated Absences**

City management staff and employees in each bargaining unit earn sick leave credit. Employees with at least 10 years of service are paid for one-third of their accumulated sick leave credit upon termination of employment, which may not exceed 120 days. This obligation amounted to \$1,187,302 for the City as of December 31, 1999.

In addition, management staff and personnel in each bargaining unit earn vacation at different rates based upon length of service. Vacation carried forward to the current year may not exceed one year's leave balance. In case of death, termination or retirement, an employee (or his estate) is paid for unused vacation up to a maximum of one year credit and two week accrual. The total obligation for accrued vacation for the City as a whole at December 31, 1999 amounted to \$1,056,055.

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

The City's liability for past service costs related to the Police and Fire Pension Fund at December 31, 1999 was \$891,954 in principal and scheduled interest payments through the year 2035. Only the principal portion of the payments due are included in the General Long-Term Obligations Account Group.

**NOTE 9 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**D. Capital Lease**

The City leases an automobile under a capital lease. The cost of the vehicle obtained under the capital lease is included in the General Fixed Assets Account Group and the related liability included in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 1999:

Year Ending December 31,	Capital Lease
2000	\$4,846
2001	2,423
Minimum Lease Payments	<u>7,269</u>
Less amount representing interest at the City's incremental borrowing rate of interest	(439)
Present value of minimum lease payments	<u><u>\$6,830</u></u>

**E. Special Assessments with Governmental Commitment**

The principal amount of the City's special assessment debt outstanding at December 31, 1999, \$350,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$179,413 in the Special Assessment Bond Retirement Fund at December 31, 1999 is reserved for the retirement of outstanding special assessment bonds.

**F. Ohio Water Development Authority Loan**

In 1998, the City entered into an agreement with the Ohio Water Development Authority to receive loans from the Water Supply Revolving Loan Account and the Freshwater Loan Agreement in the amounts of \$1,644,613. The interest rate on the loan is 4.618% per annum. This loan is payable from water service charges. The loan can only be received by the City in increments as the project is completed. As of December 31, 1999 the City had received \$1,341,652. The City began repaying the loan in semiannual payments in 1999 based on a loan amount of \$1,664,613 to be paid through 2019. An estimate of future financing requirements has been made based on the actual loan balance of \$1,316,198.

NOTE 9 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

**G. Principal and Interest Requirements**

The principal and interest requirements to retire long-term debt and Police and Fire Pension Liability obligations at December 31, 1999, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$390,000	\$366,223	\$30,000	\$28,038	\$600,000	\$256,618
2001	400,000	350,208	30,000	25,600	620,000	224,403
2002	410,000	333,258	30,000	23,200	650,000	190,365
2003	415,000	315,288	35,000	20,800	590,000	153,340
2004	425,000	296,548	40,000	18,000	630,000	120,300
2005-2009	2,305,000	1,152,470	185,000	38,400	1,375,000	125,100
2010-2014	2,060,000	508,413	0	0	0	0
2015-2019	1,000,000	115,625	0	0	0	0
2020-2035	0	0	0	0	0	0
Totals	\$7,405,000	\$3,438,033	\$350,000	\$154,038	\$4,465,000	\$1,070,126

Years	OWDA Loans		OPWC Loan		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$151,712	\$96,627	\$8,207	\$0	\$11,131	\$37,791
2001	278,613	114,951	16,416	0	11,610	37,313
2002	298,246	95,317	16,416	0	12,108	36,814
2003	319,189	74,270	16,416	0	12,628	36,294
2004	51,402	51,714	8,207	0	13,171	35,752
2005-2009	295,351	220,227	0	0	74,841	169,771
2010-2014	371,088	144,490	0	0	92,355	152,257
2015-2019	414,688	49,332	0	0	113,967	130,645
2020-2035	0	0	0	0	550,143	205,952
Totals	\$2,180,289	\$846,928	\$65,662	\$0	\$891,954	\$842,589

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

NOTE 10 - NOTES PAYABLE

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

The City had three short-term general obligation bond anticipation note payables, one in the Street Fund, one in the Fire Levy Fund and another in the Capital Improvement Fund at December 31, 1999. The notes are secured by the full faith and credit of the City and they mature within one year. Below is a summary of notes payable activity during 1999:

	Balance January 1, 1999	Issued (Retired)	Balance December 31, 1999
<b>Special Revenue Funds:</b>			
<b>Street Fund:</b>			
3.55% Street Improvement	\$1,275,000	(\$1,275,000)	\$0
4.25% Street Improvement	0	1,275,000	1,275,000
<b>Fire Levy Fund:</b>			
3.55% Fire Equipment Acquisition	440,000	(440,000)	0
4.25% Fire Equipment Acquisition	0	375,000	375,000
Total Special Revenue	<u>1,715,000</u>	<u>(65,000)</u>	<u>1,650,000</u>
<b>Capital Projects Fund:</b>			
<b>Capital Improvement:</b>			
3.55% Various Capital Improvements	175,000	(175,000)	0
4.25% Various Capital Improvements	0	75,000	75,000
Total Capital Projects	<u>175,000</u>	<u>(100,000)</u>	<u>75,000</u>
 Total Notes Payable	 <u>\$1,890,000</u>	 <u>(\$165,000)</u>	 <u>\$1,725,000</u>

**NOTE 11 - CONTRIBUTED CAPITAL**

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from capital contributions is charged to contributed capital. Contributed capital in the Water and Sewer Enterprise Fund primarily results from capital grants. Contributed capital in the Water Enterprise Fund also results from assets contributed from private sources through special assessments. Contributed capital in the Electric Enterprise Fund results from the contribution of a coal feeder from private sources and from special assessments.

A schedule of changes in contributed capital is presented below:

	Water Fund	Sewer Fund	Electric Fund	Total
Balance at Beginning of Year	\$1,148,787	\$2,818,713	\$27,211	\$3,994,711
Plus: Contributions by Other Governments	1,778,536	0	0	1,778,536
Less: Depreciation on Contributed Capital	(5,257)	(113,122)	(4,978)	(123,357)
Balance at End of Year	<u>\$2,922,066</u>	<u>\$2,705,591</u>	<u>\$22,233</u>	<u>\$5,649,890</u>

**NOTE 12 - CONSTRUCTION COMMITMENTS**

As of December 31, 1999, the City had the following contracts with respect to capital improvements:

Capital Projects	Remaining Construction Contract	Expected Date of Completion
Girdled Road Water Improvement	\$147,890	Spring 2000
Morse Avenue/2 <sup>nd</sup> Street Improvement	118,212	Fall 2000
Jackson Street Road Improvement	4,745,406	Spring 2000
Raw Water Well Pump Station	124,000	Spring 2001

**NOTE 13 -- LAND HELD FOR RESALE**

In December 1999, the City Purchased 43.1 acres of land with the intent of resale as part of the City's economic development strategy. This land is instrumental in the development of commercial or industrial facilities to create and preserve jobs.

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City financed primarily by user charges are water, sewer, electric, refuse and parking. The key financial information as of and for the year ended December 31, 1999 for these enterprise activities is as follows:

For the Year Ended December 31, 1999	Water	Sewer	Electric
Operating Revenues	\$3,547,965	\$3,083,307	\$16,207,051
Depreciation Expense	412,090	376,156	1,214,205
Operating Income (Loss)	(213,100)	(216,226)	1,945,271
Operating Transfers In	10,000	0	0
Operating Transfers Out	(5,563)	(5,314)	(7,459)
Operating Grants	0	0	0
Net Income (Loss)	(599,638)	(256,258)	1,745,296
Current Capital Contributions	1,778,536	0	0
Property, Plant and Equipment:			
Additions	2,054,532	942,710	286,380
Deletions	(16,496)	(89,116)	0
<hr/>			
As of December 31, 1999			
Total Assets	18,221,336	12,403,609	29,271,812
Net Working Capital	4,487,176	2,946,335	13,830,789
Bonds and Loans Payable	8,721,198	864,091	4,210,000
Total Equity	8,794,925	10,750,551	22,937,352
<hr/>			
For the Year Ended December 31, 1999	Refuse	Off-Street Parking	Total
Operating Revenues	\$4,688	\$69,393	\$22,912,404
Depreciation Expense	0	28,979	2,031,430
Operating Income (Loss)	(19,400)	(123,826)	1,372,719
Operating Transfers In	0	150,000	160,000
Operating Transfers Out	0	(6,645)	(24,981)
Operating Grants	21,682	0	21,682
Net Income (Loss)	2,282	(1,207)	890,475
Current Capital Contributions	0	0	1,778,536
Property, Plant and Equipment:			
Additions	0	0	3,283,622
Deletions	0	0	(105,612)
<hr/>			
As of December 31, 1999			
Total Assets	39,133	1,249,989	61,185,879
Net Working Capital	38,541	47,374	21,350,215
Bonds and Loans Payable	0	255,000	14,050,289
Total Equity	38,541	971,444	43,492,813



**NOTE 15 - RISK MANAGEMENT**

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

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

Insurance Provider	Coverage	Deductible
Cincinnati Insurance Company	Automobile	\$250
Cincinnati Insurance Company	Property	\$1,000
Cincinnati Insurance Company	Comprehensive General Liability	\$0
Cincinnati Insurance Company	Inland Marine	\$1,000
Cincinnati Insurance Company	Boiler and Machinery	Varies
AAIC	Fire Department Errors and Omissions	\$0
General Star Insurance Company	Blanket Catastrophic Excess Liability	\$0
General Star Insurance Company	Police Liability	\$5,000
General Star Insurance Company	Public Officials Liability	\$10,000

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.

In 1993, the Workers' Compensation Retrospective Rating Fund was established to account for the funding of the City's workers' compensation plan. Under the plan, the City is charged by the State of Ohio for administrative fees, claims paid and premiums for individual and aggregate claim limits. All City funds are charged a premium per employee covered by the Workers' Compensation Retrospective Rating Fund based on claims experience. The City has a claims limit of \$250,000 per individual and a maximum yearly amount for all claims which varies each policy year. The claims liability of \$428,100 reported in the fund at December 31, 1999 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past two years are as follows:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
1998	\$273,895	\$116,213	(\$50,426)	\$339,682
1999	339,682	278,117	(189,699)	428,100

NOTE 16 - CONTINGENCIES

A. Environmental Matters

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

B. Litigation

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

## *GENERAL FUND*

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The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues</b>			
<b>Taxes:</b>			
Property Taxes:			
Real Estate and Public Utility	\$280,860	\$280,860	\$0
Tangible Personal	71,370	71,370	0
Total Property Taxes	352,230	352,230	0
Municipal Income Tax	6,920,208	6,532,154	(388,054)
Other Local Taxes	15	0	(15)
Total Taxes	7,272,453	6,884,384	(388,069)
<b>Intergovernmental Revenues:</b>			
Local	29,510	22,597	(6,913)
Local Government Fund - County	1,356,224	1,338,576	(17,648)
Local Government Fund - State	151,500	124,045	(27,455)
Inheritance Tax	175,000	166,505	(8,495)
Property Tax Allocation	32,500	37,418	4,918
Miscellaneous Tax	158,180	162,034	3,854
Total Intergovernmental Revenues	1,902,914	1,851,175	(51,739)
<b>Charges for Services:</b>			
General Government	1,200	1,100	(100)
Public Safety	4,000	3,859	(141)
Highways and Streets	50,000	37,822	(12,178)
Culture and Recreation	61,000	59,181	(1,819)
Miscellaneous	6,000	5,199	(801)
Total Charges for Services	122,200	107,161	(15,039)
<b>License, Permit and Inspection Fees:</b>			
License Fees	15,150	6,350	(8,800)
Permit Fees	83,250	72,187	(11,063)
Inspection Fees	20,000	14,636	(5,364)
Zoning Appeal Fees	12,000	9,891	(2,109)
Other Fees	94,400	67,964	(26,436)
Total License, Permit and Inspection Fees	224,800	171,028	(53,772)
Investment Earnings	1,177,297	1,146,157	(31,140)
Fines and Forfeitures	620,000	569,562	(50,438)
All Other Revenues	120,000	119,992	(8)
Total Revenues	11,439,664	10,849,459	(590,205)

(Continued)

*THE CITY OF PAINESVILLE, OHIO  
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 1999*

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Expenditures</b>			
General Government:			
Legislative:			
Council:			
Personal Services	12,616	12,444	172
All Other Expenditures	3,485	2,348	1,137
Clerk of Council:			
Personal Services	8,010	8,010	0
All Other Expenditures	6,202	2,697	3,505
Judicial - Municipal Court:			
Judicial Activities:			
Personal Services	142,582	141,430	1,152
All Other Expenditures	9,295	9,216	79
Clerk of Court:			
Personal Services	576,436	575,740	696
All Other Expenditures	88,773	86,141	2,632
Probation:			
Personal Services	174,786	174,681	105
All Other Expenditures	100	100	0
Executive:			
City Manager:			
Personal Services	40,939	40,939	0
All Other Expenditures	111,143	105,752	5,391
Capital Outlay	3,736	3,736	0
Human Resources:			
Personal Services	38,972	38,847	125
All Other Expenditures	11,551	11,551	0
Finance:			
Administration:			
Personal Services	46,803	46,803	0
All Other Expenditures	14,369	14,114	255
Capital Outlay	851	851	0

(Continued)

