

**THE CITY OF PAINESVILLE  
PAINESVILLE, OHIO**

**SINGLE AUDIT REPORTS  
DECEMBER 31, 2000**





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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City Council  
City of Painesville  
Painesville, Ohio 44077

We have reviewed the Independent Auditor's Report of the City of Painesville, Lake County, prepared by S. R. Snodgrass, A. C., for the audit period January 1, 2000 to December 31, 2000. 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 24, 2001

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**THE CITY OF PAINESVILLE, OHIO  
SINGLE AUDIT REPORTS**

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City Council  
The City of Painesville  
Painesville, Ohio

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

We have audited the financial statements of The City of Painesville, Ohio (the "City") as of and for the year ended December 31, 2000, and have issued our report thereon dated May 30, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 30, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated May 30, 2001.

This report is intended solely for the information and use of management, federal awarding agencies and passthrough 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 30, 2001



City Council  
The City of Painesville  
Painesville, Ohio

**Independent Auditors' Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control over  
Compliance in Accordance with OMB Circular A-133**

**Compliance**

We have audited the compliance of The City of Painesville, Ohio (the "City") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2000. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, The City of Painesville, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

**Internal Control Over Compliance**

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



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

**Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of The City of Painesville, Ohio as of and for the year ended December 31, 2000, and have issued our report thereon dated May 30, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended 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. Swadlow A.C.*

Mentor, Ohio  
May 30, 2001

*Strathmore*  
WRITING PAPER & COTTON

**THE CITY OF PAINESVILLE, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2000**

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

*Financial Statements*

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

*Federal Awards*

Internal control over major programs:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No
Identification of major programs:	
<u>CFDA Numbers</u> 20.205	<u>Name of Federal Program or Cluster</u> Highway Planning and Construction
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	No

**Section II - Financial Statement Findings**

None

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

None

**THE CITY OF PAINESVILLE, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH  
FOR THE YEAR ENDED DECEMBER 31, 2000**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</b>	Federal CFDA Number	Pass-Through Entity Number	Receipts	Non-cash Receipts	Disburse- ments	Non-cash Disburse- ments
<b>U.S. DEPARTMENT OF TRANSPORTATION</b> Passed-Through State Department of Transportation: Highway Planning and Construction	20.205	PID14110	\$ 806,489	\$ -	\$ 312,040	\$ -
<b>U.S. DEPARTMENT OF JUSTICE</b> COPS Grant	16.710	95-CF-WX-3270	218,500	-	107,950	-
Total Expenditures of Federal Awards			<u>\$ 1,024,989</u>	<u>\$ -</u>	<u>\$ 419,990</u>	<u>\$ -</u>

See accompanying notes to Schedule of Expenditures of Federal Awards - Cash.

**THE CITY OF PAINESVILLE, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH  
FOR THE YEAR ENDED DECEMBER 31, 2000**

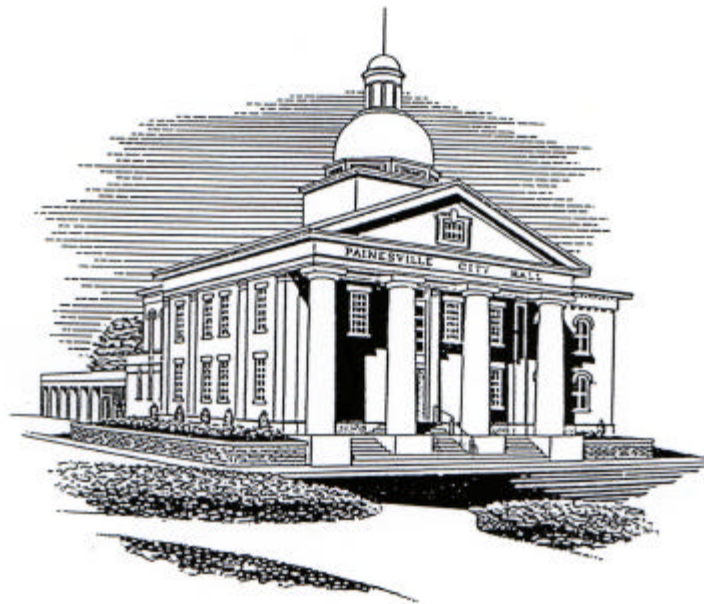
**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards - cash includes the federal grant activity of the City and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

**THE CITY OF PAINESVILLE, OHIO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2000**

None

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



***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

***FOR THE YEAR ENDED DECEMBER 31, 2000***

# **THE CITY OF PAINESVILLE, OHIO**

LAKE COUNTY

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2000

Prepared by:  
Department of Finance  
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Director of Finance  
Cheryl Foresi  
Administrative Analyst  
Joel H. Guthleben  
Administrative Analyst

Accounting Division  
Jean Anthony  
Fiscal Clerk III  
Sheila Chiofolo  
Fiscal Clerk II  
JoAnne Raber  
Fiscal Clerk I

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## *INTRODUCTORY SECTION*

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# City of Painesville, Ohio

7 Richmond Street

Painesville, Ohio 44077

Phone (440) 639-4802

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June 20, 2001

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, 2000. 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 expire on December 31, 2003; 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.

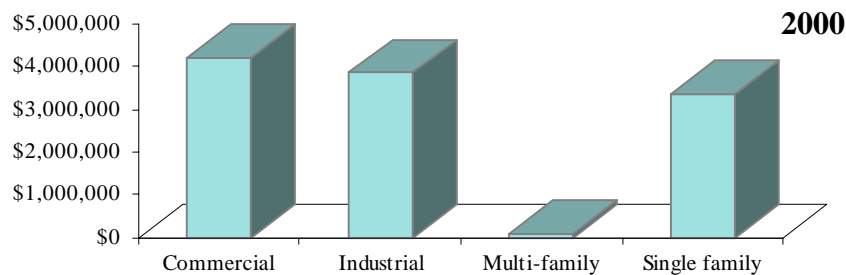
## ECONOMIC CONDITION AND OUTLOOK

### Local Economy

During 2000, 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 1999 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 commercial and multi-family housing. The City is anticipating an increase in commercial construction and commercial property in 2001.

Category	1996	1997	1998	1999	2000
Commercial	\$6,719,095	\$1,852,158	\$6,393,106	\$10,282,310	\$4,214,398
Industrial	1,560,050	2,587,817	3,072,900	2,266,500	3,857,500
Multi-family	4,102,594	580,690	3,487,657	919,517	93,066
Single family	2,213,860	1,830,819	2,543,647	1,149,024	3,365,350
Totals	\$14,595,599	\$6,851,484	\$15,497,310	\$14,617,351	\$11,530,314

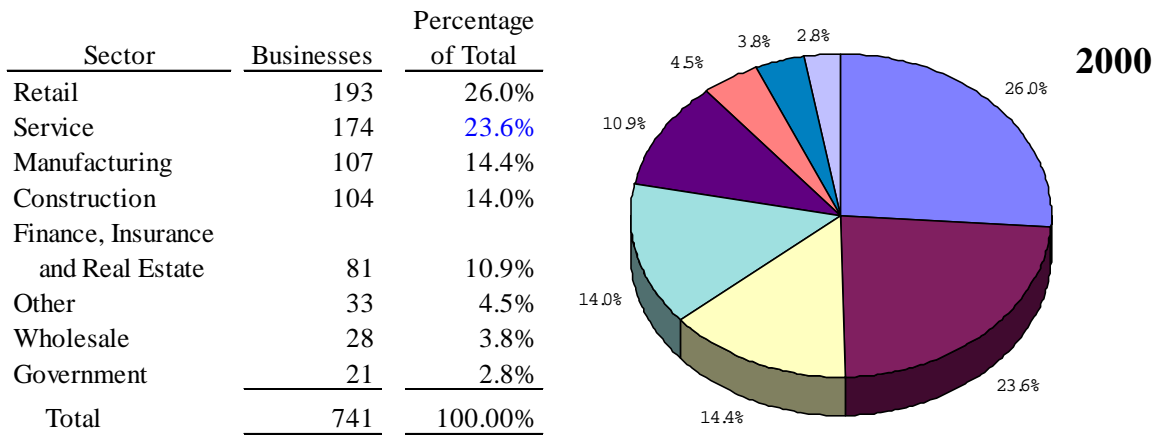


Unemployment in Lake County was comparable to state and national levels during 2000. The unemployment rate for Lake County decreased by .4% in 2000 when compared to 1999. Listed below are the respective unemployment rates for the county, state and nation as of December 31, 2000:

Lake County	3.5%
Ohio	3.7%
United States	4.0%

## Business

The City of Painesville has 741 businesses which employ approximately 9,506 workers in all sectors of the economy. The percentage of businesses by sector breakdown is as follows:



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 (51.5%) and the retail sector with approximately 1,500 employees (15.8%).

Listed below are new businesses which have opened or relocated to the City of Painesville during 2000. 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.

- Manhattan Consultants
- Fair Housing Resource
- IMAX, Inc.
- R & R Beepers
- Mario's State Street Subs
- Infinity Resources
- All Hours Lock and Key
- McSteen & Associates
- Vocational Guidance Services
- Conveyor Concepts
- Trailer Logistics
- Fitzgerald's Bed & Breakfast
- Painesville Welding & Fabrication
- Isabel & Son Builders
- Night Owl Screen Printing

## MAJOR INITIATIVES

### **Capital Improvements**

Over the past several years, the City of Painesville has aggressively pursued capital improvement initiatives throughout the community. That impetus continued during 2000.

A minor road improvement project on Wood Street was completed during 2000 as well as a bridge rehabilitation project on U.S. Route 20. The City fronted the costs for the bridge project and was reimbursed 100% by the State.

Major capital improvement activity, however, centered around economic development initiatives during 2000. In December 1999, the City acquired approximately 43 acres of property, which was to be used for development purposes, at a cost of \$1,225,000. Prior to the issuance of debt to fund this purchase, which was initially funded through the general fund, the property had to be annexed into the City. Once that was accomplished the City was able to issue debt, which the Electric Revenue Fund acquired in April 2000.

Of the 43 acres, a total of 2.5 acres were retained by the City to be used for right-of-way purposes in the construction of a roadway. The remaining property was to be developed as the Renaissance Industrial Park. The projected cost for this project is \$1,050,000, with the majority of the cost recovered through special assessments. The City did receive a \$354,000 grant through the Ohio Department of Development. Prior to the end of 2000, the City was able to sell approximately half of the property to two major companies: CINTAS Corporation and Core Systems.

Engineering work was also started for the construction of a major north-south roadway project. This road, which has been designated as Shamrock Boulevard, will provide access from Jackson Street to an additional 480 acres, which had been annexed into the City several years prior. The projected cost of this project is \$4.4 million and will be funded through the issuance of debt.

The City also acquired two pieces of property immediately adjacent to the City Hall complex. The closest building now houses the Recreation offices, which were relocated from their Lake Erie College site. The second building houses the Engineering and Code Enforcement offices, the Fire Chief and the Fire Inspection office.

Several improvements were also made at the Water Plant in 2000 – minor projects involved the replacement of a gabled roof at a total cost of \$54,300 and a wash-water tank rehabilitation project at a cost of \$88,850. The major initiative involved replacement of the Raw Well at a projected cost of \$1,800,000. This project, with a projected completion date of Fall 2001, was partially funded through the State Issue II program. Several water line replacement projects were also initiated during the year at a projected cost of \$516,300.

Several minor projects at the water pollution control plant/sewer system were either initiated or completed in 2000. An Inflow and Infiltration (I & I) study, initiated during 1999 to identify those areas of the City that were contributing to storm water runoff and drainage issues, was completed during 2000. The cost of the study was \$184,400. A sanitary sewer rehabilitation project on Mentor Avenue/Grant Street was completed at a cost of \$174,600.

The primary initiative for the Electric Department during 2000 involved major equipment purchases and/or upgrades at the Electric Plant. A major project initiated in 1999, and completed during 2000, involved the installation of a burner management system.

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 2001. 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. The 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.

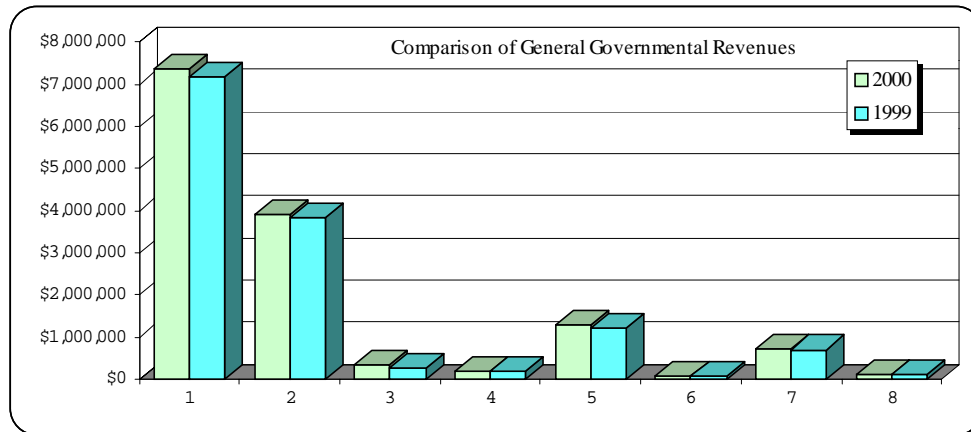
The City is legally required to adopt an annual budget for all funds other than agency funds; however, only governmental funds are required to be reported. Budget amendments require an ordinance of the City Council. The primary level of budgetary control is at the program level (General Government, Public 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, 2000 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, 2000 and the amount of increases and decreases in relation to prior year revenues.

Revenue Source	Total 2000 Revenues	Percent of Total	Total 1999 Revenues	Increase (Decrease) over 1999	Percent of Change
1 Taxes	\$7,371,683	52.77%	\$7,181,523	\$190,160	2.65%
2 Intergovernmental Revenues	3,903,437	27.95%	3,830,361	73,076	1.91%
3 Charges for Services	334,241	2.39%	248,725	85,516	34.38%
4 Licenses and Permits	189,621	1.36%	179,690	9,931	5.53%
5 Investment Earnings	1,292,816	9.26%	1,201,096	91,720	7.64%
6 Special Assessments	58,482	0.42%	60,007	(1,525)	(2.54%)
7 Fines and Forfeitures	702,842	5.03%	700,811	2,031	0.29%
8 All Other Revenue	114,689	0.82%	117,626	(2,937)	(2.50%)
Total	<u>\$13,967,811</u>	<u>100.00%</u>	<u>\$13,519,839</u>	<u>\$447,972</u>	



### Revenues Narrative

The overall increase in revenues from 1999 to 2000 was primarily attributable to three major factors: increased income tax collections, significantly higher charges for services and additional investment earnings.

The \$190,160 increase in Taxes resulted primarily from City income tax collections, although property taxes did experience a modest increase during fiscal year 2000. The 34.38% growth in Charges for Services resulted from greater fee collections involving the City's Parks and Recreation programs and cemetery. Investment Earnings increased \$91,720 in 2000, a 7.64% increase from its 1999 total. 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.

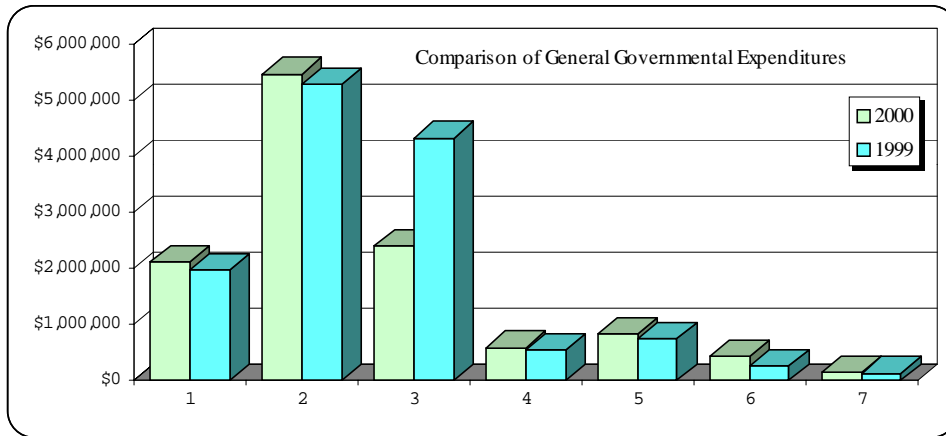
The City's income tax continues to be its primary source of governmental revenue accounting for approximately 59.0% of total general fund revenues. Income tax receipts for 2000 were \$188,000 higher than 1999 receipts. This significant increase is representative of the healthy environment and economy 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 \$6.72 million of tax revenues for 2000 were 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	2000	1999	1998
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	<u>\$3.70</u>	<u>\$3.70</u>	<u>\$3.70</u>
Assessed Valuations	\$189,974,374	\$185,486,930	\$185,269,703

The following schedule presents a summary of general fund, special revenue funds and debt service funds expenditures for the year ended December 31, 2000. Expenditures for general governmental purposes totaled \$12,012,717 in 2000, an decrease of \$1,250,867 compared to 1999. Expenditures for the major functions of the City and the percentage of total for 2000 and the percentage increase/(decrease) over 1999 are shown in the following table:

Expenditures	Total 2000 Expenditures	Percent of Total	Total 1999 Expenditures	Increase (Decrease) over 1999	Percent of Change
1 General Government	\$2,118,972	17.64%	\$1,967,990	\$150,982	7.67%
2 Public Safety	5,471,391	45.54%	5,281,060	190,331	3.60%
3 Highways and Streets	2,396,435	19.95%	4,322,320	(1,925,885)	(44.56%)
4 Public Health and Welfare	594,196	4.95%	554,676	39,520	7.12%
5 Culture and Recreation	841,974	7.01%	745,573	96,401	12.93%
6 Community Environment	438,083	3.65%	257,296	180,787	70.26%
7 Debt Service	151,666	1.26%	134,669	16,997	12.62%
Total	<u>\$12,012,717</u>	<u>100.00%</u>	<u>\$13,263,584</u>	<u>(\$1,250,867)</u>	



### Expenditure Narrative

The decrease in total expenditures in the general, special revenue and debt service funds from 1999 to 2000 is primarily the result of activity in the Highways and Streets expenditures.

The decrease in Streets and Highways can be traced to the Street Construction, Maintenance and Repair Fund. Several major street renovation/repair projects were either completed in 1999 or initiated that year with a scheduled completion date in 2000. The Chestnut Street and East Walnut Roadway Improvement Projects were two such projects. A small road improvement project and a bridge improvement project were the only two capital projects initiated during 2000.

The increase in Community Environment expenditures reflects an additional land acquisition initiative.

Debt Service costs during the year included the payment of principal, interest and related administration charges for the retirement of the City's outstanding Ohio Public Works Commission Loans (OPWC) and special assessment debt.

### 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, 2000 was \$3,988,764, an increase of \$58,255 from the 1999 fund balance of \$3,930,509. 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 1999 and 2000.

### **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 taxes, fines and forfeitures and transfers from other funds. The City has increased its capital improvements expenditures over the past few years, increasing 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 \$263,094 or 7.4% and the operating expenses decreased \$158,619 or 4.2% which resulted in an operating loss of \$317,575. 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. Operating income in 2000 for the Sewer Fund was \$135,149. The fund ended the year with retained earnings of \$8,403,951 which was an increase over 1999.

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 operating income for 2000 of \$236,269.

The Refuse Fund is used to account for the collection and disposal of solid waste, which is contracted to a private operation. It had an operating loss of \$8,541 in 2000. The Off-Street Parking Fund, which is used to account for the operation of the City's downtown garage, had a 2000 operating loss of \$129,402 and retained earnings of \$1,044,457.

