

CITY OF CLEVELAND
(Federal Entity Identification Number 346000646)

**REPORT ON EXPENDITURES OF FEDERAL AWARDS IN
ACCORDANCE WITH OMB CIRCULAR A-133**

for the year ended December 31, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

The Honorable Michael R. White, Mayor
and City Council
Cleveland, Ohio

We have reviewed the Independent Auditor's Report of the City of Cleveland, Cuyahoga County, prepared by PricewaterhouseCoopers LLP, for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

September 25, 2000

City of Cleveland

Report On Expenditures Of Federal Awards In
Accordance With OMB Circular A-133

for the year ended December 31, 1999

TABLE OF CONTENTS

	<u>Page</u>
REPORTS ON COMPLIANCE AND ON THE INTERNAL CONTROL STRUCTURE	
Report of Independent Accountants on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	2-3
SUPPLEMENTAL FINANCIAL INFORMATION	
Schedule of Expenditures of Federal Awards for the year ended December 31, 1999	4-8
Notes to Schedule of Expenditures of Federal Awards	9
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
Section I - Summary of Auditor's Results	10
Section II - Financial Statement Findings	11
Section III - Federal Award Findings and Questioned Costs	12-15
Section IV - Summary of Prior Audit Findings	16-17

Report Of Independent Accountants On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

PricewaterhouseCoopers LLP
1500 One Cleveland Center
1375 East Ninth Street
Cleveland OH 44114-1700
Telephone (216) 875 3000
Facsimile (216) 575 0170

To the Honorable Mayor White
City of Cleveland, Ohio

We have audited the general purpose financial statements of the City of Cleveland (the "City") as of and for the year ended December 31, 1999, and have issued our report thereon dated July 27, 2000. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition identified is described in the accompanying Schedule of Findings and Questioned Costs as item 99-1.

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 general purpose 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. However, we believe that the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the City in a separate letter dated August 14, 2000.

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

PricewaterhouseCoopers LLP

July 27, 2000

Report Of Independent Accountants On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133

PricewaterhouseCoopers LLP
1500 One Cleveland Center
1375 East Ninth Street
Cleveland OH 44114-1700
Telephone (216) 875 3000
Facsimile (216) 575 0170

To the Honorable Mayor White
City of Cleveland, Ohio

Compliance

We have audited the compliance of the City of Cleveland (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, 1999. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City'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 auditing standards generally accepted in the United States; 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 of the City's compliance with those requirements.

In our opinion the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 99-2 and 99-5.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the 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 the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 99-1, 99-2, 99-4 and 99-5.

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 the 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City as of and for the year ended December 31, 1999, and have issued our report thereon dated July 27, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

PricewaterhouseCoopers LLP

July 27, 2000

CITY OF CLEVELAND

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 1999

Federal Grant/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Expenditures
Department of Agriculture			
Direct Programs:			
Summer Lunch Program 1998	10.559		\$ 4,828
Summer Lunch Program 1999	10.559		<u>212,052</u>
Total Department of Agriculture			<u>\$ 216,880</u>
Department of Commerce			
Direct Programs:			
Minority Business Development Center 1997	11.800		\$ 4,990
Total Department of Commerce			<u>\$ 4,990</u>
Department of Energy			
Pass Through Programs:			
Ohio Department of Development:			
Home Weatherization 1997	81.042	D-97-111	\$ 102,002
Home Weatherization 1999	81.042	D-99-111	<u>149,684</u>
			<u>251,686</u>
Home Weatherization Streeppers 1998	81.000	S-98-111	316,755
Home Weatherization Streeppers 1999	81.000	S-99-111	<u>461,618</u>
			<u>778,373</u>
Total Department of Energy			<u>\$ 1,030,059</u>
Department of Health and Human Services			
Direct Programs:			
Healthy Family/Healthy Start 1995	93.926	HSP-39C011-05-0	\$ 5,082
Healthy Family/Healthy Start 1996	93.926	HSP-39C011-04-0	1,882
Healthy Family/Healthy Start 1997	93.926	HSP-39C011-06-0	22,911
Healthy Family/Healthy Start 1998-1999	93.926	5H96MC00015-7	2,480,783
Healthy Family/Healthy Start 1999-2000	93.926	6H96MC00015-8	<u>545,136</u>
		(A)	<u>3,055,794</u>
Pass Through Programs:			
Federation for Community Planning:			
Immunization Action Plan 1997	93.268	139 X	1,733
Immunization Action Plan 1998	93.268	139 X	14,586
Immunization Action Plan 1999	93.268	none	<u>36,746</u>
			<u>53,065</u>
Ohio Department of Aging:			
Western Reserve Area Agency on Aging	93.633	Title III-B	2,153
Western Reserve Area Agency on Aging	93.633	Title III-B	2,611
Western Reserve Area Agency on Aging	93.633	Title III-B	<u>76,820</u>
			<u>81,584</u>
Cuyahoga County Board of Health:			
Cuyahoga County Health Promotion 1997	93.991	139-N-97	634
Cuyahoga County Health Promotion 1998	93.991	139-N-98	15,578
Cuyahoga County Health Promotion 1999	93.991	139-N-99	<u>47,060</u>
			<u>63,272</u>

The accompanying notes are an integral part of this schedule

CITY OF CLEVELAND

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 1999

Federal Grant/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Expenditures
Department of Health and Human Services--Continued			
Pass Through Programs--Continued:			
Ohio Department of Health:			
Federal Childhood Lead Poisoning 1996	93.197	139-U-96	14,543
Federal Childhood Lead Poisoning 1997	93.197	139-U-97	(198,526)
Federal Childhood Lead Poisoning 1998	93.197	139-U-98	562
Federal Childhood Lead Poisoning 1998-1999	93.197	139-U-99	185,708
Federal Childhood Lead Poisoning 1999-2000	93.197	139-U-00	140,416
			<u>142,703</u>
Health Services for Residents of CMHA 98	93.927	CSH-000145-07	2,049
Health Services for Residents of CMHA 97	93.927	CSH-000145-07	1,016
			<u>3,065</u>
Sexually Transmitted Diseases Program 1998	93.997	139-H-95-98	6,003
Sexually Transmitted Diseases Program 1999	93.997	139-H-95-99	184,051
			<u>190,054</u>
Ohio Infant Mortality Reduction Initiative Grant	93.994	18-2-01-F-DM-320	101,353
State Child Lead Poisoning 1998	93.994	18-2-01-F-BE-320	2,610
State Child Lead Poisoning 1999	93.994	18-2-01-F-BE-320	46,646
			<u>150,609</u>
Federal Aids Prevention 1997	93.940	139-Z	9,436
Federal Aids Prevention 1998	93.940	139-Z	93,836
Federal Aids Prevention 1999	93.940	139-Z	824,433
			<u>927,705</u>
State Aids community Based Care 1997	93.917	139-A	12,048
State Aids community Based Care 1998	93.917	139-A	12,620
State Aids community Based Care 1998-1999	93.917	18-2-01-F-CE-GRF	27,843
Ryan White Planning and Evaluation Project	93.917	18-2-01-F-BV-392	10,322
Ryan White Planning and Evaluation Project	93.917	18-2-01-F-BV-392	1,141
			<u>63,974</u>
Supplemental Empowerment Zone - Title XX	93.585	G-98-01-244	25,765
Ohio Department of Alcohol and Drug Addiction Services:			
Centerpoint/Reward 1996-1997	93.992	00129T-01073	38,472
Centerpoint/Reward 1998	93.992	00129T-01073	9,101
Centerpoint/Reward 1998-1999	93.992	00129T-01073	211,828
Centerpoint/Reward 2000	93.992	00129T-01073	80,303
Drug Management 2000	93.992	00129T-01073	15,402
Focus Continuation 1997	93.992	96-05-02	872
Focus Continuation 1997	93.992	18-18927-01	44,357
Focus Continuation 1998	93.992	98-05-02	2,098
Focus Continuation 1998-99	93.992	98-12-04	3,304
Student Assistance 2000	93.992	00129T-01073	10,169
			<u>415,906</u>
Ohio Department of Development:			
Home Weatherization 1998	93.568	H-98-111	201,152
Home Weatherization 1999	93.568	H-99-111	730,902
			<u>932,054</u>
Total Department of Health and Human Services			<u>\$ 6,105,550</u>

The accompanying notes are an integral part of this schedule

CITY OF CLEVELAND

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 1999

Federal Grant/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Expenditures
Department of Housing & Urban Development			
Direct Programs:			
Community Development Block Grants:			
CDBG XXI	14.218	-	\$ 832,040
CDBG XXII	14.218	-	1,129,023
CDBG XXIII	14.218	-	2,471,151
CDBG XXXIV	14.218	-	16,314,213
CDBG XxV	14.218	-	7,400,420
Special Purpose 1993	14.218	-	142,021
Special Purpose 1994	14.218	-	17,296
Special Purpose 1998	14.218	-	214,617
CDBG Float Loan	14.218	-	6,059,865
Supplemental Empowerment Zone	14.218	-	4,245,993
		(A)	<u>38,826,639</u>
Federal Home Program 1992	14.239	-	98,027
Federal Home Program 1996	14.239	-	4,935
Federal Home Program 1997	14.239	-	1,660,369
Federal Home Program 1998	14.239	-	2,404,950
Federal Home Program 1999	14.239	-	1,989,082
Perry - Payne Repayments	14.239	-	232,623
		(A)	<u>6,389,986</u>
Emergency Shelter 1996	14.231	-	756
Emergency Shelter 1997	14.231	-	93,557
Emergency Shelter 1998	14.231	-	836,280
			<u>930,593</u>
Housing Opportunities for People with Aids 1996	14.241	-	205,961
Housing Opportunities for People with Aids 1997	14.241	-	241,439
Housing Opportunities for People with Aids 1998	14.241	-	233,022
Housing Opportunities for People with Aids 1999	14.241	-	236,521
			<u>916,943</u>
Lead Based Paint Abatement	14.900	-	2,574,327
Toxic Substance Control	14.900	-	29,239
			<u>2,603,566</u>
Supplemental Empowerment Zone	14.244	-	7,969,757
		(A)	<u>7,969,757</u>
Total Department of Housing & Urban Development			<u>\$ 57,637,484</u>
Department of Justice			
Direct Programs:			
COPS More	16.710	-	\$ 107,904
COPS Universal	16.710	-	680,277
Problem Solving Partnership Program	16.710	-	15,120
Distress Neighborhood Grant	16.710	-	1,667,743
			<u>2,471,044</u>
Local Law Enforcement Block Grant 1996	16.592	-	1,957,205
Local Law Enforcement Block Grant 1997	16.592	-	2,184,572
		(A)	<u>4,141,777</u>

The accompanying notes are an integral part of this schedule

CITY OF CLEVELAND

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 1999

Federal Grant/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Expenditures
Department of Justice--Continued			
Pass Through Programs:			
Office of Criminal Justice Services:			
Caribbean Gang Task Force 1997	16.579	97-DG-A01-7424	28,240
Caribbean Gang Task Force 1998	16.579	98-DG-A01-7424	84,735
			<u>112,975</u>
Violence Against Women 1998	16.588	97-WF-VA2-8670	11,973
Violence Against Women 1999	16.588	98-WF-VA2-8670	10,250
			<u>22,223</u>
Curfew Enforcement Sweeps	16.540	97-DG-B02-7409	80,761
Curfew Enforcement Sweeps	16.540	96-DG-B02-7409	182,968
			<u>263,729</u>
Juvenile Accountability Incentive Block Grant	16.523	98-JB-013-A006	20,912
Total Department of Justice			<u>\$ 7,032,660</u>
Department of Labor			
Direct Programs:			
JTPA-Title IV Youth Fair Chance Program	17.249	-	\$ 92,065
Pass Through Programs:			
Ohio Bureau Of Employment Services:			
JTPA- Title II-A 77% Py '96	17.250	0-96-20-00-00	31,839
JTPA- Jobs for Clevelanders	17.250	None	205
JTPA- Administrative Cost Pool	17.250	None	4,369
JTPA- Title II-A 77% PY '97	17.250	0-97-20-00-00	189,501
JTPA- Title II-A 5% PY '97	17.250	1-97-20-00-00	7,132
JTPA- Title II-C 82% PY '97	17.250	Y-97-20-00-00	204,129
JTPA- High Unemployment Program	17.250	ECDD 97-116	4,050
JTPA- Jobs for Clevelanders	17.250	None	4,585
JTPA- Administrative Cost Pool	17.250	None	110,247
JTPA- PY '98 Training IIA-77%	17.250	0-98-20-00-00	807,196
JTPA- PY '98 Services-Older Individuals IIA-5%	17.250	1-98-20-00-00	106,639
JTPA- PY '98 Assist Dislocated Workers III	17.250	A-98-20-00-00	427,821
JTPA- PY '98 Syetp IIB	17.250	5-98-20-00-00	68,159
JTPA- PY '98 Youth Training Program IIC-82%	17.250	Y-98-20-00-00	60,617
JTPA- PY '98 Jobs For Clevelanders	17.250	None	478,561
JTPA- '98 Administrative Cost Pool	17.250	None	1,075,993
JTPA- PY '99 Training IIA-77%	17.250	0-99-20-00-00	532,037
JTPA- Title III EDWAA	17.250	A-99-20-00-00	477,360
JTPA- PY '99 Syetp IIB	17.250	5-99-20-00-00	1,948,377
JTPA- Title II-C 82% PY '99	17.250	Y-99-20-00-00	92,418
JTPA- Jobs for Clevelanders	17.250	None	54,557
JTPA- Title IV Quantum Opportunities	17.250	F-5485-5-00-80-60	162,241
JTPA- '99 Administrative Cost Pool	17.250	None	294,114
JTPA- PY '99 Title III Governor's Reserve	17.250	B-99-20-00-00	281,606
JTPA- '99 Administrative Cost Pool	17.250	None	3,228
Services for Older Individuals 1999-2000	17.250	1-99-20-00-00	59,587
Services for Older Individuals	17.250	1-98-20-00-00	2,274
Services for Older Individuals	17.250	1-97-20-00-00	96,699
			(A) <u>7,585,541</u>
Total Department of Labor			<u>\$ 7,677,606</u>

The accompanying notes are an integral part of this schedule

CITY OF CLEVELAND

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 1999

Federal Grant/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Federal Expenditures
Department of Treasury			
Direct Programs:			
G.R.E.A.T. 1998	21.053	-	\$ 45,653
Total Department of Treasury			\$ 45,653
Department of Transportation			
Direct Programs:			
Federal Aviation Administration:			
Airport Improvement Program 4	20.106	-	\$ 707,553
Airport Improvement Program 41	20.106	-	858,391
Airport Improvement Program 42	20.106	-	103,270
Airport Improvement Program 44	20.106	-	547,674
Airport Improvement Program 45	20.106	-	1,287,715
Airport Improvement Program 46	20.106	-	899,634
Airport Improvement Program 47	20.106	-	4,755,744
Airport Improvement Program 49	20.106	-	543,302
Airport Improvement Program 50	20.106	-	377,050
Airport Improvement Program 51	20.106	-	615,578
Total Department of Transportation			(A) \$ 10,695,911
Environmental Protection Agency			
Direct Programs:			
Air Pollution Control 1994	66.001	-	\$ 664
Air Pollution Control 1998	66.001	-	45,453
Air Pollution Control 1999	66.001	-	208,646
Air Program Control 2000	66.001	-	283,803
Air Program PM2.5 Monitor FY 1999	66.001	-	14,243
Air Program PM2.5 Monitor FY 2000	66.001	-	64,022
Air Program Carryover 1998	66.001	-	42,999
			<u>659,830</u>
Pass Through Programs:			
Ohio Environmental Protection Agency:			
Air Pollution Control 1997	66.001	A00-5273-98-0	625
Air Pollution Control 1998	66.001	A00-5273-98-0	167,465
Air Pollution Control 1999	66.001	A00-5273-97-0	587,183
			<u>755,273</u>
Total Environmental Protection Agency			\$ 1,415,103
Total Federal Expenditures			\$ 91,861,896

(A) Major Federal Program for 1999.

The accompanying notes are an integral part of this schedule

City of Cleveland
Notes to Schedule of Expenditures of Federal Awards
for the year ended December 31, 1999

1. Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Cleveland (the "City") and is presented on the accrual 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.

2. Contingencies:

The City's Job Training Partnership Act ("JTPA") program and the Empowerment Zone's One-Stop Career Center program administered by JTPA are currently under special audit by the Auditor of the State of Ohio as a result of certain allegations of misappropriated funds. The results of this audit were not available at the date of the release of this report.

In 1999, the City's Air Pollution Control program was audited by the federal government for grant years 1995 to 1998. The results of this audit disclosed questioned costs for these years totaling approximately \$430,000. As a result of this audit, the United States government filed a civil action against the City to recover damages and civil penalties relating to alleged false certifications made by the City in requesting payment under air pollution control grants. In 1999, the City settled these claims by agreeing to pay the United States government the total sum of \$643,737. In consideration for this payment, the United States government released the City from its claims. This settlement has not been reported as a questioned cost within this report since the City's Air Pollution Control program is not a major federal program and since the City paid the settlement in full. In July 2000, the Auditor of State of Ohio began a special audit of the City's Air Pollution Control program. The results of this audit were not available at the date of the release of this report.

Schedule of Findings and Questioned Costs
for the year ended December 31, 1999

Section I - Summary of Auditor's Results

Financial Statements:

- | | |
|--|-------------------------------------|
| 1. Type of auditor's report issued..... | unqualified |
| 2. Internal control over financial reporting: | |
| • Material weakness(es) identified? | _____ yes <u>X</u> no |
| • Reportable condition(s) identified not considered to be material weaknesses..... | <u>X</u> yes _____ none reported |
| 3. Noncompliance material to financial statements noted?..... | _____ yes <u>X</u> no |

Federal Awards:

- | | |
|---|-------------------------------------|
| 1. Internal Control over major programs: | |
| • Material weakness(es) identified..... | _____ yes <u>X</u> no |
| • Reportable condition(s) identified not considered to be material weaknesses?..... | <u>X</u> yes _____ none reported |
| 2. Type of auditor's report issued on compliance for major programs?..... | unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?..... | <u>X</u> yes _____ no |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type</u>	<u>Federal Expenditures</u>
93.926	Healthy Family/Healthy Start	A	\$ 3,055,794
14.218	Community Development Block Grant	A	\$ 38,826,639
14.239	Federal Home Program	A	\$ 6,389,986
14.244	Supplemental Empowerment Zone	A	\$ 7,969,757
16.592	Local Law Enforcement Block Grant	A	\$ 4,141,777
17.250	Job Training Partnership Act	A	\$ 7,585,541
20.106	Airport Improvement Program	A	\$ 10,695,911

- | | |
|--|-----------------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs:..... | <u>\$ 2,755,857</u> |
| 6. Auditee qualified as low-risk auditee..... | _____ yes <u>X</u> no |

Schedule of Findings and Questioned Costs, Continued
for the year ended December 31, 1999

Section II - Financial Statement Findings

Finding #99-1: Cash Reconciliations - Cash Management (prior year finding re-issued)
Type: Reportable Condition - Financial Reporting (This finding also pertains to Section III)

Condition

Cash and investment accounts were not reconciled on a timely basis during 1999. Reconciliation of cash and investment accounts were not reviewed by a supervisor. However, subsequent to year-end we noted that all cash and investment account reconciliations were completed through May 2000.

Cause / Effect

Reconciling items and misapplied cash will not be identified on a timely basis.

Recommendation

All cash and investment accounts should be reconciled on a regular basis and all related reconciling items should be resolved on a timely basis. In addition, all reconciliations should be reviewed by a supervisor.

Management's Response

Reconciliations were completed in fiscal year 2000 and are monitored and reviewed by the Cash Management Supervisor who must also sign and date them as evidence of such review.

Schedules are being generated and all Grant Managers will receive pre-notice for filing each report well before due dates. Each Grant Manager will also be required by the Fiscal, Grant Administrator to identify all internal receiving warrant accounts and external payment management systems being used, to ensure that timely cash reconciliation is occurring.

Schedule of Findings and Questioned Costs, Continued
for the year ended December 31, 1999

Section III - Federal Award Findings and Questioned Costs

Finding #99-2: Inaccurate Financial Reporting
Program Title: Community Development Block Grant ("CDBG")
CFDA #: 14.218
Type: Reportable Condition and Noncompliance - Federal Awards

Criteria / Specific Requirement

Financial reports are required to be filed with the federal government within 90 days after the end of each program year.

Condition

The Consolidated Annual Performance and Evaluation Report for Year 24 (April 1, 1998 through March 31, 1999) filed in 1999 was inaccurate. The schedule supporting program income amount was understated by \$1,398,700 due to a mathematical error.

Cause / Effect

Inaccurate financial reporting.

Recommendation

A supervisor should review and sign-off all reports before they are filed.

Management's Response

The incorrect CDBG program income submitted in the 1998 Consolidated Annual Performance and Evaluation Report (CAPER) to HUD were corrected and revised statements were sent to HUD in August 2000.

The source of the financial information for the CAPER has changed since the submission of the 1998-99 report. Beginning with program year 1999-2000, the City is required to use the Integrated Disbursement and Information System (IDIS). All the grant expenditures and program income amounts are now calculated and reported from the IDIS and therefore there is no need for reviewing this data.

Schedule of Findings and Questioned Costs, Continued
for the year ended December 31, 1999

Section III - Federal Award Findings and Questioned Costs, Continued

Finding #99-3: Expenditure Support - Allowable Costs/Cost Principles
Program Title: Job Training Partnership Act ("JTPA")
CFDA #: 17.250
Type: Questioned Cost

Criteria / Specific Requirement

Office of Management and Budget Circular A-87 and Job Training Partnership Act Policy Letter #5-95 require that payroll reimbursements be supported by detailed time sheets or time records for actual time worked.