**THE CITY OF PAINESVILLE, OHIO  
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Government: (Continued)			
Accounting:			
Personal Services	50,580	44,905	5,675
All Other Expenditures	31,849	31,849	0
Capital Outlay	2,993	2,993	0
Purchasing/Warehousing:			
Personal Services	21,688	21,648	40
All Other Expenditures	4,829	4,829	0
Capital Outlay	1,200	1,052	148
Income Tax Collection:			
All Other Expenditures	66,899	61,853	5,046
Law:			
Administration:			
Personal Services	52,562	52,478	84
All Other Expenditures	42,639	40,173	2,466
Engineering:			
Administration:			
Personal Services	109,857	105,079	4,778
All Other Expenditures	21,222	21,222	0
Capital Outlay	9,000	4,945	4,055
Public Lands and Buildings:			
Building Operations Maintenance and Repair:			
Personal Services	57,306	57,306	0
All Other Expenditures	225,845	225,392	453
Boards and Commissions:			
Civil Service Commission:			
Personal Services	575	5	570
All Other Expenditures	10,373	4,206	6,167
Miscellaneous:			
Insurance:			
All Other Expenditures	37,900	32,422	5,478
Tax Settlement Deductions:			
All Other Expenditures	14,835	9,551	5,284
Other Miscellaneous:			
All Other Expenditures	6,075	3,575	2,500
Total General Government	2,058,876	2,000,883	57,993
			(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Public Safety:			
Police:			
Law Enforcement - Sworn Officers:			
Personal Services	2,345,026	2,251,319	93,707
Law Enforcement - Other:			
Personal Services	242,768	222,183	20,585
All Other Expenditures	139,204	122,625	16,579
Capital Outlay	82,000	53,949	28,051
Fire:			
Fire Fighting, Prevention and Inspection:			
Personal Services	2,225,460	2,090,598	134,862
All Other Expenditures	177,558	177,558	0
Capital Outlay	298	298	0
Fire Service - Other:			
Personal Services	25,038	24,924	114
Police and Fire Communications:			
Control Center:			
Personal Services	163,794	163,794	0
All Other Expenditures	161,913	53,424	108,489
Total Public Safety	5,563,059	5,160,672	402,387
Highways and Streets:			
Public Works:			
Administration:			
Personal Services	220,380	169,900	50,480
All Other Expenditures	74,578	74,578	0
Street Maintenance and Repair:			
Personal Services	329,704	329,704	0
All Other Expenditures	39,770	36,196	3,574
Capital Outlay	125,215	125,215	0
Sidewalks:			
Personal Services	3,094	243	2,851
All Other Expenditures	39,273	37,546	1,727

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Highways and Streets: (Continued)			
Street Cleaning:			
Personal Services	17,288	17,271	17
All Other Expenditures	25,083	24,431	652
Storm Sewers and Drains:			
All Other Expenditures	13,862	9,092	4,770
Building Maintenance:			
Personal Services	27,421	7,014	20,407
All Other Expenditures	59,455	59,455	--0
Equipment Maintenance:			
Personal Services	100,172	99,782	390
All Other Expenditures	37,626	37,561	65
Employee Benefits:			
Personal Services	194,768	191,099	3,669
Sidewalks - Snow Removal:			
Personal Services	3,600	2,861	739
All Other Expenditures	1,131	31	1,100
Leaf/Yard Waste Removal:			
Personal Services	42,500	17,044	25,456
All Other Expenditures	18,500	12,559	5,941
Parking:			
Parking Meters:			
Personal Services	63,879	43,651	20,228
All Other Expenditures	6,474	5,182	1,292
Parking Lots:			
All Other Expenditures	15,070	14,870	200
Traffic Signs, Markings:			
Traffic Signs, Markings, Signals:			
Personal Services	87,484	76,374	11,110
All Other Expenditures	40,865	40,865	0
Capital Outlay	5,280	5,280	0
Total Highways and Streets	1,592,472	1,437,804	154,668

(Continued)



**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Public Health and Welfare:			
Support of Prisoners:			
Prisoner Expense:			
All Other Expenditures	4,075	1,608	2,467
Payments to County Health Board:			
County Health District Assessments:			
All Other Expenditures	89,500	82,521	6,979
Assistance to Needy/Aged:			
Poor Relief:			
All Other Expenditures	1,400	700	700
Total Public Health and Welfare	94,975	84,829	10,146
Culture and Recreation:			
Parks:			
Administration:			
Personal Services	150,552	126,034	24,518
All Other Expenditures	3,209	699	2,510
Parks System:			
Personal Services	183,172	175,271	7,901
All Other Expenditures	100,568	97,339	3,229
Capital Outlay	2,500	2,420	80
Building Maintenance:			
All Other Expenditures	5,433	4,823	610
Morse Avenue Community Center:			
Personal Services	22,725	7,930	14,795
All Other Expenditures	18,584	18,584	0
Capital Outlay	3,000	0	3,000
Recreation Activities:			
Personal Services	229,982	226,178	3,804
All Other Expenditures	102,141	102,141	0
Capital Outlay	3,000	2,990	10
Other Leisure Time Activities:			
Senior Citizens Center:			
All Other Expenditures	25,000	25,000	0
Community Functions:			
All Other Expenditures	6,070	5,942	128
Total Culture and Recreation	855,936	795,351	60,585

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Community Environment:			
Community Planning and Zoning:			
Planning Commission:			
Personal Services	1,013	975	38
All Other Expenditures	4,105	3,407	698
Demolition:			
All Other Expenditures	19,535	9,235	10,300
Planning and Development:			
Personal Services	26,547	23,054	3,493
All Other Expenditures	43,460	32,198	11,262
Capital Outlay	1,635,175	1,630,439	4,736
Housing and Building Code Enforcement:			
Personal Services	208,267	205,235	3,032
All Other Expenditures	59,286	59,286	0
Tree Care and Weed Control:			
Tree Care:			
All Other Expenditures	7,869	7,869	0
Weed Control:			
Personal Services	2,903	874	2,029
All Other Expenditures	6,391	6,391	0
Total Community Environment	<u>2,014,551</u>	<u>1,978,963</u>	<u>35,588</u>
Total Expenditures	<u>12,179,869</u>	<u>11,458,502</u>	<u>721,367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(740,205)	(609,043)	131,162
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	0	27,010	27,010
Operating Transfers In	200,000	0	(200,000)
Operating Transfers Out	(1,549,350)	(1,349,250)	200,100
Total Other Financing Sources (Uses)	<u>(1,349,350)</u>	<u>(1,322,240)</u>	<u>27,110</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,089,555)	(1,931,283)	158,272
Fund Balance at Beginning of Year	1,740,786	1,740,786	0
Prior Year Encumbrances	762,400	762,400	0
Fund Balance at End of Year	<u>\$413,631</u>	<u>\$571,903</u>	<u>\$158,272</u>

## *SPECIAL REVENUE FUNDS*

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

**Street Construction, Maintenance and Repair Fund**

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

**State Highway Improvement Fund**

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

**Cemeteries Fund**

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

**Police Pension Transfer Fund**

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

**Fire Pension Transfer Fund**

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

**Municipal Motor Vehicle License Tax Fund**

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

**Indigent Drivers Alcohol Treatment Fund**

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

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## *SPECIAL REVENUE FUNDS*

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### **Enforcement and Education Fund**

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

### **City Motor Vehicle License Tax Fund**

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

### **Fire Levy Fund**

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

### **Underground Storage Tank Fund**

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

### **Probation Services Fund**

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

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

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

### **Cleveland Foundation Grant Fund**

To account for grant monies designated for the cost of a Legal Case Manager.

### **Municipal Court Security Grant Fund**

To account for grant monies received from the Ohio Supreme Court Security Grant Fund to enhance security measures in the Painesville Municipal Court operations.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 1999**

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemeteries	Police Pension Transfer	Fire Pension Transfer
<b>Assets:</b>					
Cash and Cash Equivalents	\$1,054,685	\$109,465	\$49,792	\$0	\$0
Receivable (net of allowance for doubtful accounts):					
Taxes	0	0	0	57,534	57,534
Interest	0	0	0	0	0
Intergovernmental Receivables	1,127,753	0	541	0	0
Inventory of Supplies at Cost	0	0	904	0	0
Prepaid Items	0	0	2,536	0	0
Total Assets	<u>\$2,182,438</u>	<u>\$109,465</u>	<u>\$53,773</u>	<u>\$57,534</u>	<u>\$57,534</u>
<b>Liabilities and Fund Equity:</b>					
<i>Liabilities:</i>					
Accounts Payable	\$429,465	\$1,749	\$13,316	\$0	\$0
Accrued Wages and Benefits	5,659	0	18,566	0	0
Intergovernmental Payable	4,654	34,354	195	0	0
Accrued Interest Payable	4,666	0	0	0	0
Deferred Revenue	0	0	0	57,297	57,297
General Obligation Notes Payable	1,275,000	0	0	0	0
Total Liabilities	<u>1,719,444</u>	<u>36,103</u>	<u>32,077</u>	<u>57,297</u>	<u>57,297</u>
<i>Fund Equity:</i>					
Reserved for Encumbrances	608,533	18,934	7,396	0	0
Reserved for Supplies Inventory	0	0	904	0	0
Reserved for Prepaid Items	0	0	2,536	0	0
Unreserved	(145,539)	54,428	10,860	237	237
Total Fund Equity	<u>462,994</u>	<u>73,362</u>	<u>21,696</u>	<u>237</u>	<u>237</u>
Total Liabilities and Fund Equity	<u>\$2,182,438</u>	<u>\$109,465</u>	<u>\$53,773</u>	<u>\$57,534</u>	<u>\$57,534</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 1999**

Municipal Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Enforcement and Education	City Motor Vehicle License Tax	Fire Levy	Underground Storage Tank	Probation Services
\$5,418	\$99,839	\$32,407	\$5,607	\$47,501	\$11,000	\$187,839
0	0	0	0	109,179	0	0
0	0	0	0	2,375	0	0
2,584	1,052	135	5,168	0	0	7,041
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$8,002</u>	<u>\$100,891</u>	<u>\$32,542</u>	<u>\$10,775</u>	<u>\$159,055</u>	<u>\$11,000</u>	<u>\$194,880</u>
\$0	\$9,964	\$0	\$0	\$2,418	\$0	\$2,721
0	0	0	0	0	0	1,658
0	0	0	0	0	0	0
0	0	0	0	1,372	0	0
0	0	0	0	108,801	0	0
0	0	0	0	375,000	0	0
0	9,964	0	0	487,591	0	4,379
0	18,206	0	0	4,606	0	4,689
0	0	0	0	0	0	0
0	0	0	0	0	0	0
8,002	72,721	32,542	10,775	(333,142)	11,000	185,812
8,002	90,927	32,542	10,775	(328,536)	11,000	190,501
<u>\$8,002</u>	<u>\$100,891</u>	<u>\$32,542</u>	<u>\$10,775</u>	<u>\$159,055</u>	<u>\$11,000</u>	<u>\$194,880</u>

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 1999**

	COPS Fast Grant	Cleveland Foundation Grant	Municipal Court Security Grant	Totals
<b><u>Assets:</u></b>				
Cash and Cash Equivalents	\$6,346	\$2,374	\$5,710	\$1,617,983
Receivable (net of allowance for doubtful accounts):				
Taxes	0	0	0	224,247
Interest	0	0	0	2,375
Intergovernmental Receivables	0	0	0	1,144,274
Inventory of Supplies at Cost	0	0	0	904
Prepaid Items	0	0	0	2,536
<b>Total Assets</b>	<b>\$6,346</b>	<b>\$2,374</b>	<b>\$5,710</b>	<b>\$2,992,319</b>
<b><u>Liabilities and Fund Equity:</u></b>				
<i>Liabilities:</i>				
Accounts Payable	\$0	\$0	\$0	\$459,633
Accrued Wages and Benefits	7,703	0	0	33,586
Intergovernmental Payable	0	0	0	39,203
Accrued Interest Payable	0	0	0	6,038
Deferred Revenue	0	0	0	223,395
General Obligation Notes Payable	0	0	0	1,650,000
<b>Total Liabilities</b>	<b>7,703</b>	<b>0</b>	<b>0</b>	<b>2,411,855</b>
<i>Fund Equity:</i>				
Reserved for Encumbrances	772	2,166	0	665,302
Reserved for Supplies Inventory	0	0	0	904
Reserved for Prepaid Items	0	0	0	2,536
Unreserved	(2,129)	208	5,710	(88,278)
<b>Total Fund Equity</b>	<b>(1,357)</b>	<b>2,374</b>	<b>5,710</b>	<b>580,464</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$6,346</b>	<b>\$2,374</b>	<b>\$5,710</b>	<b>\$2,992,319</b>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemeteries	Police Pension Transfer
<b>Revenues</b>				
Taxes	\$0	\$0	\$0	\$49,701
Intergovernmental Revenues	1,804,365	32,635	0	5,345
Charges for Services	0	0	141,487	0
License, Permit and Inspection Fees	4,629	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	0	0	857	0
Total Revenues	<u>1,808,994</u>	<u>32,635</u>	<u>142,344</u>	<u>55,046</u>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	0	0	0	0
Public Safety	0	0	0	55,531
Highways and Streets	2,945,792	36,103	0	0
Public Health and Welfare	0	0	470,059	0
<b>Debt Service:</b>				
Principal Retirement	24,624	0	0	0
Interest and Fiscal Charges	48,042	0	0	0
Total Expenditures	<u>3,018,458</u>	<u>36,103</u>	<u>470,059</u>	<u>55,531</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,209,464)	(3,468)	(327,715)	(485)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	965,000	0	308,000	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>965,000</u>	<u>0</u>	<u>308,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(244,464)	(3,468)	(19,715)	(485)
Fund Balance (Deficit) at Beginning of Year	707,458	76,830	41,554	722
Decrease in Inventory Reserve	0	0	(143)	0
Fund Balance (Deficit) at End of Year	<u>\$462,994</u>	<u>\$73,362</u>	<u>\$21,696</u>	<u>\$237</u>