### 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 \$3,007 in 2000. The Supplies Rotary Fund recorded an operations loss of \$338. 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.

Previously, employee health insurance had been provided by Anthem Blue Cross and Blue Shield. In 2000, however, the City initiated a program similar in concept to the existing workers' compensation program. The Employee Health Insurance Fund was created and the City implemented self-funded employee health insurance.

Under this program, the City operates with a third party administrator (TPA) and under stop-loss thresholds. The actual claims are passed through the City for payment. There is protection as to the amount of claims that can be passed through to the City—both specific and aggregate stop-loss protection.

Under specific stop-loss, the City pays 100% for any one individual generating claims up to the specific level. Any dollar amount over this specific level is paid by the re-insurance carrier. The City's specific level is \$40,000.

The aggregate stop-loss protects the City from having a large number of claims exceeding the expected claims level by more than 20% or 25%. Any claims over the specific level do not count toward the aggregate level. Only claims less than the specific level are applied toward the aggregate level.

## **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, 2000 was \$9,655,000, which consisted of \$7,015,000 of general obligation bonds and \$2,640,000 of general obligation bond anticipation notes. In addition, the City had mortgage revenue bonds outstanding at December 31, 2000 of \$3,865,000. 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, 2000 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, 2000 is as follows:

Land	\$986,386
Buildings and Improvements	1,739,012
Improvements other than Buildings	429,168
Machinery and Equipment	4,899,353
Construction in Progress	<u>14,900</u>
Total General Fixed Assets	<u>\$8,068,819</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.

## **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 2000 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, 1999. 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 thirteen consecutive years, fiscal years ended 1987-1999. 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.

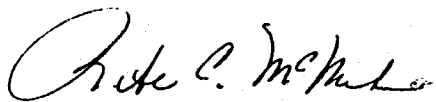
### **Acknowledgments**

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.

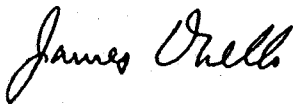
Special thanks are also due to Donald J. Schonhardt, President, Donald J. Schonhardt & Associates, Inc., Columbus, Ohio, and the members of his staff for their efforts in converting the City's budgetary basis accounting records to the generally accepted accounting principles (GAAP) basis. In addition, 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

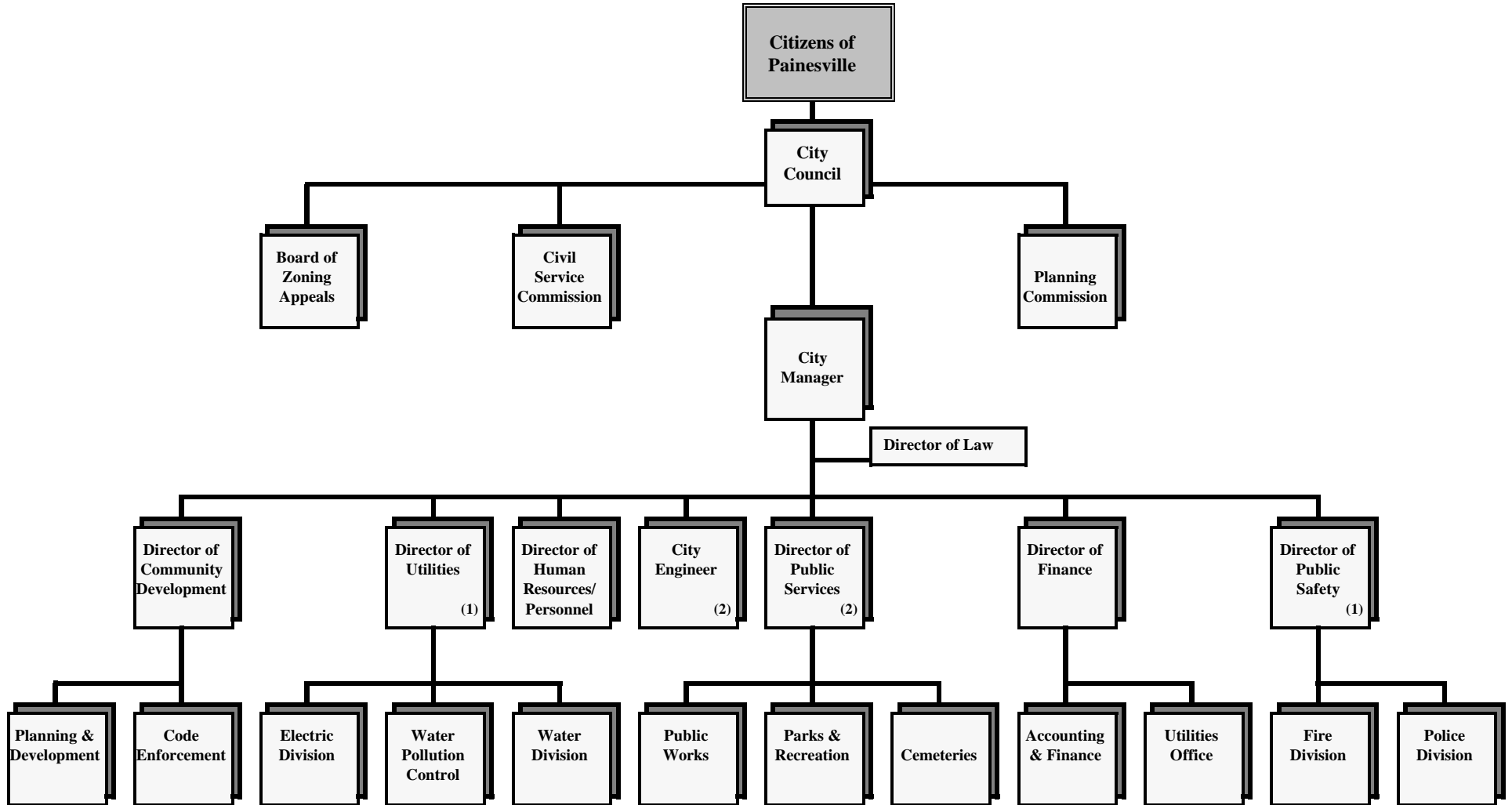
**THE CITY OF PAINESVILLE, OHIO**  
**LIST OF PRINCIPAL OFFICIALS**  
**SHOWING YEARS OF MUNICIPAL/GOVERNMENTAL SERVICE**  
**DECEMBER 31, 2000**

Name	Title	Position	Years of Municipal/Governmental Service			
			City	Municipal/ Governmental Service	Other Municipal/ Governmental Service	Total Public Service
<b>CITY COUNCIL</b>						
Abby DelaMotte	President	(at Large)	1.0	11.0	23.0	24.0 (A)
William Horvath	Vice President	(at Large)	1.0	5.5	0.0	5.5
Ella Shaw	Council Member	(Ward 4)	1.0	1.0	0.0	1.0
Robert Fountain	Council Member	(Ward 3)	5.0	5.0	0.0	5.0
Andrew Flock	Council Member	(Ward 1)	5.5	5.5	0.0	5.5
John F. Clair, III	Council Member	(at Large)	1.0	12.8	20.5	20.5 (B)
Joseph Hada, Jr.	Council Member	(at Large)	19.0	19.0	0.0	19.0
<b>CITY ADMINISTRATION</b>						
Rita McMahan	City Manager		3.5	8.5	9.5	18.0
James W. Onello	Director of Finance		6.0	6.0	10.0	16.0
Joseph M. Gurley	Director of Law		13.0	20.3	14.3	24.3 (C)
Gary A. Paine, P.E.	City Engineer/Service Director		17.5	17.5	8.5	26.0
Shirley A. Onderisin	Clerk of Council		22.0	29.0	0.0	29.0
<b>DEPARTMENT/DIVISION HEADS</b>						
Thomas A. Green, P.E.	Electric Power Superintendent		22.0	22.0	0.0	22.0
Walter A. White	Water Pollution Control Superintendent		33.5	48.5	0.0	48.5
Francis Whittaker	Fire Chief		0.8	23.8	0.0	23.8
Jerry T. White	Chief of Police		16.5	33.0	0.0	33.0
vacant	Public Works Superintendent		15.3	15.3	18.0	33.3
William E. Vargyas	Water Superintendent		14.5	23.0	4.5	27.5
Robert C. Baetzel	Human Resources Director		2.5	2.5	0.0	2.5
Daniel Mazur	Director of Recreation and Public Lands		4.0	4.0	25.0	29.0
Marilyn Roberson	Economic Development Manager		2.4	2.4	10.8	13.2

- (A) 10 years concurrent government service  
(B) 12.75 years concurrent government service  
(C) 6.3 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, 1999

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.



*Anne Spray Kinney*  
President

*Jeffrey L. Esler*  
Executive Director



## *FINANCIAL SECTION*

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# SNODGRASS

Certified Public Accountants and Consultants

## Independent Auditors' Report

City Council  
The City of Painesville  
Painesville, Ohio

We have audited the accompanying general-purpose financial statements of The City of Painesville (the "City"), as of and for the year ended December 31, 2000. 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, 2000, 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 30, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 30, 2001



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## *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, 2000 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, 2000**

	<i>Governmental Fund Types</i>			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
Cash and Cash Equivalents	\$351,535	\$1,811,091	\$19,464	\$2,675,685
Investments	3,279,181	0	173,740	0
Receivables (net of allowances for doubtful accounts):				
Taxes	1,495,595	238,316	63,850	0
Accounts	77,598	0	0	0
Special Assessments	0	0	478,519	0
Interest	332,489	312	1,062	0
Interfund Loan Receivable	0	0	0	0
Intergovernmental Receivables	117,831	19,335	0	171,909
Inventory of Supplies at Cost	104,925	1,174	0	0
Prepaid Items	37,050	1,422	0	2,087
Land Held for Resale	669,390	0	0	0
<u>Restricted Assets:</u>				
Cash and Cash Equivalents	0	0	0	0
Investments	0	0	0	0
Deferred Charges	0	0	0	0
<u>Fixed Assets in Service:</u>				
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	0	0	0	0
Construction in Progress	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Funds	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0
<b>Total Assets and Other Debits</b>	<b><u>\$6,465,594</u></b>	<b><u>\$2,071,650</u></b>	<b><u>\$736,635</u></b>	<b><u>\$2,849,681</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, 2000**

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		Totals (Memorandum Only)
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$1,465,346	\$1,127,463	\$211,484	\$0	\$0	\$7,662,068
16,573,868	0	0	0	0	20,026,789
0	0	0	0	0	1,797,761
3,066,330	0	0	0	0	3,143,928
0	0	0	0	0	478,519
14,410	0	4,999	0	0	353,272
1,225,000	0	0	0	0	1,225,000
17,701	0	0	0	0	326,776
1,012,705	40,526	0	0	0	1,159,330
102,324	0	0	0	0	142,883
0	0	0	0	0	669,390
411,746	0	901,726	0	0	1,313,472
1,138,796	0	0	0	0	1,138,796
83,606	0	0	0	0	83,606
497,072	0	0	986,386	0	1,483,458
12,042,279	0	0	1,739,012	0	13,781,291
0	0	0	429,168	0	429,168
36,891,357	0	0	0	0	36,891,357
28,878,965	0	0	4,899,353	0	33,778,318
(42,667,868)	0	0	0	0	(42,667,868)
<u>35,641,805</u>	<u>0</u>	<u>0</u>	<u>8,053,919</u>	<u>0</u>	<u>43,695,724</u>
579,274	0	0	14,900	0	594,174
0	0	0	0	194,446	194,446
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,254,771</u>	<u>2,254,771</u>
<u>\$61,332,911</u>	<u>\$1,167,989</u>	<u>\$1,118,209</u>	<u>\$8,068,819</u>	<u>\$2,449,217</u>	<u>\$86,260,705</u>

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Liabilities, Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$176,407	\$41,567	\$0	\$219,954
Accrued Wages and Benefits	414,163	31,744	0	0
Interfund Loan Payable	1,225,000	0	0	0
Intergovernmental Payables	15,620	243	0	0
Due to Others	0	0	0	0
Accrued Interest Payable	0	1,156	0	3,021
Customer Deposits	0	0	0	0
Deferred Revenue	645,640	237,676	542,189	0
General Obligation Notes Payable	0	280,000	0	1,410,000
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>2,476,830</b>	<b>592,386</b>	<b>542,189</b>	<b>1,632,975</b>
<u>Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
<u>Retained Earnings:</u>				
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>
<u>Fund Balance (Deficit):</u>				
Reserved for Encumbrances	560,760	432,984	0	713,738
Reserved for Supplies Inventory	104,925	1,174	0	0
Reserved for Prepaid Items	37,050	1,422	0	2,087
Reserved for Debt Service	0	0	194,446	0
Reserved for Endowments	0	0	0	0
Unreserved	3,286,029	1,043,684	0	500,881
<b>Total Fund Balance</b>	<b>3,988,764</b>	<b>1,479,264</b>	<b>194,446</b>	<b>1,216,706</b>
<b>Total Equity and Other Credits</b>	<b>3,988,764</b>	<b>1,479,264</b>	<b>194,446</b>	<b>1,216,706</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$6,465,594</b>	<b>\$2,071,650</b>	<b>\$736,635</b>	<b>\$2,849,681</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, 2000**

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$1,595,041	\$8,839	\$209	\$0	\$0	\$2,042,017
355,826	0	0	0	0	801,733
0	0	0	0	0	1,225,000
260,092	0	0	0	0	275,955
0	0	85,060	0	0	85,060
99,453	0	0	0	0	103,630
411,746	0	0	0	0	411,746
0	0	0	0	0	1,425,505
950,000	0	0	0	0	2,640,000
1,170,385	0	0	0	1,106,790	2,277,175
0	0	0	0	2,359	2,359
0	881,138	0	0	0	881,138
7,015,000	0	0	0	0	7,015,000
0	0	0	0	320,000	320,000
3,865,000	0	0	0	0	3,865,000
2,045,160	0	0	0	0	2,045,160
0	0	0	0	139,246	139,246
0	0	0	0	880,822	880,822
<u>17,767,703</u>	<u>889,977</u>	<u>85,269</u>	<u>0</u>	<u>2,449,217</u>	<u>26,436,546</u>
0	0	0	8,068,819	0	8,068,819
5,525,479	0	0	0	0	5,525,479
1,138,796	0	0	0	0	1,138,796
<u>36,900,933</u>	<u>278,012</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,178,945</u>
<u>38,039,729</u>	<u>278,012</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,317,741</u>
0	0	16,896	0	0	1,724,378
0	0	0	0	0	106,099
0	0	0	0	0	40,559
0	0	0	0	0	194,446
0	0	901,726	0	0	901,726
0	0	114,318	0	0	4,944,912
<u>0</u>	<u>0</u>	<u>1,032,940</u>	<u>0</u>	<u>0</u>	<u>7,912,120</u>
<u>43,565,208</u>	<u>278,012</u>	<u>1,032,940</u>	<u>8,068,819</u>	<u>0</u>	<u>59,824,159</u>
<u>\$61,332,911</u>	<u>\$1,167,989</u>	<u>\$1,118,209</u>	<u>\$8,068,819</u>	<u>\$2,449,217</u>	<u>\$86,260,705</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, 2000**

	<i>Governmental Fund Types</i>		
	General	Special Revenue	Debt Service
<u>Revenues</u>			
Taxes	\$7,113,827	\$205,443	\$52,413
Intergovernmental Revenues	1,945,595	1,952,422	5,420
Charges for Services	155,343	178,898	0
License, Permit and Inspection Fees	185,020	4,601	0
Investment Earnings	1,271,193	5,681	15,942
Special Assessments	0	0	58,482
Fines and Forfeitures	591,115	111,727	0
All Other Revenues	113,601	1,088	0
Total Revenues	<u>11,375,694</u>	<u>2,459,860</u>	<u>132,257</u>
<u>Expenditures</u>			
Current:			
General Government	2,034,413	84,559	0
Public Safety	5,244,902	226,489	0
Highways and Streets	1,274,438	1,121,997	0
Public Health and Welfare	80,033	514,163	0
Culture and Recreation	841,974	0	0
Community Environment	438,083	0	0
Other Expenditures	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	26,416	30,000
Interest and Fiscal Charges	0	65,244	30,006
Total Expenditures	<u>9,913,843</u>	<u>2,038,868</u>	<u>60,006</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,461,851	420,992	72,251
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	92,934	0	0
Proceeds of OPWC Loans	0	100,000	0
Operating Transfers In	168,608	495,100	4,562
Operating Transfers Out	(1,638,200)	(117,562)	(78,187)
Total Other Financing Sources (Uses)	<u>(1,376,658)</u>	<u>477,538</u>	<u>(73,625)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	85,193	898,530	(1,374)
Fund Balance at Beginning of Year	3,930,509	580,464	195,820
Increase (Decrease) in Inventory Reserve	(26,938)	270	0
Fund Balance at End of Year	<u>\$3,988,764</u>	<u>\$1,479,264</u>	<u>\$194,446</u>

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

<u>Capital Projects</u>	<i><b>Fiduciary Fund Type</b></i> <u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
\$243,275	\$0	\$7,614,958
0	0	3,903,437
0	9,860	344,101
0	0	189,621
0	54,817	1,347,633
0	0	58,482
118,735	4,214	825,791
<u>163,964</u>	<u>0</u>	<u>278,653</u>
525,974	68,891	14,562,676
18,581	16,000	2,153,553
0	2,358	5,473,749
0	0	2,396,435
0	2,536	596,732
0	0	841,974
0	106	438,189
0	7,408	7,408
1,466,811	0	1,466,811
0	0	56,416
<u>5,934</u>	<u>0</u>	<u>101,184</u>
1,491,326	28,408	13,532,451
(965,352)	40,483	1,030,225
40,160	0	133,094
0	0	100,000
1,368,187	1,700	2,038,157
<u>0</u>	<u>(43,100)</u>	<u>(1,877,049)</u>
1,408,347	(41,400)	394,202
442,995	(917)	1,424,427
773,711	132,131	5,612,635
<u>0</u>	<u>0</u>	<u>(26,668)</u>
<u>\$1,216,706</u>	<u>\$131,214</u>	<u>\$7,010,394</u>