Condition

The City reimbursed an agency for payroll costs in the amount of \$38,324 on March 19, 1999 without detailed time sheets or time records to support actual time worked on the project.

Cause / Effect

JTPA may have reimbursed the agency for payroll unrelated to the project for which the agency has a contract with the City which is funded by federal dollars.

Recommendation

The City should obtain documented proof of actual time worked from the agency. For future reimbursements, the City should request actual time records.

Management's Response

The Director of Personnel has instructed all agencies that have signed contracts with the City to conduct job training to submit timesheets each month to the City's program manager. In addition, each grant manager is required to submit to the City's Fiscal Grant Administrator copies of the standardized completed and signed monitoring forms. Each monitor must check and sample financial records and vouchers to help ensure compliance.

Schedule of Findings and Questioned Costs, Continued
for the year ended December 31, 1999

Section III - Federal Award Findings and Questioned Costs, Continued

Finding #99-4: Equipment and Real Property Management (prior year finding re-issued)
Program Title: Job Training Partnership Act ("JTPA")
CFDA #: 17.250
Type: Reportable Condition - Federal Awards

Criteria / Specific Requirement

JTPA Policy Letter #10-95 states that equipment records must be maintained that include the following data on the equipment: *description; identification number; source of property; title holder; acquisition date; percentage of Federal participation in the project cost; location; condition; and last inventory date for the property; acquisition cost; and any ultimate disposition data, including date of disposal and sale price or current market value.*

Condition

Improvement noted in 1999, however, JTPA did not comply with the requirement to record acquisition cost of its equipment inventory.

Cause / Effect

JTPA equipment inventory records were not maintained in accordance with JTPA Policy Letter #10-95

Recommendation

JTPA equipment records should be maintained in accordance with JTPA Policy Letter #10-95.

Management's Response

The City's Fiscal Grant Administrator has issued mandatory inventory policies that include all of the items noted in the JTPA Policy Letter #10-95. Each grant manager must submit to the City's Fiscal Grant Administrator for review and approval, annual inventory summaries in accordance with the program requirements.

Schedule of Findings and Questioned Costs, Continued
for the year ended December 31, 1999

Section III - Federal Award Findings and Questioned Costs, Continued

Finding #99-5: Late Financial Reporting
Program Title: Local Law Enforcement Block Grant
CFDA #: 16.592
Type: Reportable Condition and Noncompliance - Federal Awards

Criteria / Specific Requirement

Reporting: Quarterly financial report forms (SF 269A) are required to be filed with the federal government (U.S. Department of Justice) within 45 days after the end of each calendar quarter. An annual financial report is due 120 days after the end of the grant period.

Condition

All 4 quarterly reports and the annual report were filed beyond the due date (30 to 90 days late).

Cause / Effect

Late financial reporting may delay the receipt of future funds from the federal government.

Recommendation

Quarterly and annual reports should be filed on a timely basis. Written procedures should be established outlining the responsible party for filings such reports and the required due dates.

Management's Response

The City's Fiscal Grant Administrator has identified all reports and due dates by program for all of the City's grants. Each of the City's departments will receive pre-notice for filing each report well before due dates. Additionally, the City's Fiscal Grant Administrator will review all financial reports before they are filed with the federal government.

Schedule of Findings and Questioned Costs, Continued
for the year ended December 31, 1999

Section IV - Summary of Prior Audit Findings

Finding #	CFDA #	Finding Description	Current Year Update
98-1	-	Cash and investment accounts were not reconciled on a timely basis.	Re-issued in 1999. See Finding Number 99-1.
98-2	93.926	On-site visits to subrecipients were not performed nor were subrecipients single audit reports obtained or reviewed.	Visits were performed in 1999 and subrecipient reports were obtained.
98-3	17.250	The City should maintain internal control over compliance for federal programs.	Improvements in the control environment at JTPA were noted in 1999. Comment not applicable to 1999
98-4	17.250	JTPA did not have supporting documentation for a reimbursement to an agency for \$19,000.	Support for reimbursement was found in 1999.
98-5	17.250	JTPA paid a subrecipient \$43,932 in excess of supporting documentation.	In 1999, JTPA was reimbursed \$43,932 from this subrecipient.
98-6	17.250	Contracts between the City and subrecipients were executed after the contract period began.	No such findings in 1999. Controls were put in place in 1999 to prevent this finding from reoccurring.
98-7	17.250	Several documents relating to the procurement of contracts were not maintained. Additionally, one contract for \$62,000 could not be located.	No such findings in 1999. Additionally, the missing contract for \$62,000 was located. In 1999, all documents are maintained in a procurement file.
98-8	17.250	Subrecipients' single audit reports were not reviewed.	No such findings in 1999. Improved controls established to review subrecipients' reports.

Schedule of Findings and Questioned Costs, Continued
for the year ended December 31, 1999

Section IV - Summary of Prior Audit Findings, Continued

Finding #	CFDA #	Finding Description	Current Year Update
98-9	17.250	Payment of \$3,591 was not supported by documentation evidencing the cost was for a legitimate JTPA matter.	The City reimbursed this amount to the government in 1999.
98-10	17.250	JTPA did not maintain equipment records in accordance with JTPA Policy Letter number 10-95.	Improvement noted in 1999, however, the acquisition cost was not included on list of equipment as required by policy letter. See current year finding 99-4.
98-11	17.250	JTPA reimbursed an agency \$599 in excess of the supporting documentation	In 1999, JTPA was reimbursed \$599 from this agency.
98-12	17.250	A payment made by JTPA did not agree to the contract amount.	Payment was valid. Supporting documentation was located in 1999.
98-13	17.250	JTPA reimbursed an agency for tuition twice in the amount of \$3,000.	In 1999, JTPA was reimbursed \$3,000 from this agency. Additionally, controls were put into place to prevent duplicate payments.
98-14	17.250	JTPA did not have supporting documentation for a reimbursement to an agency for \$1,280.	Support for reimbursement was found in 1999.
98-15	14.244	Documentation submitted by agency for payment did not support reimbursement. Reimbursement was made using agency created invoices rather than 3rd party invoices. Detailed review of invoices submitted by agency was not performed by JTPA personnel.	Improvements in the control environment at JTPA were noted in 1999. Comment not applicable to 1999

City of Cleveland Ohio
 Corrective Action Plan
 Single Audit 1999

Single Audit Number	CFDA Number	Program Title	Finding Comment	Detail Action Plan	Timeframe	Responsible Party
99-1	n/a	All Programs	Cash and investment accounts were not reconciled on a timely basis.	Will be monitored and reviewed by the Cash Management Supervisor who must also sign and date them as evidence of such review.	12/01/00	Controller
99-2	14.218	Community Development Block Grant	Report was filed in accurately to HUD.	The incorrect CDBG program income and rehabilitation activity figures submitted in the 1998 Consolidated Annual Performance and Evaluation Report (CAPER) to HUD have been corrected and revised statements have been sent to HUD in August 2000.	06/30/00	Grant Manager
99-3	17.250	Job Training Program Assistance (JTPA)	Payroll reimbursements are required to be supported by detailed time sheets or time records.	The Director of Personnel has instructed all companies that have signed contracts with vendors to conduct job training for the City to submit timesheets each month to the program manager.	11/17/00	Director of Personnel
99-4	17.250	Job Training Program Assistance (JTPA)	JTPA equipment inventory records were not maintained in accordance with JTPA Policy Letter, 10-95.	Each Grant Manager must submit to the Fiscal Grant Administrator for review and approval annual inventories in accordance with the equipment inventory requirements of each program.	11/17/00	Director of Personnel
99-5	16.592	Local Law Enforcement Block Grant	Quarterly financial reports were filed beyond due dates.	Schedules are being generated and all Grant Managers will receive pre-notice for filing each report well before due dates. All financial reports will be reviewed by the Fiscal Grant Administrator.	10/31/00	Director of Public Safety

CLEVELAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF CLEVELAND, OHIO

For the Fiscal Year Ended
DECEMBER 31, 1999

To the Citizens of the City of Cleveland:

Even the hardest of optimists would agree that at the beginning of the 1990s the future of the Cleveland was at best uncertain. Now, on the cusp of a new millennium, we have every reason to be optimistic: more jobs, lower crime rates, a housing boom unlike anything seen in fifty years, an improving public education system, and a renewed sense of purpose helping to steer us into the future.

I am especially ecstatic about a recent report issued by the Cuyahoga County Auditor revealing that since 1997 our housing values have increased by over 20%, a phenomenal development if you consider where we were only ten years ago. This figure puts us ahead of most surrounding suburbs, an occurrence that has not been witnessed since the 1960s. This triumphant news came on the heels of an earlier report showing that our 417 new housing starts in 1999 put us squarely at the number one spot in the region, surpassing fast developing outlying locations. Clearly we are not the region's poor forgotten stepchild any longer.

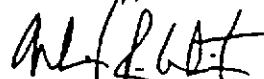
Telltale signs of our comeback, ever increasing, can also be seen in the continuing improvement of Cleveland's financial condition, which is evident in this Comprehensive Annual Financial Report. I am also pleased to point out that a new study issued by the Citizens League Research Institute reveals that out of 13 key financial and economic indicators Cleveland demonstrates improving or stable trends in 12. The remaining indicator is under the control of county government officials. To everyone who never gave up over the years, this is a testament to your faith in Cleveland and we say thank you!

We have initiated the development of seven business parks since 1990, indicating unprecedented interest in Cleveland's dynamic business climate. Our plans for a second phase of parks will bring even better and higher paying jobs into the city so that economic prosperity can spread throughout all of our neighborhoods.

Our city continues to be a safe place to live, work, and raise a family. Violent crime declined 13% in 1999 compared to the previous year, while fire-related fatalities continue their historic decade-long plunge. Both of these welcome trends are a testament to the men and women in our safety forces who put their lives on the line for us each and every day.

All of our progress comes from our willingness to put our shoulders to the grindstone. Success is hard work and our work is not done. We enter the new millennium very much a transformed city. I want to personally thank you for making Cleveland a better place to live.

Sincerely,



Michael R. White

Mayor

City of Cleveland

Mission Statement

We are committed to improving the quality of life in the City of Cleveland by strengthening our neighborhoods, delivering superior services, embracing the diversity of our citizens and making Cleveland a desirable, safe city in which to live, work, raise a family, shop, study, play, and grow old.

CITY OF CLEVELAND, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 1999

CITY OF CLEVELAND



Comprehensive Annual Financial Report For the year ended December 31, 1999

Issued by the
Department of Finance

Ronald E. Brooks
Director

Nancee Murphy, CPA
City Controller

Table of Contents
City of Cleveland, Ohio
Comprehensive Annual Financial Report
For the year ended December 31, 1999

Introductory Section	Page
Title Page	1
Table of Contents	2
Transmittal Letter	4
City Officials	19
City Council	20
Certificate of Achievement	21
Organization Chart	22
 Financial Section	
Financial Highlights	24
Report of Independent Accountants	25
 General Purpose Financial Statements (Combined Statements-Overview)	
Combined Balance Sheet-All Fund Types and Account Groups	26
Combined Statement of Revenues, Expenditures and Changes in Fund Balances: All Governmental Fund Types	30
Combined Statement of Revenues, Expenditures and Changes in Fund Balances: Budget and Actual (Non-GAAP Budgetary Basis)- General Budgeted Special Revenue and Budgeted Debt Service Fund Types - Legal Appropriation Level	32
Combined Statement of Revenues, Expenses and Changes in Retained Earnings: All Proprietary Fund Types	34
Combined Statement of Cash Flows-All Proprietary Fund Types	35
Notes to Financial Statements	37
 Combining and Individual Financial Statements and Schedules	
General Fund:	
Balance Sheet-General Fund	66
Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	67
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund-Legal Appropriation Level	68
 Special Revenue Funds:	
Combining Balance Sheet-All Special Revenue Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds	82
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - Budgeted Special Revenue Funds - Legal Appropriation Level	86
 Debt Service Funds:	
Combining Balance Sheet-All Debt Service Funds	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances: All Debt Service Funds	92
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances: Budget and Actual (Non-GAAP Budgetary Basis): Budgeted Debt Service Funds-Legal Appropriation Level	94

Capital Projects Funds:

Combining Balance Sheet -
 All Capital Projects Funds 98
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 All Capital Projects Funds 99

Enterprise Funds:

Combining Balance Sheet-All Enterprise Funds 102
 Combining Statement of Revenues, Expenses & Changes in Retained Earnings (Deficit) -
 All Enterprise Funds 106
 Combining Statement of Cash Flows-All Enterprise Funds 108

Internal Service Funds:

Combining Balance Sheet-All Internal Service Funds 114
 Combining Statement of Revenues, Expenses and Changes in Retained Earnings -
 All Internal Service Funds 116
 Combining Statement of Cash Flows-All Internal Service Funds 118

Agency Funds:

Combining Statement of Changes in Assets and Liabilities -
 All Agency Funds 122

General Fixed Assets Account Group:

Schedule of General Fixed Assets by Sources 125
 Schedule of General Fixed Assets by Function and Activity 126
 Schedule of Changes in General Fixed Assets by Function and Activity 127

Statistical Section

General Fund Revenues by Source and Expenditures-
 by Function (Budget Basis) - Last Ten Fiscal Years 129
 General Governmental Revenues and Other Financing Sources and Expenditures
 by Function and Other Uses - Last Ten Fiscal Years 130
 Ad Valorem Property Tax Levies and Collections-Real, Utility
 and Tangible Taxes - Last Ten Fiscal Years 132
 Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years 133
 Ad Valorem Property Tax Rates:
 Direct and Overlapping Governments - Last Ten Fiscal Years 134
 Ratio of Net General Bonded Debt to Assessed Value and Net:
 Bonded Debt per Capita - Last Ten Fiscal Years 135
 Computation of Legal Debt Margin 136
 Computation of Direct and Overlapping Debt 137
 Statement of Direct Debt 138
 Ratio of Annual Debt Service for General Bonded Debt to Total General Fund
 Expenditures-(Budget Basis) - Last Ten Fiscal Years 139
 Revenue Bond Coverage: Airport Bonds - Last Ten Fiscal Years 140
 Revenue Bond Coverage: Water Bonds - Last Ten Fiscal Years 141
 Revenue Bond Coverage: Public Power System Bonds - Last Ten Fiscal Years 142
 Revenue Bond Coverage: Sewer and Sewage Disposal Bonds - Last Ten Fiscal Years 143
 Property Values, Construction and Bank Deposits - Last Ten Fiscal Years 144
 Principal Property Taxpayers 145
 Schedule of Insurance Coverage 146
 Demographic Statistics 150
 Miscellaneous Demographic Statistics 155
 Schedule of Statistics - General Fund 156



CITY OF CLEVELAND

Michael R. White, Mayor

Department of Finance

Ronald E. Brooks

Finance Director

Nancee Murphy

City Controller

601 Lakeside Avenue
Room 18 City Hall
Cleveland, Ohio 44114
(216) 664-3881

July 27, 2000

Honorable Mayor Michael R. White
City Council and
Citizens of the City of Cleveland, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Cleveland (the "City") for the year ended December 31, 1999. This report, prepared by the Department of Finance, includes general purpose financial statements that summarize the various operations and cash flows related to the City's 1999 activities. Our intention is to provide a clear, comprehensive, and materially accurate overview of the City's financial position at the close of last year. The enclosed documentation has been designed to allow the reader to gain an understanding of the City's finances, including financial trends, financial instruments, and fund performances. The City of Cleveland has complete responsibility for all information contained herein.

To maximize clarity and readability, the Comprehensive Annual Financial Report is organized in three sections: the introductory section contains the table of content, this transmittal letter, a listing of City officials and the City's organizational structure; the Financial Section contains the independent auditor's report, general purpose financial statements, notes to the financial statements and fund and account group statements and schedules; and lastly the statistical section highlighting comparative fiscal trends for selected years.

The City of Cleveland has applied guidelines established in the Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*." Provisions outlined in this statement define the operational, functional and organizational units for which the City (acting as Primary Government) assumes full reporting accountability. Full financial accountability requires the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

Under these provisions, the City's financial reporting entity acts as a single rather than multi-component unit. The provisions permit the entity to include all funds, account groups, agencies, and boards and commissions that by definition comprise components within the primary government itself. For the City of Cleveland, these components include police and fire protection services, waste collection, parks and recreation, health, select social services, and general administrative services. Primary enterprise activities owned and operated by the City include a water system, sewer system, an electric distribution system, two airports, several parking lots, and a convention center.

The laws of the State of Ohio as well as the Charter of the City of Cleveland govern the various functions and operations constituting the City of Cleveland. The Charter was adopted by the electorate in 1913 and includes local ordinances, rules, and regulations. As required by the Charter, Cleveland operates under a mayor-council form of government. The City's Chief Executive and Administrative Officer is the Mayor, who is elected to four-year terms. The Mayor oversees the daily operations of the City's departments and their hiring practices. The Mayor also submits a detailed annual budget appropriation called "The Budget Estimate." The current term of the Office of Mayor expires on December 31, 2001.

Legislative authority is vested in a 21-member council. All members are elected from individual wards to serve in a full-time capacity for four-year terms. Cleveland City Council oversees public policy formulation by introducing, reviewing, and enacting proposed ordinances and resolutions that typically address a variety of municipal interests and purposes, including city services, tax levies, appropriations and borrowings, licensing and regulating of businesses and trades. The Council also sets compensation of City officials and maintains final authority over decisions impacting the City's annual budget. The Mayor has the power to veto any legislation passed by City Council. The present term of all City Council members expires on December 31, 2001.

ECONOMIC CONDITION AND OUTLOOK

The City of Cleveland, located on the southern shores of Lake Erie, is the core city within the largest metropolitan area in the State of Ohio, and is home to an estimated 500,000 residents.

Summary of Local Economy: Perhaps the single most impressive indicator of Cleveland's re-emergence as a comeback City is the increasing value of its housing stock. Previously hampered by out-migration and stagnant values for several decades, the City of Cleveland experienced a dramatic reversal. In a report issued by the Office of the Cuyahoga County Auditor, it was demonstrated that Cleveland's appraised housing values increased by over 20% since 1997. This figure has Cleveland outpacing many area suburbs, including those known for rapid expansion and the siphoning off of area residents. This report justified other data showing that housing starts in 1999 also put Cleveland impressively out in front of most other area municipalities. Taken together, the two reports strongly indicate new demand for area housing not seen since the early 1950s.

Significantly, this data serves to reinforce, at the neighborhood level, the impressive growth and expansion of the local economy that began in the mid-to-late 1980's and continues unabated. It is a local economy marked by both growth and change. Founded in 1796, Cleveland quickly established economic strengths in heavy industry, including iron and steel, and combined with its favorable location on major shipping channels soon emerged as the dominant manufacturing and business center of Northeast Ohio. Though manufacturing continues to play a key role in Cleveland's local economy, the emergence of newer non-smokestack related industries, mainly in services and trade, are likely to gain in prominence over the next several decades.

As evidence of this trend, in 1999 several greater Cleveland technology firms received nearly \$200 million in venture capital funds to initiate start up and expansion activities. Types of businesses include internet communications, software development, gene-based therapies, and information technology consulting.

Cleveland's economic condition also draws strength and stability from its evolving role as the focal point of a growing and substantial regional economy. The re-emergence of downtown Cleveland as a vibrant center for national and regional entertainment and major cultural activities signal a turning point in the City's overall fortunes and are paving the way for further economic expansion that will be significantly more entrepreneurial in scope. These statistics cited above generated 8.1 million tourists into the City in 1999.

The overall unemployment rate within the Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA) has held steady at approximately 4.6% for the past two years. Total employment growth from 1998 to 1999 was 0.2%. Income tax collections, the largest source of City revenues, rose by 4.7% overall in 1999. Inflation in 1999 rose by 2.7%.

Another key indicator of the City's continued economic recovery is construction activity, as indicated by the value of building permits issued. The construction value of building permits issued over the past five years are exhibited below.

<u>Year</u>	<u>Value</u>
1995	\$ 332,995,299
1996	403,166,832
1997	523,655,516
1998	768,911,015
1999	502,186,592

It should be noted that a portion of the 1998 value is attributed to the construction of the new Cleveland Browns stadium, accounting for the one year surge.

Major Industries Affecting The Cleveland Economy: Resulting from the City's aggressive business development and expansion policies, the greater Cleveland area continues to provide an attractive and competitive location for business and industry. Seven Fortune 500 industrial and service companies are now located within the City of Cleveland, while another four are located within the PMSA, making the total Fortune 500 industrial and service companies within the greater Cleveland area equal to eleven. Aggressive outreach and financial assistance by the City to small and minority-owned businesses continues to elevate their stature in the local economy. Wages earned from these smaller enterprises are likely to replace those from manufacturing-related jobs as the latter assume less prominence.

Cleveland's major employers, representing some of the largest "players" in the local economy, include internationally recognized health care institutions, a major automotive manufacturer, municipal and federal government agencies, and banking and insurance firms. Therefore, the City's economic health is no longer based solely upon the success or failure of its large manufacturing firms.

The following list of the top 10 employers in 1999 illustrates the City's diverse service, trade and manufacturing employment:

EMPLOYER	NATURE OF BUSINESS	NUMBER OF EMPLOYEES ⁽¹⁾
Cleveland Clinic Health System	Health Care	19,625
University Hospitals Health System	Health Care	12,944
United States of America	Government	10,983
Cuyahoga County	Government	9,713
Cleveland City School District	Government	8,905
City of Cleveland	Education	8,660
Key Corp	Commercial Banking	7,475
Ford Motor Company	Automotive	6,600
U.S. Postal Service	Government	6,562
Progressive Corp.	Vehicle Insurance	5,416

⁽¹⁾ Data collected from *Crains Cleveland Business*, March 8, 2000. Includes employees in Cuyahoga County.