(Continued)



**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fire Pension Transfer	Municipal Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Enforcement and Education	City Motor Vehicle License Tax
<b>Revenues</b>					
Taxes	\$49,701	\$0	\$0	\$0	\$0
Intergovernmental Revenues	5,345	35,396	0	0	70,793
Charges for Services	0	0	0	0	0
License, Permit and Inspection Fees	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	0	29,580	1,948	0
All Other Revenues	0	0	0	0	0
<b>Total Revenues</b>	<b>55,046</b>	<b>35,396</b>	<b>29,580</b>	<b>1,948</b>	<b>70,793</b>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	0	0	18,215	0	0
Public Safety	55,531	0	0	0	0
Highways and Streets	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
<b>Debt Service:</b>					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<b>Total Expenditures</b>	<b>55,531</b>	<b>0</b>	<b>18,215</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(485)	35,396	11,365	1,948	70,793
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	0	(50,000)	0	0	(135,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(50,000)</b>	<b>0</b>	<b>0</b>	<b>(135,000)</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(485)	(14,604)	11,365	1,948	(64,207)
Fund Balance (Deficit) at Beginning of Year	722	22,606	79,562	30,594	74,982
Decrease in Inventory Reserve	0	0	0	0	0
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$237</b>	<b>\$8,002</b>	<b>\$90,927</b>	<b>\$32,542</b>	<b>\$10,775</b>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Fire Levy	Underground Storage Tank	Probation Services	COPS Fast Grant	Cleveland Foundation Grant	Municipal Court Security Grant	Totals
\$94,942	\$0	\$0	\$0	\$0	\$0	\$194,344
9,533	0	0	469	0	0	1,963,881
0	0	0	0	0	0	141,487
0	0	0	0	0	0	4,629
8,529	0	0	0	0	0	8,529
0	0	91,978	0	0	0	123,506
4,756	0	0	0	2,625	28,125	36,363
117,760	0	91,978	469	2,625	28,125	2,472,739
0	0	65,751	0	3,834	22,415	110,215
142,196	0	0	117,197	0	0	370,455
0	0	0	0	0	0	2,981,895
0	0	0	0	0	0	470,059
0	0	0	0	0	0	24,624
6,934	0	0	0	0	0	54,976
149,130	0	65,751	117,197	3,834	22,415	4,012,224
(31,370)	0	26,227	(116,728)	(1,209)	5,710	(1,539,485)
0	0	0	115,000	0	0	1,388,000
0	0	0	0	0	0	(185,000)
0	0	0	115,000	0	0	1,203,000
(31,370)	0	26,227	(1,728)	(1,209)	5,710	(336,485)
(297,166)	11,000	164,274	371	3,583	0	917,092
0	0	0	0	0	0	(143)
(\$328,536)	\$11,000	\$190,501	(\$1,357)	\$2,374	\$5,710	\$580,464

*THE CITY OF PAINESVILLE, OHIO*  
*DETAILED SCHEDULE OF REVENUES, EXPENDITURES*  
*AND CHANGES IN FUND BALANCE*  
*BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)*  
*SPECIAL REVENUE FUNDS*  
*FOR THE YEAR ENDED DECEMBER 31, 1999*

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$734,108	\$688,091	(\$46,017)
License, Permit and Inspection Fees	1,300	4,629	3,329
Total Revenues	735,408	692,720	(42,688)
<u>Expenditures</u>			
Highways and Streets:			
Public Works:			
Street Construction and Reconstruction:			
Capital Outlay	3,144,771	3,144,069	702
Street Maintenance and Repair:			
Personal Services	10,051	10,051	0
All Other Expenditures	22,559	16,838	5,721
Capital Outlay	152,665	152,665	0
Snow and Ice Removal:			
Personal Services	71,993	67,283	4,710
All Other Expenditures	142,242	136,933	5,309
Storm Sewers and Drains:			
Personal Services	41,384	31,820	9,564
All Other Expenditures	22,677	16,508	6,169
Debt Service:			
Principal Retirement	1,304,626	1,304,624	2
Interest and Fiscal Charges	45,350	45,262	88
Total Expenditures	4,958,318	4,926,053	32,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,222,910)	(4,233,333)	(10,423)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	965,000	965,000	0
Proceeds of General Obligation Notes	1,275,000	1,275,000	0
Total Other Financing Sources (Uses)	2,240,000	2,240,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,982,910)	(1,993,333)	(10,423)
Fund Balance at Beginning of Year	1,955,217	1,955,217	0
Prior Year Encumbrances	51,615	51,615	0
Fund Balance at End of Year	\$23,922	\$13,499	(\$10,423)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**STATE HIGHWAY IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$57,475	\$33,160	(\$24,315)
Total Revenues	57,475	33,160	(24,315)
<u>Expenditures</u>			
Highways and Streets:			
Public Works:			
State Highway Maintenance:			
All Other Expenditures	55,038	55,038	0
Total Expenditures	55,038	55,038	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	2,437	(21,878)	(24,315)
Fund Balance at Beginning of Year	51,267	51,267	0
Prior Year Encumbrances	25,038	25,038	0
Fund Balance at End of Year	\$78,742	\$54,427	(\$24,315)

*THE CITY OF PAINESVILLE, OHIO*  
*DETAILED SCHEDULE OF REVENUES, EXPENDITURES*  
*AND CHANGES IN FUND BALANCE*  
*BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)*  
*SPECIAL REVENUE FUNDS*  
*FOR THE YEAR ENDED DECEMBER 31, 1999*

CEMETERIES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$153,315	\$141,487	(\$11,828)
All Other Revenues	300	316	16
Total Revenues	<u>153,615</u>	<u>141,803</u>	<u>(11,812)</u>
<u>Expenditures</u>			
Public Health and Welfare:			
Cemeteries:			
Administration:			
Personal Services	176,295	151,905	24,390
All Other Expenditures	13,901	11,711	2,190
Evergreen/Riverside Cemeteries:			
Personal Services	256,708	255,841	867
All Other Expenditures	35,106	35,106	0
Capital Outlay	25,733	25,733	0
Building Maintenance:			
All Other Expenditures	8,377	8,192	185
Total Expenditures	<u>516,120</u>	<u>488,488</u>	<u>27,632</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(362,505)	(346,685)	15,820
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	309,100	308,000	(1,100)
Total Other Financing Sources (Uses)	<u>309,100</u>	<u>308,000</u>	<u>(1,100)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(53,405)	(38,685)	14,720
Fund Balance at Beginning of Year	46,685	46,685	0
Prior Year Encumbrances	13,782	13,782	0
Fund Balance at End of Year	<u>\$7,062</u>	<u>\$21,782</u>	<u>\$14,720</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

POLICE PENSION TRANSFER FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$50,186	\$50,186	\$0
Intergovernmental Revenues	5,345	5,345	0
Total Revenues	<u>55,531</u>	<u>55,531</u>	<u>0</u>
<u>Expenditures</u>			
Public Safety:			
Police:			
Law Enforcement-Sworn Officers:			
Personal Services	58,413	55,531	2,882
Total Expenditures	<u>58,413</u>	<u>55,531</u>	<u>2,882</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(2,882)	0	2,882
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>(\$2,882)</u>	<u>\$0</u>	<u>\$2,882</u>

*THE CITY OF PAINESVILLE, OHIO  
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999*

FIRE PENSION TRANSFER FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$50,186	\$50,186	\$0
Intergovernmental Revenues	5,345	5,345	0
Total Revenues	55,531	55,531	0
<u>Expenditures</u>			
Public Safety:			
Fire:			
Fire Fighting, Prevention, Inspection:			
Personal Services	58,413	55,531	2,882
Total Expenditures	58,413	55,531	2,882
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(2,882)	0	2,882
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	(\$2,882)	\$0	\$2,882

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$35,421	\$35,421	\$0
Total Revenues	<u>35,421</u>	<u>35,421</u>	<u>0</u>
<u>Expenditures</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,421	35,421	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(50,000)	(50,000)	0
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,579)	(14,579)	0
Fund Balance at Beginning of Year	19,997	19,997	0
Fund Balance at End of Year	<u>\$5,418</u>	<u>\$5,418</u>	<u>\$0</u>



**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**INDIGENT DRIVERS ALCOHOL TREATMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues</b>			
Fines and Forfeitures	\$39,247	\$29,826	(\$9,421)
Total Revenues	39,247	29,826	(9,421)
<b>Expenditures</b>			
General Government:			
All Other Expenditures	69,421	39,421	30,000
Total Expenditures	69,421	39,421	30,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(30,174)	(9,595)	20,579
Fund Balance at Beginning of Year	71,843	71,843	0
Prior Year Encumbrances	9,421	9,421	0
Fund Balance at End of Year	\$51,090	\$71,669	\$20,579

*THE CITY OF PAINESVILLE, OHIO*  
*DETAILED SCHEDULE OF REVENUES, EXPENDITURES*  
*AND CHANGES IN FUND BALANCE*  
*BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)*  
*SPECIAL REVENUE FUNDS*  
*FOR THE YEAR ENDED DECEMBER 31, 1999*

ENFORCEMENT AND EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$2,156	\$2,156	\$0
Total Revenues	2,156	2,156	0
<u>Expenditures</u>			
General Government:			
All Other Expenditures	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(844)	2,156	3,000
Fund Balance at Beginning of Year	30,251	30,251	0
Fund Balance at End of Year	\$29,407	\$32,407	\$3,000

*THE CITY OF PAINESVILLE, OHIO  
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999*

CITY MOTOR VEHICLE LICENSE TAX FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$82,843	\$70,843	(\$12,000)
Total Revenues	82,843	70,843	(12,000)
<u>Expenditures</u>			
Highways and Streets:			
Street Maintenance and Repair:			
All Other Expenditures	12,000	0	12,000
Total Expenditures	12,000	0	12,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,843	70,843	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(135,000)	(135,000)	0
Total Other Financing Sources (Uses)	(135,000)	(135,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(64,157)	(64,157)	0
Fund Balance at Beginning of Year	57,764	57,764	0
Prior Year Encumbrances	12,000	12,000	0
Fund Balance at End of Year	\$5,607	\$5,607	\$0

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

FIRE LEVY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$95,976	\$95,976	\$0
Intergovernmental Revenues	9,000	9,533	533
Investment Earnings	7,000	6,944	(56)
All Other Revenues	69,510	4,756	(64,754)
Total Revenues	<u>181,486</u>	<u>117,209</u>	<u>(64,277)</u>
<u>Expenditures</u>			
Public Safety:			
Fire Fighting, Prevention, Inspection:			
All Other Expenditures	101,310	62,025	39,285
Capital Outlay	84,967	84,967	0
Debt Service:			
Principal Retirement	440,000	440,000	0
Interest and Fiscal Charges	17,600	6,213	11,387
Total Expenditures	<u>643,877</u>	<u>593,205</u>	<u>50,672</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(462,391)	(475,996)	(13,605)
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	375,000	375,000	0
Total Other Financing Sources (Uses)	<u>375,000</u>	<u>375,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(87,391)	(100,996)	(13,605)
Fund Balance at Beginning of Year	77,196	77,196	0
Prior Year Encumbrances	64,277	64,277	0
Fund Balance at End of Year	<u>\$54,082</u>	<u>\$40,477</u>	<u>(\$13,605)</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**UNDERGROUND STORAGE TANK FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	11,000	11,000	0
Fund Balance at End of Year	<u>\$11,000</u>	<u>\$11,000</u>	<u>\$0</u>

*THE CITY OF PAINESVILLE, OHIO  
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999*

PROBATION SERVICES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$91,958	\$91,958	\$0
Total Revenues	91,958	91,958	0
<u>Expenditures</u>			
General Government:			
Personal Services	41,682	32,632	9,050
All Other Expenditures	45,147	39,265	5,882
Capital Outlay	8,000	2,446	5,554
Total Expenditures	94,829	74,343	20,486
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,871)	17,615	20,486
Fund Balance at Beginning of Year	161,163	161,163	0
Prior Year Encumbrances	960	960	0
Fund Balance at End of Year	<u>\$159,252</u>	<u>\$179,738</u>	<u>\$20,486</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

COPS EAST GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$815	\$469	(\$346)
Total Revenues	815	469	(346)
<u>Expenditures</u>			
Public Safety:			
Law Enforcement-Sworn Officers:			
Personal Services	121,625	121,599	26
Total Expenditures	121,625	121,599	26
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,810)	(121,130)	(320)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	115,000	115,000	0
Total Other Financing Sources (Uses)	115,000	115,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,810)	(6,130)	(320)
Fund Balance at Beginning of Year	6,319	6,319	0
Prior Year Encumbrances	347	347	0
Fund Balance at End of Year	\$856	\$536	(\$320)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**CLEVELAND FOUNDATION GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
All Other Revenues	\$6,008	\$2,625	(\$3,383)
Total Revenues	6,008	2,625	(3,383)
<u>Expenditures</u>			
General Government:			
All Other Expenditures	18,383	6,000	12,383
Total Expenditures	18,383	6,000	12,383
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(12,375)	(3,375)	9,000
Fund Balance at Beginning of Year	200	200	0
Prior Year Encumbrances	3,383	3,383	0
Fund Balance at End of Year	<u>(\$8,792)</u>	<u>\$208</u>	<u>\$9,000</u>