**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, 2000**

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$6,578,151	\$7,140,978	\$562,827	\$215,213	\$205,655	(\$9,558)
Intergovernmental Revenues	1,801,171	1,945,848	144,677	2,626,562	3,070,189	443,627
Charges for Services	76,325	155,658	79,333	150,180	178,898	28,718
License, Permit and Inspection Fees	137,600	186,615	49,015	1,300	4,601	3,301
Investment Earnings	896,500	1,258,400	361,900	7,744	7,744	0
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	567,540	597,505	29,965	128,000	113,674	(14,326)
All Other Revenues	2,450	105,381	102,931	10,460	1,313	(9,147)
<b>Total Revenues</b>	<b>10,059,737</b>	<b>11,390,385</b>	<b>1,330,648</b>	<b>3,139,459</b>	<b>3,582,074</b>	<b>442,615</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	2,137,031	1,911,248	225,783	199,824	96,135	103,689
Public Safety	5,772,880	5,306,057	466,823	240,227	227,483	12,744
Highways and Streets	1,338,681	1,149,628	189,053	2,190,901	1,981,558	209,343
Public Health and Welfare	96,850	80,033	16,817	535,369	502,311	33,058
Culture and Recreation	908,127	858,261	49,866	0	0	0
Community Environment	1,010,687	473,098	537,589	0	0	0
Capital Outlay	0	0	0	0	0	0
<b>Debt Service:</b>						
Principal Retirement	0	0	0	1,676,416	1,671,416	5,000
Interest and Fiscal Charges	0	0	0	76,925	70,688	6,237
<b>Total Expenditures</b>	<b>11,264,256</b>	<b>9,778,325</b>	<b>1,485,931</b>	<b>4,919,662</b>	<b>4,549,591</b>	<b>370,071</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,204,519)	1,612,060	2,816,579	(1,780,203)	(967,517)	812,686
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	27,900	609,044	581,144	0	0	0
Proceeds of General Obligation Notes	0	0	0	280,000	280,000	0
Proceeds of OPWC Loan	0	0	0	100,000	100,000	0
Operating Transfers In	0	0	0	374,100	486,100	112,000
Operating Transfers Out	(2,519,800)	(2,363,200)	156,600	(971,105)	(169,105)	802,000
Advances In	0	1,225,000	1,225,000	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,491,900)</b>	<b>(529,156)</b>	<b>1,962,744</b>	<b>(217,005)</b>	<b>696,995</b>	<b>914,000</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,696,419)	1,082,904	4,779,323	(1,997,208)	(270,522)	1,726,686
Fund Balance at Beginning of Year	571,903	571,903	0	442,478	442,478	0
Prior Year Encumbrances	1,163,902	1,163,902	0	1,175,505	1,175,505	0
<b>Fund Balance at End of Year</b>	<b>(\$1,960,614)</b>	<b>\$2,818,709</b>	<b>\$4,779,323</b>	<b>(\$379,225)</b>	<b>\$1,347,461</b>	<b>\$1,726,686</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, 2000**

<i>Debt Service Funds</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$55,283	\$52,470	(\$2,813)	\$187,280	\$243,275	\$55,995	\$7,035,927	\$7,642,378	\$606,451
4,100	5,420	1,320	0	0	0	4,431,833	5,021,457	589,624
0	0	0	0	0	0	226,505	334,556	108,051
0	0	0	0	0	0	138,900	191,216	52,316
8,000	15,751	7,751	0	0	0	912,244	1,281,895	369,651
60,000	58,482	(1,518)	0	0	0	60,000	58,482	(1,518)
0	0	0	106,000	117,828	11,828	801,540	829,007	27,467
0	0	0	100	2,677	2,577	13,010	109,371	96,361
<u>127,383</u>	<u>132,123</u>	<u>4,740</u>	<u>293,380</u>	<u>363,780</u>	<u>70,400</u>	<u>13,619,959</u>	<u>15,468,362</u>	<u>1,848,403</u>
0	0	0	22,685	19,319	3,366	2,359,540	2,026,702	332,838
0	0	0	0	0	0	6,013,107	5,533,540	479,567
0	0	0	0	0	0	3,529,582	3,131,186	398,396
0	0	0	0	0	0	632,219	582,344	49,875
0	0	0	0	0	0	908,127	858,261	49,866
0	0	0	0	0	0	1,010,687	473,098	537,589
0	0	0	2,596,976	2,164,847	432,129	2,596,976	2,164,847	432,129
105,000	105,000	0	0	0	0	1,781,416	1,776,416	5,000
32,663	32,631	32	0	0	0	109,588	103,319	6,269
<u>137,663</u>	<u>137,631</u>	<u>32</u>	<u>2,619,661</u>	<u>2,184,166</u>	<u>435,495</u>	<u>18,941,242</u>	<u>16,649,713</u>	<u>2,291,529</u>
(10,280)	(5,508)	4,772	(2,326,281)	(1,820,386)	505,895	(5,321,283)	(1,181,351)	4,139,932
0	0	0	0	40,160	40,160	27,900	649,204	621,304
20,693	0	(20,693)	900,000	1,410,000	510,000	1,200,693	1,690,000	489,307
0	0	0	0	0	0	100,000	100,000	0
0	4,000	4,000	0	1,290,000	1,290,000	374,100	1,780,100	1,406,000
0	0	0	0	0	0	(3,490,905)	(2,532,305)	958,600
0	0	0	0	0	0	0	1,225,000	1,225,000
<u>20,693</u>	<u>4,000</u>	<u>(16,693)</u>	<u>900,000</u>	<u>2,740,160</u>	<u>1,840,160</u>	<u>(1,788,212)</u>	<u>2,911,999</u>	<u>4,700,211</u>
10,413	(1,508)	(11,921)	(1,426,281)	919,774	2,346,055	(7,109,495)	1,730,648	8,840,143
193,765	193,765	0	692,999	692,999	0	1,901,145	1,901,145	0
0	0	0	147,591	147,591	0	2,486,998	2,486,998	0
<u>\$204,178</u>	<u>\$192,257</u>	<u>(\$11,921)</u>	<u>(\$585,691)</u>	<u>\$1,760,364</u>	<u>\$2,346,055</u>	<u>(\$2,721,352)</u>	<u>\$6,118,791</u>	<u>\$8,840,143</u>





**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, 2000**

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<u>Operating Revenues</u>				
Charges for Services	\$21,095,414	\$1,787,799	\$0	\$22,883,213
Other Charges for Services	124,608	0	0	124,608
Other Operating Revenues	497,008	0	0	497,008
Contributions	0	0	21,700	21,700
Total Operating Revenues	<u>21,717,030</u>	<u>1,787,799</u>	<u>21,700</u>	<u>23,526,529</u>
<u>Operating Expenses</u>				
Personal Services	8,438,629	1,568,864	0	10,007,493
Materials and Supplies	4,858,353	171,728	0	5,030,081
Contractual Services	2,238,504	273,796	0	2,512,300
Utilities	4,234,421	0	0	4,234,421
Depreciation	2,031,223	0	0	2,031,223
Other Operating Expenses	0	0	398	398
Total Operating Expenses	<u>21,801,130</u>	<u>2,014,388</u>	<u>398</u>	<u>23,815,916</u>
Operating Income (Loss)	(84,100)	(226,589)	21,302	(289,387)
<u>Nonoperating Revenues (Expenses)</u>				
Intergovernmental Grants	310,223	0	0	310,223
Investment Earnings	412,442	0	0	412,442
Interest and Fiscal Charges	(752,304)	0	0	(752,304)
Other Nonoperating Revenue	421,752	31,234	0	452,986
Other Nonoperating Expense	(51,962)	0	0	(51,962)
Loss on Disposal of Fixed Assets	(15,048)	0	0	(15,048)
Total Nonoperating Revenues (Expenses)	<u>325,103</u>	<u>31,234</u>	<u>0</u>	<u>356,337</u>
Income (Loss) Before Operating Transfers	241,003	(195,355)	21,302	66,950
<u>Operating Transfers</u>				
Operating Transfers In	415,000	7,500	0	422,500
Operating Transfers Out	(583,608)	0	0	(583,608)
Total Operating Transfers	<u>(168,608)</u>	<u>7,500</u>	<u>0</u>	<u>(161,108)</u>
Net Income (Loss)	72,395	(187,855)	21,302	(94,158)
Add: Depreciation Charged to Contributed Capital	124,411	0	0	124,411
Increase (Decrease) in Retained Earnings/Fund Balance	196,806	(187,855)	21,302	30,253
Retained Earnings/Fund Balance at Beginning of Year	37,842,923	465,867	880,424	39,189,214
Retained Earnings/Fund Balance at End of Year	<u>\$38,039,729</u>	<u>\$278,012</u>	<u>\$901,726</u>	<u>\$39,219,467</u>

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, 2000**

	<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Type</i>	Totals (Memorandum Only)
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$22,012,539	\$0	\$0	\$22,012,539
Cash Receipts from Quasi-External Operating Transactions with Other Funds	0	1,787,799	0	1,787,799
Cash Payments for Quasi-External Operating Transactions with Other Fund	(804,000)	0	0	(804,000)
Cash Received from Interfund Charges	0	31,234	0	31,234
Cash Received from Contributions	0	0	21,700	21,700
Cash Payments for Goods and Services	(10,786,665)	(445,544)	(398)	(11,232,607)
Cash Payments to Employees	(7,676,091)	(20,368)	0	(7,696,459)
Cash Payments for Employee Medical Claims	0	(1,095,458)	0	(1,095,458)
Net Cash Provided by Operating Activities	<u>2,745,783</u>	<u>257,663</u>	<u>21,302</u>	<u>3,024,748</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	331,905	0	0	331,905
Transfers In from Other Funds	415,000	7,500	0	422,500
Transfers Out to Other Funds	(583,608)	0	0	(583,608)
Advances Out to Other Funds	(1,225,000)	0	0	(1,225,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,061,703)</u>	<u>7,500</u>	<u>0</u>	<u>(1,054,203)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds of General Obligation Notes	950,000	0	0	950,000
Intergovernmental Grants Received	448,800	0	0	448,800
Acquisition and Construction of Assets	(2,351,015)	0	0	(2,351,015)
Principal Paid on Revenue Bonds	(600,000)	0	0	(600,000)
Principal Paid on General Obligation Bonds	(390,000)	0	0	(390,000)
Principal Paid on Ohio Water Development Authority Loans	(135,129)	0	0	(135,129)
Interest Paid on All Debt	(702,767)	0	0	(702,767)
Net Cash Used for Capital and Related Financing Activities	<u>(2,780,111)</u>	<u>0</u>	<u>0</u>	<u>(2,780,111)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Principal and Interest on Investments	277,473	0	0	277,473
Sale of Investments	1,004,449	0	0	1,004,449
Purchase of Investments	(865,448)	0	0	(865,448)
Net Cash Provided by Investing Activities	<u>416,474</u>	<u>0</u>	<u>0</u>	<u>416,474</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(679,557)	265,163	21,302	(393,092)
Cash and Cash Equivalents at Beginning of Year	2,556,649	862,300	880,424	4,299,373
Cash and Cash Equivalents at End of Year	<u>\$1,877,092</u>	<u>\$1,127,463</u>	<u>\$901,726</u>	<u>\$3,906,281</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, 2000**

	<u>Proprietary</u>		<u>Fiduciary</u>	Totals (Memorandum Only)
	<u>Fund Types</u>		<u>Fund Type</u>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>				
Cash and Cash Equivalents	\$1,465,346	\$1,127,463	\$211,484	\$2,804,293
Restricted Cash and Cash Equivalents	411,746	0	901,726	1,313,472
Less: Cash in Expendable Trust and Agency Funds	0	0	(211,484)	(211,484)
Cash and Cash Equivalents at End of Year	<u>\$1,877,092</u>	<u>\$1,127,463</u>	<u>\$901,726</u>	<u>\$3,906,281</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income (Loss)	(\$84,100)	(\$226,589)	\$21,302	(\$289,387)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	2,031,223	0	0	2,031,223
Miscellaneous Nonoperating Revenues	460,198	31,234	0	491,432
Miscellaneous Nonoperating Expenses	(52,124)	0	0	(52,124)
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(147,075)	0	0	(147,075)
Increase in Intergovernmental Receivable	(17,614)	0	0	(17,614)
Decrease in Inventory	82,085	6,070	0	88,155
Decrease in Prepaid Items	9,475	0	0	9,475
Increase (Decrease) in Accounts Payable	335,722	(6,090)	0	329,632
Decrease in Accrued Wages and Benefits	(53,804)	0	0	(53,804)
Increase in Intergovernmental Payable	172,872	0	0	172,872
Increase in Compensated Absences Payable	8,925	0	0	8,925
Increase in Claims Liability	0	453,038	0	453,038
Total Adjustments	<u>2,829,883</u>	<u>484,252</u>	<u>0</u>	<u>3,314,135</u>
Net Cash Provided by Operating Activities	<u>\$2,745,783</u>	<u>\$257,663</u>	<u>\$21,302</u>	<u>\$3,024,748</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2000 the Water, Sewer, and Electric Funds had outstanding liabilities of \$91,735 \$15,235, and \$52,394 respectively for the purchase of certain capital assets. During 2000 the fair value of investments increased by \$32,420, \$20,771 and \$83,606 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, 2000**

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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, 2000, but which are not intended to finance 2000 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 4.

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 2000.

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)	\$85,193	\$898,530	(\$1,374)	\$442,995
Increase (Decrease):				
Accrued Revenues at December 31, 2000 received during 2001	(1,377,873)	(20,287)	(1,242)	(171,909)
Accrued Revenues at December 31, 1999 received during 2000	1,414,645	1,147,501	2,055	9,715
Accrued Expenditures at December 31, 2000 paid during 2001	1,831,190	74,710	0	222,975
Accrued Expenditures at December 31, 1999 paid during 2000	(583,039)	(538,460)	0	(4,303)
1999 Prepays for 2000	49,932	2,536	0	2,709
2000 Prepays for 2001	(37,050)	(1,422)	0	(2,087)
Land Held for Resale Proceeds	516,110	0	0	0
Note Proceeds	0	280,000	0	1,410,000
Note Retirements	0	(1,650,000)	0	(75,000)
2000 Adjustment to Fair Value	(17,884)	0	(947)	0
1999 Adjustment to Fair Value	(4,197)	0	0	0
Outstanding Encumbrances	(794,123)	(463,630)	0	(915,321)
Budget Basis	<u>\$1,082,904</u>	<u>(\$270,522)</u>	<u>(\$1,508)</u>	<u>\$919,774</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), repurchase agreements and short-term certificates of deposit with original maturities of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the 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 3 "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 and repurchase agreements) 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 2000. 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, 2000. See Note 3, "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:

Obligation	Fund
General Obligation Bonds	Water 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)**

<u>Obligation</u>	<u>Fund</u>
Police and Fire Pension Accrued Liability	General Fund
Capital Lease	General Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Cemeteries 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 - COMPLIANCE AND ACCOUNTABILITY**

The deficits of \$223,179 in the Fire Levy Fund (special revenue fund) and \$623,441 in the Industrial Park Project Fund (capital projects fund) arose 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 General Fund provides operating transfers, upon City Council's approval, when cash is required, not when accruals occur.

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

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

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

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

- 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).

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

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

*Deposits:*

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

*Investments:*

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



**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits**

At December 31, 2000, the carrying amount of the City's deposits was \$6,205,308 and the bank balance was \$6,763,875. Federal depository insurance covered \$400,602 of the bank balance. The remaining deposits of \$6,363,273 were classified as Category 3, uncollateralized, as defined by GASB (securities are pledged with the pledging financial institution's trust department or agent, but not in the City's name).

**B. Investments**

The City's investments at December 31, 2000 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	\$2,003,084	\$0	\$2,003,084
Federal Home Loan Bank	5,011,501	0	5,011,501
Federal Home Loan Mortgage Corporation	2,010,592	0	2,010,592
Federal National Mortgage Association	4,015,401	0	4,015,401
U.S. Treasury Bills	0	216,021	216,021
U.S. Treasury Notes	997,500	922,775	1,920,275
Repurchase Agreements	0	1,317,568	1,317,568
Total Categorized Investments	14,038,078	2,456,364	16,494,442
 <u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	7,441,375
Total Investments	\$14,038,078	\$2,456,364	\$23,935,817

**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.

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**C. Reconciliation of Cash, Cash Equivalents and Investments (Continued)**

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:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$8,975,540	\$21,165,585
Certificates of Deposit (with maturities of more than 3 months)	5,988,711	(5,988,711)
Investments:		
Repurchase Agreements	(1,317,568)	1,317,568
STAR Ohio	<u>(7,441,375)</u>	<u>7,441,375</u>
Per GASB Statement No. 3	<u>\$6,205,308</u>	<u>\$23,935,817</u>

**NOTE 4 - 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 2000 were levied after October 1, 1999 on assessed values as of January 1, 1999, 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.

**NOTE 4 - PROPERTY TAX (Continued)**

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, 2000 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2000 collection was based was \$189,974,374. This amount constitutes \$149,272,580 in real property assessed value, \$6,745,260 in public utility assessed value and \$33,956,534 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 2000 were based on a tax rate equal to .370% (3.70 mills) of assessed value.

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at December 31, 2000 consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$0	\$1,225,000
Enterprise Fund:		
Electric Fund	<u>1,225,000</u>	<u>0</u>
Totals	<u>\$1,225,000</u>	<u>\$1,225,000</u>

The interfund balances result from the general fund's issuance of a note payable during 2000 to fund the City's purchase of land to be held for resale. The Electric Fund acquired the \$1,225,000 note payable at this time. The note payable bears an interest rate of 4.75% and matures on March 15, 2001.

**NOTE 6 - OPERATING TRANSFERS**

Following is a summary of operating transfers in and out for all funds for 2000:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$168,608	\$1,638,200
Special Revenue Funds:		
Street Construction, Maintenance and Repair Fund	108,000	9,562
Cemeteries Fund	378,100	0
Municipal Motor Vehicle Fund	0	30,000
City Motor Vehicle Fund	0	78,000
Fire Levy Fund	9,000	0
Total Special Revenue Funds	495,100	117,562
Debt Service Fund:		
General Bond Retirement Fund	4,562	78,187
Capital Projects Funds:		
Capital Equipment Reserve Fund	175,000	0
Capital Improvement Fund	778,187	0
Shamrock Boulevard Road Project Fund	345,000	0
Jackson Street Interchange Fund	70,000	0
Total Capital Projects Funds	1,368,187	0
Expendable Trust Funds:		
Cemetery Trust Operations Fund	0	31,100
Special Endowment Operations Fund	0	12,000
Painesville Safety Town Fund	300	0
Law Enforcement Trust Fund	1,400	0
Total Expendable Trust Funds	1,700	43,100
Enterprise Funds:		
Water Fund	200,000	11,084
Sewer Fund	0	10,873
Electric Fund	0	561,651
Off-Street Parking Fund	215,000	0
Total Enterprise Funds	415,000	583,608
Internal Service Fund:		
Fuel and Oil Rotary Fund	7,500	0
Total All Funds	<u>\$2,460,657</u>	<u>\$2,460,657</u>

**NOTE 7 - FIXED ASSETS**

Changes in general fixed assets during the year ended December 31, 2000 are as follows:

Category	December 31, 1999	Additions	Deletions	December 31, 2000
Land	\$952,876	\$33,510	\$0	\$986,386
Buildings and Improvements	1,338,772	400,240	0	1,739,012
Improvements Other than Buildings	333,092	96,076	0	429,168
Machinery and Equipment	4,472,035	474,101	(46,783)	4,899,353
Construction in Progress	21,545	0	(6,645)	14,900
<b>Totals</b>	<b>\$7,118,320</b>	<b>\$1,003,927</b>	<b>(\$53,428)</b>	<b>\$8,068,819</b>

**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 Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions. The 2000 employer contribution rate for local government employer units was 10.84%, of covered payroll, 6.54% to fund the pension and 4.3% to fund health care. The 1999 and 1998 employer contribution rates were 13.55%. 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, 2000, 1999 and 1998 were \$1,059,305, \$1,271,710 and \$1,228,274, 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. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. 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 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 4.3% of covered payroll which amounted to \$421,013.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 1999 is \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

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

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

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2000, 1999 and 1998 were \$352,021, \$336,864 and \$300,972 for police and \$357,519, \$352,909 and \$306,428 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The 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 2000 covered payroll that was used to fund postemployment health care benefits was \$130,880 representing 7.25% of covered payroll for police and \$108,000 representing 7.25% 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, 1999, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,467 for police and 9,807 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, 1999 were \$95,004,633, which was net of member contributions of \$5,518,098.