Future Economic Outlook: Since 1990, aggressive business expansion, retention, and recruitment efforts undertaken by the City of Cleveland have been key to the economic growth and stability not only of its Central Business District, but its neighborhoods as well. In 1999, for example, aggressive outreach policies including financial and technical assistance was provided to 170 local companies. Outreach has served as a critical component of a traditionally strong public-private partnership, and will continue to shape Cleveland's long-term economic performance.

High profile successes contributing to Cleveland's overall economic fortunes are spreading to its neighborhoods. The resurgence of Cleveland's neighborhoods can perhaps best be measured by demand for housing. A dramatic increase in demand throughout the late 1990s was documented in data showing increases in appraised residential property values surpassing 20% for the first time in 50 years. Though inflationary trends seem uncertain for the immediate future, and unemployment remains flat, increased demand in housing indicates strong synergy between business expansion and development, and quality of life choices made by employers and employees who decide to reside in the City. This synergy, if continued, will gain further momentum with the continued completion of retail, industrial, and housing projects that have shaped Cleveland's local economy for the past decade. Examples of projects underway or forthcoming in 2000 are cited below.

- Retention of the world headquarters of the B.F. Goodrich Landing Gear Division in the Broadway neighborhood. This Fortune 500 firm has committed to invest over \$100 million in new machinery and equipment while preserving 500 jobs.
- Reconstruction of Midland Steel Company plant, located on W. 110th Street, significantly upgrading operations and maintaining more than 400 high-paying jobs. The project represents a \$5 million commitment to the future by the company.
- Begin construction of new 9,000 feet runway at Cleveland Hopkins International Airport.

- Finalize design and financing for a new “first tier” downtown convention center as part of a comprehensive plan for transforming Cleveland’s lakefront assets.
- Completion of the \$22 million Third Federal Savings corporate headquarters and central operations center on Broadway Avenue.
- Expansion of Cleveland, Water Tower, and Collinwood Yards Business Parks.
- Completion of \$80 million project to restore historic downtown arcades, including expansion of retail space and opening of 2 new full-service hotels.
- Construction of the \$18.5 million Stonebridge Project on the West Bank of the Flats, creating 162 modern rental units along with retail and office space.
- Commencement of \$22 million renovation of Shaker Square historic retail district, one of the oldest retail districts in the country.

Numerous neighborhood-based housing and retail projects were in progress or completed during 1999:

- Federal Department of Housing and Urban Development is reviewing the City’s request to create an economic development buffer around our current Empowerment Zone. The buffer area will enable businesses in the area to receive loans designed to increased employability throughout the entire zone, thus placing more Clevelanders in the economic mainstream.
- Broke ground on \$30 million rehabilitation of Lee Harvard Shopping Center serving residents in the southeast portion of the City.
- Broke ground on \$63 million Villages of Central Housing Project that will create 420 new for sale housing units in an inner city neighborhood immediately east of downtown.
- Assisted 12 minority-owned businesses with over \$8.4 million in business development and expansion loans.
- Secured financing for the \$9 million reconstruction of Glenville Town Center shopping facility located adjacent to East Side Market.

The City’s Neighborhood Reinvestment Program is a joint effort by the City’s Department of Community Development and several area banks to offer creative home financing, consumer credit, small business loans, and various financing options for low to moderate income residents. The following amounts, including more recent renewals, were committed from January 1, 1991 through 1999:

National City Bank	\$ 665 million
Key Bank	590 million
Firststar Bank	528 million
Bank One	366 million
FirstMerit Bank	271 million
Fifth Third Bank	268 million
Huntington National Bank	248 million
Charter One	<u>69 million</u>
Total	\$3,005 billion

Additionally, the Federal National Mortgage Association (Fannie Mae), a secondary market lender, has committed a total of \$700 million since 1993, and Key Bank submitted a renewal for \$400 million for the year commencing 2000. This brings the total commitments for all lending institutions to over \$4.1 billion since 1991.

We have consistently adhered to prudent fiscal policies during a long period of economic expansion and have been fortunate to reap the benefits. Should the long economic expansion weaken, municipal governments across the county, including Cleveland, will have to adjust accordingly.

MAJOR INITIATIVES

Current Year Projects: The 1999 budget focused on continuing the City's commitment to improving the quality of life by strengthening our neighborhoods, continuing to foster a favorable business climate, and providing superior services, while simultaneously committing significant resources to computer remediation and upgrade needs associated with the Y2K date rollover. All goals were accomplished within a balanced budget largely due to increased revenues from nearly all revenue sources. Increased revenues remain vitally linked to the strong national economy.

Continued prudent fiscal planning in 1999 enabled the City to achieve the following programmatic goals without an income tax increase:

- Initiate 417 housing starts.
- Surpass the \$56 million mark in direct investment in City-owned parks and recreation centers.
- Immunize over 5,700 of our most vulnerable citizens against the flu virus in the midst of a serious epidemic.
- Recruit 9 new companies to Cleveland.
- Assist 52 other existing businesses with the creation of 1,300 jobs.
- Assisted with the development of the City's 7th new hotel in 10 years and surpass the 4,500 hotel room mark for the first time.

Furthermore, the City graduated 79 additional uniformed Police cadets, and also introduced Operation Safe Neighborhoods, a major anti-crime initiative designed to remove repeat gun-wielding criminals from our streets. Training agreements between Police, Memphis Diversity Institute, and the Greater Cleveland Roundtable continue to address community multi-cultural concerns. Aggressive anti-crime enforcement practices by Police continue to result in decreased violent crime rates, which were down 13% in 1999 from the previous year. The Division of Fire was named Division of the Year in 1999 largely due to its continued success bringing fire fatalities down to historic lows and achieving an impressive 82% overall reduction since 1980.

Continued operation of the City's 21 EMS bases for a full 24 hours a day resulted in yet another reduction in average response time, to 7 minutes and 39 seconds. In addition, EMS increased the presence of functioning paramedics by 26%, in 1999. When taken together, these statistics paint a portrait of a City growing safer for residents and visitors with each passing year.

Stadium Project and Facilities: The new Cleveland Browns Stadium was substantially completed on August 9, 1999. The financing for the construction of the stadium was achieved through the issuance of notes, certificates of participation, special tax revenues, and cooperative agreements with the County, the Cleveland-Cuyahoga County Port Authority and contributions from the National Football League and the Browns.

The stadium is located on the lakefront in downtown Cleveland and is adjacent to the other major public developments such as: the Donald Grey Gardens, a new pedestrian plaza, Great Lakes Center for Science and Technology, and the Rock and Roll Hall of Fame and Museum. The stadium site is serviced by a new Regional Transit Authority station.

Future Projects: Leading economic indicators reveal an uncertain outlook for the national economy. Undercurrents of inflationary pressures caused by rising fuel prices, accompanied by increases in prime lending rates, may usher in a "soft" economic landing, or alternatively strain the ability of municipalities to see increases in revenues. If trends remain favorable, however, we project income tax collections to grow by a modest 2.5% in 2000. Similarly, we are projecting a 1.6% rate of growth in local government fund revenues. The third largest source of revenues, property taxes, likely will see a slight increase of less than 1% in 2000. Projected net revenues from all other sources are estimated at \$9.5 million for 2000. As in prior years, much of the growth in this last category is derived from expenditure recoveries, admission taxes, and other miscellaneous revenues.

Given the City's continued prudent fiscal policy, additional resources can be directed to efficient programs that improve quality of life. Key programs contained in the 2000 budget are noted below:

- An additional 20 housing inspectors, and support personnel, for the Division of Building and Housing.
- Expansion of the summer pool and playground season from 10 to 12 weeks.
- Free pneumonia vaccines for seniors, the chronically ill and an expanded list of flu shot sites.
- Two new police classes totaling 160 new cadets.
- Two new fire academy classes totaling 100 new cadets.
- An additional \$1,500,000 deposit into our Rainy Day Reserve Fund.
- \$5 million into new Budget Reserve Fund.
- One additional prosecutor for the Housing Court.
- Continuation of the City's popular vacant lot servicing program.
- Increased Internal Audit staff from 2 to 12.

In 2000, the City plans to begin construction of a new 9,000-foot runway at Hopkins International. The runway is expected to increase airfield capacity by nearly 50% and significantly reduce aircraft delays. Other planned expansion projects at Hopkins include construction of a Consolidated Maintenance Facility, reconstruction of an auxiliary road, upgrading FAA facilities, rehabilitation of the ramp at Concourse C, and a structural rebuild of the Long Term Parking Garage.

1999 Service Level Achievements: Since 1995, all Departments at City Hall have been subjected to rigorous annual performance targets that hold personnel accountable for both efficiency and effectiveness. In 1999, citywide departments averaged 102% achievement across the board on 260 performance targets-the highest number yet measured. Among the leaders was the Department of Economic Development, which subsequently was named "Department of the Year" for its far ranging accomplishments with a relatively small staff. In addition to those noted previously, notable achievements by the Department of Economic Development in 1999 include the following:

- Provided \$32.5 million in direct financial assistance to more than 50 borrowers.
- Generated \$310 million in total investments.
- Assisted in retaining nearly 1,700 jobs and created 2,300 new jobs.
- Caused the sale or lease of 76 acres for development in new commerce parks.
- Assisted 12 minority owned businesses with over \$8.4 million in loans.

In addition, these loan programs administered by Economic Development will help to generate over 1,800 jobs in Cleveland during the next few years.

Financial Information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse. Internal control structures in place ensure that accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable assurances 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 valuation of costs and benefits requires estimates and judgments by management.

Single Audit: As a recipient of federal, state and county financial assistance, the City is responsible for maintaining a rigorous internal control structure that ensures full compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management, external auditors, and the internal audit staff of the City.

The City is required to undergo an annual audit in conformity with the provisions of the Single Audit Act Amendment of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. As a part of our Single Audit, the City has taken the initiative to centralize its grants administration under one manager within the Division of Internal Audit. The information related to the Single Audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations will be included in a separate report.

Budgetary System: Detailed provisions regulating the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The Mayor is required to submit his appropriation budget, called "The Budget Estimate," to City Council by February 1 of each year. The Council may adopt a temporary appropriation measure for the first three months of the year, but must adopt a permanent appropriation measure for the fiscal year by April 1. The Cuyahoga County Auditor must certify that the City's appropriation measure does not exceed the amounts set forth in the County Budget Commission's Certificate of Estimated Resources.

The City maintains budgetary control on a non-GAAP basis at the character level (personnel and related expenditures, other expenditures, debt service and capital outlay) within each division. Lower levels within each character are accounted for and reported internally. Lower levels are referred to as the object level. Estimated expenditure amounts must be encumbered prior to release of purchase orders to vendors or finalization of other contracts. Encumbrances that would exceed their available character level appropriation are not approved or recorded until the City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year.

In addition to the budgetary controls mentioned above, the City's Office of Budget and Management prepares a detailed monthly operating plan that is used to monitor revenues and expenditures. City management reviews this plan monthly. As an additional control over expenditures, the City Charter requires that all contracts in excess of \$10,000 shall first be authorized and directed by ordinance of City Council.

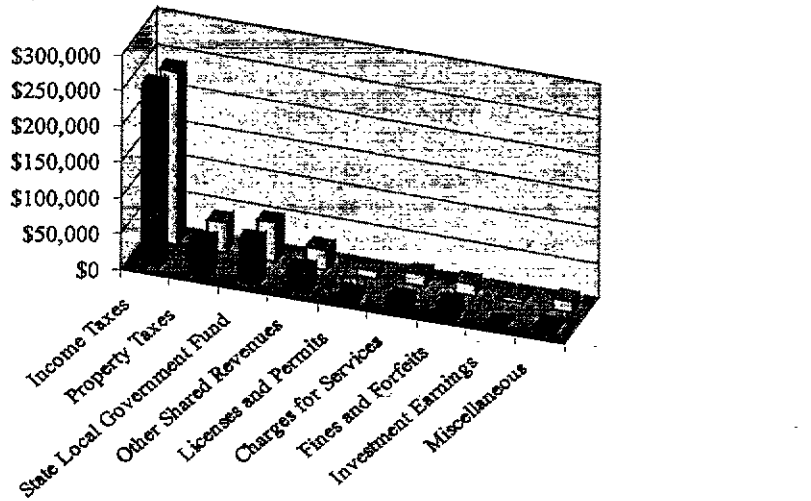
The Accounting System: The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by Generally Accepted Accounting Principles (GAAP) and the number of individual funds established is determined by sound financial administration.

The City's records are maintained on a modified accrual basis for all governmental and fiduciary fund types. Accordingly, revenues are recognized when susceptible to accrual (i.e., both measurable and available). Expenditures, other than interest on long-term debt, are recorded as fund liabilities when incurred. The accrual basis of accounting is utilized by all proprietary funds. A more detailed explanation of the basis of accounting for the various funds is included in the *Notes To Financial Statement* located in the Financial Section of this report.

General Fund

Revenues: General Fund revenues and other financing sources totaled \$447,421,000 in 1999, an increase of 4.6% from 1998. The amount of revenues and other financing sources on a GAAP basis, including the increases (decreases) over the prior year are shown in the following graph and tabulation:

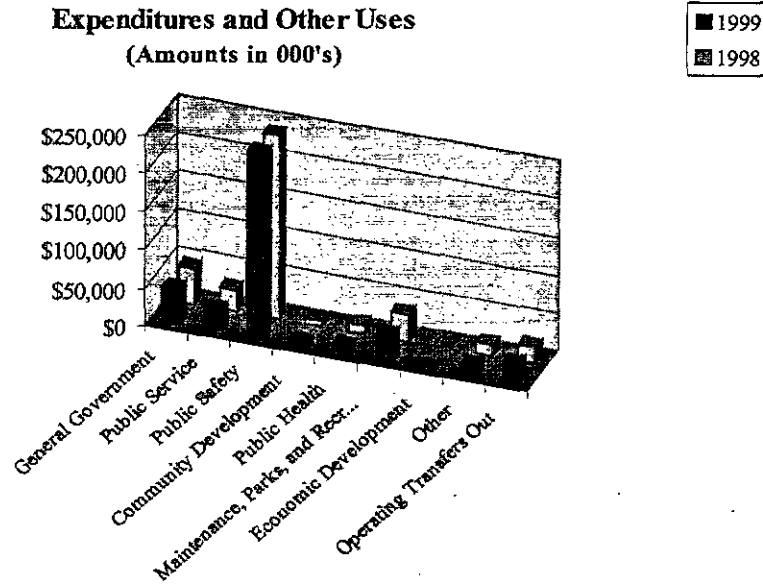
Revenues & Other Financing Sources
(Amounts in 000's)



	1999 Actual	% of Total	1998 Actual	% of Total	Increase (Decrease) Over 1998	% Change
(Amounts in 000's)						
REVENUES AND OTHER FINANCING SOURCES						
Income Taxes	\$253,403	56.64%	\$ 242,056	56.58%	\$11,347	4.7%
Property Taxes	46,195	10.33%	42,625	9.96%	3,570	8.4%
State Local Government Fund	59,413	13.28%	53,998	12.62%	5,415	10.0%
Other Shared Revenues	31,722	7.09%	26,918	6.29%	4,804	17.9%
Licenses and Permits	8,984	2.01%	10,278	2.40%	(1,294)	-12.6%
Charges for Services	15,599	3.49%	16,051	3.75%	(452)	-2.8%
Fines and Forfeits	19,070	4.26%	14,766	3.45%	4,304	29.2%
Investment Earnings	2,980	0.67%	5,581	1.30%	(2,601)	-46.6%
Miscellaneous	10,055	2.25%	15,555	3.64%	(5,500)	-35.4%
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$447,421	100.00%	\$427,828	100.00%	\$19,593	4.6%

During 1999, income tax receipts, the largest General Fund revenue source, increased by 4.7%, from 1998. Both the withholding and net profits from corporations components of the tax were very strong, a sign of a stable local economy. Other shared revenues increased as a result of an increase in estate taxes.

Expenditures: General Fund expenditures and other uses totaled \$411,940,000 in 1999, an increase of 2.1% from 1998. The amount of expenditures and other uses by function on a GAAP basis, including the increases (decreases) over the prior year are shown in the following graph and tabulation:



	1999 Actual	% of Total	1998 Actual	% of Total	Increase (Decrease) Over 1998	% Change
(Amounts in 000's)						
EXPENDITURES AND OTHER USES						
Current:						
General Government	\$47,543	11.54%	\$47,263	11.71%	\$280	0.6%
Public Service	29,345	7.12%	29,020	7.19%	325	1.1%
Public Safety	242,977	58.98%	239,183	59.28%	3,794	1.6%
Community Development	6,059	1.47%	6,746	1.67%	(687)	-10.2%
Public Health	10,728	2.60%	10,519	2.61%	209	2.0%
Maintenance, Parks, and Recreation	33,502	8.13%	34,375	8.52%	(873)	-2.5%
Economic Development	1,079	0.26%	1,063	0.26%	16	1.5%
Other	14,458	3.51%	14,125	3.50%	333	2.4%
Operating Transfers Out	26,249	6.37%	21,198	5.25%	5,051	23.8%
TOTAL EXPENDITURES AND OTHER USES	\$411,940	100.00%	\$403,492	100.00%	\$8,448	2.1%

Overall, expenditures rose in 1999 as a result of a 3.5% pay increase granted to City employees in April 1999, pursuant to the current three year agreement with various bargaining units. While there was also some increase in salary related fringe benefits, hospitalization and dental care costs were held down by the continued shift to managed health care plans. Employees also continued to make a modest contribution towards their health insurance premiums through payroll deductions.

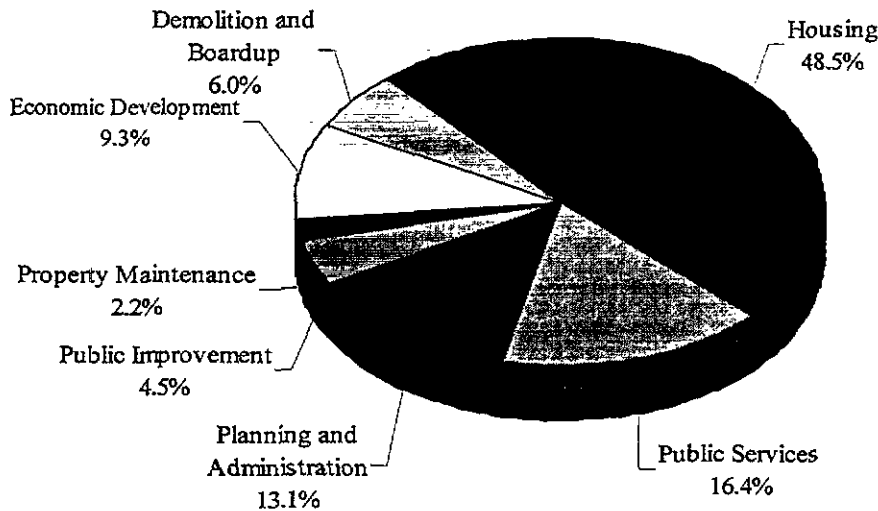
Fund Balance: The 1999 General Fund operating results reflect the success of the City's strategic plan of improving the General Fund Balance, while also improving the quality of neighborhood-based City services.

Special Revenue Funds

The Special Revenue Funds are used for certain revenue sources, primarily grant programs, which are restricted by law or other formal action to expenditures for specific purposes. Certain Special Revenue Funds are subject to an annual budget, while others are not. Special Revenue Funds not subject to an annual budget consist primarily of state and federal grants, including the Community Development Block Grant (CDBG), the Federal HOME Program, the State of Ohio-Home Weatherization Assistance Program (HWAP), the Urban Development Action Grant (UDAG), the Job Training Partnership Act (JTPA) and the Empowerment Zone.

Community Development Block Grant: The Community Development Block Grant, which the City of Cleveland receives on an annual basis under Title I from the U.S. Department of Housing and Urban Development, is administered by the Department of Community Development. The annual entitlement for the program year 1999, CDBG Year XXV, was \$30,493,119. The primary objective of the CDBG program is the development of a viable urban community including decent housing, a suitable living environment, and expanded economic opportunities principally for low and moderate income individuals.

The 1999 CDBG allocation breakdown is illustrated below:



Federal HOME Program: The HOME Program authorized by the HOME Investment Partnership Act was enacted under Title II of the National Affordable Housing Act. Purposes of the HOME Program include expanding the supply of decent, affordable housing for low-income families with emphasis on rental housing, to assisting state and local governments in carrying out affordable housing programs, and providing coordinated assistance to participants in the development of affordable low-income housing.

The City's Federal HOME Program allocation for 1999 was \$8,006,000:

<u>Activity</u>	<u>Allocation</u>	<u>% of Budget</u>
Rehabilitation loans to homeowners	\$5,006,000	63 %
Rehabilitation of rental housing by community based organizations	\$2,000,000	25 %
Development of rental housing trust funds	\$1,000,000	12 %

State of Ohio-Home Weatherization Assistance Program (HWAP): During 1999, the City of Cleveland was awarded \$2,380,048 for HWAP by the State of Ohio enabling about 860 low-income households to be weatherized free of charge. This represents the eighteenth year of funding for this program.

Neighborhood Development Investment Fund (NDIF): Since 1995, the City of Cleveland has dedicated in excess of \$49.3 million generated from Cleveland Public Power cash and bond proceeds, accompanying interest earnings, and NDIF loan repayments, to industrial, commercial and residential economic development throughout the City of Cleveland. The NDIF Advisory Committee and Cleveland Citywide Development Corporation recommended, and the City's Department of Economic Development funded, economic development projects totaling in excess of \$25 million and residential projects totaling in excess of \$8 million during 1999.