*THE CITY OF PAINESVILLE, OHIO  
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999*

MUNICIPAL COURT SECURITY GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
All Other Revenues	\$28,125	\$28,125	\$0
Total Revenues	28,125	28,125	0
<u>Expenditures</u>			
General Government:			
Capital Outlay	22,415	22,415	0
Total Expenditures	22,415	22,415	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,710	5,710	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$5,710	\$5,710	\$0

## *DEBT SERVICE FUNDS*

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

### **General Bond Retirement Fund**

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

### **Special Assessment Bond Retirement Fund**

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
**DECEMBER 31, 1999**

	General Bond Retirement	Special Assessment Bond Retirement	Totals
<b>Assets:</b>			
Cash and Cash Equivalents	\$15,183	\$178,582	\$193,765
Receivables (net of allowance for doubtful accounts):			
Taxes	57,534	0	57,534
Special Assessments	0	510,875	510,875
Interest	987	831	1,818
Total Assets	<u>\$73,704</u>	<u>\$690,288</u>	<u>\$763,992</u>
<b>Liabilities and Fund Equity:</b>			
<i>Liabilities:</i>			
Deferred Revenue	\$57,297	\$510,875	\$568,172
Total Liabilities	<u>57,297</u>	<u>510,875</u>	<u>568,172</u>
<i>Fund Equity:</i>			
Reserved for Debt Service	16,407	179,413	195,820
Total Fund Equity	<u>16,407</u>	<u>179,413</u>	<u>195,820</u>
Total Liabilities and Fund Equity	<u>\$73,704</u>	<u>\$690,288</u>	<u>\$763,992</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Bond Retirement	Special Assessment Bond Retirement	Totals
<b>Revenues</b>			
Taxes	\$49,701	\$0	\$49,701
Intergovernmental Revenues	5,346	0	5,346
Investment Earnings	5,574	9,398	14,972
Special Assessments	0	60,007	60,007
Total Revenues	<u>60,621</u>	<u>69,405</u>	<u>130,026</u>
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	0	25,000	25,000
Interest and Fiscal Charges	0	30,069	30,069
Total Expenditures	<u>0</u>	<u>55,069</u>	<u>55,069</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,621	14,336	74,957
<b>Other Financing Sources (Uses):</b>			
Operating Transfers Out	(117,535)	0	(117,535)
Total Expenditures	<u>(117,535)</u>	<u>0</u>	<u>(117,535)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(56,914)	14,336	(42,578)
Fund Balance at Beginning of Year	73,321	165,077	238,398
Fund Balance at End of Year	<u>\$16,407</u>	<u>\$179,413</u>	<u>\$195,820</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

GENERAL BOND RETIREMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$50,186	\$50,186	\$0
Intergovernmental Revenues	5,346	5,346	0
Investment Earnings	4,894	4,894	0
Total Revenues	<u>60,426</u>	<u>60,426</u>	<u>0</u>
<b>Expenditures</b>			
Debt Service Functions:			
Debt Service:			
Principal Retirement	175,000	175,000	0
Interest and Fiscal Charges	17,540	17,535	5
Total Expenditures	<u>192,540</u>	<u>192,535</u>	<u>5</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,114)	(132,109)	5
<b>Other Financing Sources (Uses)</b>			
Proceeds of General Obligation Notes	75,000	75,000	0
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(57,114)	(57,109)	5
Fund Balance at Beginning of Year	72,292	72,292	0
Fund Balance at End of Year	<u>\$15,178</u>	<u>\$15,183</u>	<u>\$5</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**SPECIAL ASSESSMENT BOND RETIREMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues</b>			
Investment Earnings	\$9,257	\$9,257	\$0
Special Assessments	60,007	60,007	0
Total Revenues	69,264	69,264	0
<b>Expenditures</b>			
Debt Service Functions:			
Debt Service - Unvoted:			
Debt Service:			
Principal Retirement	25,000	25,000	0
Interest and Fiscal Charges	30,100	30,069	31
Total Expenditures	55,100	55,069	31
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	14,164	14,195	31
Fund Balance at Beginning of Year	164,387	164,387	0
Fund Balance at End of Year	\$178,551	\$178,582	\$31

## *CAPITAL PROJECTS FUNDS*

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

### **Municipal Court Improvement Fund**

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

### **Capital Improvement Fund**

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 1999**

	Municipal Court Improvement	Capital Improvement	Totals
<b>Assets:</b>			
Cash and Cash Equivalents	\$375,081	\$465,509	\$840,590
Intergovernmental Receivables	9,715	0	9,715
Prepaid Items	2,709	0	2,709
Total Assets	<u>\$387,505</u>	<u>\$465,509</u>	<u>\$853,014</u>
<b>Liabilities and Fund Equity:</b>			
<i>Liabilities:</i>			
Accounts Payable	\$2,878	\$1,151	\$4,029
Accrued Interest Payable	0	274	274
General Obligation Notes Payable	0	75,000	75,000
Total Liabilities	<u>2,878</u>	<u>76,425</u>	<u>79,303</u>
<i>Fund Equity:</i>			
Reserved for Encumbrances	140	146,300	146,440
Reserved for Prepaid Items	2,709	0	2,709
Unreserved	381,778	242,784	624,562
Total Fund Equity	<u>384,627</u>	<u>389,084</u>	<u>773,711</u>
Total Liabilities and Fund Equity	<u>\$387,505</u>	<u>\$465,509</u>	<u>\$853,014</u>



*THE CITY OF PAINESVILLE, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999*

	Municipal Court Improvement	Capital Improvement	Totals
<u>Revenues</u>			
Special Assessments	\$9,715	\$0	\$9,715
Fines and Forfeitures	103,702	0	103,702
All Other Revenues	125	2,426	2,551
Total Revenues	113,542	2,426	115,968
<u>Expenditures</u>			
Current:			
General Government	32,794	0	32,794
Capital Outlay	0	485,720	485,720
Debt Service:			
Interest and Fiscal Charges	0	17,550	17,550
Total Expenditures	32,794	503,270	536,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,748	(500,844)	(420,096)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	0	117,535	117,535
Total Expenditures	0	117,535	117,535
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	80,748	(383,309)	(302,561)
Fund Balance at Beginning of Year	303,879	772,393	1,076,272
Fund Balance at End of Year	\$384,627	\$389,084	\$773,711

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**MUNICIPAL COURT IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$112,282	\$112,282	\$0
All Other Revenue	1,392	125	(1,267)
Total Revenues	113,674	112,407	(1,267)
<u>Expenditures</u>			
General Government:			
Clerk of Court:			
All Other Expenditures	22,942	22,099	843
Capital Outlay	9,520	9,445	75
Total Expenditures	32,462	31,544	918
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	81,212	80,863	(349)
Fund Balance at Beginning of Year	292,811	292,811	0
Prior Year Encumbrances	1,267	1,267	0
Fund Balance at End of Year	\$375,290	\$374,941	(\$349)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

**CAPITAL IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenue	\$137,111	\$0	(\$137,111)
Lawsuit Settlement	0	13,461	13,461
All Other Revenue	0	2,426	2,426
Total Revenues	137,111	15,887	(121,224)
<u>Expenditures</u>			
Public Safety:			
Law Enforcement-Other:			
Capital Outlay	466,824	417,536	49,288
Highway and Streets:			
Parking Garage:			
Capital Outlay	225,000	224,997	3
Community Development:			
Planning and Development:			
Capital Outlay	4,000	4,000	0
Total Expenditures	695,824	646,533	49,291
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(558,713)	(630,646)	(71,933)
Fund Balance at Beginning of Year	827,480	827,480	0
Prior Year Encumbrances	121,224	121,224	0
Fund Balance at End of Year	\$389,991	\$318,058	(\$71,933)

## *ENTERPRISE FUNDS*

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

### **Water Fund**

To account for the operation of the City's water treatment and distribution systems.

### **Sewer Fund**

To account for the operation of the City's sewage treatment and collection systems.

### **Electric Fund**

To account for the operation of the City's electric generation and distribution systems.

### **Refuse Fund**

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

### **Off-Street Parking Fund**

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**ENTERPRISE FUNDS**  
**DECEMBER 31, 1999**

	Water Fund	Sewer Fund	Electric Fund	Refuse Fund	Off-Street Parking Fund	Totals
<b>Assets:</b>						
Cash and Cash Equivalents	\$412,730	\$383,404	\$1,314,850	\$17,451	\$54,866	\$2,183,301
Investments	3,397,766	2,573,226	10,691,240	0	0	16,662,232
Receivables (net of allowance for doubtful accounts):						
Accounts	362,556	397,645	2,158,736	0	318	2,919,255
Interest	5,032	4,737	6,292	0	177	16,238
Intergovernmental Receivables	448,887	0	0	21,682	0	470,569
Inventory of Supplies at Cost	130,624	75,897	888,269	0	0	1,094,790
Prepaid Items	19,453	22,786	66,015	0	3,545	111,799
Restricted Assets:						
Cash and Cash Equivalents	93,529	0	278,119	0	1,700	373,348
Investments	0	0	1,052,636	0	0	1,052,636
Deferred Charges	92,896	0	0	0	0	92,896
Fixed Assets in Service:						
Land	104,762	28,868	244,470	0	118,972	497,072
Buildings and Improvements	915,748	6,534,854	3,376,940	0	1,726,245	12,553,787
Utility Plant in Service	14,396,263	8,251,052	10,228,593	0	0	32,875,908
Machinery and Equipment	997,549	3,727,490	23,262,971	0	5,422	27,993,432
Less: Accumulated Depreciation	(6,043,972)	(9,676,115)	(24,332,807)	0	(661,256)	(40,714,150)
Net Fixed Assets	10,370,350	8,866,149	12,780,167	0	1,189,383	33,206,049
Construction in Progress	2,887,513	79,765	35,488	0	0	3,002,766
Total Assets	\$18,221,336	\$12,403,609	\$29,271,812	\$39,133	\$1,249,989	\$61,185,879

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**ENTERPRISE FUNDS**  
**DECEMBER 31, 1999**