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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, 2000 follows:

		Balance December 31, 1999	Issued (Retired)	Balance December 31, 2000	
<b>Enterprise Funds:</b>					
Mortgage Revenue Bonds:					
7.70%	Off-Street Parking Facility	1973	\$255,000	(\$85,000)	\$170,000
2.90 - 6.00%	Electric System	1992	4,210,000	(515,000)	3,695,000
	Total Mortgage Revenue Bonds		4,465,000	(600,000)	3,865,000
General Obligation Bonds:					
2.90 - 6.400%	Waterworks	1992	2,655,000	(140,000)	2,515,000
3.25 - 4.600%	Waterworks	1998	4,750,000	(250,000)	4,500,000
	Total General Obligation Bonds		7,405,000	(390,000)	7,015,000
Ohio Water Development Authority Loans (OWDA):					
7.490%	Water Pollution Control Plant (Original)	1979	831,676	(104,686)	726,990
7.820%	Water Pollution Control Plant (1st Supplement)	1980	32,415	(4,204)	28,211
4.618%	Safe Drinking Water	1998	1,316,198	(26,239)	1,289,959
	Total OWDA Loans		2,180,289	(135,129)	2,045,160
	Total Enterprise Funds		\$14,050,289	(\$1,125,129)	\$12,925,160
<b>Internal Service Fund:</b>					
	Workers' Compensation Retrospective Fund -				
	Workers' Compensation Liability		\$428,100	\$241,431	\$669,531
<b>General Long-Term Obligations Account Group:</b>					
Special Assessment Debt (with governmental commitment)					
8.0% - 8.125%	Chicago Forest/Roosevelt Street Improvements	1988	\$350,000	(\$30,000)	\$320,000
	Total Special Assessment Debt (with governmental commitment)		350,000	(30,000)	320,000
Ohio Public Works Commission Loans (OPWC):					
	Skinner Avenue Rehabilitation Loan	1994	65,662	(16,416)	49,246
	East Walnut Avenue Improvements Loan	2000	0	100,000	90,000
	Total OPWC Loans		65,662	73,584	139,246
Other Long-Term Obligations:					
	Compensated Absences		1,081,897	24,893	1,106,790
	Capital Lease Payable		6,830	(4,471)	2,359
	Police/Firemen's Pension Accrued Liability		891,954	(11,132)	880,822
	Total Other Long-Term Obligations		1,980,681	9,290	1,989,971
	Total General Long-Term Debt and Other Long-Term Obligations		\$2,396,343	\$52,874	\$2,449,217



**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 \$4,685,000 at December 31, 2000, 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 \$1,191,256 for the City as of December 31, 2000.

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, 2000 amounted to \$1,085,919.

**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, 2000 was \$880,822 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, 2000:

<u>Year Ending December 31,</u>	<u>Capital Lease</u>
2001	\$2,423
Less: amount representing interest at the City's incremental borrowing rate of interest	(64)
Present value of minimum lease payments	<u>\$2,359</u>

**E. Special Assessments with Governmental Commitment**

The principal amount of the City's special assessment debt outstanding at December 31, 2000, \$320,000, 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 \$193,427 in the Special Assessment Bond Retirement Fund at December 31, 2000 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, 2000 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 \$1,289,959.

**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, 2000, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	435,000	276,735	40,000	14,800	665,000	82,500
2006-2010	2,375,000	1,030,700	145,000	23,600	710,000	42,600
2011-2015	1,805,000	399,698	0	0	0	0
2016-2020	750,000	69,375	0	0	0	0
Totals	\$7,015,000	\$3,071,810	\$320,000	\$126,000	\$3,865,000	\$813,508

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$278,613	\$114,951	\$26,415	\$0	\$11,610	\$37,313
2002	298,246	95,317	26,416	0	12,108	36,814
2003	319,189	74,270	26,415	0	12,628	36,294
2004	51,402	51,714	10,000	0	13,171	35,752
2005	53,825	46,326	10,000	0	13,736	35,186
2006-2010	287,452	204,365	40,000	0	78,055	166,557
2011-2015	360,420	126,574	0	0	96,322	148,291
2016-2020	396,013	36,784	0	0	118,862	125,750
2021-2035	0	0	0	0	524,330	182,842
Totals	\$2,045,160	\$750,301	\$139,246	\$0	\$880,822	\$804,799

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 four short-term general obligation bond anticipation note payables, one in the Fire Levy Fund, one in the Capital Improvement Fund, one in the Industrial Park Project Fund, and another in the Water Fund at December 31, 2000. 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 2000:

	Balance January 1, 2000	Issued (Retired)	Balance December 31, 2000
<b>Special Revenue Funds:</b>			
<b>Street Fund:</b>			
4.25% Street Improvement	\$1,275,000	(\$1,275,000)	\$0
<b>Fire Levy Fund:</b>			
4.25% Fire Equipment Acquisition	375,000	(375,000)	0
4.86% Motorized Equipment Acquisition	0	280,000	280,000
Total Special Revenue	<u>1,650,000</u>	<u>(1,370,000)</u>	<u>280,000</u>
<b>Capital Projects Funds:</b>			
<b>Capital Improvement Fund:</b>			
4.25% Various Capital Improvements	75,000	(75,000)	0
4.60% City Office Building Improvements	0	350,000	350,000
<b>Industrial Park Project Fund:</b>			
4.60% Renaissance Parkway Improvements	0	1,060,000	1,060,000
Total Capital Projects	<u>75,000</u>	<u>1,335,000</u>	<u>1,410,000</u>
<b>Enterprise Funds:</b>			
<b>Water Fund:</b>			
4.60% Water Treatment Plant Improvements	0	950,000	950,000
Total Notes Payable	<u>\$1,725,000</u>	<u>\$915,000</u>	<u>\$2,640,000</u>

**NOTE 11 – 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. At December 31, 2000, the City's Land Held for Resale balance was \$669,390.

**NOTE 12 - 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	\$2,922,066	\$2,705,591	\$22,233	\$5,649,890
Less: Depreciation on Contributed Capital	(2,760)	(116,673)	(4,978)	(124,411)
Balance at End of Year	<u>\$2,919,306</u>	<u>\$2,588,918</u>	<u>\$17,255</u>	<u>\$5,525,479</u>

**NOTE 13 - CONSTRUCTION COMMITMENTS**

As of December 31, 2000, the City had the following contracts with respect to capital improvements:

Capital Projects	Remaining Construction Contract	Expected Date of Completion
Raw Water Well Pump Station	\$49,479	Spring 2001
Richmond Southend Water Line	81,186	Fall 2001
Mentor Ave./Grant St. Sanitary Sewer	173,962	Fall 2001
Storage Building Electric Plant	116,112	Fall 2001
Demineralizer System	7,749	Fall 2001
Turbine Axial Trips	45,412	Fall 2001

**NOTE 14 - CONDUIT DEBT OBLIGATIONS**

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

As of December 31, 2000, there was one series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$5,000,000. In addition, there was one series of Economic Development Revenue Bonds with an aggregate principal amount payable of \$1,000,000.

**NOTE 15 - 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, 2000 for these enterprise activities is as follows:

For the Year Ended December 31, 2000	Water	Sewer	Electric
Operating Revenues	\$3,284,871	\$3,207,109	\$15,142,583
Depreciation Expense	473,211	405,976	1,123,057
Operating Income (Loss)	(317,575)	135,149	236,269
Operating Transfers In	200,000	0	0
Operating Transfers Out	(11,084)	(10,873)	(561,651)
Operating Grants	168,502	141,721	0
Net Income (Loss)	(270,061)	242,318	35,666
Property, Plant and Equipment:			
Additions	412,656	445,952	1,199,927
Deletions	0	(22,363)	(70,190)
As of December 31, 2000			
Total Assets	18,457,992	12,236,953	29,373,291
Net Working Capital	3,847,921	3,063,640	13,214,094
Bonds and Loans Payable	8,304,959	755,201	3,695,000
Total Equity	8,524,864	10,992,869	22,973,018

For the Year Ended December 31, 2000	Refuse	Off-Street Parking	Total
Operating Revenues	\$4,933	\$77,534	\$21,717,030
Depreciation Expense	0	28,979	2,031,223
Operating Income (Loss)	(8,541)	(129,402)	(84,100)
Operating Transfers In	0	215,000	415,000
Operating Transfers Out	0	0	(583,608)
Operating Grants	0	0	310,223
Net Income (Loss)	(8,541)	73,013	72,395
Property, Plant and Equipment:			
Additions	0	0	2,058,535
Deletions	0	0	(92,553)
As of December 31, 2000			
Total Assets	30,085	1,234,590	61,332,911
Net Working Capital	30,000	61,617	20,217,272
Bonds and Loans Payable	0	170,000	12,925,160
Total Equity	30,000	1,044,457	43,565,208

**NOTE 16 - RISK MANAGEMENT**

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

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2000 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	5,000
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 \$669,531 reported in the fund at December 31, 2000 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
1999	\$339,682	\$278,117	(\$189,699)	\$428,100
2000	428,100	261,799	(20,368)	669,531

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

In 2000, the Employee Health Insurance Fund was created to account for the City’s self-funded employee health insurance. Under this program, the City operates with a third party administrator and under stop-loss thresholds. The actual claims are passed through the City for payment. There is protection as to the amount of claims that can be passed through to the City—both specific and aggregate stop-loss protection. Under specific stop-loss, the City pays 100% for any one individual generating claims up to the specific level of \$40,000. Any dollar amount over this specific level is paid by the re-insurance carrier. The aggregate stop-loss protects the City from having a large number of claims exceeding the expected claims level by more than 20% or 25%. Any claims over the specific level do not count toward the aggregate level. Only claims less than the specific level are applied toward the aggregate level. The claims liability of \$211,607 reported in the fund at December 31, 2000 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 year are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2000	\$0	\$1,307,065	(\$1,095,458)	\$211,607

**NOTE 17 - JOINT VENTURE**

The City is a participant with thirty-six subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2). The Omega JV-2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economics of the participants’ respective municipal electric utility systems. On dissolution of the joint venture, the net assets of Omega JV-2 will be shared by the participants on a percentage basis. The Omega JV-2 is managed by AMP-Ohio which acts as the joint venture’s agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City did not remit money to the joint venture for 2000. The City’s net investment and its share of the operating results of Omega JV-2 will be reported in the City’s electric fund (an enterprise fund) beginning January 1, 2001. Complete financial statements for Omega JV-2 can be obtained from AMP-Ohio or from the City’s Finance Director.



**NOTE 18 - CONTINGENCIES**

**A. Environmental Matters**

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

**B. Litigation**

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



*COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP  
STATEMENTS AND SCHEDULES*

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE  
GENERAL FUND, SPECIAL REVENUE FUNDS, DEBT SERVICE FUNDS,  
CAPITAL PROJECTS FUNDS, ENTERPRISE FUNDS, INTERNAL SERVICE  
FUNDS, FIDUCIARY FUNDS AND THE GENERAL FIXED ASSETS ACCOUNT  
GROUP.*

## ***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, 2000**

**GENERAL FUND**

<u>Revenues</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Taxes:			
Property Taxes:			
Real Estate and Public Utility	\$289,285	\$287,465	(\$1,820)
Tangible Personal	70,251	132,751	62,500
Total Property Taxes	<u>359,536</u>	<u>420,216</u>	<u>60,680</u>
Municipal Income Tax	6,218,600	6,720,756	502,156
Other Local Taxes	15	6	(9)
Total Taxes	<u>6,578,151</u>	<u>7,140,978</u>	<u>562,827</u>
Intergovernmental Revenues:			
Local	13,520	35,584	22,064
Local Government Fund - County	1,371,239	1,388,563	17,324
Local Government Fund - State	170,045	143,427	(26,618)
Inheritance Tax	45,000	174,429	129,429
Property Tax Allocation	36,500	37,940	1,440
Miscellaneous Tax	164,867	165,905	1,038
Total Intergovernmental Revenues	<u>1,801,171</u>	<u>1,945,848</u>	<u>144,677</u>
Charges for Services:			
General Government	675	1,997	1,322
Public Safety	3,100	2,971	(129)
Highways and Streets	36,600	47,037	10,437
Culture and Recreation	35,550	98,904	63,354
Miscellaneous	400	4,749	4,349
Total Charges for Services	<u>76,325</u>	<u>155,658</u>	<u>79,333</u>
License, Permit and Inspection Fees:			
License Fees	5,200	8,450	3,250
Permit Fees	49,250	74,652	25,402
Inspection Fees	5,000	24,193	19,193
Zoning Appeal Fees	9,400	9,518	118
Other Fees	68,750	69,802	1,052
Total License, Permit and Inspection Fees	<u>137,600</u>	<u>186,615</u>	<u>49,015</u>
Investment Earnings	896,500	1,258,400	361,900
Fines and Forfeitures	567,540	597,505	29,965
All Other Revenues	2,450	105,381	102,931
Total Revenues	<u>10,059,737</u>	<u>11,390,385</u>	<u>1,330,648</u>

(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, 2000**

**GENERAL FUND**

<u>Expenditures</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
General Government:			
Legislative:			
Council:			
Personal Services	12,770	12,708	62
All Other Expenditures	4,084	2,785	1,299
Clerk of Council:			
Personal Services	7,667	7,328	339
All Other Expenditures	3,408	2,548	860
Judicial - Municipal Court:			
Judicial Activities:			
Personal Services	143,833	127,399	16,434
All Other Expenditures	9,089	8,369	720
Clerk of Court:			
Personal Services	580,966	527,106	53,860
All Other Expenditures	84,572	84,572	0
Probation:			
Personal Services	190,268	183,635	6,633
Executive:			
City Manager:			
Personal Services	41,472	40,705	767
All Other Expenditures	97,878	73,336	24,542
Human Resources:			
Personal Services	37,318	37,318	0
All Other Expenditures	16,171	10,915	5,256
Finance:			
Administration:			
Personal Services	47,408	43,843	3,565
All Other Expenditures	15,763	12,650	3,113
Accounting:			
Personal Services	46,254	31,600	14,654
All Other Expenditures	29,694	25,326	4,368

(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, 2000**

**GENERAL FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
General Government: (Continued)			
Purchasing/Warehousing:			
Personal Services	20,413	19,870	543
All Other Expenditures	6,780	5,772	1,008
Capital Outlay	527	527	0
Income Tax Collection:			
All Other Expenditures	70,000	45,120	24,880
Law:			
Administration:			
Personal Services	52,687	51,008	1,679
All Other Expenditures	24,284	13,555	10,729
Engineering:			
Administration:			
Personal Services	115,697	113,165	2,532
All Other Expenditures	15,260	14,498	762
Capital Outlay	9,145	9,044	101
Public Lands and Buildings:			
Building Operations Maintenance and Repair:			
Personal Services	63,888	61,020	2,868
All Other Expenditures	298,389	274,032	24,357
Boards and Commissions:			
Civil Service Commission:			
Personal Services	570	360	210
All Other Expenditures	31,966	29,836	2,130
Miscellaneous:			
Insurance:			
All Other Expenditures	37,900	27,455	10,445
Tax Settlement Deductions:			
All Other Expenditures	14,835	10,268	4,567
Other Miscellaneous:			
All Other Expenditures	6,075	3,575	2,500
Total General Government	<u>2,137,031</u>	<u>1,911,248</u>	<u>225,783</u>
			(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, 2000**

**GENERAL FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Public Safety:			
Police:			
Law Enforcement - Sworn Officers:			
Personal Services	2,420,010	2,173,329	246,681
Law Enforcement - Other:			
Personal Services	339,660	334,147	5,513
All Other Expenditures	227,941	208,198	19,743
Capital Outlay	68,043	63,143	4,900
Fire:			
Fire Fighting, Prevention and Inspection:			
Personal Services	2,170,210	1,985,224	184,986
All Other Expenditures	154,388	154,388	0
Fire Service - Other:			
Personal Services	38,446	33,660	4,786
Police and Fire Communications:			
Control Center:			
Personal Services	3,429	3,411	18
All Other Expenditures	350,753	350,557	196
Total Public Safety	<u>5,772,880</u>	<u>5,306,057</u>	<u>466,823</u>
Highways and Streets:			
Public Works:			
Administration:			
Personal Services	165,073	108,678	56,395
All Other Expenditures	68,785	66,890	1,895
Street Maintenance and Repair:			
Personal Services	293,438	275,765	17,673
All Other Expenditures	58,931	52,375	6,556
Sidewalks:			
Personal Services	4,400	767	3,633
All Other Expenditures	36,599	35,706	893

(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, 2000**

**GENERAL FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Highways and Streets: (Continued)			
Street Cleaning:			
Personal Services	11,451	11,451	0
All Other Expenditures	17,376	9,620	7,756
Storm Sewers and Drains:			
All Other Expenditures	28,224	24,573	3,651
Building Maintenance:			
Personal Services	23,579	21,379	2,200
All Other Expenditures	41,090	35,649	5,441
Equipment Maintenance:			
Personal Services	103,431	99,855	3,576
All Other Expenditures	52,417	52,417	0
Employee Benefits:			
Personal Services	142,778	114,366	28,412
Sidewalks - Snow Removal:			
Personal Services	7,219	6,527	692
All Other Expenditures	1,100	789	311
Leaf/Yard Waste Removal:			
Personal Services	45,485	14,810	30,675
All Other Expenditures	18,494	18,494	0
Parking:			
Parking Meters:			
Personal Services	57,575	55,627	1,948
All Other Expenditures	7,937	5,771	2,166
Capital Outlay	7,000	6,884	116
Parking Lots:			
All Other Expenditures	13,747	13,296	451
Traffic Signs, Markings:			
Traffic Signs, Markings, Signals:			
Personal Services	90,424	75,811	14,613
All Other Expenditures	42,128	42,128	0
Total Highways and Streets	<u>1,338,681</u>	<u>1,149,628</u>	<u>189,053</u>

(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, 2000**

**GENERAL FUND**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Public Health and Welfare:			
Support of Prisoners:			
Prisoner Expense:			
All Other Expenditures	4,075	517	3,558
Payments to County Health Board:			
County Health District Assessments:			
All Other Expenditures	91,250	78,003	13,247
Assistance to Needy/Aged:			
Poor Relief:			
All Other Expenditures	1,525	1,513	12
Total Public Health and Welfare	<u>96,850</u>	<u>80,033</u>	<u>16,817</u>
Culture and Recreation:			
Parks:			
Administration:			
Personal Services	102,402	99,676	2,726
All Other Expenditures	2,903	2,586	317
Parks System:			
Personal Services	177,672	166,852	10,820
All Other Expenditures	111,178	111,178	0
Capital Outlay	40,000	39,748	252
Building Maintenance:			
All Other Expenditures	8,725	7,983	742
Morse Avenue Community Center:			
Personal Services	30,925	29,997	928
All Other Expenditures	19,328	18,875	453
Recreation Activities:			
Personal Services	194,851	162,469	32,382
All Other Expenditures	150,435	149,256	1,179
Other Leisure Time Activities:			
Senior Citizens Center:			
All Other Expenditures	25,004	25,000	4
Community Functions:			
All Other Expenditures	44,704	44,641	63
Total Culture and Recreation	<u>908,127</u>	<u>858,261</u>	<u>49,866</u>