Funded NDIF projects in 1999 include the Lee Harvard Shopping Center, Puritas Plaza, Shaker Square Retail Center and Phase III of the Mill Creek Housing Project.

Those Special Revenue Funds subject to an annual budget are the Division of Streets Fund, Restricted Income Tax Fund, Rainy Day Reserve Fund and the Schools Recreational and Cultural Activities Fund. The Division of Streets Fund maintains and improves the City's streets. This fund's primary revenue sources are the City's share of the state collected license plate fees and gasoline taxes, as well as a subsidy from the General Fund. The Restricted Income Tax Fund, representing one-ninth of the total income tax collected, was utilized entirely for capital improvements and debt service. The Rainy Day Reserve Fund consists of deposits set aside for economic downturns, while the Schools Recreational and Cultural Activities Fund is devoted to the activities of Cleveland school children.

Debt Administration

General obligation bonds are recorded in the General Long-Term Obligations Account Group. Revenue bonds and mortgage revenue bonds are recorded in the applicable Enterprise Fund. The principal amounts outstanding at December 31, 1999 are as follows:

	Balance January 1, 1999	Debt Issued	Debt Refunded	Debt Retired	Balance December 31, 1999
	(Amount in 000's)				
General Long-Term Obligations:					
General Obligation Bonds	\$306,165	\$26,330		(\$20,270)	\$312,225
Urban Renewal Bonds	9,685			(255)	9,430
Subordinated Income Tax Bonds	71,800			(1,100)	70,700
Non-tax Revenue Bond					
Anticipation Notes	20,000	10,000		(20,000)	10,000
Certificates of Participation	160,757	20,545		(6,817)	174,485
Enterprise Fund Debt:					
Revenue Bonds and Notes	1,511,216	84,840	(40,900)	(33,555)	1,521,601
Ohio Water Development Loans	8,922	14		(761)	8,175
Total	<u>\$2,088,545</u>	<u>\$141,729</u>	<u>(\$40,900)</u>	<u>(\$82,758)</u>	<u>\$2,106,616</u>

Funds used to meet the debt service requirement on the City's general obligation bonds are from certain ad valorem taxes, restricted income taxes, interest earnings, and enterprise reimbursements from the Convention Center. Ad valorem taxes, the primary source of funds, amounted to \$23,686,000 in 1999 which represents 64% of the debt service requirement on the general obligation bonds recorded in the General Long-Term Obligations Account Group. These taxes were derived from a levy of \$4.35 per \$1,000 of assessed property. The City issues its general obligation bonds within the context of its Capital Improvement Program. Programs which have benefitted due to the issuance of general obligation debt include, but are not limited to, public service improvements, bridge and roadway improvements, recreational facilities, cemeteries, and urban redevelopment. The City's Enterprise Funds implement their own individual capital improvement programs and issue revenue debt necessary to fund their programs.

Effective August 15, 1999 the City issued \$26,330,000 Various Purpose General Obligation Bonds, Series 1999. The proceeds are being used to finance various capital improvements to certain of the City's properties and assets, including parks and recreation facilities and bridges and roadways, and to pay costs of issuance.

The City's 1999 Bond Ratings for general obligation and revenue bonds are as follows:

	<u>Moody's Investors Service</u>	<u>Standard & Poor's</u>	<u>Fitch Investors Service</u>
General Obligation Bonds	A1	A+	A
Waterworks Mortgage: Revenue Bonds	Aa3	AA-	
Cleveland Public Power: Revenue Bonds	A2	A-	
Airport System: Revenue Bonds	A3	A	
Municipal Parking Lots: Revenue Bonds (Insured ratings)	Aaa	AAA	AAA

In August of 1999, Standard and Poor's Rating Service upgraded the City's General Obligation Bond rating from A to A+. This was followed by an upgrade of the City's G.O. Bond rating from Moody's Investor Service in October 1999 from A2 to A1.

The ratio of net general bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to management, citizens and investors. Net general bonded debt is total general bonded debt supported by taxes less amounts available in the Debt Service Fund. This data at December 31, 1999 was:

Net General Bonded Debt \$304,650,000

Ratio of Net General Bonded Debt to Assessed Valuation 5.56 %

Net General Bonded Debt Per Capita \$602.53

Capital Projects Fund

The Capital Projects Fund includes all major capital improvement projects of the City other than those accounted for in the Proprietary and Special Revenue Fund Types. The primary sources for financing the City's Capital Improvement Program (CIP) are General Obligation Bond proceeds, Certificates of Participation proceeds, Urban Renewal Bond proceeds, interest earned on funds prior to and during the construction period, restricted income taxes, and funds from the State Issue 2 and Local Transportation Improvement Programs. Capital Projects capital outlays for the year amounted to \$43,621,990. The City's CIP has three primary goals: 1) Preservation and revitalization of Cleveland's neighborhoods; 2) Economic development and job creation, and; 3) Provision of cost-effective, basic City services to Cleveland residents and the business community.

The City-wide five-year capital improvement program is annually revised through a centralized planning process. Funding is anticipated from a variety of local, state and federal sources. Capital projects fall into three major groups and are classified under the following ten functional areas:

<u>Major Groups</u>	<u>Functional Areas</u>
Basic Services	- Transportation (roads and bridges) - Public buildings and facilities - Vehicles and major equipment - Parks and recreation
Development	- Economic - Community
Major Enterprise Services	- Airports - Water system - Electric utility - Collector sewer system

Enterprise Funds

Cleveland operates four major Enterprise Funds encompassing two airports, a water system, an electrical plant, and a local sewer system. The City also operates other minor Enterprise Funds consisting of cemeteries, a convention center, golf courses, municipal parking lots, and public market facilities.

Department of Port Control: The Airports' operating revenue in 1999 amounted to \$77 million. Cleveland Hopkins International Airport served 13 million passengers in 1999, a record high. This reflects a 5.4% increase from 1998 passengers served. Over the past 5 years, the net increase in passengers has been 17%, increasing from a level of 11.1 million passengers in 1994. This increase is attributable to a long economic recovery, greater numbers of passengers, and additional flights by Continental and Southwest Airlines.

Cleveland Hopkins International Airport contributes more than \$2.2 billion to the regional economy. More than 19,000 people are employed as a result of the airport and its activities. Upon completion of the airport's current expansion project slated for 2016-Cleveland Hopkins' annual economic impact is projected to grow to \$5.6 billion, while the 6,000 jobs it generates are expected to nearly triple. In 1999, the airport opened a new \$141 million, 56-gate concourse for commuter routes, began several daily non-stop flights to London, installed runway lighting improvements, rehabilitated Taxiway J, and renovated the Federal Inspection Station. Continental Airlines also invested more than \$60 million to renovate and expand the Cleveland Hopkins baggage claim and ticketing areas to handle expected increase in passengers.

Division of Water: The Division of Water was created in 1853 and charged with the responsibility of collecting, treating, pumping and distributing potable water and providing related water service to customers within its service areas. The Division operates a major public water supply system that serves not only the City of Cleveland, but also 69 suburban municipalities in Cuyahoga, Medina, Summit and Geauga Counties. The present service area covers over 640 square miles and serves over 1.5 million people. In 1999, the aggregate metered consumption of water in the City of Cleveland constituted 38% of the total metered consumption in the service area, while consumption in the direct service communities and master meter communities constituted 52% and 10%, respectively.

Operating revenue in 1999 increased 6.4% to \$205 million from \$192.6 million in 1998. Metered sales revenue were up 6.45% in 1999 mainly due to a rate increase. Operating expenses, exclusive of depreciation, decreased .3% to \$99.7 million compared to \$102.4 million in 1998.

Division of Cleveland Public Power: The Division of Cleveland Public Power supplies electrical service to over 79,500 accounts in the City of Cleveland. The Division is responsible for producing, supplying, transmitting and distributing electricity and providing related electrical services to customers within its service area.

Cleveland Public Power's 1999 operating revenue increased 8.6% to \$130.6 million from \$120.3 million in 1998. The number of customers served increased 1.4% while kilowatt hour (kwh) sales rose 4.4%. Purchased power expense increased 20.3% to \$70.6 million in 1999 from \$58.7 million a year ago, primarily because of higher rates charged and the extraordinary demand in June and July. Operating expenses, exclusive of depreciation, decreased .7% to \$28.8 million compared to \$28.9 million a year ago.

Division of Water Pollution Control: The Division of Water Pollution Control is responsible for the network of sewers conveying sanitary sewage and industrial waste in the City from their point of origin to the treatment facilities for treatment and disposal. The Division also maintains, cleans, repairs and improves sewers and their appurtenances, including catch basins and relaying of sewer connections.

The Division reported a 2% increase in 1999 operating revenue to \$18.8 million compared to \$18.5 million in 1998 primarily due to a rate increase. Operating expenses, exclusive of depreciation, rose 1.6% to \$12.9 million from \$12.7 million a year ago.

General Fixed Assets

The general fixed assets of the City as of December 31, 1999 total \$696,335,000 and include all fixed assets of the City except those recorded in the Proprietary Fund Types and infrastructure assets such as streets and bridges. Infrastructure assets are not recorded because they are immovable and of use only to the City. Fixed asset additions and deductions for fiscal year 1999 amounted to \$123,509,000 and \$4,039,000 respectively. The additions were funded primarily from the Certificates of Participation, General Fund, General Obligation Bonds proceeds and Other Revenues.

Cash Management

Currently, the City's policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, \$19,663,000 of bank deposits are either insured by federal depository insurance or collateralized with the collateral being held by the City or by its agent in the City's name, and \$58,250,000 are uninsured and uncollateralized. Of the \$565,443,000 of classified investments, \$394,171,000 are classified in the category of lowest credit risk established by the Governmental Accounting Standards Board and \$128,997,000 represents investments held in the City's name by the counter party's trust department. The remaining \$43,586,000 represents repurchase agreements held by a counter party or its trust department but not in the City's name and Certificates of Participation proceeds.

The City's investment policies ensure the most efficient and profitable use of the City's cash resources and reduce the credit and market risks associated with the deposit and investment of City funds. Significant elements of the City's current cash management program include the following objectives:

- A more streamlined bank account structure.
- On-line connection to concentration banks that advise the City of funds available each day for disbursement and investment
- Improved control over the timing of disbursements.
- More sophisticated management of the City's investment portfolio.
- Reconciliation of investments to the market value of the collateral pledged.
- Investments transacted on a delivery versus payment basis.

Risk Management

The City has developed a risk management program involving law, finance and personnel to further promote its fundamental responsibility and financial capability to provide basic services to the citizens of Cleveland. The risk management program serves to implement qualitative controls, programs and safeguards in the delivery of basic City services for the protection of both the public and City employees. In addition, the program identifies and controls exposures the City may have to financial loss. Periodic review of the City's funding arrangements with respect to general liability and employee benefits maintains the City's assumption of risk at a reasonable and affordable level.

OTHER INFORMATION

The Independent Audit: The City Charter requires an annual audit of the financial statements of all accounts of the City by an independent certified public accountant. Accordingly, this year's audit was completed by PricewaterhouseCoopers LLP and Dingus and Daga, Inc. with assistance from the Auditor of State. The fiscal year ended December 31, 1999, represents the nineteenth consecutive year the City has prepared a Comprehensive Annual Financial Report (CAFR). In addition to the independent auditors, the City maintains its own Internal Audit division. Along with its duty of assisting the independent auditors, the Internal Audit division is responsible for strengthening and reviewing the City's internal controls. Internal Audit performs its own independent operational and financial audits of the City's many funds, departments and divisions. We believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of all financial transactions.

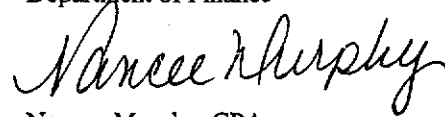
GFOA Certificate of Achievement Award: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cleveland, Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Cleveland has received a Certificate of Achievement for the last 15 consecutive years (fiscal years ended 1984-1998). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

Acknowledgments: The preparation of this report could not have been accomplished without the efficient and dedicated service of the Finance Department, particularly the Financial Reporting and Control division and the Internal Audit division. We would also like to thank the Mayor, his cabinet and members of City Council. Without their continued support the Department of Finance could not have maintained the financial management practices required to ensure the financial integrity of the City. In addition, we would like to thank the independent public accounting firms of PricewaterhouseCoopers LLP and Dingus and Daga, Inc., and the Auditor of State for their efforts and professional conduct throughout the audit engagement.

Sincerely,



Ronald E. Brooks, Director
Department of Finance



Nancee Murphy, CPA
City Controller

CITY OF CLEVELAND, OHIO
City Officials

Michael R. White, Mayor

EXECUTIVE STAFF

Judith Zimomra Chief of Staff / Executive Assistant for Policy
Susan E. Axelrod Executive Assistant for Health & Human Services
Reueben Shepard Executive Assistant for Services
Kenneth Silliman Executive Assistant for Development
Nina Turner Executive Assistant for Legislative Affairs
Barry Withers Executive Assistant for Administration

ADMINISTRATION

Dolores Alexander Director, Department of Aging
Lucille Ambroz Director, Office of Equal Opportunity
Ronald E. Brooks Director, Department of Finance
Cornell P. Carter Director, Department of Law
Dennis D. Dove Director, Community Relations Board
Martin L. Flask Police Chief
Kevin G. Gerrity Fire Chief
Henry Guzman Director, Department of Public Safety
Linda M. Hudecek Director, Department of Community Development
Nicholas P. Jackson Director, Department of Parks, Recreation & Properties
Michael Konicek Director, Department of Public Utilities
Valarie J. McCall Director, Empowerment Zone
Hunter Morrison Director, City Planning Commission
Jeffery K. Patterson Director, Personnel & Human Resources
Mark Ricchiuto Director, Department of Public Service
LaVonne Sheffield-McClain Director, Department of Port Control
Christopher P. Warren Director, Economic Development
Gregory J. Wilson Secretary, Civil Service Commission
Michele C. Whitlow Director, Department of Public Health

CITY OF CLEVELAND, OHIO

City Council

Michael D. Polensek	President of Council / Ward 11
Ruby F. Moss	Clerk of Council
Joseph T. Jones	Ward 1
Robert J. White	Ward 2
Odelia V. Robinson	Ward 3
Kenneth L. Johnson	Ward 4
Frank G. Jackson	Ward 5
Patricia J. Britt	Ward 6
Fannie M. Lewis	Ward 7
William W. Patmon	Ward 8
Craig E. Willis	Ward 9
Roosevelt Coats	Ward 10
Edward W. Rybka	Ward 12
Joe Cimperman	Ward 13
Nelson Cintron, Jr.	Ward 14
Merle R. Gordon	Ward 15
Michael C. O'Malley	Ward 16
Timothy J. Melena	Ward 17
Jay Westbrook	Ward 18
Dona Brady	Ward 19
Martin J. Sweeney	Ward 20
Michael A. Dolan	Ward 21

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cleveland,
Ohio

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

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

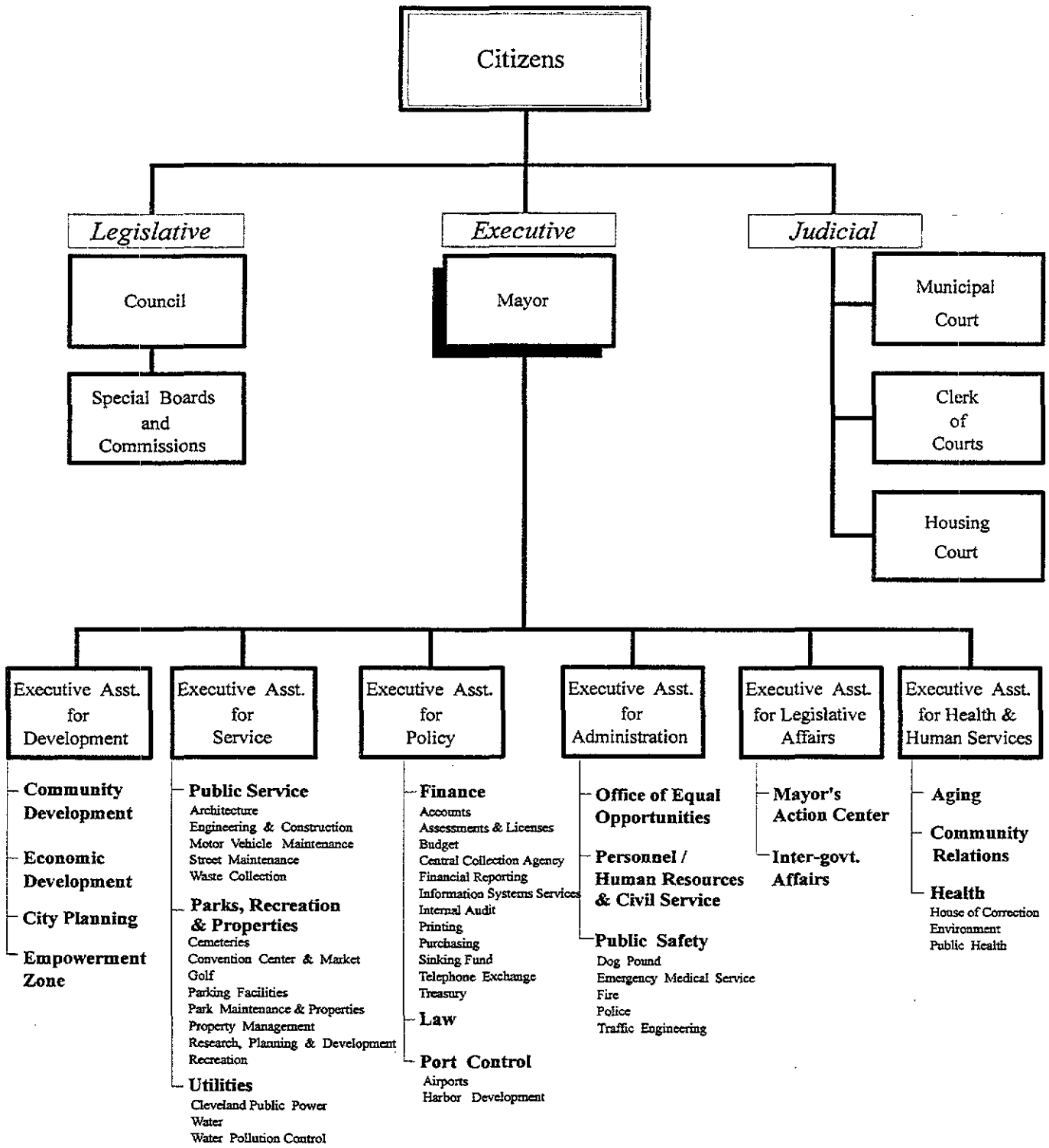


Cary Brueck
President

Jeffrey L. Esser
Executive Director

CITY OF CLEVELAND, OHIO

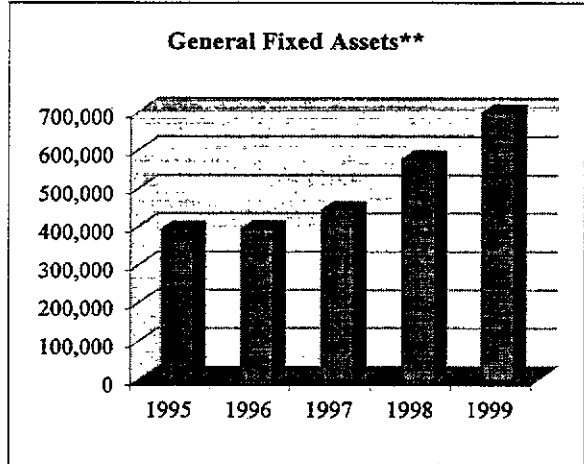
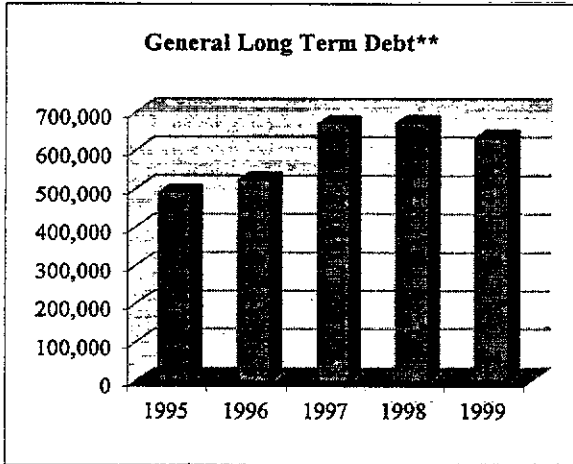
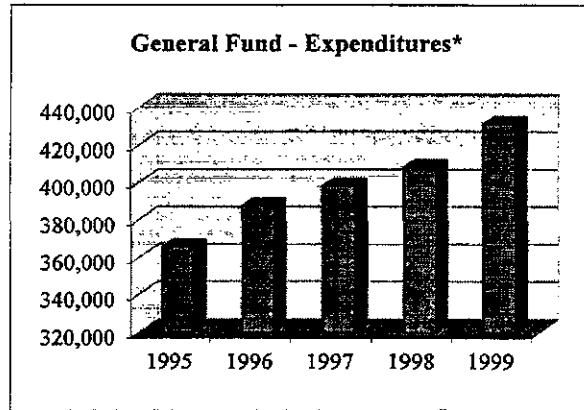
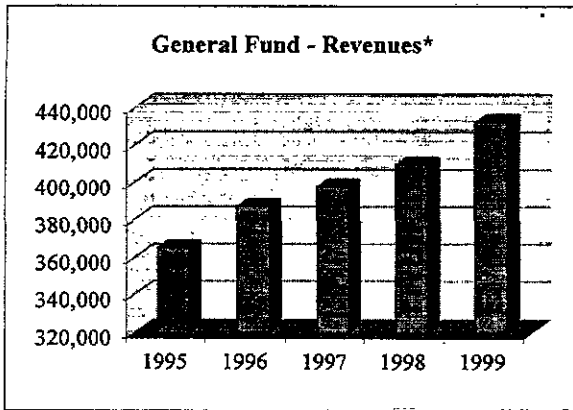
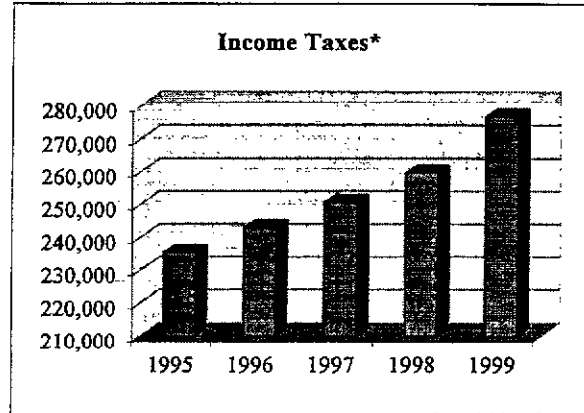
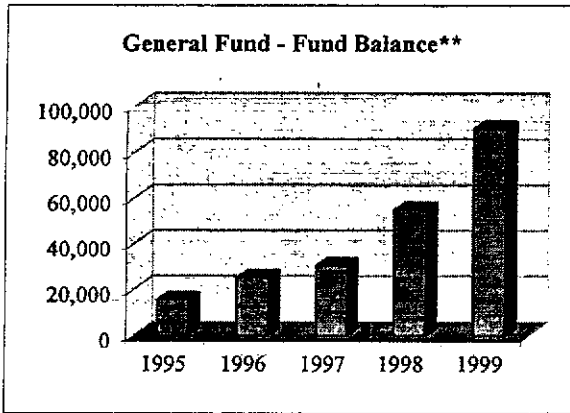
Administrative Organization Chart