	Water Fund	Sewer Fund	Electric Fund	Refuse Fund	Off-Street Parking Fund	Totals
<b>Liabilities and Fund Equity:</b>						
<i>Liabilities:</i>						
Accounts Payable	\$142,557	\$408,165	\$998,190	\$592	\$2,409	\$1,551,913
Accrued Wages and Benefits	103,481	86,886	214,604	0	4,659	409,630
Intergovernmental Payables	23,877	16,309	42,570	0	4,464	87,220
Accrued Interest Payable	19,957	0	39,249	0	0	59,206
Customer Deposits	93,529	0	278,119	0	1,700	373,348
Compensated Absences Payable	321,812	277,607	551,728	0	10,313	1,161,460
General Obligation Bonds Payable	7,405,000	0	0	0	0	7,405,000
Revenue Bonds Payable	0	0	4,210,000	0	255,000	4,465,000
Ohio Water Development Authority Loans Payable	1,316,198	864,091	0	0	0	2,180,289
Total Liabilities	9,426,411	1,653,058	6,334,460	592	278,545	17,693,066
<i>Fund Equity:</i>						
Contributed Capital	2,922,066	2,705,591	22,233	0	0	5,649,890
<i>Retained Earnings:</i>						
Reserved for Revenue Bond Indenture	0	0	1,052,636	0	0	1,052,636
Unreserved	5,872,859	8,044,960	21,862,483	38,541	971,444	36,790,287
Total Retained Earnings	5,872,859	8,044,960	22,915,119	38,541	971,444	37,842,923
Total Fund Equity	8,794,925	10,750,551	22,937,352	38,541	971,444	43,492,813
Total Liabilities and Fund Equity	<u>\$18,221,336</u>	<u>\$12,403,609</u>	<u>\$29,271,812</u>	<u>\$39,133</u>	<u>\$1,249,989</u>	<u>\$61,185,879</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Water Fund	Sewer Fund	Electric Fund	Refuse Fund	Off-Street Parking Fund	Totals
<b>Operating Revenues</b>						
Charges for Services	\$3,334,499	\$3,076,465	\$15,862,938	\$457	\$69,393	\$22,343,752
Other Charges for Services	199,035	0	0	0	0	199,035
Other Operating Revenues	14,431	6,842	344,113	4,231	0	369,617
<b>Total Operating Revenues</b>	<b>3,547,965</b>	<b>3,083,307</b>	<b>16,207,051</b>	<b>4,688</b>	<b>69,393</b>	<b>22,912,404</b>
<b>Operating Expenses</b>						
Personal Services	2,050,574	1,740,538	4,371,665	9,275	96,594	8,268,646
Materials and Supplies	614,969	574,091	3,945,548	3,896	9,933	5,148,437
Contractual Services	449,730	420,829	1,947,940	10,917	34,781	2,864,197
Utilities	233,702	187,919	2,782,422	0	22,932	3,226,975
Depreciation	412,090	376,156	1,214,205	0	28,979	2,031,430
<b>Total Operating Expenses</b>	<b>3,761,065</b>	<b>3,299,533</b>	<b>14,261,780</b>	<b>24,088</b>	<b>193,219</b>	<b>21,539,685</b>
<b>Operating Income (Loss)</b>	<b>(213,100)</b>	<b>(216,226)</b>	<b>1,945,271</b>	<b>(19,400)</b>	<b>(123,826)</b>	<b>1,372,719</b>
<b>Nonoperating Revenues (Expenses)</b>						
Intergovernmental Grants	0	0	0	21,682	0	21,682
Investment Earnings	33,398	54,564	40,287	0	1,283	129,532
Interest and Fiscal Charges	(433,851)	(86,422)	(261,498)	0	(22,019)	(803,790)
Other Nonoperating Revenue	16,701	0	96,616	0	0	113,317
Other Nonoperating Expense	(7,223)	(2,860)	(67,921)	0	0	(78,004)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(390,975)</b>	<b>(34,718)</b>	<b>(192,516)</b>	<b>21,682</b>	<b>(20,736)</b>	<b>(617,263)</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>(604,075)</b>	<b>(250,944)</b>	<b>1,752,755</b>	<b>2,282</b>	<b>(144,562)</b>	<b>755,456</b>
<b>Operating Transfers</b>						
Operating Transfers In	10,000	0	0	0	150,000	160,000
Operating Transfers Out	(5,563)	(5,314)	(7,459)	0	(6,645)	(24,981)
<b>Total Operating Transfers</b>	<b>4,437</b>	<b>(5,314)</b>	<b>(7,459)</b>	<b>0</b>	<b>143,355</b>	<b>135,019</b>
<b>Net Income (Loss)</b>	<b>(599,638)</b>	<b>(256,258)</b>	<b>1,745,296</b>	<b>2,282</b>	<b>(1,207)</b>	<b>890,475</b>
<b>Add: Depreciation Charged</b>						
to Contributed Capital	5,257	113,122	4,978	0	0	123,357
<b>Increase (Decrease) in Retained Earnings</b>	<b>(594,381)</b>	<b>(143,136)</b>	<b>1,750,274</b>	<b>2,282</b>	<b>(1,207)</b>	<b>1,013,832</b>
<b>Retained Earnings at Beginning of Year</b>	<b>6,467,240</b>	<b>8,188,096</b>	<b>21,164,845</b>	<b>36,259</b>	<b>972,651</b>	<b>36,829,091</b>
<b>Retained Earnings at End of Year</b>	<b>\$5,872,859</b>	<b>\$8,044,960</b>	<b>\$22,915,119</b>	<b>\$38,541</b>	<b>\$971,444</b>	<b>\$37,842,923</b>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Water Fund	Sewer Fund	Electric Fund
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$3,578,486	\$3,078,246	\$15,723,579
Cash Received from Settlement of Lawsuit	13,461	8,077	18,846
Cash Payments for Goods and Services	(1,338,966)	(1,228,773)	(8,704,725)
Cash Payments to Employees	(2,000,270)	(1,716,705)	(4,342,788)
Net Cash Provided (Used) by Operating Activities	252,711	140,845	2,694,912
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Operating Grants Received	0	0	0
Transfers In from Other Funds	10,000	0	0
Transfers Out to Other Funds	(5,563)	(5,314)	(7,459)
Net Cash Provided (Used) by Noncapital Financing Activities	4,437	(5,314)	(7,459)
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Proceeds of Ohio Water Development Authority Loans	1,219,654	0	0
Intergovernmental Grants Received	1,329,736	0	0
Acquisition and Construction of Assets	(2,613,218)	(588,308)	(286,816)
Principal Paid on Revenue Bonds	0	0	(485,000)
Principal Paid on General Obligation Bonds	(400,000)	(25,000)	0
Principal Paid on Ohio Water Development Authority Loans	(25,454)	(310,882)	0
Interest Paid on All Debt	(432,102)	(130,759)	(265,405)
Net Cash Used for Capital and Related Financing Activities	(921,384)	(1,054,949)	(1,037,221)
<b><u>Cash Flows from Investing Activities:</u></b>			
Receipts of Principal and Interest on Investments	55,385	77,875	2,005,314
Sale of Investments	0	256,291	0
Purchase of Investments	(36,060)	0	(4,756,496)
Net Cash Provided (Used) by Investing Activities	19,325	334,166	(2,751,182)
Net Increase (Decrease) in Cash and Cash Equivalents	(644,911)	(585,252)	(1,100,950)
Cash and Cash Equivalents at Beginning of Year	1,151,170	968,656	2,693,919
Cash and Cash Equivalents at End of Year	\$506,259	\$383,404	\$1,592,969
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u></b>			
Operating Income (Loss)	(\$213,100)	(\$216,226)	\$1,945,271
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	412,090	376,156	1,214,205
Miscellaneous Nonoperating Revenues	35,362	8,077	120,967
Miscellaneous Nonoperating Expenses	(7,164)	(2,860)	(67,921)
<b>Changes in Assets and Liabilities:</b>			
(Increase) Decrease in Accounts Receivable	8,707	(5,061)	(585,593)
Increase in Intergovernmental Receivable	(87)	0	0
(Increase) Decrease in Inventory	(7,472)	6,626	(55,509)
Increase in Prepaid Items	(12,855)	(10,807)	(28,751)
Increase (Decrease) in Accounts Payable	(36,917)	(55,088)	80,806
Decrease in Accrued Wages and Benefits	(2,189)	(3,681)	(19,310)
Increase in Intergovernmental Payable	23,843	16,195	42,560
Increase in Compensated Absences Payable	52,493	27,514	48,187
Total Adjustments	465,811	357,071	749,641
Net Cash Provided (Used) by Operating Activities	\$252,711	\$140,845	\$2,694,912



Refuse Fund	Off-Street Parking Fund	Totals
\$4,688	\$69,230	\$22,454,229
0	0	40,384
(14,221)	(66,079)	(11,352,764)
(9,378)	(96,726)	(8,165,867)
(18,911)	(93,575)	2,975,982
21,360	0	21,360
0	150,000	160,000
0	(6,645)	(24,981)
21,360	143,355	156,379
0	0	1,219,654
0	0	1,329,736
0	(3,000)	(3,491,342)
0	(80,000)	(565,000)
0	0	(425,000)
0	0	(336,336)
0	(27,865)	(856,131)
0	(110,865)	(3,124,419)
0	1,257	2,139,831
0	0	256,291
0	0	(4,792,556)
0	1,257	(2,396,434)
2,449	(59,828)	(2,388,492)
15,002	116,394	4,945,141
\$17,451	\$56,566	\$2,556,649

(19,400)	(123,826)	\$1,372,719
0	28,979	2,031,430
0	155	164,561
0	(81)	(78,026)
0	(318)	(582,265)
0	0	(87)
0	0	(56,355)
0	(1,668)	(54,081)
592	(1,148)	(11,755)
(103)	(691)	(25,974)
0	4,464	87,062
0	559	128,753
489	30,251	1,603,263
(18,911)	(93,575)	\$2,975,982

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 1999, the Water, Sewer, and Electric Funds had outstanding liabilities of \$482,481, \$360,478, and \$8,885 respectively for the purchase of certain capital assets. During 1999 the fair value of investments decreased by \$25,225, \$20,431 and \$66,665 in the Water, Sewer, and Electric Funds, respectively.

## *INTERNAL SERVICE FUNDS*

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

### **Fuel and Oil Rotary Fund**

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

### **Supplies Rotary Fund**

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

### **Workers' Compensation Retrospective Fund**

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 1999**

	Fuel and Oil Rotary	Supplies Rotary	Workers' Compensation Retrospective	Totals
<b>Assets:</b>				
Cash and Cash Equivalents	\$10,912	\$23,526	\$827,862	\$862,300
Inventory of Supplies at Cost	0	46,596	0	46,596
Total Assets	<u>\$10,912</u>	<u>\$70,122</u>	<u>\$827,862</u>	<u>\$908,896</u>
<b>Liabilities and Fund Equity:</b>				
<i>Liabilities:</i>				
Accounts Payable	\$13,494	\$1,435	\$0	\$14,929
Claims Liability	0	0	428,100	428,100
Total Liabilities	<u>13,494</u>	<u>1,435</u>	<u>428,100</u>	<u>443,029</u>
<i>Fund Equity:</i>				
Retained Earnings				
Unreserved	(2,582)	68,687	399,762	465,867
Total Fund Equity	<u>(2,582)</u>	<u>68,687</u>	<u>399,762</u>	<u>465,867</u>
Total Liabilities and Fund Equity	<u>\$10,912</u>	<u>\$70,122</u>	<u>\$827,862</u>	<u>\$908,896</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN RETAINED EARNINGS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fuel and Oil Rotary	Supplies Rotary	Workers' Compensation Retrospective	Totals
<u>Operating Revenues</u>				
Charges for Services	\$61,087	\$45,812	\$133,410	\$240,309
Total Operating Revenues	61,087	45,812	133,410	240,309
<u>Operating Expenses</u>				
Personal Services	0	0	278,117	278,117
Materials and Supplies	98,928	47,896	0	146,824
Total Operating Expenses	98,928	47,896	278,117	424,941
Loss Before Operating Transfers	(37,841)	(2,084)	(144,707)	(184,632)
<u>Operating Transfers:</u>				
Operating Transfers In	24,000	5,000	0	29,000
Total Operating Transfers	24,000	5,000	0	29,000
Net Income (Loss)	(13,841)	2,916	(144,707)	(155,632)
Retained Earnings at Beginning of Year	11,259	65,771	544,469	621,499
Retained Earnings/(Accumulated Deficit) at End of Year	(\$2,582)	\$68,687	\$399,762	\$465,867

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fuel and Oil Rotary	Supplies Rotary	Workers' Compensation Retrospective	Totals
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Interfund Charges	\$61,087	\$45,812	\$133,410	\$240,309
Cash Payments for Goods and Services	(90,467)	(41,583)	0	(132,050)
Cash Payments to Employees	0	0	(189,699)	(189,699)
Net Cash Provided (Used) by Operating Activities	<u>(29,380)</u>	<u>4,229</u>	<u>(56,289)</u>	<u>(81,440)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers In from Other Funds	24,000	5,000	0	29,000
Net Cash Provided by Noncapital Financing Activities	<u>24,000</u>	<u>5,000</u>	<u>0</u>	<u>29,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,380)	9,229	(56,289)	(52,440)
Cash and Cash Equivalents at Beginning of Year	16,292	14,297	884,151	914,740
Cash and Cash Equivalents at End of Year	<u>\$10,912</u>	<u>\$23,526</u>	<u>\$827,862</u>	<u>\$862,300</u>
<u>Reconciliation of Operating Loss to Net Cash Provided</u>				
<u>(Used) by Operating Activities:</u>				
Operating Loss	(\$37,841)	(\$2,084)	(\$144,707)	(\$184,632)
Adjustments to Reconcile Operating Loss to				
Net Cash Provided (Used) by Operating Activities:				
Changes in Assets and Liabilities:				
Decrease in Inventory	0	5,364	0	5,364
Increase in Accounts Payable	8,461	949	0	9,410
Increase in Claims Liability	0	0	88,418	88,418
Total Adjustments	<u>8,461</u>	<u>6,313</u>	<u>88,418</u>	<u>103,192</u>
Net Cash Provided (Used) for Operating Activities	<u>(\$29,380)</u>	<u>\$4,229</u>	<u>(\$56,289)</u>	<u>(\$81,440)</u>

## *FIDUCIARY FUND TYPES*

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

### *EXPENDABLE TRUST FUNDS*

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Expendable Trust Funds are accounted for in essentially the same manner as governmental funds.

**Deposit Trust Fund**

To account for monies received and held by the City for various deposits.

**Plan Review Trust Fund**

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

**Zoning Application Trust Fund**

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

**Cemetery Trust Operations Fund**

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

**Special Endowment Operations Fund**

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

**Columbarium Trust Fund**

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

**Painesville Safety Town Fund**

To account for the receipt of monies received from registration fees and contributions and disbursed exclusively for the safety activities for children of the community.

**Law Enforcement Trust Fund**

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

(Continued)

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*FIDUCIARY FUND TYPES*

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*NONEXPENDABLE TRUST FUNDS*

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Non-Expendable Trust Funds are accounted for in essentially the same manner as proprietary (enterprise) funds. Asset or principal maintenance is usually the reason for these trust funds.

**Evergreen Cemetery Trust Fund**

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

**Riverside Cemetery Trust Fund**

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

**Special Endowment Trust Fund**

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

*AGENCY FUNDS*

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Agency Funds are purely custodial in nature. Results of operations are not measured. These funds report only assets and liabilities.

**Municipal Court Fund**

To account for funds that flow through the municipal court.