(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, 2000**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Community Environment:			
Community Planning and Zoning:			
Planning Commission:			
Personal Services	1,423	1,423	0
All Other Expenditures	5,613	1,726	3,887
Demolition:			
All Other Expenditures	17,535	0	17,535
Planning and Development:			
Personal Services	23,736	22,676	1,060
All Other Expenditures	57,218	35,083	22,135
Capital Outlay	560,613	75,338	485,275
Housing and Building Code Enforcement:			
Personal Services	246,283	241,813	4,470
All Other Expenditures	71,943	69,595	2,348
Capital Outlay	5,089	5,089	0
Tree Care and Weed Control:			
Tree Care:			
All Other Expenditures	6,403	6,398	5
Weed Control:			
Personal Services	2,556	2,556	0
All Other Expenditures	12,275	11,401	874
Total Community Environment	1,010,687	473,098	537,589
Total Expenditures	11,264,256	9,778,325	1,485,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,204,519)	1,612,060	2,816,579
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	27,900	609,044	581,144
Operating Transfers Out	(2,519,800)	(2,363,200)	156,600
Advances In	0	1,225,000	1,225,000
Total Other Financing Sources (Uses)	(2,491,900)	(529,156)	1,962,744
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,696,419)	1,082,904	4,779,323
Fund Balance at Beginning of Year	571,903	571,903	0
Prior Year Encumbrances	1,163,902	1,163,902	0
Fund Balance at End of Year	(\$1,960,614)	\$2,818,709	\$4,779,323

## ***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.

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**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2000**

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemeteries	Police Pension Transfer	Fire Pension Transfer
<b>Assets:</b>					
Cash and Cash Equivalents	\$1,097,479	\$88,992	\$81,407	\$0	\$0
Receivable (net of allowance for doubtful accounts):					
Taxes	0	0	0	63,850	63,850
Interest	0	0	0	0	0
Intergovernmental Receivables	5,605	454	316	0	0
Inventory of Supplies at Cost	0	0	1,174	0	0
Prepaid Items	0	0	1,422	0	0
<b>Total Assets</b>	<b>\$1,103,084</b>	<b>\$89,446</b>	<b>\$84,319</b>	<b>\$63,850</b>	<b>\$63,850</b>
<b>Liabilities and Fund Equity:</b>					
<i>Liabilities:</i>					
Accounts Payable	\$29,338	\$0	\$6,404	\$0	\$0
Accrued Wages and Benefits	16,962	0	12,143	0	0
Intergovernmental Payables	0	0	243	0	0
Accrued Interest Payable	0	0	0	0	0
Deferred Revenue	0	0	0	63,670	63,670
General Obligation Notes Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>46,300</b>	<b>0</b>	<b>18,790</b>	<b>63,670</b>	<b>63,670</b>
<i>Fund Equity:</i>					
Reserved for Encumbrances	381,358	27,324	12,381	0	0
Reserved for Supplies Inventory	0	0	1,174	0	0
Reserved for Prepaid Items	0	0	1,422	0	0
Unreserved	675,426	62,122	50,552	180	180
<b>Total Fund Equity</b>	<b>1,056,784</b>	<b>89,446</b>	<b>65,529</b>	<b>180</b>	<b>180</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$1,103,084</b>	<b>\$89,446</b>	<b>\$84,319</b>	<b>\$63,850</b>	<b>\$63,850</b>



**THE CITY OF PAINESVILLE, OHIO  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
DECEMBER 31, 2000**

Municipal Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Enforcement and Education	City Motor Vehicle License Tax	Fire Levy	Underground Storage Tank	Probation Services
\$11,976	\$105,448	\$34,129	\$722	\$57,385	\$11,000	\$207,437
0	0	0	0	110,616	0	0
0	0	0	0	312	0	0
2,226	845	0	4,453	0	0	5,436
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$14,202</u>	<u>\$106,293</u>	<u>\$34,129</u>	<u>\$5,175</u>	<u>\$168,313</u>	<u>\$11,000</u>	<u>\$212,873</u>
\$0	\$1,280	\$0	\$0	\$0	\$0	\$4,545
0	0	0	0	0	0	1,207
0	0	0	0	0	0	0
0	0	0	0	1,156	0	0
0	0	0	0	110,336	0	0
0	0	0	0	280,000	0	0
<u>0</u>	<u>1,280</u>	<u>0</u>	<u>0</u>	<u>391,492</u>	<u>0</u>	<u>5,752</u>
0	2,768	0	0	2,310	0	5,148
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>14,202</u>	<u>102,245</u>	<u>34,129</u>	<u>5,175</u>	<u>(225,489)</u>	<u>11,000</u>	<u>201,973</u>
<u>14,202</u>	<u>105,013</u>	<u>34,129</u>	<u>5,175</u>	<u>(223,179)</u>	<u>11,000</u>	<u>207,121</u>
<u>\$14,202</u>	<u>\$106,293</u>	<u>\$34,129</u>	<u>\$5,175</u>	<u>\$168,313</u>	<u>\$11,000</u>	<u>\$212,873</u>

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2000**

	COPS Fast Grant	Cleveland Foundation Grant	Municipal Court Security Grant	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$112,157	\$2,374	\$585	\$1,811,091
Receivable (net of allowance for doubtful accounts):				
Taxes	0	0	0	238,316
Interest	0	0	0	312
Intergovernmental Receivables	0	0	0	19,335
Inventory of Supplies at Cost	0	0	0	1,174
Prepaid Items	0	0	0	1,422
Total Assets	<u>\$112,157</u>	<u>\$2,374</u>	<u>\$585</u>	<u>\$2,071,650</u>
<u>Liabilities and Fund Equity:</u>				
<i>Liabilities:</i>				
Accounts Payable	\$0	\$0	\$0	\$41,567
Accrued Wages and Benefits	1,432	0	0	31,744
Intergovernmental Payables	0	0	0	243
Accrued Interest Payable	0	0	0	1,156
Deferred Revenue	0	0	0	237,676
General Obligation Notes Payable	0	0	0	280,000
Total Liabilities	<u>1,432</u>	<u>0</u>	<u>0</u>	<u>592,386</u>
<i>Fund Equity:</i>				
Reserved for Encumbrances	1,695	0	0	432,984
Reserved for Supplies Inventory	0	0	0	1,174
Reserved for Prepaid Items	0	0	0	1,422
Unreserved	109,030	2,374	585	1,043,684
Total Fund Equity	<u>110,725</u>	<u>2,374</u>	<u>585</u>	<u>1,479,264</u>
Total Liabilities and Fund Equity	<u>\$112,157</u>	<u>\$2,374</u>	<u>\$585</u>	<u>\$2,071,650</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemeteries	Police Pension Transfer
<u>Revenues</u>				
Taxes	\$0	\$0	\$0	\$52,414
Intergovernmental Revenues	1,570,455	34,315	0	5,420
Charges for Services	0	0	178,898	0
License, Permit and Inspection Fees	4,601	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenues	0	0	728	0
Total Revenues	1,575,056	34,315	179,626	57,834
<u>Expenditures</u>				
Current:				
General Government	0	0	0	0
Public Safety	0	0	0	57,891
Highways and Streets	1,103,766	18,231	0	0
Public Health and Welfare	0	0	514,163	0
Debt Service:				
Principal Retirement	26,416	0	0	0
Interest and Fiscal Charges	49,522	0	0	0
Total Expenditures	1,179,704	18,231	514,163	57,891
Excess (Deficiency) of Revenues Over (Under) Expenditures	395,352	16,084	(334,537)	(57)
<u>Other Financing Sources (Uses)</u>				
Proceeds of OPWC Loan	100,000	0	0	0
Operating Transfers In	108,000	0	378,100	0
Operating Transfers Out	(9,562)	0	0	0
Total Other Financing Sources (Uses)	198,438	0	378,100	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	593,790	16,084	43,563	(57)
Fund Balance (Deficit) at Beginning of Year	462,994	73,362	21,696	237
Increase in Inventory Reserve	0	0	270	0
Fund Balance (Deficit) at End of Year	\$1,056,784	\$89,446	\$65,529	\$180

(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, 2000**

	Fire Pension Transfer	Municipal Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Enforcement and Education	City Motor Vehicle License Tax
<u>Revenues</u>					
Taxes	\$52,414	\$0	\$0	\$0	\$0
Intergovernmental Revenues	5,420	36,200	0	0	72,400
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	30,804	1,587	0
All Other Revenues	0	0	0	0	0
Total Revenues	<u>57,834</u>	<u>36,200</u>	<u>30,804</u>	<u>1,587</u>	<u>72,400</u>
<u>Expenditures</u>					
Current:					
General Government	0	0	16,718	0	0
Public Safety	57,891	0	0	0	0
Highways and Streets	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	<u>57,891</u>	<u>0</u>	<u>16,718</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(57)	36,200	14,086	1,587	72,400
<u>Other Financing Sources (Uses)</u>					
Proceeds of OPWC Loan	0	0	0	0	0
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	0	(30,000)	0	0	(78,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(30,000)</u>	<u>0</u>	<u>0</u>	<u>(78,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(57)	6,200	14,086	1,587	(5,600)
Fund Balance (Deficit) at Beginning of Year	237	8,002	90,927	32,542	10,775
Increase in Inventory Reserve	0	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$180</u>	<u>\$14,202</u>	<u>\$105,013</u>	<u>\$34,129</u>	<u>\$5,175</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

Fire Levy	Underground Storage Tank	Probation Services	COPS Fast Grant	Cleveland Foundation Grant	Municipal Court Security Grant	Totals
\$100,615	\$0	\$0	\$0	\$0	\$0	\$205,443
9,712	0	0	218,500	0	0	1,952,422
0	0	0	0	0	0	178,898
0	0	0	0	0	0	4,601
5,681	0	0	0	0	0	5,681
0	0	79,336	0	0	0	111,727
360	0	0	0	0	0	1,088
<u>116,368</u>	<u>0</u>	<u>79,336</u>	<u>218,500</u>	<u>0</u>	<u>0</u>	<u>2,459,860</u>
0	0	62,716	0	0	5,125	84,559
4,289	0	0	106,418	0	0	226,489
0	0	0	0	0	0	1,121,997
0	0	0	0	0	0	514,163
0	0	0	0	0	0	26,416
15,722	0	0	0	0	0	65,244
<u>20,011</u>	<u>0</u>	<u>62,716</u>	<u>106,418</u>	<u>0</u>	<u>5,125</u>	<u>2,038,868</u>
96,357	0	16,620	112,082	0	(5,125)	420,992
0	0	0	0	0	0	100,000
9,000	0	0	0	0	0	495,100
0	0	0	0	0	0	(117,562)
<u>9,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>477,538</u>
105,357	0	16,620	112,082	0	(5,125)	898,530
(328,536)	11,000	190,501	(1,357)	2,374	5,710	580,464
0	0	0	0	0	0	270
<u>(\$223,179)</u>	<u>\$11,000</u>	<u>\$207,121</u>	<u>\$110,725</u>	<u>\$2,374</u>	<u>\$585</u>	<u>\$1,479,264</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, 2000**

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$2,292,050	\$2,687,603	\$395,553
License, Permit and Inspection Fees	1,300	4,601	3,301
Total Revenues	2,293,350	2,692,204	398,854
<u>Expenditures</u>			
Highways and Streets:			
Public Works:			
Street Construction and Reconstruction:			
Capital Outlay	1,465,927	1,355,770	110,157
Street Maintenance and Repair:			
Personal Services	10,176	6,634	3,542
All Other Expenditures	45,825	36,479	9,346
Capital Outlay	277,093	228,285	48,808
Snow and Ice Removal:			
Personal Services	82,159	82,159	0
All Other Expenditures	167,933	136,116	31,817
Storm Sewers and Drains:			
Personal Services	36,466	34,173	2,293
All Other Expenditures	20,284	20,284	0
Debt Service:			
Principal Retirement	1,301,416	1,296,416	5,000
Interest and Fiscal Charges	63,800	63,750	50
Total Expenditures	3,471,079	3,260,066	211,013
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,177,729)	(567,862)	609,867
<u>Other Financing Sources (Uses)</u>			
Proceeds of OPWC Loan	100,000	100,000	0
Operating Transfers In	0	108,000	108,000
Operating Transfers Out	(780,000)	0	780,000
Total Other Financing Sources (Uses)	(680,000)	208,000	888,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,857,729)	(359,862)	1,497,867
Fund Balance at Beginning of Year	13,499	13,499	0
Prior Year Encumbrances	1,041,186	1,041,186	0
Fund Balance at End of Year	(\$803,044)	\$694,823	\$1,497,867

**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, 2000**

**STATE HIGHWAY IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$31,000	\$33,861	\$2,861
Total Revenues	<u>31,000</u>	<u>33,861</u>	<u>2,861</u>
<u>Expenditures</u>			
Highways and Streets:			
Public Works:			
State Highway Maintenance:			
All Other Expenditures	85,038	81,658	3,380
Total Expenditures	<u>85,038</u>	<u>81,658</u>	<u>3,380</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(54,038)	(47,797)	6,241
Fund Balance at Beginning of Year	54,427	54,427	0
Prior Year Encumbrances	55,038	55,038	0
Fund Balance at End of Year	<u>\$55,427</u>	<u>\$61,668</u>	<u>\$6,241</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, 2000**

**CEMETERIES FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$150,180	\$178,898	\$28,718
All Other Revenues	<u>300</u>	<u>953</u>	<u>653</u>
Total Revenues	<u>150,480</u>	<u>179,851</u>	<u>29,371</u>
<u>Expenditures</u>			
Public Health and Welfare:			
Cemeteries:			
Administration:			
Personal Services	154,678	148,170	6,508
All Other Expenditures	15,716	14,336	1,380
Evergreen/Riverside Cemeteries:			
Personal Services	243,594	227,829	15,765
All Other Expenditures	50,391	50,391	0
Capital Outlay	59,984	52,334	7,650
Building Maintenance:			
All Other Expenditures	<u>11,006</u>	<u>9,251</u>	<u>1,755</u>
Total Expenditures	<u>535,369</u>	<u>502,311</u>	<u>33,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(384,889)	(322,460)	62,429
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	374,100	378,100	4,000
Operating Transfers Out	<u>(44,000)</u>	<u>(44,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>330,100</u>	<u>334,100</u>	<u>4,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(54,789)	11,640	66,429
Fund Balance at Beginning of Year	21,782	21,782	0
Prior Year Encumbrances	<u>28,010</u>	<u>28,010</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$4,997)</u></u>	<u><u>\$61,432</u></u>	<u><u>\$66,429</u></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, 2000**

**POLICE PENSION TRANSFER FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable <u>(Unfavorable)</u>
<u>Revenues</u>			
Taxes	\$55,283	\$52,471	(\$2,812)
Intergovernmental Revenues	<u>4,696</u>	<u>5,420</u>	<u>724</u>
Total Revenues	<u>59,979</u>	<u>57,891</u>	<u>(2,088)</u>
<u>Expenditures</u>			
Public Safety:			
Police:			
Law Enforcement-Sworn Officers:			
Personal Services	<u>59,977</u>	<u>57,891</u>	<u>2,086</u>
Total Expenditures	<u>59,977</u>	<u>57,891</u>	<u>2,086</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	2	0	(2)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2</u></u>	<u><u>\$0</u></u>	<u><u>(\$2)</u></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, 2000**

**FIRE PENSION TRANSFER FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$55,283	\$52,471	(\$2,812)
Intergovernmental Revenues	4,696	5,420	724
Total Revenues	59,979	57,891	(2,088)
<u>Expenditures</u>			
Public Safety:			
Fire:			
Fire Fighting, Prevention, Inspection:			
Personal Services	59,977	57,891	2,086
Total Expenditures	59,977	57,891	2,086
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	2	0	(2)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$2	\$0	(\$2)

**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, 2000**

**MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$32,000	\$36,558	\$4,558
Total Revenues	<u>32,000</u>	<u>36,558</u>	<u>4,558</u>
<u>Expenditures</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,000	36,558	4,558
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	<u>(30,000)</u>	<u>(30,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,000	6,558	4,558
Fund Balance at Beginning of Year	<u>5,418</u>	<u>5,418</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$7,418</u></u>	<u><u>\$11,976</u></u>	<u><u>\$4,558</u></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, 2000**

**INDIGENT DRIVERS ALCOHOL TREATMENT FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	<u>\$25,000</u>	<u>\$31,011</u>	<u>\$6,011</u>
Total Revenues	<u>25,000</u>	<u>31,011</u>	<u>6,011</u>
<u>Expenditures</u>			
General Government:			
All Other Expenditures	<u>88,170</u>	<u>28,170</u>	<u>60,000</u>
Total Expenditures	<u>88,170</u>	<u>28,170</u>	<u>60,000</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(63,170)	2,841	66,011
Fund Balance at Beginning of Year	71,669	71,669	0
Prior Year Encumbrances	<u>28,170</u>	<u>28,170</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$36,669</u></u>	<u><u>\$102,680</u></u>	<u><u>\$66,011</u></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, 2000**

**ENFORCEMENT AND EDUCATION FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable <u>(Unfavorable)</u>
<u>Revenues</u>			
Fines and Forfeitures	\$3,000	\$1,722	(\$1,278)
Total Revenues	3,000	1,722	(1,278)
<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	0	1,722	1,722
Fund Balance at Beginning of Year	32,407	32,407	0
Fund Balance at End of Year	\$32,407	\$34,129	\$1,722

**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, 2000**

**CITY MOTOR VEHICLE LICENSE TAX FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	<u>\$94,500</u>	<u>\$73,115</u>	<u>(\$21,385)</u>
Total Revenues	<u>94,500</u>	<u>73,115</u>	<u>(21,385)</u>
<u>Expenditures</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	94,500	73,115	(21,385)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	<u>(100,000)</u>	<u>(78,000)</u>	<u>22,000</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(78,000)</u>	<u>22,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,500)	(4,885)	615
Fund Balance at Beginning of Year	<u>5,607</u>	<u>5,607</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$107</u></u>	<u><u>\$722</u></u>	<u><u>\$615</u></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, 2000**

**FIRE LEVY FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$104,647	\$100,713	(\$3,934)
Intergovernmental Revenues	12,220	9,712	(2,508)
Investment Earnings	7,744	7,744	0
All Other Revenues	360	360	0
Total Revenues	124,971	118,529	(6,442)
<u>Expenditures</u>			
Public Safety:			
Fire Fighting, Prevention, Inspection:			
All Other Expenditures	8,431	7,673	758
Capital Outlay	7,593	1,344	6,249
Debt Service:			
Principal Retirement	375,000	375,000	0
Interest and Fiscal Charges	13,125	6,938	6,187
Total Expenditures	404,149	390,955	13,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	(279,178)	(272,426)	6,752
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	280,000	280,000	0
Total Other Financing Sources (Uses)	280,000	280,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	822	7,574	6,752
Fund Balance at Beginning of Year	40,477	40,477	0
Prior Year Encumbrances	7,024	7,024	0
Fund Balance at End of Year	\$48,323	\$55,075	\$6,752

**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, 2000**

**UNDERGROUND STORAGE TANK FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable <u>(Unfavorable)</u>
<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	<u>11,000</u>	<u>11,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$11,000</u></u>	<u><u>\$11,000</u></u>	<u><u>\$0</u></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, 2000**

**PROBATION SERVICES FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$100,000	\$80,941	(\$19,059)
Total Revenues	<u>100,000</u>	<u>80,941</u>	<u>(19,059)</u>
<u>Expenditures</u>			
General Government:			
Personal Services	50,689	32,765	17,924
All Other Expenditures	40,674	30,075	10,599
Total Expenditures	<u>91,363</u>	<u>62,840</u>	<u>28,523</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,637	18,101	9,464
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(5,405)	(5,405)	0
Total Other Financing Sources (Uses)	<u>(5,405)</u>	<u>(5,405)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,232	12,696	9,464
Fund Balance at Beginning of Year	179,738	179,738	0
Prior Year Encumbrances	8,101	8,101	0
Fund Balance at End of Year	<u>\$191,071</u>	<u>\$200,535</u>	<u>\$9,464</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, 2000**