FINANCIAL SECTION

FINANCIAL HIGHLIGHTS

(in thousands of dollars)



For Year Ended	General Fund Balance**	General Fund Revenues*	General Long Term Debt**	Income Taxes*	General Fund Expenditures*	General Fixed Assets**
1995	15,458	365,030	490,757	235,298	365,466	391,615
1996	25,174	387,104	522,536	242,860	387,431	393,492
1997	30,507	397,778	668,874	250,590	398,183	443,283
1998	54,843	409,666	670,753	259,721	408,232	576,865
1999	90,324	432,125	632,995	276,627	430,956	696,335

* Budget Basis

** GAAP Basis

REPORT OF INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
1500 One Cleveland Center
1375 East Ninth Street
Cleveland OH 44114-1700
Telephone (216) 875 3000
Facsimile (216) 575 0170

The Honorable Michael R. White, Mayor
and City Council
Cleveland, Ohio

In our opinion, the accompanying general-purpose financial statements present fairly, in all material respects, the financial position of the City of Cleveland, Ohio (the "City") as of December 31, 1999, and the results of its operations and cash flows of its proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the City's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, which 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 financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 27, 2000 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion of the general-purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part 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 sections as listed in the accompanying table of contents and therefore express no opinion thereon.

PricewaterhouseCoopers LLP
Dingus and Daga, Inc.

July 27, 2000

CITY OF CLEVELAND, OHIO
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1999

(Amounts in 000's)

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and cash equivalents	\$ 7,322	\$ 105,707	\$ 1,387	\$ 58,193
Investments at market			10,523	57,517
Receivables:				
Taxes	38,832	4,854		
Accounts	11,828	1,663		
Loans		169,657		
Unbilled revenue				
Accrued interest	1,005	306	85	1,048
Assessments				124
Less: Allowance for doubtful accounts	(2,000)			
Receivables, net	49,665	176,480	85	1,172
Due from other funds	52,997	23,662	3,240	9,022
Due from other governments	54,327	30,149	22,326	12,892
Inventory of supplies		649		
Prepaid expenses and other assets				
Restricted assets:				
Cash and cash equivalents				15,161
Investments at cost				
Accrued interest receivable				
Bond retirement reserve				
Accrued passenger facility charge				
				15,161
Fixed assets in service:				
Land				
Land improvements				
Utility plant in service				
Buildings, structure and improvements				
Furniture, fixtures and equipment				
Less: Accumulated depreciation				
Construction in progress				
Amount available in Debt Service Funds				
Amount to be provided for retirement of general long-term obligations:				
Debt				
Other Obligations				
TOTAL ASSETS	\$ 164,311	\$ 336,647	\$ 37,561	\$ 153,957

See notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise Fund	Internal Service	Agency Fund	General Fixed Assets	General Long-Term Obligations	1999	1998
\$ 58,571	\$ 7,110	\$ 42,570			\$ 280,860	\$ 301,842
196,160					264,200	159,609
		16,493			60,179	56,004
85,916	527				99,934	95,223
					169,657	163,081
34,698					34,698	29,242
2,862		77			5,383	5,351
					124	222
(16,688)					(18,688)	(14,856)
106,788	527	16,570			351,287	334,267
6,596	3,473				98,990	94,255
1,012		215			120,921	110,752
10,344	1,184				12,177	15,657
15,789					15,789	17,293
432,874					448,035	509,039
164,249					164,249	178,141
3,047					3,047	3,930
53					53	53
2,213					2,213	2,228
602,436					617,597	693,391
161,453	663		\$ 37,070		199,186	157,116
195,664	3		54,006		249,673	230,295
1,213,704					1,213,704	1,040,279
709,033	1,605		489,325		1,199,963	748,740
110,143	9,316		83,734		203,193	173,735
(671,839)	(10,646)				(682,485)	(630,266)
1,718,158	941		664,135		2,383,234	1,719,899
70,391			32,200		102,591	505,321
				\$ 15,846	15,846	13,997
					312,225	312,225
					348,981	350,591
					348,981	350,591
\$ 2,786,245	\$ 13,235	\$ 59,355	\$ 696,335	\$ 677,052	\$ 4,924,698	\$ 4,623,039

Continued

CITY OF CLEVELAND, OHIO

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS-Continued

December 31, 1999

(Amounts in 000's)

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
LIABILITIES				
Accounts payable	\$ 4,499	\$ 10,818		\$ 18,085
Estimated claims payable				
Deferred revenue	39,374	179,766	\$ 21,715	124
Due to other funds	9,617	36,971		13,615
Due to other governments	225	4,655		
Accrued wages and benefits	20,272	1,377		
Police and fire overtime				
Police and fire deferred vacation				
Sundry liabilities				
Accrued interest				
Accounts payable from restricted assets				
Capital lease obligations				
Certificates of participation				
Urban renewal increment bonds				
Subordinated income tax refunding bond				
Non-tax revenue bonds				
Notes payable				
General obligation bonds payable				
Construction loans				
Deferred payment obligation				
Revenue bonds payable				
TOTAL LIABILITIES	73,987	233,587	21,715	31,824
FUND EQUITY AND OTHER CREDITS				
Investment in general fixed assets				
Contributed capital - City of Cleveland and others				
Retained earnings:				
Reserve for debt retirement				
Unreserved				
TOTAL RETAINED EARNINGS				
Fund balances:				
Reserve for inventory		649		
Reserve for debt service			15,846	
Reserve for encumbrances	8,302	4,333		22,797
Reserve for rainy day reserve fund	6,031	1,500		
Unreserved:				
Designated for future capital improvements		15,225		99,050
Undesignated	75,991	81,353		286
TOTAL FUND BALANCES	90,324	103,060	15,846	122,133
TOTAL FUND EQUITY AND OTHER CREDITS	90,324	103,060	15,846	122,133
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 164,311	\$ 336,647	\$ 37,561	\$ 153,957

See notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)	
Enterprise Fund	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	1999	1998	
\$ 22,662	\$ 1,801			\$ 4,000	\$ 57,865	\$ 50,085	
					4,000	3,855	
					240,979	229,709	
18,863	1,463	\$ 18,461			98,990	94,255	
42,232		31,085			78,197	75,929	
14,982	1,774			35,021	73,426	101,979	
				54,155	54,155	53,514	
				927	927	1,261	
		9,809			9,809	14,515	
46,312					46,312	44,128	
18,626					18,626	27,182	
				1,859	1,859	3,880	
				174,485	174,485	160,757	
				9,430	9,430	9,685	
				70,700	70,700	71,800	
				10,000	10,000	20,000	
				4,250	4,250	4,500	
				312,225	312,225	306,165	
8,175					8,175	8,645	
28,993					28,993		
1,419,659					1,419,659	1,407,295	
1,620,504	5,038	59,355		677,052	2,723,062	2,689,139	
			\$ 696,335		696,335	576,865	
332,769	2,923				335,692	323,724	
39,388					39,388	34,401	
793,584	5,274				798,858	727,466	
832,972	5,274				838,246	761,867	
					649	580	
					15,846	13,997	
					35,432	43,786	
					7,531	6,031	
					114,275	85,484	
					157,630	121,566	
					331,363	271,444	
1,165,741	8,197		696,335		2,201,636	1,933,900	
\$ 2,786,245	\$ 13,235	\$ 59,355	\$ 696,335	\$ 677,052	\$ 4,924,698	\$ 4,623,039	

CITY OF CLEVELAND, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES

For the Year Ended December 31, 1999

(Amounts in 000's)

	Governmental Fund Types			
	General Fund	Special Revenue	Debt Service	Capital Projects
REVENUES				
Income taxes	\$ 253,403	\$ 32,544		
Property taxes	46,195		\$ 24,742	
State local government fund	59,413			
Other shared revenues	31,722	11,399		
Licenses and permits	8,984	115		
Charges for services	15,599	2,251		
Fines and forfeits	19,070			
Investment earnings	2,980	3,932	491	\$ 7,218
Grants		75,886	1,520	30,049
Contributions				62,394
Miscellaneous	10,055	35,860	8	1,248
TOTAL REVENUES	447,421	161,987	26,761	100,909
EXPENDITURES				
Current:				
General government	47,543	15,933		
Public service	29,345	23,447		
Public safety	242,977	6,183		
Human resources		7,520		
Community development	6,059	44,691		
Public health	10,728	10,343		
Parks, recreation and properties	33,502	8,236		
Economic development	1,079	17,675		
Other	14,458		573	
Capital outlay		11,532		121,958
Debt service:				
Principal retirement			41,625	6,817
Interest			20,711	8,593
TOTAL EXPENDITURES	385,691	145,560	62,909	137,368
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	61,730	16,427	(36,148)	(36,459)
OTHER FINANCING SOURCES (USES)				
Operating transfers in		8,983	38,030	19,257
Operating transfers out	(26,249)	(18,502)	(33)	(22,895)
Proceeds from sale of non-tax revenue bonds				10,000
Proceeds from sale of general obligation bonds, net				25,778
Proceeds from sale of certificates of participation, net				20,000
Payments to refund bonds				
TOTAL OTHER FINANCING SOURCES (USES)	(26,249)	(9,519)	37,997	52,140
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	35,481	6,908	1,849	15,681
Fund balances at beginning of year	54,843	96,152	13,997	106,452
Fund balances at end of year	\$ 90,324	\$ 103,060	\$ 15,846	\$ 122,133

See notes to financial statements.

Totals	
(Memorandum Only)	
1999	1998
\$ 285,947	\$ 272,309
70,937	66,662
59,413	53,998
43,121	37,393
9,099	10,574
17,850	16,648
19,070	14,766
14,621	23,890
107,455	100,255
62,394	4,642
47,171	62,363
<u>737,078</u>	<u>663,500</u>
63,476	54,789
52,792	53,898
249,160	241,632
7,520	9,920
50,750	52,178
21,071	19,814
41,738	42,645
18,754	13,368
15,031	14,876
133,490	184,528
48,442	26,511
29,304	30,293
<u>731,528</u>	<u>744,452</u>
5,550	(80,952)
66,270	42,673
(67,679)	(42,074)
10,000	
25,778	48,736
20,000	
	(24,823)
<u>54,369</u>	<u>24,512</u>
59,919	(56,440)
271,444	327,884
<u>\$ 331,363</u>	<u>\$ 271,444</u>

CITY OF CLEVELAND, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-GENERAL, BUDGETED SPECIAL REVENUE AND BUDGETED DEBT SERVICE FUND TYPES-LEGAL APPROPRIATION LEVEL

For the Year Ended December 31, 1999

(Amounts in 000's)

	General Fund				Budgeted Special Revenue Funds			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)
REVENUES								
Income taxes	\$ 236,755	\$ 236,755	\$ 245,844	\$ 9,089	\$ 29,594	\$ 29,594	\$ 30,783	\$ 1,189
Property taxes	44,075	44,075	45,964	1,889				
State local government fund	55,757	55,757	56,923	1,166				
Other shared revenues	27,071	27,071	31,187	4,116	10,850	10,850	11,254	404
Licenses and permits	8,368	8,368	8,731	363	400	400	96	(304)
Charges for services	14,949	14,949	13,671	(1,278)	1,500	1,500	1,857	357
Fines and forfeits	15,407	15,407	16,611	1,204				
Investment earnings	2,944	2,944	4,435	1,491				
Grants								
Enterprise reimbursements								
Miscellaneous	23,368	23,368	8,759	(14,609)	5,151	5,151	4,059	(1,092)
TOTAL REVENUES	428,694	428,694	432,125	3,431	47,495	47,495	48,049	554
EXPENDITURES								
Current:								
General government	49,952	51,392	49,837	1,555				
Public service	31,836	31,401	31,222	179	25,223	25,223	25,157	66
Public safety	251,994	252,809	252,723	86				
Community development	6,640	6,640	6,581	59				
Public health	11,475	11,706	11,984	(278)				
Maintenance, parks and recreation	36,237	36,236	36,150	86	2,000	2,000	2,000	
Economic development	1,180	1,180	1,128	52				
Other	15,282	16,582	16,553	29				
Capital outlay					19,621	19,321	15,117	4,204
Debt service:								
Principal retirement								
Interest								
TOTAL EXPENDITURES	404,596	407,946	406,178	1,768	46,844	46,544	42,274	4,270
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,098	20,748	25,947	5,199	651	951	5,775	4,824
OTHER FINANCING SOURCES (USES)								
Operating transfers in					9,254	9,254	10,483	1,229
Operating transfers out	(24,778)	(24,778)	(24,778)		(11,750)	(12,050)	(12,050)	
TOTAL OTHER SOURCES (USES)	(24,778)	(24,778)	(24,778)		(2,496)	(2,796)	(1,567)	1,229
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(680)	(4,030)	1,169	5,199	(1,845)	(1,845)	4,208	6,053
Fund balances at beginning of year	2,491	2,491	2,491		10,618	10,618	10,618	
Fund balances at end of year	\$ 1,811	\$ (1,539)	\$ 3,660	\$ 5,199	\$ 8,773	\$ 8,773	\$ 14,826	\$ 6,053

See notes to financial statements.

Budgeted Debt Service Funds				Totals (Memorandum Only)			
Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)
				\$ 266,349	\$ 266,349	\$ 276,627	\$ 10,278
\$ 22,961	\$ 22,961	\$ 23,404	\$ 443	67,036	67,036	69,368	2,332
				55,757	55,757	56,923	1,166
				37,921	37,921	42,441	4,520
				8,768	8,768	8,827	59
				16,449	16,449	15,528	(921)
				15,407	15,407	16,611	1,204
275	275	325	50	3,219	3,219	4,760	1,541
921	921	1,520	599	921	921	1,520	599
		49	49			49	49
				28,519	28,519	12,818	(15,701)
24,157	24,157	25,298	1,141	500,346	500,346	505,472	5,126
				49,952	51,392	49,837	1,555
				57,059	56,624	56,379	245
				251,994	252,809	252,723	86
				6,640	6,640	6,581	59
				11,475	11,706	11,984	(278)
				38,237	38,236	38,150	86
				1,180	1,180	1,128	52
				15,282	16,582	16,553	29
				19,621	19,321	15,117	4,204
41,370	41,370	41,464	(94)	41,370	41,370	41,464	(94)
20,393	20,393	20,086	307	20,393	20,393	20,086	307
61,763	61,763	61,550	213	513,203	516,253	510,002	6,251
(37,606)	(37,606)	(36,252)	1,354	(12,857)	(15,907)	(4,530)	11,377
37,850	37,850	37,157	(693)	47,104	47,104	47,640	536
				(36,528)	(36,828)	(36,828)	
37,850	37,850	37,157	(693)	10,576	10,276	10,812	536
244	244	905	661	(2,281)	(5,631)	6,282	11,913
8,680	8,680	8,680		21,789	21,789	21,789	
\$ 8,924	\$ 8,924	\$ 9,585	\$ 661	\$ 19,508	\$ 16,158	\$ 28,071	\$ 11,913

CITY OF CLEVELAND, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS-ALL PROPRIETARY FUND TYPES

For the Year Ended December 31, 1999

(Amounts in 000's)

	Proprietary Fund Types		Totals	
	Enterprise Fund	Internal Service	(Memorandum Only) 1999	1998
OPERATING REVENUES				
Charges for services	\$ 446,429	\$ 31,159	\$ 477,588	\$ 445,514
TOTAL OPERATING REVENUES	446,429	31,159	477,588	445,514
OPERATING EXPENSES				
Operations	154,522	27,746	182,268	180,668
Maintenance	41,828	3,471	45,299	45,865
Purchased power	70,619		70,619	58,686
Depreciation	65,527	78	65,605	51,585
TOTAL OPERATING EXPENSES	332,496	31,295	363,791	336,804
OPERATING INCOME (EXPENSE)	113,933	(136)	113,797	108,710
NON-OPERATING REVENUES (EXPENSES)				
Interest income	28,690	969	29,659	36,228
Interest expense	(64,316)		(64,316)	(60,172)
Litigation settlement	6,500		6,500	3,000
Passenger facility charge revenue	16,753		16,753	16,648
Loss on disposal of property and equipment	(11,039)		(11,039)	(461)
Other (expenses) revenues, net	(16,384)		(16,384)	1,062
TOTAL NON-OPERATING REVENUES (EXPENSES)	(39,796)	969	(38,827)	(3,695)
INCOME BEFORE OPERATING TRANSFERS	74,137	833	74,970	105,015
Operating transfers in	328	1,921	2,249	601
Operating transfers out	(840)		(840)	(1,200)
NET INCOME	73,625	2,754	76,379	104,416
Retained earnings at beginning of year	759,347	2,520	761,867	657,451
Retained earnings at end of year	\$ 832,972	\$ 5,274	\$ 838,246	\$ 761,867

See notes to financial statements.

CITY OF CLEVELAND, OHIO
COMBINED STATEMENT OF CASH FLOWS-ALL PROPRIETARY FUND TYPES

For the Year Ended December 31, 1999

(Amounts in 000's)

	Proprietary Fund Types		Totals	
	Enterprise Fund	Internal Service	(Memorandum Only)	
	1999	1998	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 442,116	\$ 28,619	\$ 470,735	\$ 450,227
Cash payments to suppliers for goods or services	(84,607)	(20,369)	(104,976)	(114,119)
Cash payments to employees for services	(106,555)	(10,855)	(117,410)	(117,534)
Cash payments for purchased power	(69,874)		(69,874)	(58,027)
Cash receipts of customer deposits	682		682	119
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	181,762	(2,605)	179,157	160,666
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash received through operating transfers from other funds	328	1,921	2,249	516
Cash receipts for passenger facility charges	16,768		16,768	16,404
Cash received from litigation settlement	6,500		6,500	3,000
Cash payments for sound insulation of homes and other	(22,442)		(22,442)	(7,374)
Cash receipts from hotel tax	3,609		3,609	3,393
Other	2,380		2,380	8,139
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	7,143	1,921	9,064	24,078
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of revenue bonds and notes	84,583		84,583	303,302
Acquisition and construction of capital assets	(180,503)		(180,503)	(204,091)
Principal paid on long-term debt	(34,316)		(34,316)	(29,707)
Interest paid on long-term debt	(78,473)		(78,473)	(72,608)
Cash paid to escrow agent for refunding	(45,793)		(45,793)	(202,372)
Capital grant proceeds	13,888		13,888	358
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(240,614)		(240,614)	(205,118)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(418,167)		(418,167)	(427,309)
Proceeds from sale and maturity of investment securities	347,303		347,303	456,267
Interest received on investments	40,225	994	41,219	51,216
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(30,639)	994	(29,645)	80,174
NET INCREASE IN CASH AND CASH EQUIVALENTS	(82,348)	310	(82,038)	59,800
Cash and cash equivalents at beginning of year	573,793	6,800	580,593	520,793
Cash and cash equivalents at end of year	\$ 491,445	\$ 7,110	\$ 498,555	\$ 580,593

Continued

CITY OF CLEVELAND, OHIO
COMBINED STATEMENT OF CASH FLOWS-ALL PROPRIETARY FUND TYPES-Continued
For the Year Ended December 31, 1999
(Amounts in 000's)

	Proprietary Fund Types		Totals	
	Enterprise Fund	Internal Service	(Memorandum Only)	
			1999	1998
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
OPERATING INCOME	\$ 113,933	\$ (136)	\$ 113,797	\$ 108,710
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	65,527	78	65,605	51,585
Non-cash rental income	(3,106)		(3,106)	
Change in assets and liabilities:				
Accounts receivable, net	380		380	(2,426)
Unbilled revenue	(5,457)		(5,457)	518
Due from other funds	664	(2,833)	(2,169)	(469)
Inventory of supplies	3,940	(391)	3,549	(117)
Prepaid expenses	313		313	35
Landing fee adjustment	4,446		4,446	(4,593)
Accounts payable	2,162	534	2,696	(1,956)
Due to other funds	2,893	635	3,528	6,430
Due to other governments	2,826		2,826	1,059
Accrued wages and benefits	(6,759)	(492)	(7,251)	1,890
TOTAL ADJUSTMENTS	<u>67,829</u>	<u>(2,469)</u>	<u>65,360</u>	<u>51,956</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 181,762</u>	<u>\$ (2,605)</u>	<u>\$ 179,157</u>	<u>\$ 160,666</u>

See notes to financial statements.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS

NOTE A - DESCRIPTION OF CITY OPERATIONS AND BASIS OF PRESENTATION

The City: The City of Cleveland, Ohio (the "City") operates under an elected Mayor/Council (21 members) administrative/legislative form of government.