**State Patrol Transfer Fund**

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

**Electric License Fund**

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

**Land Bank Fund**

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES**  
**DECEMBER 31, 1999**

	Expendable Trust Funds				
	Deposit Trust	Plan Review Trust	Zoning Application Trust	Cemetery Trust Operations	Special Endowment Operations
<b>Assets:</b>					
Cash and Cash Equivalents	\$94,745	\$16,633	\$3,081	\$103	\$1,081
Receivables (net of allowances for doubtful accounts):					
Accounts	0	0	225	0	0
Interest	0	0	0	2,995	1,196
Intergovernmental Receivable	0	0	0	0	0
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	0	0
Total Assets	<u>\$94,745</u>	<u>\$16,633</u>	<u>\$3,306</u>	<u>\$3,098</u>	<u>\$2,277</u>
<b>Liabilities and Fund Equity:</b>					
<i>Liabilities:</i>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Due to Others	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity:</i>					
Reserved for Endowments	0	0	0	0	0
Unreserved	94,745	16,633	3,306	3,098	2,277
Total Fund Equity	<u>94,745</u>	<u>16,633</u>	<u>3,306</u>	<u>3,098</u>	<u>2,277</u>
Total Liabilities and Fund Equity	<u>\$94,745</u>	<u>\$16,633</u>	<u>\$3,306</u>	<u>\$3,098</u>	<u>\$2,277</u>



*THE CITY OF PAINESVILLE, OHIO  
 COMBINING BALANCE SHEET  
 FIDUCIARY FUND TYPES  
 DECEMBER 31, 1999*

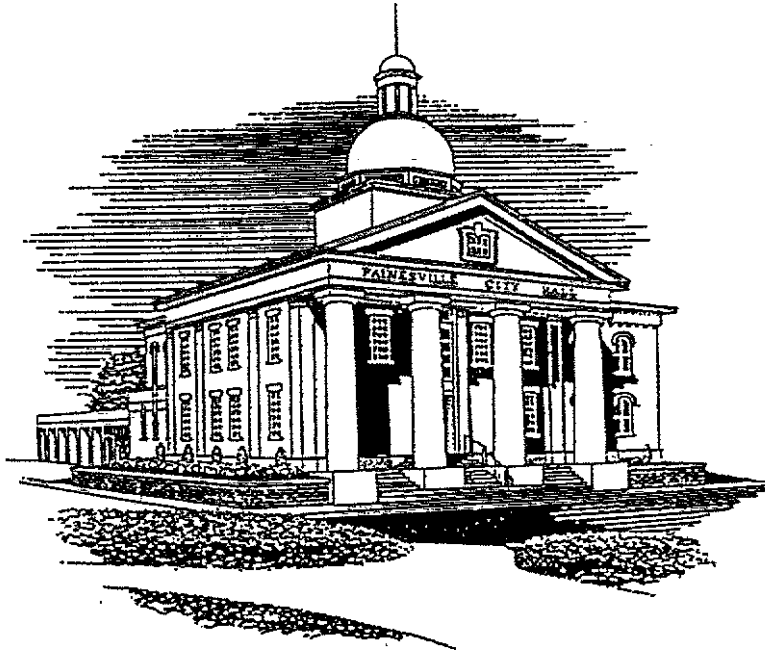
			Nonexpendable Trust Funds		
Columbarium Trust	Painesville Safety Town	Law Enforcement Trust	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust
\$78	\$208	\$12,218	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	100	0	0	0
0	0	0	364,000	264,868	251,556
<u>\$78</u>	<u>\$208</u>	<u>\$12,318</u>	<u>\$364,000</u>	<u>\$264,868</u>	<u>\$251,556</u>
\$0	\$0	\$532	\$0	\$0	\$0
0	0	0	0	0	0
0	0	532	0	0	0
0	0	0	364,000	264,868	251,556
78	208	11,786	0	0	0
78	208	11,786	364,000	264,868	251,556
<u>\$78</u>	<u>\$208</u>	<u>\$12,318</u>	<u>\$364,000</u>	<u>\$264,868</u>	<u>\$251,556</u>

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES**  
**DECEMBER 31, 1999**

Agency Funds

	Municipal Court	State Highway Patrol	Electric License	Land Bank	Totals
<b>Assets:</b>					
Cash and Cash Equivalents	\$52,091	\$6,642	\$5,908	\$20,253	\$213,041
Receivables (net of allowances for doubtful accounts):					
Accounts	0	0	0	0	225
Interest	0	0	0	0	4,191
Intergovernmental Receivable	0	0	0	0	100
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	0	880,424
Total Assets	<u>\$52,091</u>	<u>\$6,642</u>	<u>\$5,908</u>	<u>\$20,253</u>	<u>\$1,097,981</u>
<b>Liabilities and Fund Equity:</b>					
<i>Liabilities:</i>					
Accounts Payable	\$0	\$0	\$0	\$0	\$532
Due to Others	52,091	6,642	5,908	20,253	84,894
Total Liabilities	<u>52,091</u>	<u>6,642</u>	<u>5,908</u>	<u>20,253</u>	<u>85,426</u>
<i>Fund Equity:</i>					
Reserved for Endowments	0	0	0	0	880,424
Unreserved	0	0	0	0	132,131
Total Fund Equity	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,012,555</u>
Total Liabilities and Fund Equity	<u>\$52,091</u>	<u>\$6,642</u>	<u>\$5,908</u>	<u>\$20,253</u>	<u>\$1,097,981</u>



**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Deposit Trust	Plan Review Trust	Zoning Application Trust	Cemetery Trust Operations
<b>Revenues</b>				
Charges for Services	\$12,909	\$4,914	\$450	\$0
Investment Earnings	0	0	0	31,763
Fines and Forfeitures	0	0	0	0
Total Revenues	12,909	4,914	450	31,763
<b>Expenditures</b>				
Public Safety	0	0	0	0
Public Health and Welfare	0	0	0	2,313
Community Environment	0	0	94	0
Other Expenditures	7,245	0	0	0
Total Expenditures	7,245	0	94	2,313
Excess (Deficiency) of Revenues over Expenditures	5,664	4,914	356	29,450
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	(30,000)
Total Other Financing Sources (Uses)	0	0	0	(30,000)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	5,664	4,914	356	(550)
Fund Balance at Beginning of Year	89,081	11,719	2,950	3,648
Fund Balance at End of Year	\$94,745	\$16,633	\$3,306	\$3,098

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Special Endowment Operations	Columbarium Trust	Painesville Safety Town	Law Enforcement Trust	Totals
\$0	\$0	\$0	\$0	\$18,273
12,579	4	0	0	44,346
0	0	0	5,225	5,225
12,579	4	0	5,225	67,844
0	0	215	4,058	4,273
0	0	0	0	2,313
0	0	0	0	94
0	0	0	0	7,245
0	0	215	4,058	13,925
12,579	4	(215)	1,167	53,919
0	0	250	0	250
(13,000)	0	0	0	(43,000)
(13,000)	0	250	0	(42,750)
(421)	4	35	1,167	11,169
2,698	74	173	10,619	120,962
<u>\$2,277</u>	<u>\$78</u>	<u>\$208</u>	<u>\$11,786</u>	<u>\$132,131</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND BALANCES**  
**NONEXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust	Totals
<b><u>Operating Revenues</u></b>				
Contributions	\$2,391	\$6,072	\$7,395	\$15,858
Total Operating Revenues	2,391	6,072	7,395	15,858
<b><u>Operating Expenses</u></b>				
Other Operating Expenses	142	98	0	240
Total Operating Expenses	142	98	0	240
Operating Income	2,249	5,974	7,395	15,618
Fund Balance at Beginning of Year	361,751	258,894	244,161	864,806
Fund Balance at End of Year	<u>\$364,000</u>	<u>\$264,868</u>	<u>\$251,556</u>	<u>\$880,424</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONEXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust	Totals
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Contributions	\$2,391	\$6,072	\$7,395	\$15,858
Cash Payments for Goods and Services	(142)	(98)	0	(240)
Net Cash Provided by Operating Activities	2,249	5,974	7,395	15,618
Net Increase in Cash and Cash Equivalents	2,249	5,974	7,395	15,618
Cash and Cash Equivalents at Beginning of Year	361,751	258,894	244,161	864,806
Cash and Cash Equivalents at End of Year	\$364,000	\$264,868	\$251,556	\$880,424

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
<b><u>Municipal Court</u></b>				
Assets:				
Cash and Cash Equivalents	\$38,873	\$2,070,992	(\$2,057,774)	\$52,091
Total Assets	<u>\$38,873</u>	<u>\$2,070,992</u>	<u>(\$2,057,774)</u>	<u>\$52,091</u>
Liabilities:				
Due to Others	\$38,873	\$2,070,992	(\$2,057,774)	\$52,091
Total Liabilities	<u>\$38,873</u>	<u>\$2,070,992</u>	<u>(\$2,057,774)</u>	<u>\$52,091</u>
<b><u>State Patrol Transfer</u></b>				
Assets:				
Cash and Cash Equivalents	\$3,640	\$97,881	(\$94,879)	\$6,642
Total Assets	<u>\$3,640</u>	<u>\$97,881</u>	<u>(\$94,879)</u>	<u>\$6,642</u>
Liabilities:				
Due to Others	\$3,640	\$97,881	(\$94,879)	\$6,642
Total Liabilities	<u>\$3,640</u>	<u>\$97,881</u>	<u>(\$94,879)</u>	<u>\$6,642</u>
<b><u>Electric License</u></b>				
Assets:				
Cash and Cash Equivalents	\$4,090	\$8,208	(\$6,390)	\$5,908
Total Assets	<u>\$4,090</u>	<u>\$8,208</u>	<u>(\$6,390)</u>	<u>\$5,908</u>
Liabilities:				
Due to Others	\$4,090	\$8,208	(\$6,390)	\$5,908
Total Liabilities	<u>\$4,090</u>	<u>\$8,208</u>	<u>(\$6,390)</u>	<u>\$5,908</u>
<b><u>Land Bank</u></b>				
Assets:				
Cash and Cash Equivalents	\$1,230	\$34,945	(\$15,922)	\$20,253
Total Assets	<u>\$1,230</u>	<u>\$34,945</u>	<u>(\$15,922)</u>	<u>\$20,253</u>
Liabilities:				
Due to Others	\$1,230	\$34,945	(\$15,922)	\$20,253
Total Liabilities	<u>\$1,230</u>	<u>\$34,945</u>	<u>(\$15,922)</u>	<u>\$20,253</u>
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$47,833	\$2,212,026	(\$2,174,965)	\$84,894
Total Assets	<u>\$47,833</u>	<u>\$2,212,026</u>	<u>(\$2,174,965)</u>	<u>\$84,894</u>
Liabilities:				
Due to Others	\$47,833	\$2,212,026	(\$2,174,965)	\$84,894
Total Liabilities	<u>\$47,833</u>	<u>\$2,212,026</u>	<u>(\$2,174,965)</u>	<u>\$84,894</u>



***GENERAL FIXED ASSETS ACCOUNT GROUP***

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General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

*THE CITY OF PAINESVILLE, OHIO*  
*SCHEDULE OF GENERAL FIXED ASSETS*  
*BY SOURCE*  
*DECEMBER 31, 1999*

General Fixed Assets:

Land	\$952,876
Buildings and Improvements	1,338,772
Improvements Other than Buildings	333,092
Machinery and Equipment	4,472,035
Construction in Progress	21,545
	<hr/>
Total General Fixed Assets	<u>\$7,118,320</u>

Investment in General Fixed Assets from:

General Fund	\$3,947,745
Special Revenue Funds	2,037,010
Capital Projects Funds	187,813
Enterprise Funds	715,382
Expendable Trust Funds	7,318
Gifts	223,052
	<hr/>
Total Investment in General Fixed Assets	<u>\$7,118,320</u>

**THE CITY OF PAINESVILLE, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY CATEGORY**  
**DECEMBER 31, 1999**

Function and Activity	Land	Buildings and Improvements	Improvements Other than Buildings	Machinery and Equipment	Construction in Progress	Total
<b>General Government</b>						
<b>Judicial:</b>						
Municipal Court	\$0	\$42,367	\$0	\$114,183	\$0	\$156,550
<b>Executive:</b>						
City Manager	50,718	0	0	19,158	0	69,876
Finance	0	6,729	0	379,961	0	386,690
Engineering	0	0	0	43,081	0	43,081
Buildings and Grounds	343,500	919,926	0	39,490	14,900	1,317,816
<b>Total General Government</b>	<b>394,218</b>	<b>969,022</b>	<b>0</b>	<b>595,873</b>	<b>14,900</b>	<b>1,974,013</b>
<b>Public Safety</b>						
Police	0	0	0	445,747	0	445,747
Fire	0	0	0	1,463,509	0	1,463,509
Control Center	0	3,375	0	54,498	0	57,873
<b>Total Public Safety</b>	<b>0</b>	<b>3,375</b>	<b>0</b>	<b>1,963,754</b>	<b>0</b>	<b>1,967,129</b>
<b>Highways and Streets</b>						
Public Works	19,025	121,290	15,987	1,358,354	0	1,514,656
Parking	0	0	0	159,075	6,645	165,720
<b>Total Highways and Streets</b>	<b>19,025</b>	<b>121,290</b>	<b>15,987</b>	<b>1,517,429</b>	<b>6,645</b>	<b>1,680,376</b>
<b>Public Health and Welfare</b>						
Cemeteries	103,172	31,542	46,703	170,640	0	352,057
<b>Culture/Recreation</b>						
Parks - Recreation	261,461	213,543	270,402	184,395	0	929,801
<b>Community Environment</b>						
Community Development	175,000	0	0	18,852	0	193,852
Code Enforcement	0	0	0	21,092	0	21,092
<b>Total Community Environment</b>	<b>175,000</b>	<b>0</b>	<b>0</b>	<b>39,944</b>	<b>0</b>	<b>214,944</b>
<b>Total General Fixed Assets</b>	<b>\$952,876</b>	<b>\$1,338,772</b>	<b>\$333,092</b>	<b>\$4,472,035</b>	<b>\$21,545</b>	<b>\$7,118,320</b>