**COPS FAST GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$155,400	\$218,500	\$63,100
Total Revenues	<u>155,400</u>	<u>218,500</u>	<u>63,100</u>
<u>Expenditures</u>			
Public Safety:			
Law Enforcement-Sworn Officers:			
Personal Services	104,249	102,684	1,565
Total Expenditures	<u>104,249</u>	<u>102,684</u>	<u>1,565</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	51,151	115,816	64,665
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(11,700)	(11,700)	0
Total Other Financing Sources (Uses)	<u>(11,700)</u>	<u>(11,700)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	39,451	104,116	64,665
Fund Balance at Beginning of Year	536	536	0
Prior Year Encumbrances	5,810	5,810	0
Fund Balance at End of Year	<u>\$45,797</u>	<u>\$110,462</u>	<u>\$64,665</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, 2000**

**CLEVELAND FOUNDATION GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
All Other Revenues	\$9,800	\$0	(\$9,800)
Total Revenues	9,800	0	(9,800)
<u>Expenditures</u>			
General Government:			
All Other Expenditures	12,166	0	12,166
Total Expenditures	12,166	0	12,166
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(2,366)	0	2,366
Fund Balance at Beginning of Year	208	208	0
Prior Year Encumbrances	2,166	2,166	0
Fund Balance at End of Year	\$8	\$2,374	\$2,366

**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, 2000**

**MUNICIPAL COURT SECURITY GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
General Government:			
Capital Outlay	5,125	5,125	0
Total Expenditures	5,125	5,125	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(5,125)	(5,125)	0
Fund Balance at Beginning of Year	5,710	5,710	0
Fund Balance at End of Year	<u>\$585</u>	<u>\$585</u>	<u>\$0</u>

## ***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, 2000**

	General Bond Retirement	Special Assessment Bond Retirement	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$839	\$18,625	\$19,464
Investments	0	173,740	173,740
Receivables (net of allowance for doubtful accounts):			
Taxes	63,850	0	63,850
Special Assessments	0	478,519	478,519
Interest	0	1,062	1,062
	<u>0</u>	<u>1,062</u>	<u>1,062</u>
Total Assets	<u>\$64,689</u>	<u>\$671,946</u>	<u>\$736,635</u>
<u>Liabilities and Fund Equity:</u>			
<i>Liabilities:</i>			
Deferred Revenue	<u>\$63,670</u>	<u>\$478,519</u>	<u>\$542,189</u>
Total Liabilities	<u>63,670</u>	<u>478,519</u>	<u>542,189</u>
<i>Fund Equity:</i>			
Reserved for Debt Service	<u>1,019</u>	<u>193,427</u>	<u>194,446</u>
Total Fund Equity	<u>1,019</u>	<u>193,427</u>	<u>194,446</u>
Total Liabilities and Fund Equity	<u>\$64,689</u>	<u>\$671,946</u>	<u>\$736,635</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, 2000**

	General Bond Retirement	Special Assessment Bond Retirement	Totals
<u>Revenues</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Taxes	\$52,413	\$0	\$52,413
Intergovernmental Revenues	5,420	0	5,420
Investment Earnings	2,372	13,570	15,942
Special Assessments	0	58,482	58,482
Total Revenues	<u>60,205</u>	<u>72,052</u>	<u>132,257</u>
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	0	30,000	30,000
Interest and Fiscal Charges	1,968	28,038	30,006
Total Expenditures	<u>1,968</u>	<u>58,038</u>	<u>60,006</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	58,237	14,014	72,251
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	4,562	0	4,562
Operating Transfers Out	<u>(78,187)</u>	<u>0</u>	<u>(78,187)</u>
Total Expenditures	<u>(73,625)</u>	<u>0</u>	<u>(73,625)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(15,388)	14,014	(1,374)
Fund Balance at Beginning of Year	<u>16,407</u>	<u>179,413</u>	<u>195,820</u>
Fund Balance at End of Year	<u><u>\$1,019</u></u>	<u><u>\$193,427</u></u>	<u><u>\$194,446</u></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, 2000**

**GENERAL BOND RETIREMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$55,283	\$52,470	(\$2,813)
Intergovernmental Revenues	4,100	5,420	1,320
Investment Earnings	1,500	3,359	1,859
Total Revenues	60,883	61,249	366
<u>Expenditures</u>			
Debt Service Functions:			
Debt Service:			
Principal Retirement	75,000	75,000	0
Interest and Fiscal Charges	4,625	4,593	32
Total Expenditures	79,625	79,593	32
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,742)	(18,344)	398
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	20,693	0	(20,693)
Operating Transfers In	0	4,000	4,000
Total Other Financing Sources (Uses)	20,693	4,000	(16,693)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,951	(14,344)	(16,295)
Fund Balance at Beginning of Year	15,183	15,183	0
Fund Balance at End of Year	\$17,134	\$839	(\$16,295)



**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, 2000**

**SPECIAL ASSESSMENT BOND RETIREMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Investment Earnings	\$6,500	\$12,392	\$5,892
Special Assessments	60,000	58,482	(1,518)
Total Revenues	66,500	70,874	4,374
<u>Expenditures</u>			
Debt Service Functions:			
Debt Service - Unvoted:			
Debt Service:			
Principal Retirement	30,000	30,000	0
Interest and Fiscal Charges	28,038	28,038	0
Total Expenditures	58,038	58,038	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	8,462	12,836	4,374
Fund Balance at Beginning of Year	178,582	178,582	0
Fund Balance at End of Year	\$187,044	\$191,418	\$4,374



## *CAPITAL PROJECTS FUNDS*

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

### **Municipal Court Improvement Fund**

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

### **Capital Equipment Reserve Fund**

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

### **Capital Improvement Fund**

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

### **Shamrock Boulevard Road Project Fund**

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

### **Jackson Street Interchange Project Fund**

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

### **Industrial Park Project Fund**

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

### **Municipal Court Special Projects Fund**

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2000**

	<u>Municipal Court Improvement</u>	<u>Capital Equipment Reserve</u>	<u>Capital Improvement</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$470,554	\$175,000	\$1,120,985
Intergovernmental Receivables	7,865	0	161,287
Prepaid Items	2,087	0	0
Total Assets	<u>\$480,506</u>	<u>\$175,000</u>	<u>\$1,282,272</u>
<u>Liabilities and Fund Equity:</u>			
<i>Liabilities:</i>			
Accounts Payable	\$3,335	\$0	\$10,932
Accrued Interest Payable	0	0	750
General Obligation Notes Payable	0	0	350,000
Total Liabilities	<u>3,335</u>	<u>0</u>	<u>361,682</u>
<i>Fund Equity:</i>			
Reserved for Encumbrances	1,817	0	58,193
Reserved for Prepaid Items	2,087	0	0
Unreserved	473,267	175,000	862,397
Total Fund Equity	<u>477,171</u>	<u>175,000</u>	<u>920,590</u>
Total Liabilities and Fund Equity	<u>\$480,506</u>	<u>\$175,000</u>	<u>\$1,282,272</u>

**THE CITY OF PAINESVILLE, OHIO  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2000**

Shamrock Boulevard Road Project	Jackson Street Interchange Project	Industrial Park Project	Municipal Court Special Projects	Totals
\$263,912	\$63,687	\$579,466	\$2,081	\$2,675,685
0	0	0	2,757	171,909
0	0	0	0	2,087
<u>\$263,912</u>	<u>\$63,687</u>	<u>\$579,466</u>	<u>\$4,838</u>	<u>\$2,849,681</u>
\$60,375	\$4,676	\$140,636	\$0	\$219,954
0	0	2,271	0	3,021
0	0	1,060,000	0	1,410,000
<u>60,375</u>	<u>4,676</u>	<u>1,202,907</u>	<u>0</u>	<u>1,632,975</u>
204,320	5,211	444,197	0	713,738
0	0	0	0	2,087
(783)	53,800	(1,067,638)	4,838	500,881
<u>203,537</u>	<u>59,011</u>	<u>(623,441)</u>	<u>4,838</u>	<u>1,216,706</u>
<u>\$263,912</u>	<u>\$63,687</u>	<u>\$579,466</u>	<u>\$4,838</u>	<u>\$2,849,681</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, 2000**

	<u>Municipal Court Improvement</u>	<u>Capital Equipment Reserve</u>	<u>Capital Improvement</u>
<u>Revenues</u>			
Taxes	\$0	\$0	\$243,275
Fines and Forfeitures	113,897	0	0
All Other Revenues	<u>0</u>	<u>0</u>	<u>163,964</u>
Total Revenues	<u>113,897</u>	<u>0</u>	<u>407,239</u>
<u>Expenditures</u>			
Current:			
General Government	18,581	0	0
Capital Outlay	2,772	0	690,417
Debt Service:			
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>3,663</u>
Total Expenditures	<u>21,353</u>	<u>0</u>	<u>694,080</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	92,544	0	(286,841)
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	0	40,160
Operating Transfers In	<u>0</u>	<u>175,000</u>	<u>778,187</u>
Total Expenditures	<u>0</u>	<u>175,000</u>	<u>818,347</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	92,544	175,000	531,506
Fund Balance at Beginning of Year	<u>384,627</u>	<u>0</u>	<u>389,084</u>
Fund Balance (Deficit) at End of Year	<u><u>\$477,171</u></u>	<u><u>\$175,000</u></u>	<u><u>\$920,590</u></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, 2000**

<u>Shamrock Boulevard Road Project</u>	<u>Jackson Street Interchange Project</u>	<u>Industrial Park Project</u>	<u>Municipal Court Special Projects</u>	<u>Totals</u>
\$0	\$0	\$0	\$0	\$243,275
0	0	0	4,838	118,735
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>163,964</u>
0	0	0	4,838	525,974
<hr/>				
0	0	0	0	18,581
141,463	10,989	621,170	0	1,466,811
<u>0</u>	<u>0</u>	<u>2,271</u>	<u>0</u>	<u>5,934</u>
141,463	10,989	623,441	0	1,491,326
<hr/>				
(141,463)	(10,989)	(623,441)	4,838	(965,352)
0	0	0	0	40,160
<u>345,000</u>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>1,368,187</u>
345,000	70,000	0	0	1,408,347
<hr/>				
203,537	59,011	(623,441)	4,838	442,995
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>773,711</u>
<u>\$203,537</u>	<u>\$59,011</u>	<u>(\$623,441)</u>	<u>\$4,838</u>	<u>\$1,216,706</u>

**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, 2000**

**MUNICIPAL COURT IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$106,000	\$115,747	\$9,747
All Other Revenues	100	0	(100)
Total Revenues	106,100	115,747	9,647
<u>Expenditures</u>			
General Government:			
Clerk of Court:			
All Other Expenditures	22,685	19,319	3,366
Capital Outlay	2,875	2,772	103
Total Expenditures	25,560	22,091	3,469
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	80,540	93,656	13,116
Fund Balance at Beginning of Year	374,941	374,941	0
Prior Year Encumbrances	140	140	0
Fund Balance at End of Year	\$455,621	\$468,737	\$13,116



**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, 2000**

**CAPITAL EQUIPMENT RESERVE 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
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	0	175,000	175,000
Total Other Financing Sources (Uses)	0	175,000	175,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	175,000	175,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$175,000</u>	<u>\$175,000</u>

**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, 2000**

**CAPITAL IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$187,280	\$243,275	\$55,995
All Other Revenues	0	2,677	2,677
Total Revenues	187,280	245,952	58,672
<u>Expenditures</u>			
Public Safety:			
Law Enforcement-Other:			
All Other Expenditures	12,250	12,250	0
Capital Outlay	163,386	127,023	36,363
Highway and Streets:			
Street Construction and Reconstruction:			
Capital Outlay	109,593	109,593	0
Highway and Streets:			
Parking Garage:			
Capital Outlay	35,841	35,300	541
Community Development:			
Planning and Development:			
Capital Outlay	424,000	423,800	200
Community Development:			
Code Enforcement:			
All Other Expenditures	35,831	35,831	0
Total Expenditures	780,901	743,797	37,104
Excess (Deficiency) of Revenues Over (Under) Expenditures	(593,621)	(497,845)	95,776
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	0	40,160	40,160
Proceeds of General Obligation Notes	900,000	350,000	(550,000)
Operating Transfers In	0	700,000	700,000
Total Other Financing Sources (Uses)	900,000	1,090,160	190,160
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	306,379	592,315	285,936
Fund Balance at Beginning of Year	318,058	318,058	0
Prior Year Encumbrances	147,451	147,451	0
Fund Balance at End of Year	\$771,888	\$1,057,824	\$285,936

**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, 2000**

**SHAMROCK BOULEVARD ROAD PROJECT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Highway and Streets:			
Miscellaneous:			
Capital Outlay	669,200	344,136	325,064
Total Expenditures	669,200	344,136	325,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	(669,200)	(344,136)	325,064
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	0	345,000	345,000
Total Other Financing Sources (Uses)	0	345,000	345,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(669,200)	864	670,064
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	(\$669,200)	\$864	\$670,064

**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, 2000**

**JACKSON STREET INTERCHANGE PROJECT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Highway and Streets:			
Miscellaneous:			
Capital Outlay	70,000	16,200	53,800
Total Expenditures	70,000	16,200	53,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,000)	(16,200)	53,800
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	0	70,000	70,000
Total Other Financing Sources (Uses)	0	70,000	70,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(70,000)	53,800	123,800
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	(\$70,000)	\$53,800	\$123,800

**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, 2000**

**INDUSTRIAL PARK PROJECT FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Highway and Streets:			
Miscellaneous:			
Capital Outlay	<u>1,074,000</u>	<u>1,057,942</u>	<u>16,058</u>
Total Expenditures	<u>1,074,000</u>	<u>1,057,942</u>	<u>16,058</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,074,000)	(1,057,942)	16,058
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	<u>0</u>	<u>1,060,000</u>	<u>1,060,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,060,000</u>	<u>1,060,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,074,000)	2,058	1,076,058
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$1,074,000)</u></u>	<u><u>\$2,058</u></u>	<u><u>\$1,076,058</u></u>

**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, 2000**

**MUNICIPAL COURT SPECIAL PROJECTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$0	\$2,081	\$2,081
Total Revenues	0	2,081	2,081
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	2,081	2,081
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$2,081	\$2,081

## ***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, 2000**

<u>Assets:</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>
Cash and Cash Equivalents	\$348,817	\$267,399	\$750,732
Investments	4,209,474	2,494,360	9,870,034
Receivables (net of allowance for doubtful accounts):			
Accounts	365,564	370,287	2,330,286
Interest	5,405	1,611	7,166
Interfund Loan Receivable	0	0	1,225,000
Intergovernmental Receivables	20	17,638	43
Inventory of Supplies at Cost	133,152	80,715	798,838
Prepaid Items	12,201	22,856	63,764
Restricted Assets:			
Cash and Cash Equivalents	102,445	0	307,352
Investments	0	0	1,138,796
Deferred Charges	83,606	0	0
Fixed Assets in Service:			
Land	104,762	28,868	244,470
Buildings and Improvements	915,748	5,810,225	3,590,061
Utility Plant in Service	17,386,513	9,229,486	10,275,358
Machinery and Equipment	1,090,242	3,776,001	24,007,300
Less: Accumulated Depreciation	<u>(6,517,183)</u>	<u>(10,063,531)</u>	<u>(25,396,919)</u>
Net Fixed Assets	<u>12,980,082</u>	<u>8,781,049</u>	<u>12,720,270</u>
Construction in Progress	<u>217,226</u>	<u>201,038</u>	<u>161,010</u>
Total Assets	<u>\$18,457,992</u>	<u>\$12,236,953</u>	<u>\$29,373,291</u>
<u>Liabilities and Fund Equity:</u>			
<i>Liabilities:</i>			
Accounts Payable	\$131,333	\$63,783	\$1,396,488
Accrued Wages and Benefits	83,979	76,190	192,522
Intergovernmental Payables	25,285	22,847	207,827
Accrued Interest Payable	36,115	28,406	34,932
Customer Deposits	102,445	0	307,352
General Obligation Notes Payable	950,000	0	0
Compensated Absences Payable	299,012	297,657	566,152
General Obligation Bonds Payable	7,015,000	0	0
Revenue Bonds Payable	0	0	3,695,000
Ohio Water Development Authority Loans Payable	<u>1,289,959</u>	<u>755,201</u>	<u>0</u>
Total Liabilities	<u>9,933,128</u>	<u>1,244,084</u>	<u>6,400,273</u>
<i>Fund Equity:</i>			
Contributed Capital	2,919,306	2,588,918	17,255
Retained Earnings:			
Reserved for Revenue Bond Indenture	0	0	1,138,796
Unreserved	<u>5,605,558</u>	<u>8,403,951</u>	<u>21,816,967</u>
Total Retained Earnings	<u>5,605,558</u>	<u>8,403,951</u>	<u>22,955,763</u>
Total Fund Equity	<u>8,524,864</u>	<u>10,992,869</u>	<u>22,973,018</u>
Total Liabilities and Fund Equity	<u>\$18,457,992</u>	<u>\$12,236,953</u>	<u>\$29,373,291</u>



Refuse Fund	Off-Street Parking Fund	Totals
\$30,085	\$68,313	\$1,465,346
0	0	16,573,868
0	193	3,066,330
0	228	14,410
0	0	1,225,000
0	0	17,701
0	0	1,012,705
0	3,503	102,324
0	1,949	411,746
0	0	1,138,796
0	0	83,606
0	118,972	497,072
0	1,726,245	12,042,279
0	0	36,891,357
0	5,422	28,878,965
0	(690,235)	(42,667,868)
0	1,160,404	35,641,805
0	0	579,274
<u>\$30,085</u>	<u>\$1,234,590</u>	<u>\$61,332,911</u>
\$85	\$3,352	\$1,595,041
0	3,135	355,826
0	4,133	260,092
0	0	99,453
0	1,949	411,746
0	0	950,000
0	7,564	1,170,385
0	0	7,015,000
0	170,000	3,865,000
0	0	2,045,160
<u>85</u>	<u>190,133</u>	<u>17,767,703</u>
0	0	5,525,479
0	0	1,138,796
<u>30,000</u>	<u>1,044,457</u>	<u>36,900,933</u>
<u>30,000</u>	<u>1,044,457</u>	<u>38,039,729</u>
<u>30,000</u>	<u>1,044,457</u>	<u>43,565,208</u>
<u>\$30,085</u>	<u>\$1,234,590</u>	<u>\$61,332,911</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Water Fund	Sewer Fund	Electric Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<u>Operating Revenues</u>			
Charges for Services	\$3,123,771	\$2,977,573	\$14,916,273
Other Charges for Services	124,608	0	0
Other Operating Revenues	<u>36,492</u>	<u>229,536</u>	<u>226,310</u>
Total Operating Revenues	<u>3,284,871</u>	<u>3,207,109</u>	<u>15,142,583</u>
<u>Operating Expenses</u>			
Personal Services	2,065,069	1,802,954	4,470,354
Materials and Supplies	356,808	216,034	4,277,879
Contractual Services	443,791	414,121	1,318,203
Utilities	263,567	232,875	3,716,821
Depreciation	<u>473,211</u>	<u>405,976</u>	<u>1,123,057</u>
Total Operating Expenses	<u>3,602,446</u>	<u>3,071,960</u>	<u>14,906,314</u>
Operating Income (Loss)	(317,575)	135,149	236,269
<u>Nonoperating Revenues (Expenses)</u>			
Intergovernmental Grants	168,502	141,721	0
Investment Earnings	93,174	50,321	265,112
Interest and Fiscal Charges	(429,155)	(69,367)	(237,404)
Other Nonoperating Revenue	76,873	0	344,879
Other Nonoperating Expense	(50,796)	(830)	(294)
Loss on Disposal of Fixed Assets	<u>0</u>	<u>(3,803)</u>	<u>(11,245)</u>
Total Nonoperating Revenues (Expenses)	<u>(141,402)</u>	<u>118,042</u>	<u>361,048</u>
Income (Loss) Before Operating Transfers	(458,977)	253,191	597,317
<u>Operating Transfers</u>			
Operating Transfers In	200,000	0	0
Operating Transfers Out	<u>(11,084)</u>	<u>(10,873)</u>	<u>(561,651)</u>
Total Operating Transfers	<u>188,916</u>	<u>(10,873)</u>	<u>(561,651)</u>
Net Income (Loss)	(270,061)	242,318	35,666
Add: Depreciation Charged to Contributed Capital	<u>2,760</u>	<u>116,673</u>	<u>4,978</u>
Increase (Decrease) in Retained Earnings	(267,301)	358,991	40,644
Retained Earnings at Beginning of Year	<u>5,872,859</u>	<u>8,044,960</u>	<u>22,915,119</u>
Retained Earnings at End of Year	<u><u>\$5,605,558</u></u>	<u><u>\$8,403,951</u></u>	<u><u>\$22,955,763</u></u>