Reporting Entity: The accompanying financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 1999, and for the year then ended, and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

In evaluating how to define the governmental reporting entity, the City adopted the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*", under which the financial statements include all the organizations, activities, functions, and component units for which the City (Primary Government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the City.

On this basis, 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, including police and fire protection, waste collection, parks and recreation, health, certain social services and general administrative services. In addition, the City owns and operates ten enterprise activities, the major ones consisting of a water system, a sewer system, an electric distribution system, two airports, municipal parking lots and a convention facility.

The following entities are related organizations to the City of Cleveland but the City's accountability does not extend beyond appointing authority:

Cuyahoga Metropolitan Housing Authority - Created under the Ohio Revised Code, the Cuyahoga Metropolitan Housing Authority provides public housing services. The five member board consists of two appointed by the Mayor of the City, two appointed by City Council and one appointed by the City Manager of the City of Cleveland Heights with approval from its City Council.

Cleveland-Cuyahoga County Port Authority - Created under the Ohio Revised Code, the Cleveland-Cuyahoga County Port Authority conducts port development and operations. The nine member Board of Directors consists of three appointed by the County Commissioners and six appointed by the City of Cleveland.

Cleveland Public Schools - In November 1998 the Mayor of the City of Cleveland was given appointing authority for the Cleveland Public Schools. As approved by the State legislature, the Ohio Revised Code provided for the Mayor to appoint a Chief Executive Officer who was to be approved by the Board of Education. The Board of Education is comprised of nine members. The members of the Board are appointed by the Mayor from a pool of 18 candidates presented to the Mayor by an independent nominating panel.

The following entity is a jointly governed organization to the City of Cleveland but the City has no ongoing financial interest or responsibility:

Gateway Economic Development Corporation of Greater Cleveland (Gateway) - Gateway is responsible for the operating of a sports complex and related economic development. The five member board consists of two members appointed by the City, two members appointed by the Board of County Commissioners and one by the President of the Board of County Commissioners with concurrence of the Mayor of the City of Cleveland.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Basis of Presentation: The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements.

Amounts in the "totals-memorandum only" columns represent a summation of the general purpose financial statement line items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different bases of accounting, both restricted and unrestricted amounts, interfund transactions that have not been eliminated, and the caption "amount to be provided," which is not an asset in the usual sense. Consequently, amounts shown in the "totals-memorandum only" columns are not comparable to a consolidation and do not represent the total resources available or total revenues and expenditures (expenses) of the City.

The following fund types and account groups are used by the City:

Governmental Funds

General Fund: This fund, which is the major operating fund of the City, accounts for the general operating revenues and expenditures of the City not recorded elsewhere. Revenues are derived primarily from property taxes, income taxes and the state local government fund.

Special Revenue Funds: These funds are used to account for specific governmental revenues (other than revenues for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. These funds include most major federal and state grants.

Debt Service Funds: These funds are used to account for the resources received and used to pay principal and interest on debt reported in the General Long-Term Obligations Account Group and certain enterprise funds. Revenues and financing resources are derived primarily from property taxes, reimbursements from enterprise funds and operating transfers by enterprise funds.

Capital Projects Funds: These funds are used to account for the acquisition or construction of capital assets other than those financed by special revenue, enterprise and internal service fund operations. Revenues and financing resources are derived primarily from the issuance of bonds, certificates of participation and the receipt of grants.

Proprietary Funds

Enterprise Funds: These funds are used to account for operations that provide services which are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

Internal Service Funds: These funds are used to account for the goods or services provided to certain City departments and funds or to other governments on a cost reimbursement basis.

Fiduciary Funds

Agency Funds: These funds are used to account for assets held by the City as an agent for others and include the Central Collection Agency, the Cleveland Municipal Court and payroll deductions withheld and awaiting payment.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Account Groups

General Fixed Assets Account Group: This account group is used to present the general fixed assets of the City utilized in its general operations, exclusive of those used in enterprise and internal service funds. General fixed assets include land, buildings, improvements and equipment owned by the City, and the City's share of the Justice Center Building.

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the more significant accounting policies for the City is described below:

Basis of Accounting: All financial transactions for Governmental and Fiduciary Funds are recorded on the modified accrual basis of accounting. Under this accounting method, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues accrued at the end of the year primarily consist of reimbursements from other governments for grant expenditures, revenues from other governmental entities for services rendered, state local government fund revenues, other shared revenues, delinquent property taxes, and income taxes receivable arising from payroll tax withholdings for individuals in December and quarterly and annual payments of income taxes pertaining to net profits, self-employment and residents received within 60 days after year end. Governmental and fiduciary fund expenditures are accrued when the fund liability is incurred except for interest on long-term debt, which is recorded when due. Financial transactions for proprietary funds are recorded on the accrual basis of accounting; revenues are recognized when earned, and expenses are recognized as incurred. Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Activities", all Proprietary Funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, Proprietary Funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements (unless they conflict with GASB pronouncements). The City has chosen not to apply future FASB standards.

Measurement Focus: All Governmental Funds are accounted for on a spending or current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Resources not available to finance expenditures or commitments of the current period are recognized as deferred revenue. Liabilities for claims, judgments, compensated absences, police and fire overtime and police and fire deferred vacation which will not be currently liquidated using expendable financial resources are shown in the General Long-Term Obligations Account Group.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus and upon determination of net income, financial position and cash flows.

Budgetary Accounting and Control: The City is required by state law to adopt annual budgets for the General Fund, Special Revenue Funds including the Division of Streets, Restricted Income Tax, Rainy Day Reserve Fund, Schools Recreation and Cultural Activities Fund, and Debt Service Funds (except for Urban Renewal and Urban Renewal Reserve Funds). Modifications to the original budget are approved by City Council throughout the year. The City maintains budgetary control by not permitting expenditures to exceed appropriations for personnel costs, (including benefits) other costs, debt service and capital outlay within a division of the City without the approval of City Council. Adjustments to the budget can only be made within a division and then within each category. Further legislation is needed in order to move budget authority from "personnel" to "other" or vice versa, or between divisions. City Council adopted an additional supplemental appropriation for 1999.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Unencumbered appropriations for annually budgeted funds lapse at year end. Budgetary data are not presented for the Proprietary Funds due to the nature of the funds. There is no legal requirement to report on such budgets.

The actual results of operations as compared to the amended appropriations passed by Council are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (Non-GAAP Budgetary Basis)-General, Budgeted Special Revenue and Debt Service Fund Types, in accordance with the City's budgetary process (budget basis) to provide a meaningful comparison of actual results with the budget for those governmental funds for which annual budgets are prepared.

The City's budgetary process does not include annual budgeting for grant funds and capital project funds. Appropriations in these funds remain open and carry over to succeeding years (i.e., multi-year) until the related expenditures are made or until they are modified or canceled. Appropriations for these funds are controlled on a project basis and therefore budgetary comparison statements on an annual basis do not provide meaningful information and, accordingly, are not presented.

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP) basis.

The major differences between the budget basis and the GAAP basis are that:

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- (2) Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when goods or services are received (GAAP). Encumbrances are recorded as expenditures (budget) as opposed to reservation of fund balance (GAAP).

	Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses		
	General Fund	Special Revenue Funds	Debt Service Funds
	(Amounts in 000's)		
GAAP Basis	\$35,481	\$6,908	\$1,849
Less: funds not budgeted on an annual basis		2,837	123
GAAP basis for budgeted funds	35,481	4,071	1,726
Increase (decrease):			
Accrued receivables at December 31, 1999, not recognized in the 1999 budget	(156,989)	(22,336)	(25,615)
Accrued receivables at December 31, 1998, recognized in the 1999 budget	140,526	19,714	23,854
Net impact of encumbrances on budget basis expenditures and other adjustments	(4,116)	1,682	17
Accrued liabilities at December 31, 1999, not recognized in the 1999 budget	73,987	8,863	21,715
Accrued liabilities at December 31, 1998, recognized in the 1999 budget	(87,720)	(7,786)	(20,792)
Budget basis for budgeted funds	<u>\$1,169</u>	<u>\$4,208</u>	<u>\$905</u>

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Pooled Cash and Investments: Cash resources of certain individual funds are combined to form a pool of cash and investments which is managed by the City Treasurer. Investments in the Pooled Cash Account, consisting of certificates of deposit, repurchase agreements, U.S. government securities, Star Ohio and time deposits, are carried at market value (see Note C). Interest earned on pooled cash and investments is distributed to the appropriate funds utilizing a formula based on the average weekly balance of cash and investments of each fund.

Cash and Cash Equivalents: Cash and cash equivalents are defined as highly liquid investments with a maturity of three months or less when purchased.

Investments: Effective January 1, 1998, the City adopted the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools," which requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. In accordance with GASB Statement No. 31, the City has stated certain investments at fair value. The effect of the change on the financial statements was not significant.

Unbilled Revenue: Unbilled revenues are estimates for services rendered but not billed to customers at year end.

Inventory of Supplies: Inventory is valued at average cost except Special Revenue Fund inventory which is valued at cost. Inventory generally consists of construction and utility plant supplies not yet placed into service. Inventory costs are charged to operations when consumed.

Restricted Assets: Proceeds from debt and amounts set aside for payment of enterprise fund general obligation debt and revenue bonds are classified as restricted assets since their use is limited by applicable bond indentures.

Fixed Assets and Depreciation: Property, plant and equipment is stated on the basis of historical cost, or if contributed, at fair market value at the date received. Infrastructure, pertaining to Governmental Fund Type activities, including streets, bridges and sidewalks, is not capitalized by the City. Depreciation is not provided in the General Fixed Assets Account Group. Depreciation for the Proprietary Fund Types is determined by allocating the cost of fixed assets over the estimated useful lives of the assets using the straight-line method. When property is disposed of, the cost and related accumulated depreciation are removed from the accounts with gains or losses on disposition being reflected in operations. The estimated useful lives are as follows:

Utility plant in service	6 to 100 years
Buildings, structures and improvements	10 to 65 years
Furniture, fixtures and equipment	5 to 33 years

Capital Outlay: The City reports capital outlays in the fund which provides the resources.

Idle Facilities: In April 1977, the Division of Cleveland Public Power closed its generation plant and since that time the Division's revenues have been derived primarily from the distribution of purchased power. Management has several options available for rehabilitating the plant and returning it to operation. With the present availability of competitively priced purchased power, the plant will remain idle until such time as returning it to operation is economically desirable.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Capitalization of Interest: The City's policy is to capitalize interest on Proprietary Fund Type construction projects until substantial completion of the project. Capitalized interest is amortized on the straight-line basis over the estimated useful lives of such assets. The City applies Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, for its Waterworks Improvement First Mortgage Revenue Bonds, its Public Power Improvement First Mortgage Revenue Bonds and its Parking Facilities Refunding Revenue Bonds. This Statement requires capitalization of interest cost of the borrowings less interest earned on investment of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use.

For 1999, interest expense incurred for the Proprietary Funds was \$90,787,000 which was reduced by \$26,471,000 of interest expense capitalized. For 1999, total interest income earned by the Proprietary Funds was \$41,563,000 which was reduced by \$11,904,000 of interest income capitalized.

Swap Agreements: The City may enter into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expense resulting from these agreements, no amounts are recorded in the financial statements. As further described in Note D, the City has one swap agreement outstanding at December 31, 1999 for its Subordinated Income Tax Refunding Bonds.

Contributed Capital: Contributed capital represents federal and state grants and other financial resources supplied to the City's Proprietary Funds which are not subject to mandatory repayment.

Grants and Other Intergovernmental Revenues: Federal grants and assistance awards made on the basis of entitlement programs are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants for the acquisition of fixed assets of Proprietary Fund Types are recorded as intergovernmental receivables and contributed capital when the related expenses occur. Other federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures (expenses) are incurred. The City accounts for loans receivable related to the Economic Development Funds, Urban Development Action Funds, Community Development Block Grants and Supplemental Empowerment Zone as deferred revenue and recognizes revenues when the principal and interest payments are received. The loan proceeds are earmarked for future reprogramming under federal guidelines and are not available to fund current operating expenditures of the City.

The City participates in the State Issue 2 program and the Local Transportation Improvement Program. Through these programs, the State of Ohio (State) provides financial assistance to the City for its various road and bridge improvements and storm water detention facilities. The Ohio Public Works Commission (OPWC) is the State agency which oversees the allocation of State bond proceeds and tax revenue to selected projects which have met funding requirements. Upon approval of the OPWC, the City and the State create project agreements establishing each entity's financial contribution toward each project. Through December 31, 1999, the State funded \$56,996,000 of road and bridge improvement projects. Also funded was \$5,829,000 for storm water detention facilities recorded in the Enterprise Fund's Division of Water Pollution Control.

Encumbrances: Encumbrance accounting is employed in the General, certain Special Revenue, and Capital Projects Funds. Purchase orders and requisitions, contracts, and other commitments for expenditures are recorded as encumbrances to reserve the applicable portion of the appropriation. Encumbrances outstanding at year end are reported as a reservation of fund balances since they do not constitute expenditures or liabilities and are carried forward to the next fiscal year.

Interfund Transactions: During the course of normal operations, the City has numerous transactions between funds, including transfers of resources to provide services, construct assets and service debt. Such transactions are generally reflected as operating transfers or reimbursements in the accompanying financial statements.

Statement of Cash Flows: The City utilizes the direct method of reporting cash flows from operating activities in the Statement of Cash Flows as defined by the Governmental Accounting Standards Board Statement No. 9. In a statement of cash flows, cash receipts and cash payments are classified according to operating, non-capital financing, capital and related financing, and investing activities.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Compensated Absences: In conformity with the Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences", the City accrues vacation and sick pay benefits including their related fringe benefits as earned by its employees. For Governmental Fund Types, the liability not currently due and payable at year end is recorded in the General Long-Term Obligations Account Group.

Normally, all vacation time is to be taken in the year available unless written approval for carryover of vacation time is obtained. Sick days not taken may be accumulated until retirement. An employee is paid one-third of accumulated sick leave, calculated at current wage rates, upon retirement with the balance being forfeited.

Police and Fire Deferred Vacation: Uniformed police and fire employees are eligible to defer earned vacation time, with the appropriate approvals, until retirement. Once deferred, the employee cannot use deferred time as vacation. Deferred vacation is paid to the employee upon retirement, calculated using the hourly rate and their related fringe benefits at the date of retirement.

Future Capital Improvements: Certain resources have been designated by City management to fund future capital improvements. These resources are classified as "Designated for future capital improvements" in the fund balance of the Governmental Fund Types.

Rainy Day Reserve Fund: The Rainy Day Reserve Fund was established to account for assets that are only eligible to be used during significant periods of economic downturn or to fund unanticipated one-time General Fund obligations.

Reserved Fund Balance: Fund balances are reserved to indicate that they do not constitute available financial resources and have been specifically reserved by City ordinance or other requirements.

Reclassifications: Certain amounts for 1998 have been reclassified to conform with 1999 classifications.

NOTE C - POOLED AND SEGREGATED CASH AND INVESTMENTS

Monies for the Debt Service Funds, certain Capital Projects Funds, Central Collection Agency, Municipal Courts, Department of Port Control, Division of Water, Division of Water Pollution Control, Division of Cleveland Public Power, Division of Municipal Parking Lots and certain Special Revenue Funds are deposited or invested in individual segregated bank accounts. Monies for the Job Training Partnership Act (JTPA) Grants, Neighborhood Development Investment Funds, Economic Development Funds, Supplemental Empowerment Zone and other Special Revenue Funds are also deposited in segregated bank accounts.

Monies of all other funds of the City, including the accounts of the General Fund, other Special Revenue Funds, other Capital Projects Funds, other Enterprise Funds, Internal Service Funds and other Agency Funds, are maintained or invested in a common group of bank accounts. Collectively these common bank accounts and investments represent the Pooled Cash Account (PCA). Each fund whose monies are included in the PCA has equity therein.

Certain funds have made disbursements from the PCA in excess of their individual equities in the PCA. Such amounts have been classified as interfund receivables and payables between the Restricted Income Tax Fund and the respective funds that have made disbursements in excess of their individual equities in the PCA.

The City has a restrictive arrangement for certain segregated monies held in escrow at the banks' trust departments in which the City must act in conjunction with a trust officer in order to make investments. The City's role is that of investment manager and the trust officer's role is that of purchasing agent. For other segregated monies, the City acts alone in placing investments with the banks. Amounts held in escrow are designated for a special purpose and are entrusted to a third party to fulfill certain legal provisions.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Deposits: Ohio law requires that deposits be placed in eligible banks or building and loan associations located in Ohio. The City's policy is to place deposits only with major commercial banks having offices within the City of Cleveland. 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. Further, City ordinance requires such collateral amounts to exceed deposits by ten percent. Collateral that may be pledged is limited to obligations of the following entities: the United States and its agencies, the State of Ohio, the Ohio Student Loan Commission and any legally constituted taxing subdivision within the State of Ohio. The City also requires that non-pooled securities pledged be held by either the Federal Reserve Bank or other trust institution, as designated by the City, as trustee. This collateral is held in joint custody with the financial institution pledging the collateral, and cannot be sold or released without written consent from the City.

Monthly, the City determines that the collateral has a market value adequate to cover the deposits and that it has been segregated either physically or in book entry form. At year end, the carrying amount of the City's deposits including certificates of deposit was \$77,913,000 and the actual bank balance totaled \$115,400,000. The difference represents outstanding warrants payable and normal reconciling items. Based on the criteria described in GASB Statement No. 3, \$19,663,000 of the bank balance was insured or collateralized with securities held by the City or by its agent in the City's name.

The remaining balance of \$95,737,000 was uninsured and uncollateralized (which includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department but not in the City's name). Of this amount, \$61,970,000 was invested in two bank investment contracts (BIC). The first BIC, with a cost of \$55,790,000, is secured by repurchase agreements of government securities held as collateral by the City's trustee in the name of the trustee. The second BIC of \$6,180,000 is secured by securities held by the pledging financial institution's trust department but not in the City's name. The remaining amount, \$33,767,000 was secured by a collateral pool held at the Federal Reserve Bank in the name of the respective depository bank which pledges a pool of collateral against all public deposits it holds.

Investments: The City's investment policies are governed by state statutes and City ordinances which authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities; bonds and other State of Ohio obligations; certificates of deposit; U.S. Government Money Market Mutual Funds; State Treasurer Asset Reserve Fund (Star Ohio), guaranteed investment contracts and repurchase transactions. Such repurchase transactions must be purchased from financial institutions as discussed in "Deposits" above or registered broker/dealers. Repurchase transactions are not to exceed a period of one year and confirmation of securities pledged must be obtained. Under City policy, investments are limited to repurchase agreements, U.S. government securities, certificates of deposit, investments in certain money market mutual funds and State Treasurer Asset Reserve Fund (Star Ohio). Generally, investments are recorded in segregated accounts by way of book entry through the bank's commercial or trust department and are kept at the Federal Reserve Bank in the depository institution's separate custodial account for the City, apart from the assets of the depository institution. Ohio statute prohibits the use of Reverse Repurchase Agreements as of September 1996.

Investment securities are exposed to various risks such as interest rate, market and credit. Market values of securities fluctuate based on the magnitude of changing market conditions; significant changes in market conditions could materially affect portfolio value.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," requires the City to categorize its deposits and investments into one of three categories:

Category 1: includes insured or registered, or securities held by the City or its agent in the City's name;

Category 2: includes uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name;

Category 3: includes uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the City's name.