**THE CITY OF PAINESVILLE, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

Function and Activity	Restated December 31, 1998	Transfers	Additions	Deletions	December 31, 1999
<b>General Government</b>					
Judicial					
Municipal Court	\$149,615	\$0	\$6,935	\$0	\$156,550
Executive					
City Manager	89,850	0	0	(19,974)	69,876
Finance	367,732	0	18,958	0	386,690
Engineering	43,081	0	0	0	43,081
Buildings and Grounds	1,302,916	0	14,900	0	1,317,816
<b>Total General Government</b>	<b>1,953,194</b>	<b>0</b>	<b>40,793</b>	<b>(19,974)</b>	<b>1,974,013</b>
<b>Public Safety</b>					
Police	403,989	0	41,758	0	445,747
Fire	1,450,234	0	13,275	0	1,463,509
Control Center	57,873	0	0	0	57,873
<b>Total Public Safety</b>	<b>1,912,096</b>	<b>0</b>	<b>55,033</b>	<b>0</b>	<b>1,967,129</b>
<b>Highways and Streets</b>					
Public Works	1,453,927	6,026	57,703	(3,000)	1,514,656
Parking	155,895	0	9,825	0	165,720
<b>Total Highways and Streets</b>	<b>1,609,822</b>	<b>6,026</b>	<b>67,528</b>	<b>(3,000)</b>	<b>1,680,376</b>
<b>Public Health and Welfare</b>					
Cemeteries	352,057	0	0	0	352,057
<b>Culture/Recreation</b>					
Parks - Recreation	929,801	0	0	0	929,801
<b>Community Environment</b>					
Community Development	215,440	(21,588)	0	0	193,852
Code Enforcement	5,530	15,562	0	0	21,092
<b>Total Community Environment</b>	<b>220,970</b>	<b>(6,026)</b>	<b>0</b>	<b>0</b>	<b>214,944</b>
<b>Total General Fixed Assets</b>	<b>\$6,977,940</b>	<b>\$0</b>	<b>\$163,354</b>	<b>(\$22,974)</b>	<b>\$7,118,320</b>

**THE CITY OF PAINESVILLE, OHIO**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**LAST TEN YEARS**

Year	General Government	Public Safety	Highways and Streets	Public					Loss On Investments	Capital Outlay	Debt Service	Total
				Health and Welfare	Culture and Recreation	Community Environment	Health and Welfare	Culture and Recreation				
1990	\$1,414,217	\$3,447,257	\$1,081,589	\$412,137	\$305,395	\$274,044	\$0	\$1,224,108	\$246,639	\$8,405,386		
1991	1,514,230	3,431,722	1,080,858	436,597	319,922	442,978	0	1,145,449	203,598	8,575,354		
1992	1,631,032	3,821,714	1,343,732	460,621	420,504	258,116	140,365	1,138,659	119,760	9,334,503		
1993	1,860,246	3,941,248	1,410,673	490,646	424,416	243,081	339,408	444,012	112,163	9,265,893		
1994	1,232,577	4,172,949	1,719,908	457,876	593,817	374,061	58,523	0	124,088	8,733,799		
1995	1,748,574	4,309,200	1,544,478	446,951	473,912	246,096	0	0	128,253	8,897,464		
1996	1,703,874	4,189,794	2,157,851	490,890	544,366	240,277	0	0	117,868	9,444,920		
1997	1,960,806	4,579,914	2,034,240	510,526	609,551	250,780	0	0	127,962	10,073,779		
1998	1,950,541	4,672,076	1,695,777	514,971	702,249	279,138	0	0	93,624	9,908,376		
1999	1,967,990	5,281,060	4,322,320	554,676	745,573	257,296	0	0	134,669	13,263,584		

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

**THE CITY OF PAINESVILLE, OHIO**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**LAST TEN YEARS**

Year	Taxes	Inter-Governmental Revenue	Charges for Service	License Permit and Inspection Fees	Investment Earnings	Fines and Forfeitures	All Other (2)	Total
1990	\$7,115,908	\$119,688	\$184,051	\$61,616	\$256,251	\$467,352	\$95,717	\$8,300,583
1991	7,205,663	198,332	199,695	71,996	270,679	525,244	133,646	8,605,255
1992	6,288,566	1,256,507	210,921	134,568	17,359	620,936	119,751	8,648,608
1993	6,298,803	1,266,154	220,195	99,467	30,897	486,439	135,616	8,537,571
1994	6,236,930	2,098,574	266,852	113,937	247,822	484,045	152,307	9,600,467
1995	6,632,131	2,124,305	239,467	210,125	731,112	648,844	184,350	10,770,334
1996	6,562,820	2,008,206	221,904	142,377	782,622	657,265	198,734	10,573,928
1997	6,480,015	2,406,303	226,022	191,120	1,026,908	699,768	364,248	11,394,384
1998	6,921,888	2,670,751	247,654	160,646	989,273	729,995	283,911	12,004,118
1999	7,181,523	3,830,361	248,725	179,690	1,201,096	700,811	177,633	13,519,839

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

(2) Includes Special Assessments and Lawsuit Settlement

**THE CITY OF PAINESVILLE, OHIO**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**REAL AND PUBLIC UTILITY PROPERTY ONLY**  
**LAST TEN YEARS**

Tax Year	Collection Year	Net Tax Levy (1)	Current Collections (1)	Percent of Current		Delinquent Collections	Total Collections	Total		Percentage of Total Collections To Net Tax Levy
				To Net Levy	Tax Collections			Outstanding Delinquent Taxes	Total	
1989	1990	\$309,960	\$275,419	88.86%	\$21,497	\$296,916	\$13,044		95.79%	
1990	1991	402,926	347,455	86.23%	7,800	355,255	16,630		88.17%	
1991	1992	392,526	365,167	93.03%	14,348	379,515	18,143		96.69%	
1992	1993	403,739	370,036	91.65%	14,554	384,590	14,927		95.26%	
1993	1994	377,614	370,411	98.09%	8,661	379,072	6,837		100.39%	
1994	1995	414,039	401,722	97.03%	9,970	411,692	9,085		99.43%	
1995	1996	411,805	400,846	97.34%	11,947	412,793	12,639		100.24%	
1996	1997	419,690	405,958	96.73%	13,786	419,744	13,326		100.01%	
1997	1998	473,491	456,579	96.43%	12,310	468,889	23,245		99.03%	
1998	1999	482,028	460,701	95.58%	11,388	472,089	21,130		97.94%	

Source: Lake County Auditor.

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

**THE CITY OF PAINESVILLE, OHIO**  
**TANGIBLE PERSONAL PROPERTY TAX COLLECTED**  
**LAST TEN YEARS**

<u>Year Paid</u>	<u>Amount</u>
1990	\$77,088
1991	94,236
1992	91,001
1993	81,349
1994	88,953
1995	91,006
1996	100,965
1997	116,768
1998	116,106
1999	120,171

Uncollected as of 12/31/99 - \$2,851

Source: Lake County Auditor.



**THE CITY OF PAINESVILLE, OHIO**  
**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES**  
**OF TAXABLE PROPERTY**  
**LAST TEN YEARS**

<b>Tax Year</b>	<b>Collection Year</b>	<b>Real Property (1)</b>	<b>Tangible Personal Property (2)</b>	<b>Total Assessed Valuations</b>
1989	1991	\$100,636,310	\$37,786,110	\$138,422,420
1990	1991	100,920,515	36,507,852	137,428,367
1991	1992	107,430,100	35,872,659	143,302,759
1992	1993	107,793,730	33,972,655	141,766,385
1993	1994	108,526,740	34,473,389	143,000,129
1994	1995	121,733,660	35,509,086	157,242,746
1995	1996	122,215,230	34,492,728	156,707,958
1996	1997	125,862,610	36,964,962	162,827,572
1997	1998	145,024,530	40,245,173	185,269,703
1998	1999	146,893,740	38,593,190	185,486,930

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

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

Source: Lake County Auditor.

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

<b>Tax Year</b>	<b>Collection Year</b>	<b>Estimated True Values</b>
1989	1990	\$287,532,314
1990	1991	288,344,329
1991	1992	306,943,143
1992	1993	307,982,086
1993	1994	310,076,400
1994	1995	347,810,457
1995	1996	349,186,371
1996	1997	359,607,457
1997	1998	414,355,800
1998	1999	419,696,400

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

Collection Year	General Fund	Bond Retirement	Police Pension	Fire Pension	Fire Levy	Total City	County	School	Auburn Vocational	Lake County		
										Financing District	Library	Total
1990	1.70	0.78	0.30	0.30	0	3.08	12.20	64.32	1.50	0	0.60	81.70
1991	1.62	0.78	0.30	0.30	0.70	3.70	12.20	65.91	1.50	0	0.60	83.91
1992	1.85	0.55	0.30	0.30	0.70	3.70	12.20	65.98	1.50	4.90	0.60	88.88
1993	2.10	0.30	0.30	0.30	0.70	3.70	13.90	65.98	1.50	4.90	0.60	90.58
1994	2.10	0.30	0.30	0.30	0.70	3.70	13.90	76.27	1.50	4.90	1.00	101.27
1995	2.10	0.30	0.30	0.30	0.70	3.70	14.00	75.04	1.50	4.90	1.00	100.14
1996	2.10	0.30	0.30	0.30	0.70	3.70	14.00	73.34	1.50	4.90	1.00	98.44
1997	2.10	0.30	0.30	0.30	0.70	3.70	14.00	73.09	1.50	4.90	1.00	98.19
1998	2.10	0.30	0.30	0.30	0.70	3.70	14.10	72.08	1.50	4.90	1.00	97.28
1999	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.18	1.50	4.90	1.00	103.98

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

*THE CITY OF PAINESVILLE, OHIO  
PRINCIPAL TAXPAYERS (PROPERTY TAX)  
DECEMBER 31, 1999*

<u>Taxpayer</u>	<u>Property Taxable Valuation</u>	<u>Percentage of Total Real Property Taxable Valuation</u>
1. Avery Adhesive Products	\$3,510,840	2.39%
2. Consolidated Investments Corporation	1,632,920	1.11%
3. Bank One of Northeast Ohio	1,302,580	0.89%
4. Coe Manufacturing Company	1,052,110	0.72%
5. Painesville Associates	981,290	0.67%
6. L. Petrow Company	842,380	0.57%
7. First Brands Corporation	821,440	0.56%
8. Donald D. Smith	789,460	0.54%
9. Joseph Del Balso	725,200	0.49%
10. Brentwood Phase 2	606,370	0.41%
Sub-Total	12,264,590	8.35%
All Others	134,629,150	91.65%
Total	<u>\$146,893,740</u>	<u>100.00%</u>

Based on valuation of property taxes collected in 1999.

Source: Lake County Auditor.

**THE CITY OF PAINESVILLE, OHIO**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**LAST TEN YEARS**

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Current Delinquent</u>
1990	\$108,427	\$52,858	\$57,030
1991	125,119	55,486	47,529
1992	136,935	45,308	100,878
1993	157,226	61,004	103,751
1994	166,604	47,793	91,627
1995	92,736	54,843	18,130
1996	96,792	70,280	8,076
1997	98,723	67,506	3,569
1998	92,860	61,649	12,729
1999	92,127	74,576	5,505

Source: Lake County Auditor.

**THE CITY OF PAINESVILLE, OHIO**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED**  
**VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN YEARS**

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	15,599	\$138,422,420	\$234,000	\$43,237	\$190,763	0.14%	\$12.23
1991	15,599	137,428,367	198,000	29,302	168,698	0.12%	10.81
1992	15,599	143,302,759	162,000	73,256	88,744	0.06%	5.69
1993	15,599	141,766,385	126,000	75,607	50,393	0.04%	3.23
1994	15,599	143,000,129	90,000	80,745	9,255	0.01%	0.59
1995	15,599	157,242,746	60,000	100,793	0	0.00%	0.00
1996	15,599	156,707,958	30,000	77,486	0	0.00%	0.00
1997	15,599	162,827,572	0	16,072	0	0.00%	0.00
1998	15,599	185,269,703	0	73,321	0	0.00%	0.00
1999	15,599	185,486,930	0	16,407	0	0.00%	0.00

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

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

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

**THE CITY OF PAINESVILLE, OHIO**  
**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT**  
**TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN YEARS**

<u>Year</u>	<u>Total Bonded Debt Service (1)</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Bonded Debt Service to Total General Governmental Expenditures</u>
1990	\$51,863	\$8,405,386	0.62%
1991	49,747	8,575,354	0.58%
1992	47,632	9,334,503	0.51%
1993	45,518	9,265,893	0.49%
1994	43,403	8,733,799	0.50%
1995	35,288	8,897,464	0.40%
1996	33,525	9,444,920	0.35%
1997	31,798	10,073,779	0.32%
1998	0	9,908,376	0.00%
1999	0	13,263,584	0.00%

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**DECEMBER 31, 1999**

Total debt (principal amount of all outstanding bonds and notes)		\$13,945,000
Debt exempt from net indebtedness calculation:		
Special assessment bonds and notes	\$350,000	
Self-supporting bonds and notes:		
Water system	7,405,000	
Mortgage revenue bonds:		
Electric system	4,210,000	
Off-street parking	255,000	
Total exempt debt		12,220,000
Net indebtedness (voted and unvoted) subject to 10.5% debt limitation		\$1,725,000
Assessed valuation of City (1998 for 1999 collection)		\$185,486,930
Overall debt limitation- 10.5% of assessed valuation (maximum voted and unvoted general obligation debt allowed)		\$19,476,128
Voted and unvoted debt subject to 10.5% debt limitation	\$1,725,000	
Less: Amount available in Debt Service Fund	(16,407)	
Net voted and unvoted debt subject to 10.5% debt limitation		1,708,593
Legal debt margin within 10.5% limitation		\$17,767,535
Unvoted debt limitation - 5.5% of assessed valuation		\$10,201,781
Unvoted debt subject to 5.5% debt limitation	\$1,350,000	
Less: Amount available in Debt Service Fund	(16,407)	
Net unvoted debt subject to 5.5% limitation		1,333,593
Legal debt margin within 5.5% limitation		\$8,868,188

**THE CITY OF PAINESVILLE, OHIO**  
**COMPUTATION OF ALL DIRECT AND OVERLAPPING**  
**GENERAL OBLIGATION DEBT**  
**DECEMBER 31, 1999**

<u>Jurisdiction</u>	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping</u>	<u>Net Tax Supported Overall Debt</u>
<b>Direct</b>				
City of Painesville	\$185,486,930	\$1,708,593	100.00%	\$1,708,593
<b>Overlapping Subdivisions</b>				
Painesville City Schools	183,868,490	1,832,166	99.13%	1,816,226
Lake County	5,242,225,852	18,285,000	3.54%	647,289
			Subtotal	<u>2,463,515</u>
			Total	<u><u>\$4,172,108</u></u>

(1) Source: Lake County Auditor.