Refuse Fund	Off-Street Parking Fund	Totals
\$266	\$77,531	\$21,095,414
0	0	124,608
<u>4,667</u>	<u>3</u>	<u>497,008</u>
4,933	77,534	21,717,030
<hr/>		
7,493	92,759	8,438,629
0	7,632	4,858,353
5,981	56,408	2,238,504
0	21,158	4,234,421
<u>0</u>	<u>28,979</u>	<u>2,031,223</u>
13,474	206,936	21,801,130
(8,541)	(129,402)	(84,100)
<hr/>		
0	0	310,223
0	3,835	412,442
0	(16,378)	(752,304)
0	0	421,752
0	(42)	(51,962)
<u>0</u>	<u>0</u>	<u>(15,048)</u>
0	(12,585)	325,103
(8,541)	(141,987)	241,003
<hr/>		
0	215,000	415,000
<u>0</u>	<u>0</u>	<u>(583,608)</u>
0	215,000	(168,608)
(8,541)	73,013	72,395
<hr/>		
0	0	124,411
<u>(8,541)</u>	<u>73,013</u>	<u>196,806</u>
<u>38,541</u>	<u>971,444</u>	<u>37,842,923</u>
<u><u>\$30,000</u></u>	<u><u>\$1,044,457</u></u>	<u><u>\$38,039,729</u></u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Water Fund	Sewer Fund	Electric Fund
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$3,367,719	\$3,216,829	\$15,345,102
Cash Payments for Quasi-External Operating Transactions with Other Fund	(193,000)	(178,000)	(421,000)
Cash Payments for Goods and Services	(1,129,562)	(861,538)	(8,704,438)
Cash Payments to Employees	(1,914,117)	(1,615,411)	(4,054,043)
Net Cash Provided (Used) by Operating Activities	<u>131,040</u>	<u>561,880</u>	<u>2,165,621</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Operating Grants Received	168,502	141,721	0
Transfers In from Other Funds	200,000	0	0
Transfers Out to Other Funds	(11,084)	(10,873)	(561,651)
Advances Out to Other Funds	0	0	(1,225,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>357,418</u>	<u>130,848</u>	<u>(1,786,651)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Proceeds of General Obligation Notes	950,000	0	0
Intergovernmental Grants Received	448,800	0	0
Acquisition and Construction of Assets	(403,402)	(791,195)	(1,156,418)
Principal Paid on Revenue Bonds	0	0	(515,000)
Principal Paid on General Obligation Bonds	(390,000)	0	0
Principal Paid on Ohio Water Development Authority Loans	(26,239)	(108,890)	0
Interest Paid on All Debt	(403,707)	(40,961)	(241,721)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>175,452</u>	<u>(941,046)</u>	<u>(1,913,139)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Receipts of Principal and Interest on Investments	60,381	32,676	180,632
Sale of Investments	0	99,637	904,812
Purchase of Investments	(779,288)	0	(86,160)
Net Cash Provided (Used) by Investing Activities	<u>(718,907)</u>	<u>132,313</u>	<u>999,284</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(54,997)	(116,005)	(534,885)
Cash and Cash Equivalents at Beginning of Year	<u>506,259</u>	<u>383,404</u>	<u>1,592,969</u>
Cash and Cash Equivalents at End of Year	<u><u>\$451,262</u></u>	<u><u>\$267,399</u></u>	<u><u>\$1,058,084</u></u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash</u></b>			
<b><u>  Provided (Used) by Operating Activities:</u></b>			
Operating Income (Loss)	(\$317,575)	\$135,149	\$236,269
<b>Adjustments to Reconcile Operating Income (Loss) to</b>			
<b>  Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation Expense	473,211	405,976	1,123,057
Miscellaneous Nonoperating Revenues	85,789	0	374,112
Miscellaneous Nonoperating Expenses	(50,910)	(830)	(294)
<b>Changes in Assets and Liabilities:</b>			
(Increase) Decrease in Accounts Receivable	(3,008)	27,358	(171,550)
(Increase) Decrease in Intergovernmental Receivable	67	(17,638)	(43)
(Increase) Decrease in Inventory	(2,528)	(4,818)	89,431
(Increase) Decrease in Prepaid Items	7,252	(70)	2,251
Increase (Decrease) in Accounts Payable	(20,364)	861	354,789
Decrease in Accrued Wages and Benefits	(19,502)	(10,696)	(22,082)
Increase (Decrease) in Intergovernmental Payable	1,408	6,538	165,257
Increase (Decrease) in Compensated Absences Payable	(22,800)	20,050	14,424
Total Adjustments	<u>448,615</u>	<u>426,731</u>	<u>1,929,352</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$131,040</u></u>	<u><u>\$561,880</u></u>	<u><u>\$2,165,621</u></u>

Refuse Fund	Off-Street Parking Fund	Totals
\$4,933	\$77,956	\$22,012,539
0	(12,000)	(804,000)
(6,488)	(84,639)	(10,786,665)
(7,493)	(85,027)	(7,676,091)
<u>(9,048)</u>	<u>(103,710)</u>	<u>2,745,783</u>
21,682	0	331,905
0	215,000	415,000
0	0	(583,608)
0	0	(1,225,000)
<u>21,682</u>	<u>215,000</u>	<u>(1,061,703)</u>
0	0	950,000
0	0	448,800
0	0	(2,351,015)
0	(85,000)	(600,000)
0	0	(390,000)
0	0	(135,129)
0	(16,378)	(702,767)
<u>0</u>	<u>(101,378)</u>	<u>(2,780,111)</u>
0	3,784	277,473
0	0	1,004,449
0	0	(865,448)
<u>0</u>	<u>3,784</u>	<u>416,474</u>
12,634	13,696	(679,557)
<u>17,451</u>	<u>56,566</u>	<u>2,556,649</u>
<u>\$30,085</u>	<u>\$70,262</u>	<u>\$1,877,092</u>

Schedule of Noncash Investing, Capital and Financing Activities:

(8,541)	(\$129,402)	(\$84,100)
0	28,979	2,031,223
0	297	460,198
0	(90)	(52,124)
0	125	(147,075)
0	0	(17,614)
0	0	82,085
0	42	9,475
(507)	943	335,722
0	(1,524)	(53,804)
0	(331)	172,872
0	(2,749)	8,925
<u>(507)</u>	<u>25,692</u>	<u>2,829,883</u>
<u>(\$9,048)</u>	<u>(\$103,710)</u>	<u>\$2,745,783</u>

As of December 31, 2000 the Water, Sewer, and Electric Funds had outstanding liabilities of \$91,735 \$15,235, and \$52,394 respectively for the purchase of certain capital assets. During 2000 the fair value of investments increased by \$32,420, \$20,771 and \$83,606 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.

### **Employee Health Insurance Fund**

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

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

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2000**

	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Totals
<u>Assets:</u>					
Cash and Cash Equivalents	\$10,630	\$27,943	\$268,085	\$820,805	\$1,127,463
Inventory of Supplies at Cost	0	40,526	0	0	40,526
Total Assets	<u>\$10,630</u>	<u>\$68,469</u>	<u>\$268,085</u>	<u>\$820,805</u>	<u>\$1,167,989</u>
<u>Liabilities and Fund Equity:</u>					
<i>Liabilities:</i>					
Accounts Payable	\$8,719	\$120	\$0	\$0	\$8,839
Claims Liability	0	0	211,607	669,531	881,138
Total Liabilities	<u>8,719</u>	<u>120</u>	<u>211,607</u>	<u>669,531</u>	<u>889,977</u>
<i>Fund Equity:</i>					
Retained Earnings					
Unreserved	1,911	68,349	56,478	151,274	278,012
Total Fund Equity	<u>1,911</u>	<u>68,349</u>	<u>56,478</u>	<u>151,274</u>	<u>278,012</u>
Total Liabilities and Fund Equity	<u>\$10,630</u>	<u>\$68,469</u>	<u>\$268,085</u>	<u>\$820,805</u>	<u>\$1,167,989</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, 2000**

	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Totals
<u>Operating Revenues</u>					
Charges for Services	\$121,767	\$46,616	\$1,606,105	\$13,311	\$1,787,799
Total Operating Revenues	<u>121,767</u>	<u>46,616</u>	<u>1,606,105</u>	<u>13,311</u>	<u>1,787,799</u>
<u>Operating Expenses</u>					
Personal Services	0	0	1,307,065	261,799	1,568,864
Materials and Supplies	124,774	46,954	0	0	171,728
Contractual Services	0	0	273,796	0	273,796
Total Operating Expenses	<u>124,774</u>	<u>46,954</u>	<u>1,580,861</u>	<u>261,799</u>	<u>2,014,388</u>
Operating Income (Loss)	(3,007)	(338)	25,244	(248,488)	(226,589)
<u>Nonoperating Revenues (Expenses):</u>					
Other Nonoperating Revenue	0	0	31,234	0	31,234
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>0</u>	<u>31,234</u>	<u>0</u>	<u>31,234</u>
Loss Before Operating Transfers	(3,007)	(338)	56,478	(248,488)	(195,355)
<u>Operating Transfers:</u>					
Operating Transfers In	7,500	0	0	0	7,500
Total Operating Transfers	<u>7,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,500</u>
Net Income (Loss)	4,493	(338)	56,478	(248,488)	(187,855)
Retained Earnings/ (Accumulated Deficit) at Beginning of Year					
	(2,582)	68,687	0	399,762	465,867
Retained Earnings at End of Year	<u>\$1,911</u>	<u>\$68,349</u>	<u>\$56,478</u>	<u>\$151,274</u>	<u>\$278,012</u>



**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Totals
<b>Cash Flows from Operating Activities:</b>					
Cash Receipts from Quasi-External					
Operating Transactions with Other Funds	\$121,767	\$46,616	\$1,606,105	\$13,311	\$1,787,799
Cash Received from Interfund Charges	0	0	31,234	0	31,234
Cash Payments for Goods and Services	(129,549)	(42,199)	(273,796)	0	(445,544)
Cash Payments to Employees	0	0	0	(20,368)	(20,368)
Cash Payments for Employee Medical Claims	0	0	(1,095,458)	0	(1,095,458)
Net Cash Provided (Used) by Operating Activities	<u>(7,782)</u>	<u>4,417</u>	<u>268,085</u>	<u>(7,057)</u>	<u>257,663</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers In from Other Funds	7,500	0	0	0	7,500
Net Cash Provided by Noncapital Financing Activities	<u>7,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,500</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(282)	4,417	268,085	(7,057)	265,163
Cash and Cash Equivalents at Beginning of Year	10,912	23,526	0	827,862	862,300
Cash and Cash Equivalents at End of Year	<u>\$10,630</u>	<u>\$27,943</u>	<u>\$268,085</u>	<u>\$820,805</u>	<u>\$1,127,463</u>
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Loss	(\$3,007)	(\$338)	\$25,244	(\$248,488)	(\$226,589)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:					
Miscellaneous Nonoperating Income	0	0	31,234	0	31,234
Changes in Assets and Liabilities:					
Decrease in Inventory	0	6,070	0	0	6,070
Decrease in Accounts Payable	(4,775)	(1,315)	0	0	(6,090)
Increase in Claims Liability	0	0	211,607	241,431	453,038
Total Adjustments	<u>(4,775)</u>	<u>4,755</u>	<u>242,841</u>	<u>241,431</u>	<u>484,252</u>
Net Cash Provided (Used) for Operating Activities	<u>(\$7,782)</u>	<u>\$4,417</u>	<u>\$268,085</u>	<u>(\$7,057)</u>	<u>\$257,663</u>

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## ***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.

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### ***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.

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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, 2000**

	Expendable Trust Funds				
	Deposit Trust	Plan Review Trust	Zoning Application Trust	Cemetery Trust Operations	Special Endowment Operations
<u>Assets:</u>					
Cash and Cash Equivalents	\$81,197	\$16,633	\$3,200	\$5,135	\$4,626
Receivables (net of allowances for doubtful accounts):					
Interest	0	0	0	3,545	1,454
<u>Restricted Assets:</u>					
Cash and Cash Equivalents	0	0	0	0	0
Total Assets	<u>\$81,197</u>	<u>\$16,633</u>	<u>\$3,200</u>	<u>\$8,680</u>	<u>\$6,080</u>
<u>Liabilities and Fund Equity:</u>					
<i>Liabilities:</i>					
Accounts Payable	\$0	\$0	\$0	\$209	\$0
Due to Others	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>209</u>	<u>0</u>
<i>Fund Equity:</i>					
Reserved for Encumbrances	285	1,327	0	0	0
Reserved for Endowments	0	0	0	0	0
Unreserved	80,912	15,306	3,200	8,471	6,080
Total Fund Equity	<u>81,197</u>	<u>16,633</u>	<u>3,200</u>	<u>8,471</u>	<u>6,080</u>
Total Liabilities and Fund Equity	<u>\$81,197</u>	<u>\$16,633</u>	<u>\$3,200</u>	<u>\$8,680</u>	<u>\$6,080</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES**  
**DECEMBER 31, 2000**

			Nonexpendable Trust Funds		
Columbarium Trust	Painesville Safety Town	Law Enforcement Trust	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust
\$83	\$64	\$15,486	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	367,172	272,078	262,476
<u>\$83</u>	<u>\$64</u>	<u>\$15,486</u>	<u>\$367,172</u>	<u>\$272,078</u>	<u>\$262,476</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	28	15,256	0	0	0
0	0	0	367,172	272,078	262,476
83	36	230	0	0	0
<u>83</u>	<u>64</u>	<u>15,486</u>	<u>367,172</u>	<u>272,078</u>	<u>262,476</u>
<u>\$83</u>	<u>\$64</u>	<u>\$15,486</u>	<u>\$367,172</u>	<u>\$272,078</u>	<u>\$262,476</u>

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**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES**  
**DECEMBER 31, 2000**

	Agency Funds				
	Municipal Court	State Patrol Transfer	Electric License	Land Bank	Totals
<u>Assets:</u>					
Cash and Cash Equivalents	\$51,455	\$6,642	\$6,710	\$20,253	\$211,484
Receivables (net of allowances for doubtful accounts):					
Interest	0	0	0	0	4,999
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	0	901,726
Total Assets	<u>\$51,455</u>	<u>\$6,642</u>	<u>\$6,710</u>	<u>\$20,253</u>	<u>\$1,118,209</u>
<u>Liabilities and Fund Equity:</u>					
<i>Liabilities:</i>					
Accounts Payable	\$0	\$0	\$0	\$0	\$209
Due to Others	<u>51,455</u>	<u>6,642</u>	<u>6,710</u>	<u>20,253</u>	<u>85,060</u>
Total Liabilities	<u>51,455</u>	<u>6,642</u>	<u>6,710</u>	<u>20,253</u>	<u>85,269</u>
<i>Fund Equity:</i>					
Reserved for Encumbrances	0	0	0	0	16,896
Reserved for Endowments	0	0	0	0	901,726
Unreserved	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>114,318</u>
Total Fund Equity	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,032,940</u>
Total Liabilities and Fund Equity	<u>\$51,455</u>	<u>\$6,642</u>	<u>\$6,710</u>	<u>\$20,253</u>	<u>\$1,118,209</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, 2000**

	Deposit Trust	Plan Review Trust	Zoning Application Trust	Cemetery Trust Operations
<u>Revenues</u>				
Charges for Services	\$9,860	\$0	\$0	\$0
Investment Earnings	0	0	0	39,009
Fines and Forfeitures	0	0	0	0
Total Revenues	<u>9,860</u>	<u>0</u>	<u>0</u>	<u>39,009</u>
<u>Expenditures</u>				
General Government	16,000	0	0	0
Public Safety	0	0	0	0
Public Health and Welfare	0	0	0	2,536
Community Environment	0	0	106	0
Other Expenditures	7,408	0	0	0
Total Expenditures	<u>23,408</u>	<u>0</u>	<u>106</u>	<u>2,536</u>
Excess (Deficiency) of Revenues over Expenditures	(13,548)	0	(106)	36,473
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	(31,100)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(31,100)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(13,548)	0	(106)	5,373
Fund Balance at Beginning of Year	<u>94,745</u>	<u>16,633</u>	<u>3,306</u>	<u>3,098</u>
Fund Balance at End of Year	<u><u>\$81,197</u></u>	<u><u>\$16,633</u></u>	<u><u>\$3,200</u></u>	<u><u>\$8,471</u></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, 2000**

Special Endowment Operations	Columbarium Trust	Painesville Safety Town	Law Enforcement Trust	Totals
\$0	\$0	\$0	\$0	\$9,860
15,803	5	0	0	54,817
0	0	0	4,214	4,214
15,803	5	0	4,214	68,891
0	0	0	0	16,000
0	0	444	1,914	2,358
0	0	0	0	2,536
0	0	0	0	106
0	0	0	0	7,408
0	0	444	1,914	28,408
15,803	5	(444)	2,300	40,483
0	0	300	1,400	1,700
(12,000)	0	0	0	(43,100)
(12,000)	0	300	1,400	(41,400)
3,803	5	(144)	3,700	(917)
2,277	78	208	11,786	132,131
<u>\$6,080</u>	<u>\$83</u>	<u>\$64</u>	<u>\$15,486</u>	<u>\$131,214</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, 2000**

	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust	Totals
<u>Operating Revenues</u>				
Contributions	\$3,400	\$7,380	\$10,920	\$21,700
Total Operating Revenues	3,400	7,380	10,920	21,700
<u>Operating Expenses</u>				
Other Operating Expenses	228	170	0	398
Total Operating Expenses	228	170	0	398
Operating Income	3,172	7,210	10,920	21,302
Fund Balance at Beginning of Year	364,000	264,868	251,556	880,424
Fund Balance at End of Year	<u>\$367,172</u>	<u>\$272,078</u>	<u>\$262,476</u>	<u>\$901,726</u>

**THE CITY OF PAINESVILLE, OHIO  
 COMBINING STATEMENT OF CASH FLOWS  
 NONEXPENDABLE TRUST FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2000**

	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust	Totals
Cash Flows from Operating Activities:				
Cash Received from Contributions	\$3,400	\$7,380	\$10,920	\$21,700
Cash Payments for Goods and Services	(228)	(170)	0	(398)
Net Cash Provided by Operating Activities	3,172	7,210	10,920	21,302
Net Increase in Cash and Cash Equivalents	3,172	7,210	10,920	21,302
Cash and Cash Equivalents at Beginning of Year	364,000	264,868	251,556	880,424
Cash and Cash Equivalents at End of Year	\$367,172	\$272,078	\$262,476	\$901,726