The categorized investments shown in the following table include those which are classified as cash and cash equivalents in the balance sheet in accordance with the provisions of GASB Statement No. 9:

Type of Investment	Category	Fair Value	Cost
(Amounts in 000's)			
U.S. Agency Obligations	1	\$ 394,171	\$ 396,424
U.S. Treasury Bonds	2	13,139	12,899
U.S. Treasury Bills	2	78,467	78,307
U.S. Treasury Notes	2	22,246	22,337
Certificates of Participation	2	15,145	15,138
Repurchase Agreements	3	43,586	43,586
Reserve Fund (Star Ohio)	n/a	68,752	68,752
Investments in Mutual Funds	n/a	91,288	91,288
Guaranteed Investment Contracts	n/a	352,637	352,637
Total Investments		1,079,431	1,081,368
Total Deposits		77,913	77,913
Total Deposits and Investments		<u>\$ 1,157,344</u>	<u>\$ 1,159,281</u>

Star Ohio is an investment pool created pursuant to Ohio Statutes and managed by the Treasurer of the State of Ohio. Amounts invested with Star Ohio, mutual funds and guaranteed investment contracts are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE D - BONDS, DEBT AND OTHER OBLIGATIONS

A summary of all outstanding debt of the City as of December 31, 1999 is as follows:

	Balance January 1, 1999	Additions	(Reductions)	Balance December 31, 1999
	(Amounts in 000's)			
General Long-Term Obligations and Notes				
General Obligation Bonds due through 2020, 3.5% to 9.875%	\$306,165	\$26,330	(\$20,270)	\$312,225
<i>Other Obligations:</i>				
Urban Renewal Bonds due through 2018, 3.60% to 6.75%	9,685		(255)	9,430
Subordinated Income Tax Refunding Bonds due through 2024, 4.88%	71,800		(1,100)	70,700
Non-tax Revenue Bond Anticipation Notes	20,000		(20,000)	0
Non-tax Revenue Bonds, 5.75% - Stadium	0	10,000		10,000
Certificates of Participation - 1992 and 1995	22,762		(5,392)	17,370
Certificates of Participation - Stadium	137,995	20,545	(1,425)	157,115
Capital lease obligations	2,341		(482)	1,859
Gateway Note Payable	4,500		(250)	4,250
Accrued wages and benefits	38,630		(3,609)	35,021
Police and fire overtime	53,514		641	54,155
Police and fire deferred vacation	1,261		(334)	927
Estimated claims payable (Note G)	2,100	1,900		4,000
Total General Long-Term Obligations and Notes	<u>\$670,753</u>	<u>\$58,775</u>	<u>(\$52,476)</u>	<u>\$677,052</u>
Enterprise Funds				
<i>Airport System Revenue Bonds:</i>				
Series 1990 due through 2006, 6.50% to 7.30%	\$33,716		(\$2,465)	\$31,251
Series 1994 due through 2024, 4.80% to 7.95%	82,235		(1,465)	80,770
Series 1997 due through 2027, 4.25% to 7.00%	276,575		(4,520)	272,055
<i>Airport Surplus Revenue Notes:</i>				
Series 1999 due in 2001, 6.375%	0	40,000		40,000
<i>Public Power System Revenue Bonds:</i>				
Series 1991 due through 2017, 5.85% to 7.00%	58,710		(13,825)	44,885
Series 1994 due through 2013, 6.30% to 7.00%	108,115		(33,205)	74,910
Series 1996 due through 2024, 5.00% to 6.00%	122,380			122,380
Series 1998 due through 2017, 4.00% to 5.25%	0	44,840	(80)	44,760
<i>Waterworks Improvement Revenue Bonds:</i>				
Series 1977 due in 2008, 6.13%	12,905			12,905
Series 1986 due through 2015, 5.00% to 7.00%	18,960		(3,610)	15,350
Series 1992 due through 2016, 5.50% to 6.25%	92,445		(3,965)	88,480
Series 1993 due through 2021, 4.60% to 5.50%	216,260		(3,785)	212,475
Series 1996 due through 2026, 4.25% to 5.75%	102,360		(5,820)	96,540
Series 1998 due through 2028, 4.00% to 5.25%	305,650			305,650
<i>Ohio Water Development Authority Loans</i>				
due through 2017, 4.18% to 6.25%	8,922	14	(761)	8,175
<i>Parking Facilities Revenue Bonds</i>				
due through 2022, 4.45% to 6.00%	80,905		(1,715)	79,190
Other	1,539		(1,539)	0
Total Enterprise Debt	<u>1,521,677</u>	<u>84,854</u>	<u>(76,755)</u>	<u>1,529,776</u>
Less: Unamortized (discount) premium-net	(48,817)	773	3,699	(44,345)
Unamortized loss on debt refunding	(55,381)	(5,847)	3,631	(57,597)
Total Enterprise Debt, net	<u>\$1,417,479</u>	<u>\$79,780</u>	<u>(\$69,425)</u>	<u>\$1,427,834</u>
Total Debt	<u>\$2,088,232</u>	<u>\$138,555</u>	<u>(\$121,901)</u>	<u>\$2,104,886</u>

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

A summary of the City's future debts service requirements for tax supported general obligations, enterprise fund self-supporting obligations, urban renewal obligations and subordinated income tax refunding bonds as of December 31, 1999 follows:

Due In	General Long Term Obligations Bonds Payable		Enterprise Obligations		Urban Renewal Obligations		Subordinated Income Tax Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
(Amounts in 000's)								
2000	\$22,070	\$16,229	\$39,617	\$79,075	\$270	\$611	\$1,200	\$3,628
2001	22,655	15,033	84,414	75,441	285	595	1,300	3,564
2002	23,315	13,892	42,491	76,269	300	578	1,300	3,496
2003	23,415	12,710	45,158	74,292	320	559	1,400	3,426
2004	22,115	11,545	47,126	72,087	340	539	1,500	3,351
2005-2009	113,235	40,532	285,192	304,858	2,055	2,328	9,200	15,431
2010-2014	64,700	14,334	324,713	217,564	2,830	1,523	12,700	12,607
2015-2019	20,540	2,517	309,540	132,387	3,030	426	17,600	8,698
2020-2024	180	10	264,340	56,287	0	0	24,500	3,272
2025-2029	0	0	87,185	6,756	0	0	0	0
Total	\$312,225	\$126,802	\$1,529,776	\$1,095,016	\$9,430	\$7,159	\$70,700	\$57,473

A detailed summary of general obligation bonds and enterprise debt by purpose as of December 31, 1999 is as follows:

	Original Issue Amount	Balance January 1, 1999	Issued 1999	Refunded/Retired 1999	Balance December 31, 1999
(Amounts in 000's)					
General Obligation Bonds					
Public Facilities	\$91,690	\$34,195	\$4,590	\$1,890	\$36,895
Public Service	8,145	1,195		200	995
Convention Center	27,090	7,375		1,270	6,105
Residential Redevelopment	11,450	5,365	2,155	285	7,235
Bridges & Roadways	137,250	59,050	15,335	4,330	70,055
Public Safety	27,545	1,250	840	300	1,790
Parks & Recreation	59,165	21,385	3,410	1,410	23,385
Waterways	2,740	675		130	545
Parking	10,000	1,660		415	1,245
Refunding Bonds	229,925	171,790		9,535	162,255
Judgement/Settlement	14,500	2,225		505	1,720
Total General Obligation Bonds	\$619,500	\$306,165	\$26,330	\$20,270	\$312,225
Revenue Bonds					
Airport	\$437,666	\$392,526	\$40,000	\$8,450	\$424,076
Public Power	454,595	289,205	44,840	47,110	286,935
Waterworks	1,381,735	748,580		17,180	731,400
Parking Facilities	81,105	80,905		1,715	79,190
Loans and Other					
Waterworks	3,134	579		277	302
Water Pollution Control	8,596	8,343	14	484	7,873
Other	1,868	1,539		1,539	0
Total Enterprise Debt	\$2,368,699	\$1,521,677	\$84,854	\$76,755	\$1,529,776

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

General Obligations Bonds and Notes

General Obligations Bonds: General obligation bonds of the City are bonds not authorized by a vote of the electors, and notes issued in anticipation of such bonds, payable from ad valorem property taxes levied within the limitations provided by law, irrespective of whether such bonds or notes are secured by other receipts of the City in addition to such ad valorem property taxes.

In 1999, the City issued \$26,330,000 of Various Purpose General Obligation Bonds, Series 1999. The proceeds are being used to finance various capital improvements to certain of the City's properties and to pay costs of issuance.

Under the Uniform Bond Act of the Ohio Revised Code, the City at December 31, 1999 had the capacity to issue \$301,248,389 of additional debt under the direct debt limit. However, significantly less could be issued under the indirect debt limit.

Other Obligations

Urban Renewal Bonds: In 1993, the City issued \$11,515,000 of Urban Renewal Increment Bonds (Rock and Roll Hall of Fame and Museum Project) for the purpose of paying a portion of the costs of the acquisition and construction of a "port authority educational and cultural facility" to conduct programs of an educational and instructional nature relating to the field of contemporary music, including rock and roll music, which will constitute the Rock and Roll Hall of Fame and Museum ("the Facility"). The net proceeds were contributed to the Cleveland-Cuyahoga County Port Authority which owns and leases the facility to Rock and Roll Hall of Fame and Museum, Inc., an Ohio non-profit corporation. The Rock and Roll Hall of Fame and Museum opened in September 1995. The Urban Renewal Increment Bonds are not general obligations of the City and are not secured by the full faith and credit of the City nor are they payable from the general revenues or assets of the City. Urban Renewal Bonds are secured solely by pledged receipts, consisting of payments to be made in lieu of real property taxes pursuant to Development Agreements between the City and certain property owners and interest income on those payments.

Subordinated Income Tax Refunding Bonds: Effective June 1, 1994, the City issued \$74,700,000 of Subordinated Income Tax Variable Rate Refunding Bonds, Series 1994 (the "Bonds"). The proceeds were used to fund the City's obligation for the employer's accrued liability to the Police and Firemen's Disability and Pension Fund of the State of Ohio ("the Fund"). The principal use of the proceeds was for the current refunding of the City's obligation to the Fund for the employer's accrued liability in the amount of \$104,686,400, which was payable in semi-annual installments of \$2,696,243 through May 15, 2035. Pursuant to Section 742.30 (C) of the Ohio Revised Code, the City and the Fund entered into an agreement that permitted the City to make a one time payment to the Fund to extinguish the City's obligation. The payment amount of \$70,493,204 was calculated by applying a 35% discount factor to the \$104,686,400 accrued liability plus adding accrued interest of \$2,447,044. The Bonds are not general obligations of the City and are not secured by its full faith and credit. The Bonds are unvoted special obligations secured by a pledge of and a lien on the unrestricted municipal income taxes of the City, to the extent that such income taxes are not needed to pay debt service on the City's currently outstanding unvoted general obligation bonds or unvoted general obligation bonds issued in the future. The Bonds bear interest at a variable rate, determined from time to time by the remarketing agent in accordance with the indenture. As a result of a Tax Court ruling on similar bonds issued by the City of Columbus, Ohio, the City's Special Tax Counsel, Squire, Sanders & Dempsey L.L.P., issued an opinion on August 7, 1998, that the Subordinated Income Tax Refunding Bonds are tax exempt. As of that date, the bonds were remarketed as variable rate tax-exempt bonds.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

In 1999, the City entered into an interest rate swap transaction for the purpose of hedging the exposure of the City against interest rate fluctuations arising from the variable rates borne by these bonds. Under the swap agreement the City will be the fixed rate payor, paying the fixed rate of 4.88% and the counter party will be the floating rate payor, paying the actual variable rate borne by the Series 1994 Bonds. The stated termination date under the swap agreement is May 15, 2024, the maturity date of the Series 1994 Bonds. The swap agreement may be terminated prior to its stated termination date under certain circumstances. Upon termination, a payment may be owed by the City to the counter party, or by the counter party to the City, depending upon the prevailing economic circumstances at the time of the termination. The obligation of the City under the swap agreement to make the periodic fixed rate payments (but not the termination payment) is secured by a subordinate pledge of the income tax receipts, subordinate to the pledge of the income tax receipts made under the General Bond Ordinance securing the bonds. The debt service requirements to maturity for these bonds presented on the schedule on page 51 are based on the fixed rate of 5.18%, which includes remarketing and credit facility fees.

Non-tax Revenue Bond Anticipation Notes: These notes were issued in 1997 to refinance existing notes and were retired in October 1999 with the proceeds from the Certificates of Participation, Series 1999.

Non-tax Revenue Bonds: In 1999, the City issued non-tax revenue bonds totaling approximately \$10,000,000 to assist in the construction of the new football stadium. These bonds bear interest at 5.75% until maturity. Principal on these bonds is due each December 1 beginning December 1, 2007 through December 1, 2020. These bonds do not represent a general obligation debt or pledge of the faith, credit or taxing power of the City, and are payable solely from non-tax revenues of the City.

Certificates of Participation-1992 and 1995: Certificates of Participation were issued to fund the acquisition of certain motor vehicles and communication equipment for lease to the City. The City will make basic lease payments during successive renewal periods of one year or less through July 1, 2003, if the City Council appropriates funds each year for that purpose. The Certificates do not constitute a debt or a pledge of the faith and credit of the City, and the City is not a party to the Certificates. If the Lease is renewed through July 1, 2003, and the City makes a purchase payment and complies with certain other conditions, the City will acquire title to the property. The following is a schedule of the future lease payments for these Certificates of Participation at December 31, 1999:

	<u>Principal</u>	<u>Interest</u>
	<u>(Amounts in 000's)</u>	
2000	\$5,611	\$955
2001	4,788	614
2002	3,887	345
2003	3,084	126
Total	<u>\$17,370</u>	<u>\$2,040</u>

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Certificates of Participation-Stadium: In June 1997, Certificates of Participation in the amount of \$139,345,000 were issued to assist in the construction of an open-air stadium for the play of professional football and other events. In October 1999, Certificates of Participation in the amount of \$20,545,000 were issued to retire the Non-tax Revenue Bond Anticipation Notes. The City will make lease payments subject to annual appropriation by City Council and certification by the Director of Finance as to the availability of funds from those appropriations. These obligations do not constitute a debt or pledge of the full faith and credit of the City. The following is a schedule of the future payments for the Series 1997 and 1999 Certificates of Participation outstanding as of December 31, 1999:

	Principal	Interest
	(Amounts in 000's)	
2000	\$1,495	\$7,231
2001	1,520	7,164
2002	1,690	7,094
2003	1,860	7,015
2004	2,065	6,925
2005-2009	32,060	38,572
2010-2014	49,600	33,941
2015-2019	20,590	15,535
2020-2024	26,650	9,481
2025-2029	19,585	2,091
Total	<u>\$157,115</u>	<u>\$135,049</u>

Capital Lease Obligations: The City has entered into agreements to lease equipment. Such agreements are treated as lease purchases (capital leases) and are classified as long-term lease obligations in the financial statements. The lease contracts contain annual one-year renewal options that can be exercised by the City if sufficient funds are appropriated by City Council. Upon the exercise of each annual one-year renewal option and satisfaction of the lease obligations related thereto, title to the equipment will pass to the City. Future minimum lease payments under capital leases at December 31, 1999, are \$597,000 per year through year 2002 and \$248,000 in 2003. Of these amounts, \$180,000 represents interest resulting in a capital lease obligation outstanding of \$1,859,000 at December 31, 1999. During 1999, operating lease payments for the City were immaterial.

Gateway Note Payable: In October 1996, the City and Cuyahoga County each agreed to pay \$5,000,000 for additional costs associated with the Gateway Sports Complex. The amounts are to be repaid in annual installments of \$250,000 for 20 years. The monies will be deducted from the monthly distribution of the State local government fund. The first deduction was made in March 1997. This liability is reported in the general long-term debt account group.

Accrued Wages and Benefits: Accrued wages and benefits included in the general long-term debt account group consist of the non-current portion of vacation and sick pay benefits earned by employees of the City. The City accrues such benefits when vested.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Police and Fire Overtime and Deferred Vacation Pay: Uniformed employees of the Police and Fire Divisions accumulate overtime compensation in accordance with the union contracts and the requirements of the Fair Labor Standards Act. In addition, uniformed employees may defer earned vacation time, with the appropriate approvals, until retirement. The liabilities for overtime and deferred vacation time, at current pay rates including their related fringe benefits and converted to straight time hours, at December 31, 1999, follow:

<u>Division</u>	<u>Overtime</u>		<u>Deferred Vacation</u>	
	<u>Hours</u>	<u>Dollars</u>	<u>Hours</u>	<u>Dollars</u>
	(Amounts in 000's)			
Police	2,156	\$ 49,282	-	\$ -
Fire	<u>203</u>	<u>4,873</u>	<u>46</u>	<u>927</u>
Total	<u>2,359</u>	<u>\$ 54,155</u>	<u>46</u>	<u>\$ 927</u>

Such employees are entitled to receive cash payments for their accumulated hours upon retirement or other termination from the City's payroll. For employees not terminating, accumulated overtime is paid once a year up to the budgeted amount for such purpose. Accumulated overtime is paid in June upon receiving requests in the first quarter. If requests exceed the budgeted amount, the requests are to be paid on a pro-rata basis. No accumulated overtime was paid subsequent to year end during the available and measurable period, therefore, the full amount is included in the general long-term debt account group. Deferred vacation is available to the employee only as a cash payment upon retirement or other termination from the City's payroll. The accumulated hours are paid at the employee's hourly rate at the date of retirement, other termination or at the date of the payment pursuant to a request, which may differ from the rate used to determine the liability above.

Enterprise Fund Obligations

Airport System Revenue Bonds: These bonds are secured by the pledge of all airport revenues, as defined in the revenue bond indenture. Further, the City has assigned to the trustee all its interests in and rights to the airline use agreements under the revenue bond indenture.

Airport Surplus Revenue Notes: In June 1999, the Department of Port Control issued \$40,000,000 of Airport Surplus Revenue Notes, Series 1999. These are two year notes which will mature in June 2001. The proceeds of the Notes were used to pay a portion of the cost of acquiring real property for future airport expansion, to pay all of the interest on the Series 1999 Notes, to reimburse the Surplus Fund of the Airport for a portion of the payment made to acquire real property and to pay the costs of issuance. The Series 1999 Notes are special obligations of the City and do not constitute general obligations or a pledge of the faith, credit or taxing power of the City.

Public Power System Revenue Bonds: These bonds are payable from the net revenues derived from the public power system, and are secured by a pledge of and lien on such net revenues plus a first mortgage lien upon all property of the public power system, including any improvements, additions, replacements and extensions thereto.

In January 1999, the Division of Cleveland Public Power issued \$44,840,000 of Public Power System Revenue Bonds, Series 1998. The proceeds were used to advance refund certain outstanding Series 1991 and Series 1994 Revenue Bonds and to pay costs of issuance. Net proceeds of \$45,793,000 were placed in an irrevocable escrow account which including interest earned, will be used to pay the principal, interest and redemption premium on the refunded bonds. The proceeds are invested in non-callable United States Treasury Obligations. As a result, the refunded bonds are considered to be defeased and the liability for these bonds has been removed from long term debt. The total aggregate principal amount of bonds refunded by the Series 1998 Bonds was \$40,900,000.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the debt of approximately \$5,847,000. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to interest expense through the year 2025 using a method of amortization which approximates the effective interest method. The City completed the advance refunding and cash defeasance to reduce its total debt service payments over the next 28 years by \$4,985,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$3,224,000

Waterworks Improvement Revenue Bonds: These bonds are payable from the revenues derived from operations of the waterworks system after the payment of all operating and maintenance expenses (net revenue) and are secured by a pledge of and lien on such net revenues plus a first mortgage lien upon all property of the waterworks system, including any improvements, additions, replacements and extensions thereto.

Ohio Water Development Authority Loans: These loans are payable from net revenues derived from the waterworks and water pollution control systems. These obligations do not have a lien on revenues of the Divisions.

Parking Facilities Revenue Bonds: These bonds are payable from net revenues generated from certain parking facilities and other operating revenues of the Division of Municipal Parking Lots, including parking meter revenue. In addition, the City has pledged other non-tax revenue to meet debt service requirements. The City has pledged and assigned to the Trustee a first lien on pledged revenues consisting of fines and penalties collected as a result of the violation of municipal parking ordinances and fines, waivers and costs relating to citations for misdemeanor offenses and the special funds as defined within the bond indenture (see Note Q).

Other: Other enterprise debt outstanding at December 31, 1998 consisted of capital lease obligations which were paid in full during 1999 or reclassified to a current liability.

The Enterprise Funds' related indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for fees to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal and maintenance of properties in good condition.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Defeasance of Debt

The City has defeased certain debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

The aggregate amount of defeased debt outstanding at December 31, 1999 is as follows:

<u>Bond Issue</u>	<u>Amount</u> (Amounts in 000's)
Voted Tax Supported General Obligations:	
1977	\$120
Unvoted Tax Supported General Obligations:	
1988	\$10,155
1990	18,395
1991	32,135
1992	16,320
1994	25,465
Waterworks Improvement Bonds:	
Series F, 1992	\$183,140
Series H, 1996	102,340
Public Power System Bonds:	
Series 1991	\$12,170
Series 1994	131,440
Parking Facilities Bonds:	
Series 1992	\$66,380
Airport System Revenue Bonds:	
Series 1990A & 1990B	\$18,520
Series 1994B	7,950

Airport Special Revenue Bonds

Airport Special Revenue Bonds, Series 1990, totaling \$76,320,000 were issued to finance the acquisition and construction of terminal, hanger and other support facilities leased to Continental Airlines at Cleveland Hopkins International Airport. These bonds were refunded in 1999 by the issuance of Airport Special Revenue Refunding Bonds, Series 1999, totaling \$71,440,000. Airport Special Revenue Bonds, Series 1998, totaling \$75,120,000 were issued in 1998 to finance the design and construction of certain airport facilities leased to Continental Airlines, including a new regional jet concourse. Because principal and interest on these bonds is unconditionally guaranteed by Continental Airlines and paid directly by Continental Airlines, these bonds do not constitute a debt, liability or general obligation of the City or a pledge of the City's revenues. As such, no liabilities relating to these bonds are included in the accompanying financial statements.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE E - DEFERRED PAYMENT OBLIGATION / I-X CENTER

In January 1999 the City purchased the International Exposition ("I-X") Center and the land on and around it for \$66.5 million as part of its master plan to expand Cleveland Hopkins International Airport. As part of the purchase agreement, the City leased the building back to the former owner for 15 years, after which the City plans on tearing the building down to make way for a new runway. Of the \$66.5 million purchase price, \$36.5 million was paid in cash in 1999. The remaining \$30.0 million, including interest at 7.75%, is being deferred by the seller and will be offset by future lease payments owed to the City over the 15 year lease period. The future lease payments are equal to the remaining purchase price plus interest at 7.75%, as such, no cash will be exchanged between the City and the lessee over the term of the lease. The deferred payment is reported as "Deferred Payment Obligation" in the Combined Balance Sheet at December 31, 1999.