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



**THE CITY OF PAINESVILLE, OHIO**  
**REVENUE BOND COVERAGE - WATER SYSTEM BONDS (1)**  
**LAST TEN YEARS**

Year	Gross Revenues (2)	Direct Operating Expenses (3)	Net Revenue Available For Debt Service	Annual Debt Service Requirement (4)	Coverage
1990	\$3,508,343	\$1,927,571	\$1,580,772	\$133,800	11.81
1991	3,449,957	2,244,259	1,205,698	133,600	9.02
1992	2,424,632	2,572,692	(148,060)	132,862	0.00
1993	2,998,444	3,031,545	(33,101)	131,788	0.00
1994	2,941,261	2,835,487	105,774	130,375	0.81
1995	3,237,427	2,563,034	674,393	133,625	5.05
1996	3,037,340	2,547,577	489,763	131,200	3.73
1997	3,304,648	3,003,316	301,332	133,438	2.26
1998	3,647,272	2,871,823	775,449	0	0.00
1999	3,581,363	3,348,975	232,388	0	0.00

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

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

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

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

**THE CITY OF PAINESVILLE, OHIO**  
**REVENUE BOND COVERAGE - ELECTRIC SYSTEM BONDS (1)**  
**LAST TEN YEARS**

Year	Gross Revenues (2)	Direct Operating Expenses (3)	Net Revenue Available For Debt Service	Annual Debt Service Requirement (4)	Coverage
1990	\$11,493,131	\$8,984,002	\$2,509,129	\$804,588	3.12
1991	13,366,451	9,741,245	3,625,206	800,187	4.53
1992	11,562,242	10,691,306	870,936	799,647	1.09
1993	13,628,367	11,444,142	2,184,225	711,427	3.07
1994	14,110,342	11,604,607	2,505,735	746,445	3.36
1995	14,630,288	12,118,293	2,511,995	752,245	3.34
1996	14,203,659	11,688,137	2,515,522	744,780	3.38
1997	13,792,894	13,088,809	704,085	749,645	0.94
1998	14,440,100	12,393,936	2,046,164	749,620	2.73
1999	16,247,338	13,047,575	3,199,763	747,533	4.28

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

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

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

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

**THE CITY OF PAINESVILLE, OHIO**  
**REVENUE BOND COVERAGE - OFF-STREET PARKING FACILITY BONDS (1)**  
**LAST TEN YEARS**

Year	Gross Revenues (2)	Direct Operating Expenses (3)	Net Revenue Available For Debt Service	Annual Debt Service Requirement (4)	Coverage
1990	\$161,888 (5)	\$149,556	\$12,332	\$153,850	0.08
1991	159,991	182,878	(22,887)	148,250	0.00
1992	136,439 (5)	159,259	(22,820)	142,650	0.00
1993	145,137 (5)	271,680	(126,543)	137,050	0.00
1994	147,567 (5)	174,132	(26,565)	131,450	0.00
1995	131,825 (5)	170,700	(38,875)	125,850	0.00
1996	103,188 (5)	237,539	(134,351)	120,250	0.00
1997	76,778 (5)	210,238	(133,460)	114,650	0.00
1998	72,036 (5)	143,925	(71,889)	109,296	0.00
1999	70,676 (5)	164,240	(93,564)	103,450	0.00

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

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

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

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

(5) The 1990 gross revenues do not reflect a \$340,452 transfer from the General Fund. The 1992 gross revenues do not reflect a \$320,000 transfer from General Fund. The 1993 gross revenues do not reflect a \$240,000 transfer from the General Fund. The 1994 gross revenues do not reflect a \$180,000 transfer from the General Fund. The 1995 gross revenues do not reflect a \$180,000 transfer from the General Fund. The 1996 gross revenues do not reflect a \$265,000 transfer from the General Fund. The 1997 gross revenues do not reflect a \$240,000 transfer from the General Fund. Gross revenues for 1998 do not reflect a \$145,000 transfer from General Fund. Gross revenues for 1999 do not reflect a \$150,000 transfer from the General Fund.

**THE CITY OF PAINESVILLE, OHIO**  
**SYNOPSIS OF INSURANCE**  
**DECEMBER 31, 1999**

Coverage	Carrier	Policy Number	Policy Period	Liability Limits Aggregate	Deductible	Annual Premium
Public Employee Dishonesty Forgery	Cincinnati Insurance Company	CPP0662772	09/15/99-09/15/00	\$500,000	\$1,000	\$2,973
Law Enforcement Professional Liability	General Star Insurance Company	NYA803850	09/15/99-09/15/00	1,000,000	5,000	14,117
Public Officials Liability - Primary	General Star Insurance Company	NYA602502	09/15/99-09/15/00	1,000,000	10,000	12,565
- Excess	General Star Insurance Company	NXG900295	09/15/99-09/15/00	1,000,000	0	5,655
Comprehensive General Liability:	Cincinnati Insurance Company	CPP0662772	09/15/99-09/15/00			
All Perils					5,000	141,993
Earthquake					2%	
Property Coverage				113,280,262		
Bodily Injury				500,000		
Cemetery/Forgery				50,000		
Employed Benefit				100,000		
Commercial Umbrella Liability	Cincinnati Insurance Company	CCC4448697	09/15/99-09/15/00	10,000,000	0	13,761
Boiler and Machinery:	Cincinnati Insurance Company	CCP0662772	09/15/99-09/15/00		Various	Included above
Electric Plant				10,000,000		
City Hall				1,000,000		
Other Locations				1,750,000		
Automobile Coverage	Cincinnati Insurance Company	CPP0662772	09/15/99-09/15/00	500,000	100/250	Included above
Emergency Service Management Liability	AAIC	VFIS-ML-0001228-4/000	08/01/99-07/31/00	2,000,000	0	2,368
Commercial General Liability (Fire)	AAIC	VFIS-CL-0001228-4/000	08/01/99-07/31/00	2,000,000	0	1,897
Commercial Umbrella	AAIC	VFIS-CU-5005986-0/000	08/01/99-07/31/00	2,000,000	0	866
Excess to AAIC Policies	Cincinnati Insurance Company	VFIS-CL-0001228-4/000	09/15/99-09/15/00	10,000,000	0	3,217
				Total Premium		\$199,412

Source: City Finance Department

**THE CITY OF PAINESVILLE, OHIO**  
**DEMOGRAPHIC STATISTICS**  
**DECEMBER 31, 1999**

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

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

Population

The population of the City, Lake County, and the Cleveland Primary Metropolitan Statistical Area (PMSA) (which is comprised of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina Counties) for each decade from 1940 to 1990 is as follows:

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

Employment

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

Year	Employed		Unemployed		Unemployment Rate			
	County	PMSA	County	PMSA	County	PMSA	Ohio	U.S.
1990	108,900	907,200	7,600	45,600	5.0%	4.8%	5.9%	6.2%
1991	112,300	892,200	7,700	51,800	6.4%	5.5%	6.5%	6.8%
1992	108,500	869,100	8,400	63,100	7.2%	6.8%	7.2%	7.4%
1993	111,600	821,500	8,200	60,100	6.9%	6.9%	6.5%	6.8%
1994	114,300	1,022,800	6,800	62,800	5.6%	5.8%	5.5%	6.1%
1995	117,900	1,021,700	5,300	49,500	4.3%	4.5%	4.8%	5.6%
1996	117,800	1,041,300	5,500	54,000	4.4%	4.7%	4.9%	5.4%
1997	118,100	1,132,800	4,900	50,400	4.0%	4.4%	4.6%	4.9%
1998	121,500	1,091,800	4,500	44,900	3.6%	3.8%	4.3%	4.5%
1999	119,400	1,127,300	5,800	61,500	4.0%	4.2%	4.3%	4.2%

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

**THE CITY OF PAINESVILLE, OHIO**  
**PROPERTY VALUES AND CONSTRUCTION PERMITS**  
**LAST TEN YEARS**

<u>Year</u>	<u>Building Permits Issued (2)</u>		<u>Assessed Value Real and Personal Property (1)</u>
	<u>Number of Permits</u>	<u>Property Value</u>	
1990	140	\$4,535,879	\$138,422,420
1991	170	4,647,849	137,428,367
1992	151	8,508,040	143,302,759
1993	193	6,275,553	141,766,385
1994	293	9,315,465	143,000,129
1995	374	18,055,918	157,242,746
1996	532	14,595,599	156,707,958
1997	517	6,851,484	162,827,572
1998	412	15,497,310	185,269,703
1999	382	14,617,351	185,486,930

Sources:

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

(2) City Code Enforcement Division.

**THE CITY OF PAINESVILLE, OHIO**  
**PRINCIPAL EMPLOYERS**  
**DECEMBER 31, 1999**

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

Employer	Type of Business	Approximate Number of Employees		
		Full-Time	Part-Time	Total
County of Lake	Government	955	159	1,114
Lake Hospital System	Medical-Patient Care	523	269	792
Masson Division/ Avery International Corporation	Manufacturing	721	0	721
the City of Painesville	Government	286	79	365
Painesville City Schools	Education	275	62	337
the Coe Manufacturing Company	Manufacturing	274	0	274
Lake Erie College	Education	85	59	144
AS Rubber Division Mohawk Rubber Company	Manufacturing	138	0	138
Fluid Regulators Corporation	Manufacturing	122	2	124
Bank One, Cleveland, N.A.	Financial Services	30	3	33

Source: City Department of Finance.

**THE CITY OF PAINESVILLE, OHIO**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 1999**

Date of Incorporation	1832	Water System:	
Form of Government	Council/Manager	Number of Purification Plants	1
Area (square miles)	7.75	Miles of Water Mains	104.8
Number of Employees (excluding Police and Fire)		Number of Fire Hydrants	1,230
Full-time	287	Number of Service Connections	8,111
Part-time	8	Average Daily Consumption (gallons)	3,400,000
		Maximum Daily Capacity of Plant (gallons)	7,500,000
Facilities and Services:			
Miles of Streets	56	Sewerage System:	
Number of Street Lights	1,402	Number of Treatment Plants	1
		Miles of Sanitary Sewers	48
Police Services:		Miles of Storm Sewers	37
Number of Stations	1	Number of Service Connections	5,630
Number of Police Personnel and Officers	39	Average Daily Treatment (gallons)	3,182,500
Number of Patrol Units	13	Design Capacity (gallons)	6,000,000
Law Violations:		Maximum Daily Capacity of Treatment (gallons)	28,000,000
Physical arrests	655	Electric System:	
Traffic Violations	1,852	Number of Generating Plants	1
Parking Violations	324	Number of Interconnections	1
		Plant Generating Capacity in Megawatts	53.5
Fire/Emergency Medical Services:		Miles of Line	160
Number of Stations	1	Number of Service Connections	10,718
Number of Officers and Fire Personnel	26	Average Daily Generation in Kilowatt Hours	492,587
Number of Calls Answered	2,959	Peak Load in Kilowatts - 1999	46,000
Number of Inspections	486	Parking Facilities:	
		Off-Street Parking Garages	1
Recreation and Culture:		Parking Levels	7
Community Centers	1	Parking Spaces	552
Number of Parks	10	Average Daily Cars Parked	304
Park Acreage	101.16	Off-Street Surface Parking Lots (Leased)	2
Number of Ball Fields:		Parking Spaces	167
Lighted	1	On-Street Parking Meters	175
Unlighted	12		
Tennis Courts	2	Education:	
		Elementary Schools	4
Number of Cemeteries	2	Elementary School Students	1,346
Cemetery Acreage	84	Elementary School Instructors	65
		Middle Schools	1
Hospitals:		Middle School Students	515
Number of Hospitals	1	Middle School Instructors	40
Number of Patient Beds	168	High Schools	1
Number of Bassinets	40	High School Students	602
		High School Instructors	41
		Colleges	1



# SNODGRASS

Certified Public Accountants and Consultants

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



City Council  
City of Painesville  
Painesville, Ohio

We have audited the financial statements of City of Painesville (the "City") as of and for the year ended December 31, 1999, and have issued our report thereon dated May 16, 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 general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we reported to management of the City in a separate letter dated May 16, 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 general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated May 16, 2000.

This report is intended solely for the information and use of management, 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.

*S.R. Snodgrass A.C.*

Mentor, Ohio  
May 16, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

CITY OF PAINESVILLE

LAKE COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: JUL 27 2000