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Balance January 1, 2000	Additions	Deductions	Balance December 31, 2000
<b><u>Municipal Court</u></b>				
Assets:				
Cash and Cash Equivalents	\$52,091	\$2,144,995	(\$2,145,631)	\$51,455
Total Assets	<u>\$52,091</u>	<u>\$2,144,995</u>	<u>(\$2,145,631)</u>	<u>\$51,455</u>
Liabilities:				
Due to Others	\$52,091	\$2,144,995	(\$2,145,631)	\$51,455
Total Liabilities	<u>\$52,091</u>	<u>\$2,144,995</u>	<u>(\$2,145,631)</u>	<u>\$51,455</u>
<b><u>State Patrol Transfer</u></b>				
Assets:				
Cash and Cash Equivalents	\$6,642	\$100,399	(\$100,399)	\$6,642
Total Assets	<u>\$6,642</u>	<u>\$100,399</u>	<u>(\$100,399)</u>	<u>\$6,642</u>
Liabilities:				
Due to Others	\$6,642	\$100,399	(\$100,399)	\$6,642
Total Liabilities	<u>\$6,642</u>	<u>\$100,399</u>	<u>(\$100,399)</u>	<u>\$6,642</u>
<b><u>Electric License</u></b>				
Assets:				
Cash and Cash Equivalents	\$5,908	\$8,792	(\$7,990)	\$6,710
Total Assets	<u>\$5,908</u>	<u>\$8,792</u>	<u>(\$7,990)</u>	<u>\$6,710</u>
Liabilities:				
Due to Others	\$5,908	\$8,792	(\$7,990)	\$6,710
Total Liabilities	<u>\$5,908</u>	<u>\$8,792</u>	<u>(\$7,990)</u>	<u>\$6,710</u>
<b><u>Land Bank</u></b>				
Assets:				
Cash and Cash Equivalents	\$20,253	\$0	\$0	\$20,253
Total Assets	<u>\$20,253</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,253</u>
Liabilities:				
Due to Others	\$20,253	\$0	\$0	\$20,253
Total Liabilities	<u>\$20,253</u>	<u>\$0</u>	<u>\$0</u>	<u>\$20,253</u>
<b><u>Totals - All Agency Funds</u></b>				
Assets:				
Cash and Cash Equivalents	\$84,894	\$2,254,186	(\$2,254,020)	\$85,060
Total Assets	<u>\$84,894</u>	<u>\$2,254,186</u>	<u>(\$2,254,020)</u>	<u>\$85,060</u>
Liabilities:				
Due to Others	\$84,894	\$2,254,186	(\$2,254,020)	\$85,060
Total Liabilities	<u>\$84,894</u>	<u>\$2,254,186</u>	<u>(\$2,254,020)</u>	<u>\$85,060</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, 2000**

General Fixed Assets:

Land	\$986,386
Buildings and Improvements	1,739,012
Improvements Other than Buildings	429,168
Machinery and Equipment	4,899,353
Construction in Progress	<u>14,900</u>
Total General Fixed Assets	<u><u>\$8,068,819</u></u>

Investment in General Fixed Assets from:

General Fund	\$4,449,628
Special Revenue Funds	2,315,007
Capital Projects Funds	199,689
Enterprise Funds	874,125
Expendable Trust Funds	7,318
Gifts	<u>223,052</u>
Total Investment in General Fixed Assets	<u><u>\$8,068,819</u></u>

**THE CITY OF PAINESVILLE, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY CATEGORY**  
**DECEMBER 31, 2000**

Function and Activity	Land	Buildings and Improvements	Improvements Other than Buildings	Machinery and Equipment	Construction in Progress	Total
<b>General Government</b>						
Judicial:						
Municipal Court	\$0	\$42,367	\$0	\$116,955	\$0	\$159,322
Executive:						
City Manager	50,718	0	0	19,158	0	69,876
Finance	0	6,729	0	417,905	0	424,634
Engineering	0	0	0	67,618	0	67,618
Buildings and Grounds	361,600	1,188,106	0	39,490	14,900	1,604,096
Total General Government	412,318	1,237,202	0	661,126	14,900	2,325,546
<b>Public Safety</b>						
Police	0	0	0	521,201	0	521,201
Fire	0	0	0	1,466,670	0	1,466,670
Control Center	0	3,375	0	54,498	0	57,873
Total Public Safety	0	3,375	0	2,042,369	0	2,045,744
<b>Highways and Streets</b>						
Public Works	19,025	121,290	112,063	1,572,927	0	1,825,305
Parking	0	6,736	0	196,421	0	203,157
Total Highways and Streets	19,025	128,026	112,063	1,769,348	0	2,028,462
<b>Public Health and Welfare</b>						
Cemeteries	103,172	31,542	46,703	202,171	0	383,588
<b>Culture/Recreation</b>						
Parks - Recreation	276,871	338,867	270,402	184,395	0	1,070,535
<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
Total Community Environment	175,000	0	0	39,944	0	214,944
<b>Total General Fixed Assets</b>	<b>\$986,386</b>	<b>\$1,739,012</b>	<b>\$429,168</b>	<b>\$4,899,353</b>	<b>\$14,900</b>	<b>\$8,068,819</b>

**THE CITY OF PAINESVILLE, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

Function and Activity	December 31, 1999	Transfers	Additions	Deletions	December 31, 2000
General Government					
Judicial					
Municipal Court	\$156,550	\$0	\$2,772	\$0	\$159,322
Executive					
City Manager	69,876	0	0	0	69,876
Finance	386,690	2,754	35,190	0	424,634
Engineering	43,081	0	30,977	(6,440)	67,618
Buildings and Grounds	1,317,816	0	286,280	0	1,604,096
Total General Government	<u>1,974,013</u>	<u>2,754</u>	<u>355,219</u>	<u>(6,440)</u>	<u>2,325,546</u>
Public Safety					
Police	445,747	0	89,297	(13,843)	521,201
Fire	1,463,509	0	3,161	0	1,466,670
Control Center	57,873	0	0	0	57,873
Total Public Safety	<u>1,967,129</u>	<u>0</u>	<u>92,458</u>	<u>(13,843)</u>	<u>2,045,744</u>
Highways and Streets					
Public Works	1,514,656	(2,754)	313,403	0	1,825,305
Parking	165,720	0	70,582	(33,145)	203,157
Total Highways and Streets	<u>1,680,376</u>	<u>(2,754)</u>	<u>383,985</u>	<u>(33,145)</u>	<u>2,028,462</u>
Public Health and Welfare					
Cemeteries	352,057	0	31,531	0	383,588
Culture/Recreation					
Parks - Recreation	929,801	0	140,734	0	1,070,535
Community Environment					
Community Development	193,852	0	0	0	193,852
Code Enforcement	21,092	0	0	0	21,092
Total Community Environment	<u>214,944</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>214,944</u>
Total General Fixed Assets	<u>\$7,118,320</u>	<u>\$0</u>	<u>\$1,003,927</u>	<u>(\$53,428)</u>	<u>\$8,068,819</u>



## *STATISTICAL SECTION*

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

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

<b>Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Highways and Streets</b>	<b>Public Health and Welfare</b>	<b>Culture and Recreation</b>	<b>Community Environment</b>	<b>Loss On Investments</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Total</b>
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
2000	2,118,972	5,471,391	2,396,435	594,196	841,974	438,083	0	0	151,666	12,012,717

(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**

<b>Year</b>	<b>Taxes</b>	<b>Inter-Governmental Revenue</b>	<b>Charges for Service</b>	<b>License Permit and Inspection Fees</b>	<b>Investment Earnings</b>	<b>Fines and Forfeitures</b>	<b>All Other (2)</b>	<b>Total</b>
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
2000	7,371,683	3,903,437	334,241	189,621	1,292,816	702,842	173,171	13,967,811

(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**

<u>Tax Year</u>	<u>Collection Year</u>	<u>Net Tax Levy (1)</u>	<u>Current Collections (1)</u>	<u>Percent of Current Tax Collections To Net Levy</u>	<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Total Outstanding Delinquent Taxes</u>	<u>Percentage of Total Collections To Net Tax Levy</u>
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%
1999	2000	552,863	531,055	96.06%	17,636	548,691	16,538	99.25%

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>
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
2000	134,291

Uncollected as of 12/31/00 - \$3,645

Source: Lake County Auditor.

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

<u>Tax Year</u>	<u>Collection Year</u>	<u>Real Property (1)</u>	<u>Tangible Personal Property (2)</u>	<u>Total Assessed Valuations</u>
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
1999	2000	149,272,580	40,701,794	189,974,374

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

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

Source: Lake County Auditor.

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

<u>Tax Year</u>	<u>Collection Year</u>	<u>Estimated True Values</u>
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
1999	2000	426,493,086

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

<u>Collection Year</u>	<u>General Fund</u>	<u>Bond Retirement</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Fire Levv</u>	<u>Total City</u>	<u>County</u>	<u>School</u>	<u>Auburn Vocational</u>	<u>Lake County Financing District</u>	<u>Library</u>	<u>Total</u>
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
2000	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.15	1.50	4.90	1.00	103.95

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

**THE CITY OF PAINESVILLE, OHIO**  
**PRINCIPAL TAXPAYERS (PROPERTY TAX)**  
**DECEMBER 31, 2000**

<u>Taxpayer</u>	<u>Property Taxable Valuation</u>	<u>Percentage of Total Real Property Taxable Valuation</u>
1. Avery Adhesive Products	\$3,542,020	2.37%
2. Consolidated Investments Corporation	1,687,910	1.13%
3. Brentwood Phase 2	1,667,490	1.12%
4. Bank One of Northeast Ohio	1,302,580	0.87%
5. Coe Manufacturing Company	1,052,110	0.70%
6. Painesville Associates	981,290	0.66%
7. Obron Atlantic Corporation	859,070	0.58%
8. L. Petrow Company	842,380	0.56%
9. STP Products	821,440	0.55%
10. Donald D. Smith	789,460	0.53%
Sub-Total	<u>13,545,750</u>	<u>9.07%</u>
All Others	<u>135,726,830</u>	<u>90.93%</u>
Total	<u><u>\$149,272,580</u></u>	<u><u>100.00%</u></u>

Based on valuation of property taxes collected in 2000.

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>
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
2000	93,832	53,923	47,131

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**

<b>Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt (3)</b>	<b>Debt Service Funds Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Valuation</b>	<b>Net Bonded Debt Per Capita</b>
1991	15,599	\$137,428,367	\$198,000	\$29,302	\$168,698	0.12%	\$11
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
2000	15,599	189,974,374	0	1,019	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>
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%
2000	0	12,012,717	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, 2000**

Total debt (principal amount of all outstanding bonds and notes)	\$13,840,000
Debt exempt from net indebtedness calculation:	
Special assessment bonds and notes	\$320,000
Self-supporting bonds and notes:	
Water system	7,965,000
Mortgage revenue bonds:	
Electric system	3,695,000
Off-street parking	<u>170,000</u>
Total exempt debt	<u>12,150,000</u>
Net indebtedness (voted and unvoted) subject to 10.5% debt limitation	<u><u>\$1,690,000</u></u>
Assessed valuation of City (1999 for 2000 collection)	<u><u>\$189,974,374</u></u>
Overall debt limitation- 10.5% of assessed valuation (maximum voted and unvoted general obligation debt allowed)	\$19,947,309
Voted and unvoted debt subject to 10.5% debt limitation	\$1,690,000
Less: Amount available in Debt Service Fund	(1,019)
Net voted and unvoted debt subject to 10.5% debt limitation	<u>1,688,981</u>
Legal debt margin within 10.5% limitation	<u><u>\$18,258,328</u></u>
Unvoted debt limitation - 5.5% of assessed valuation	\$10,448,591
Unvoted debt subject to 5.5% debt limitation	\$1,410,000
Less: Amount available in Debt Service Fund	(1,019)
Net unvoted debt subject to 5.5% limitation	<u>1,408,981</u>
Legal debt margin within 5.5% limitation	<u><u>\$9,039,610</u></u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMPUTATION OF ALL DIRECT AND OVERLAPPING**  
**GENERAL OBLIGATION DEBT**  
**DECEMBER 31, 2000**

<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	\$189,974,374	\$1,688,981	100.00%	\$1,688,981
<b>Overlapping Subdivisions</b>				
Painesville City Schools	188,002,464	1,832,166	98.96%	1,813,111
Lake County	5,222,330	19,880,000	3.64%	723,632
			Subtotal	<u>2,536,743</u>
			Total	<u><u>\$4,225,724</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**

<b>Year</b>	<b>Gross Revenues (2)</b>	<b>Direct Operating Expenses (3)</b>	<b>Net Revenue Available For Debt Service</b>	<b>Annual Debt Service Requirement (4)</b>	<b>Coverage</b>
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
2000	3,378,045	3,129,235	248,810	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**

<u>Year</u>	<u>Gross Revenues (2)</u>	<u>Direct Operating Expenses (3)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Annual Debt Service Requirement (4)</u>	<u>Coverage</u>
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
2000	15,407,695	13,783,257	1,624,438	753,768	2.16

(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 Bonds are 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**

<u>Year</u>	<u>Gross Revenues (2)</u>	<u>Direct Operating Expenses (3)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Annual Debt Service Requirement (4)</u>	<u>Coverage</u>
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
2000	81,369 (5)	177,957	(96,588)	101,378	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 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. Gross revenues for 2000 do not reflect a \$215,000 transfer from the General Fund.



**THE CITY OF PAINESVILLE, OHIO**  
**SYNOPSIS OF INSURANCE**  
**DECEMBER 31, 2000**

<u>Coverage</u>	<u>Carrier</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Liability Limits Aggregate</u>	<u>Deductible</u>	<u>Annual Premium</u>
Public Employee Dishonesty Forgery	Cincinnati Insurance Company	CPP0662772	09/15/00-09/15/01	\$500,000	\$1,000	\$2,973
Law Enforcement Professional Liability	General Star Insurance Company	NYA803850	09/15/00-09/15/01	1,000,000	5,000	14,117
Public Officials Liability - Primary	General Star Insurance Company	NYA602502	09/15/00-09/15/01	1,000,000	10,000	12,565
Public Officials Liability - Excess	General Star Insurance Company	NXG900295	09/15/00-09/15/01	1,000,000	0	5,655
Comprehensive General Liability: All Perils Earthquake Property Coverage Bodily Injury Cemetery/Forgery Employed Benefit	Cincinnati Insurance Company	CPP0662772	09/15/00-09/15/01	113,280,262 500,000 50,000 100,000	5,000 2%	139,392
Commercial Umbrella Liability	Cincinnati Insurance Company	CCC4448697	09/15/00-09/15/01	10,000,000	0	10,544
Boiler and Machinery: Electric Plant City Hall Other Locations	Cincinnati Insurance Company	CCP0662772	09/15/00-09/15/01	10,000,000 1,000,000 1,750,000	Various	Included above
Automobile Coverage	Cincinnati Insurance Company	CPP0662772	09/15/00-09/15/01	500,000	100/250	Included above
Emergency Service Management Liability	AAIC	VFIS-ML-0001228-4/000	08/01/00-07/31/01	2,000,000	0	2,414
Commercial General Liability (Fire)	AAIC	VFIS-CL-0001228-4/000	08/01/00-07/31/01	2,000,000	0	1,936
Commercial Umbrella	AAIC	VFIS-CU-5005986-0/000	08/01/00-07/31/01	2,000,000	0	892
Excess to AAIC Policies	Cincinnati Insurance Company	VFIS-CL-0001228-4/000	09/15/00-09/15/01	10,000,000	0	3,217
					Total Premium	<u><u>\$193,705</u></u>

Source: City Finance Department

**THE CITY OF PAINESVILLE, OHIO**  
**DEMOGRAPHIC STATISTICS**  
**DECEMBER 31, 2000**

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

Sources: U.S. Bureau of the Census

Sources: 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
2000	17,503	227,511	*

Employment

The following table compares estimated employment statistics for Lake County and the Cleveland-Lorain-Elyr 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.
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%
2000	121,800	*	5,600	*	3.5%	*	3.7%	4.0%

Sources: Ohio Bureau of Employment Services.

Sources: U.S. Department of Labor, Bureau of Statistics

\* Certain data related to 2000 was not available upon completion of the report.

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

<u>Year</u>	<u>Building Permits Issued (2)</u>		<u>Assessed</u>
	<u>Number of</u>	<u>Property</u>	<u>Value Real and</u>
	<u>Permits</u>	<u>Value</u>	<u>Personal Property (1)</u>
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
2000	432	11,530,314	189,974,374

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, 2000**

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

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>		
		<u>Full-Time</u>	<u>Part-Time</u>	<u>Total</u>
County of Lake	Government	958	158	1,116
Lake Hospital System	Medical-Patient Care	464	294	758
Fasson Division/ Avery International Corporation	Manufacturing	700	0	700
Painesville City Schools	Education	318	48	366
The City of Painesville	Government	284	66	350
The Coe Manufacturing Company	Manufacturing	235	0	235
Lake Erie College	Education	87	69	156
SAS Rubber Division Mohawk Rubber Company	Manufacturing	145	1	146
Fluid Regulators Corporation	Manufacturing	118	2	120
Bank One, Cleveland, N.A.	Financial Services	27	0	27

Source: City Department of Finance.

**THE CITY OF PAINESVILLE, OHIO**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2000**

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	8,340
Part-time	8	Average Daily Consumption (gallons)	3,697,000
		Maximum Daily Capacity of Plant (gallons)	7,500,000
Facilities and Services:		Sewerage System:	
Miles of Streets	56	Number of Treatment Plants	1
Number of Street Lights	1,402	Miles of Sanitary Sewers	48
Police Services:		Miles of Storm Sewers	37
Number of Stations	1	Number of Service Connections	5,651
Number of Police Personnel and Officers	39	Average Daily Treatment (gallons)	3,200,000
Number of Patrol Units	13	Design Capacity (gallons)	6,000,000
Law Violations:		Maximum Daily Capacity of Treatment (gallons)	28,000,000
Physical arrests	872	Electric System:	
Traffic Violations	1,460	Number of Generating Plants	1
Parking Violations	1,828	Number of Interconnections	1
Fire/Emergency Medical Services:		Plant Generating Capacity in Megawatts	53.5
Number of Stations	1	Miles of Line	160
Number of Officers and Fire Personnel	26	Number of Service Connections	10,854
Number of Calls Answered	2,959	Average Daily Generation in Kilowatt Hours	568,551
Number of Inspections	486	Peak Load in Kilowatts - 2000	46,000
Recreation and Culture:		Parking Facilities:	
Community Centers	1	Off-Street Parking Garages	1
Number of Parks	10	Parking Levels	7
Park Acreage	101.16	Parking Spaces	552
Number of Ball Fields:		Average Daily Cars Parked	304
Lighted	1	Off-Street Surface Parking Lots (Leased)	2
Unlighted	12	Parking Spaces	167
Tennis Courts	2	On-Street Parking Meters	175
Number of Cemeteries	2	Education:	
Cemetery Acreage	84	Elementary Schools	4
Hospitals:		Elementary School Students	1,346
Number of Hospitals	1	Elementary School Instructors	65
Number of Patient Beds	168	Middle Schools	1
Number of Bassinets	40	Middle School Students	515
		Middle School Instructors	40
		High Schools	1
		High School Students	602
		High School Instructors	41
		Colleges	1





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CITY OF PAINESVILLE**

**LAKE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 9, 2001**