In the event that either a similar facility is developed that exceeds a specified size, or there is an expansion of an existing facility that exceeds a specified size within the municipal boundary of the City of Cleveland, the lessee has the right to terminate the lease. Such termination would require the City to pay the lessee the remaining portion of the deferred purchase price. Subsequent to the agreement, the City of Brookpark (the city in which the I-X Center is located) officially announced its intention to acquire the I-X Center through an eminent domain court case. If Brookpark wins this case, the City of Cleveland would be required to sell the I-X Center to Brookpark and pay the remaining portion of deferred payment obligation. The City intends on vigorously defending this case. A preliminary hearing has been set for September 11, 2000.

Minimum principal and interest payments due by the City on the deferred payment obligation and future minimum lease rentals due to the City under this lease for the next five years and thereafter are as follows:

	Deferred Payment Obligation			Future Minimum Rentals
	Principal	Interest	Total	
	(Amounts in 000's)			
2000	\$1,183	\$2,206	\$3,389	\$3,389
2001	1,278	2,111	3,389	3,389
2002	1,381	2,008	3,389	3,389
2003	1,492	1,897	3,389	3,389
2004	1,612	1,777	3,389	3,389
Thereafter	22,047	8,731	30,778	30,778
	\$28,993	\$18,730	\$47,723	\$47,723

Rental income recognized by the City under this agreement totaled \$3,106,000 in 1999, of which \$2,099,000 was offset against interest expense and \$1,007,000 against the principal balance of the deferred payment obligation.

NOTE F - RETAINED DEFICITS

At December 31, 1999, the following enterprise funds had retained deficits:

Fund Name	Retained Deficit	Contributed Capital	Total Fund Equity
	(Amounts in 000's)		
Convention Center	(\$50,915)	\$65,444	\$14,529
West Side Market	(942)	4,354	3,412
Municipal Parking Lots	(2,804)	21,079	18,275
Golf Courses	(47)	4,598	4,551
East Side Market	(212)	2,943	2,731

The above deficits arise principally from the depreciation of fixed assets funded by grants recorded as contributed capital.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE G - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City does not carry commercial insurance for such risks, except for certain proprietary funds and the new football stadium (see Note H). In accordance with GASB Statement No. 10, claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Governmental fund type liabilities are recorded in the general fund if amounts are payable with available expendable financial resources. Amounts not currently payable are reported in the general long-term debt account group. As of December 31, 1999, the total of such liabilities for governmental fund types was approximately \$4,000,000, all of which was recorded in the general long-term debt account group. Proprietary fund type liabilities are recorded in their respective fund. As of December 31, 1999, the total amount of proprietary fund type liabilities was approximately \$304,000 and is included within accounts payable.

Changes in the estimated claims payable for all funds during the years ended December 31 were as follows:

	1999	1998
Estimated Claims payable, January 1	\$3,855,000	\$2,889,000
Current year claims and changes in estimates	2,946,000	4,223,218
Claim payments	<u>(2,497,000)</u>	<u>(3,257,218)</u>
Estimated Claims payable, December 31	<u>\$4,304,000</u>	<u>\$3,855,000</u>

The estimated claims liability was based on the estimated cost of settling claims (including incremental claim adjustment expenses) through a case-by-case review of all outstanding claims and by using historical experience. The estimates do not include other allocated or unallocated claim adjustment expenses.

Insurance: Certain proprietary funds carry insurance to cover certain liability risks and property protection. Otherwise, the City is generally self-insured. No material losses, including incurred but not reported losses, occurred in 1999. The City reported no significant decrease in any insurance coverages in 1999. In addition, the City reported no amounts of insurance settlements in excess of insurance coverage during the past three fiscal years.

The City provides the choice of six separate health insurance plans for its employees. These plans are provided by four different insurers through commercial insurance. Operating funds are charged a monthly rate per employee, by type of coverage. The City participates in the State of Ohio Workers' Compensation program.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE H - COMMITMENTS & CONTINGENCIES

Various claims and lawsuits are pending against the City. In accordance with GASB Statement No. 10, those claims which are considered "probable" are accrued, while those claims which are considered "reasonably possible" are disclosed but not accrued. The potential losses resulting from all claims which are reasonably possible, excluding condemnation proceedings, is approximately \$8,000,000 as of December 31, 1999. In addition, probable claims totaling approximately \$4,304,000 have been accrued for. These estimates were based on a case-by-case review of outstanding claims by the City's in-house legal department.

Cleveland Browns Stadium: In March 1996, the City of Cleveland and the National Football League (NFL) reached a settlement in litigation relating to the relocation of the Cleveland Browns football team. The settlement obligated the NFL to provide an NFL franchise to play in Cleveland for the 1999 NFL season. In return, the City pledged to build a new stadium in downtown Cleveland for the play of professional football.

The City financed construction of the new stadium primarily through borrowings, contributions from the new owner of the Cleveland Browns, and grants from the State of Ohio. As of December 31, 1999, outstanding debt borrowed by the City to construct the new stadium totaled approximately \$167 million. Such debt is being funded by the following revenue sources: an 8% off-street parking tax; an increase in admissions tax from 6% to 8%; and, an increase in the motor vehicle leasing transaction tax from \$4 to \$6 per transaction. In addition, voters of Cuyahoga County approved an extension of the existing County-wide tax on alcohol and cigarettes from August 1, 2005 through July 31, 2015. In 1998, the Cleveland Browns further agreed to pay 50% of any additional costs to build the new stadium in excess of \$283 million, up to \$5 million.

In August 1999, construction of the Stadium was completed. Total costs paid or accrued by the City as of December 31, 1999 for construction of the new stadium under all approved contracts amounted to approximately \$281.6 million. Outstanding change orders submitted by stadium contractors through June 2000 would bring the total to approximately \$308.5 million. The total over-runs of \$26.9 million have not been accrued for in these financial statements since the City is in the process of negotiating these over-runs with the contractors and the amount is subject to change. Additionally, as discussed above, part of the over-runs will be funded by the Cleveland Browns.

The asset related to the Stadium is recorded in the General Fixed Asset Account Group and the related debt is recorded in the General Long-Term Debt Account Group. The activity related to the construction of the new stadium is reflected within the Cleveland Stadium Construction subfund of the Capital Projects fund. Operating revenues and expenses of the new stadium are recorded within an enterprise fund.

Stadium Team Lease: The City and the Cleveland Browns have entered into a 30-year lease agreement for the new stadium beginning in 1999. Under the terms of the lease, the Cleveland Browns are required to pay the City an annual rent of \$250,000. In return, the Cleveland Browns receive all revenues from the operation of the stadium and pay all expenses, except for real property taxes and insurance, which are the responsibilities of the City of Cleveland. The City is in the process of requesting a property tax abatement for the new stadium. Additionally, the City is required to fund certain capital repairs as described in the lease agreement.

Contingencies Under Grant Programs: The City participates in a number of federally assisted grant programs, principal of which are Community Development Block Grant, Job Training Partnership Act Grant, the Urban Development Action Grants, the Healthy Start Initiative, Federal HOME Program and FAA Airport Improvement Grant Programs. These programs are subject to financial and compliance audits by the grantors or their representatives. As of December 31, 1999, the audits of certain programs have not been completed. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The City believes that disallowed costs, if any, would not be material.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE I - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains enterprise funds which provide water, sewer (Water Pollution Control), light and power service (Cleveland Public Power), airport (Port Control), cemetery, convention center, golf courses, municipal parking and public market facilities. Segment information for the year ended December 31, 1999 for the enterprise funds is summarized as follows:

	Water	Water Pollution Control	Cleveland Public Power	Port Control	Convention Center	West Side Market
	(Amounts in 000's)					
Total operating revenue	\$204,839	\$18,815	\$130,601	\$76,773	\$3,011	\$1,090
Operating revenue from other city divisions	4,509					
Depreciation and amortization expense	24,761	3,387	13,646	19,089	2,445	162
Operating income (loss)	80,378	2,497	17,519	17,432	(8,258)	20
Operating transfers (out) in, net					(512)	
Net income (loss)	60,229	3,403	12,870	637	(4,276)	48
Current capital and grant contributions		429		10,696	250	70
Restricted assets	312,448	5	23,176	245,653		
Fixed assets additions	54,839	3,419	21,895	100,106		
Fixed assets disposals	11,039					
Net working capital (deficit)	135,293	21,942	39,460	29,719	(1,561)	648
Total assets	1,328,332	126,716	388,243	808,528	22,140	3,612
Revenue bonds payable	695,967	7,873	237,421	416,025		
Payables from restricted assets	8,394	491	725	9,000		
Other long-term liabilities				28,993		
Total fund equity	587,440	77,603	133,761	312,864	14,529	3,412

	East Side Market	Municipal Parking Lots	Cemeteries	Golf Courses	Total
	(Amounts in 000's)				
Total operating revenue	\$78	\$7,529	\$1,547	\$2,146	\$446,429
Operating revenue from other city divisions		643			5,152
Depreciation and amortization expense	122	1,700	79	136	65,527
Operating income (loss)	(97)	4,107	69	266	113,933
Operating transfers (out) in, net				(6)	(518)
Net income (loss)	(97)	131	345	335	73,625
Current capital and grant contributions			518	5	11,968
Restricted assets		15,647	5,507		602,436
Fixed assets additions		238		6	180,503
Fixed assets disposals					11,039
Net working capital (deficit)	277	(622)	38	2,048	227,242
Total assets	2,733	90,487	10,807	4,647	2,786,245
Revenue bonds payable and loans		70,548			1,427,834
Payables from restricted assets		16			18,626
Other long-term liabilities					28,993
Total fund equity	2,731	18,275	10,575	4,551	1,165,741

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE J - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances as of December 31, 1999 are as follows:

	Interfund Receivables	Interfund Payables
	(Amount in 000's)	
GENERAL FUND	\$52,997	\$9,617
SPECIAL REVENUE FUNDS:		
Division of Streets	546	194
Restricted Income Tax	16,121	140
Rainy Day Reserve Fund	0	7,531
Community Development Block Grants	1,112	2,897
Community Development Funds	0	3,490
Economic Development Funds	0	2
Home Weatherization Grants	0	2,008
Air Pollution Control Grants	0	339
Jobs Training Partnership Act Grants	0	171
General Government Funds	4,277	3,580
Public Safety Funds	1	2,557
Public Health Funds	0	4,392
Public Service Grants	0	44
Parks, Recreation and Properties Grants	0	1,243
Neighborhood Development	0	270
Supplemental Empowerment Zone	1,605	8,113
	23,662	36,971
DEBT SERVICE FUNDS:		
Unvoted Tax Supported Obligations Fund	3,240	0
CAPITAL PROJECTS FUNDS:		
Capital/Urban Renewal Bond Construction	0	3,133
Grant Improvement	0	9,692
Capital Improvement	4,308	0
Cleveland Stadium Construction	4,714	790
	9,022	13,615
ENTERPRISE FUNDS:		
Division of Water	3,722	4,101
Division of Water Pollution Control	1,086	3,555
Division of Cleveland Public Power	783	3,114
Department of Port Control	467	4,174
Convention Center	41	3,904
West Side Market	3	0
Municipal Parking Lots	494	2
Cemeteries	0	5
Golf Courses	0	8
	6,596	18,863
INTERNAL SERVICE FUNDS:		
Information Systems Services	131	0
Motor Vehicle Maintenance	1,169	4
Printing and Reproduction	217	0
Utilities Administration	0	4
Office of Radio Communications	0	78
Municipal Income Tax Administration	393	920
Telephone Exchange	1,563	457
	3,473	1,463
AGENCY FUNDS:		
Municipal Courts	0	1,742
Central Collection Agency	0	16,719
	0	18,461
	\$98,990	\$98,990

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE K - INCOME TAXES

During 1999, the City income tax rate remained at 2% and the credit provided to City residents for income taxes paid to other municipalities remained at 50%. A portion of the City income tax is restricted in its use to capital expenditures and debt service and is included in the Special Revenue Funds. All other income tax proceeds are included in the General Fund.

Employers within the City are required to withhold income taxes on employee compensation and remit withholdings to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE L - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the City. The 1999 levy was based upon an assessed valuation of approximately \$5.5 billion. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Under current procedures, the City's share is 4.4 mills, of which 4.35 mills is dedicated to debt service and .05 mills is dedicated to the payment of police and fire pension obligations. A revaluation of all property is required to be completed no less than every six years, with a statistical update every third year. Assessed values are established by the Cuyahoga County (County) Auditor. The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City.

Real property taxes, excluding public utility property, are all assessed at 35% of appraised market value. Pertinent real property tax dates are:

- Collection Dates January 20 and June 20 of the current year
- Lien Date January 1 of the year preceding the collection year
- Levy Date October 1 of the year preceding the collection year

Tangible personal property taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. For the collection year 1999, the percentage used to determine taxable value of personal property and inventory was 25%. Pertinent tangible personal property tax dates are:

- Collection Dates April 30 and September 30 of the current year
- Lien Date January 1 of the current year
- Levy Date October 1 of the year preceding the collection year

Public utility tangible personal property currently is assessed at 100% of its true value except for rural electric companies (50%) and railroads (25%). Pertinent public utility tangible personal property tax dates are:

- Collection Dates January 20 and June 20 of the current year
- Lien Date December 31 of the second year preceding the collection year
- Levy Date October 1 of the year preceding the collection year

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE M - PENSION AND RETIREMENT PLANS

The City has adopted GASB No. 27 "Accounting for Pensions of State and Local Government Employees," which establishes standards for the measurement, recognition and display of pension expense and related liabilities, assets and note disclosures in the financial reports of state and local government employers.

The City contributes to two cost-sharing multiple-employer defined benefit plans: (1) Public Employees Retirement System of Ohio (PERS), and (2) Police and Firemen's Disability and Pension Fund of Ohio (P&FDPF). Both plans provide retirement, disability, health care coverage and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS and P&FDPF issue stand-alone financial reports. 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.

The funding policy for the above plans is as follows:

PERS: The Ohio Revised Code provides statutory authority for employee and employer contributions. During 1999, PERS employees contributed 8.5% of their salary to the plan and the City contributed 13.55% of covered payrolls to the plan, of which 4.20% was applied towards the health care program for retirees. The employer contributions to PERS for the years ended December 31, 1999, 1998 and 1997 were \$29,609,000, \$28,600,000 and \$28,835,000 respectively, equal to 100% of the required employer contributions for each year.

P&FDPF: The Ohio Revised Code provides statutory authority for employee and employer contributions. During 1999, P&FDPF employees contributed 10% of their salary to the plan and the City contributed 19.5% of gross salary for policemen and 24.0% for firemen, of which 7.0% was applied towards the health care program for retirees. The employer contributions to P&FDPF for the years ended December 31, 1999, 1998 and 1997 were \$31,209,000, \$26,727,000 and \$26,203,000 respectively, equal to 100% of the required employer contributions for each year.

NOTE N - OTHER POST EMPLOYMENT BENEFITS

The City provides post-employment health care benefits, defined by GASB Statement No. 12, through its contribution to the Public Employees Retirement System of Ohio (PERS) and Police and Fireman's Disability and Pension Fund of Ohio (P&FDPF).

PERS: PERS provides post-retirement health care coverage to service retirees with 10 years or more of qualifying Ohio service credit. The post-retirement health care benefits cover disability recipients and primary survivor recipients. Post-retirement health care coverage is funded by a portion of the City's contribution to PERS. During 1999, the City's portion that was used to fund health care was 4.20% of covered payroll. Post-retirement health care benefits are established by state statute.

The post-retirement health care coverage is financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. Expenditures for post-employment health care benefits during 1999 for PERS as a whole were approximately \$524 million. As of December 31, 1999, the unaudited estimated net assets available for future post-employment health care benefit payments for PERS as a whole were approximately \$9.8 billion. The number of benefit recipients eligible for post-employment health care benefits at December 31, 1999 for PERS as a whole was 118,062.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

P&FDPF: P&FDPF provides post-retirement health care coverage to any policeman or fireman who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a two-thirds basis. Postretirement health care coverage is funded by a portion of the City's contribution and is determined on a pay-as-you-go basis. Currently, 7.0% of covered payroll, the Board-defined allocation, is used to pay retiree health care expenses. 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. During 1999, the City's portion that was used to fund health care was \$6,811,000 for police and \$3,521,000 for firemen. The number of participants eligible to receive health care benefits as of December 31, 1998 (the latest date for which information is available) for P&FDPF as a whole was 11,424 and 9,186 for police and firemen, respectively. Postretirement health care benefits are established by state statute. Total health care cost for P&FDPF as a whole for the year ended December 31, 1998 (the latest date for which information is available) was approximately \$78.6 million. Expenditures for post retirement health care benefits cannot be reasonably estimated.

NOTE O - DEFERRED COMPENSATION

Eligible employees of the City may elect to participate in the Ohio Public Employees Deferred Compensation Program created in accordance with Internal Revenue Code Section 457. The program allows employees to defer up to 33.3% of their annual salary not to exceed \$8,000 per year until a future date, usually after retirement. The deferred wages and any earned income are not subject to federal or state taxes until actually received by the employee.

Effective September 1, 1998, the Ohio Public Employees Deferred Compensation Program Board implemented a trust to hold the assets of the program in accordance with Internal Revenue Code Section 457. The program assets are now property of the trust, which holds the assets on behalf of the participants. Therefore, in accordance with GASB 32 "Accounting and Financial Reporting for Internal Revenue Service Code Section 457 Deferred Compensation Plans", the assets of this program are no longer reported in an agency fund of the City.

NOTE P - GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January 1, 1999	Additions	(Deductions)	Transfers	Balance December 31, 1999
	(Amount in 000's)				
Land	\$37,070				\$37,070
Land Improvements	52,753			\$1,253	54,006
Buildings, structures and improvements	213,718			275,607	489,325
Furniture, fixtures and equipment	78,575	\$9,198	(\$4,039)		83,734
Construction in progress	194,749	114,311		(276,860)	32,200
Total	\$576,865	\$123,509	(\$4,039)	\$0	\$696,335

At December 31, 1999, general fixed assets include \$4,943,000 of equipment under capitalized leases and \$26,625,000 of equipment acquired through certificates of participation financing.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

Construction in progress is composed of the following at December 31, 1999:

	Project	Expended to	Committed
	Authorization	December 31, 1999	
		(Amounts in 000's)	
General Government	\$10,153	\$2,099	\$8,054
Dog Pound	54	42	12
Health	81	37	44
Police	16,069	15,115	954
Fire	2,276	1,569	707
Park Maintenance and Properties	20,756	11,919	8,837
Recreation	1,746	1,419	327
Total	<u>\$51,135</u>	<u>\$32,200</u>	<u>\$18,935</u>

NOTE Q - GATEWAY ECONOMIC DEVELOPMENT CORPORATION

The City of Cleveland, Cuyahoga County and Gateway Economic Development Corporation of Greater Cleveland (Gateway) entered into a three party agreement whereby Gateway was authorized to construct, own and provide for the operation of a professional sports facility, which includes a baseball stadium, an arena, and a joint development site. Gateway was incorporated on May 31, 1990 and is a governmental not-for-profit corporation legally separate from any other entity. In 1990, voters in Cuyahoga County agreed to levy an excise tax for the purpose of constructing such professional sports facility. The sports facility for the Cleveland Indians (Jacobs Field) opened in April 1994. The multi-functional arena (Gund Arena) opened in October 1994.

The bonds that were issued to construct the sports facilities described above are not a debt or liability of the City of Cleveland. To enhance the security of the bonds, the City has agreed to pledge annually 50% of admissions taxes on Cleveland Cavaliers games held at the arena to pay debt service if other revenue sources are not sufficient. Any exempted admissions tax not required for debt service will be reimbursed to the City. The City's current admissions tax rate is 8%. For the year ended December 31, 1999, the City pledged \$1,515,000.

In 1992, the Division of Municipal Parking Lots (Division) issued \$71,000,000 of Parking Facilities Improvement Revenue Bonds to finance the construction of three parking facilities including two which will directly service the sports facilities. In 1996, the Division issued \$81,105,000 of Parking Facilities Refunding Revenue Bonds, Series 1996 to advance refund these bonds. Debt service is covered by net revenues from the new parking facilities and other operating revenues of the Division. In addition, the City has pledged up to \$3,000,000 annually from parking meter income and other non-tax revenues to meet debt service requirements, if necessary. The first garage on the Gateway site was completed in January 1994. The second garage was completed in August 1994. The third parking facility, Willard Park Garage, was completed in April 1996.

In accordance with an agreement with Gateway, Gateway is required to reimburse the City for the excess of the debt service requirements of the Parking Facility Improvement Revenue Bonds attributed to the two Gateway garages over the net revenues generated by the two Gateway garages. In 1999, net revenues generated by the two Gateway garages were less than the debt service payments attributed to those garages by \$2,573,000. Cumulative debt service payments funded by the City that are due from Gateway total \$14,679,000 at December 31, 1999. Due to the uncertainty of collecting such amounts, an allowance has been recorded to offset the amounts in full.

CITY OF CLEVELAND, OHIO

NOTES TO FINANCIAL STATEMENTS - Continued

NOTE R - CHANGES IN CONTRIBUTED CAPITAL

During the year ended December 31, 1999, the following Proprietary funds had changes in contributed capital:

	Water Pollution Control	Port Control	Convention Center	Cemeteries	Golf Courses	West Side Market
	(Amounts in 000's)					
Contributed capital, January 1	\$42,900	\$160,042	\$65,194	\$5,176	\$4,593	\$4,284
Additions	429	10,696	250	518	5	70
Contributed capital, December 31	<u>\$43,329</u>	<u>\$170,738</u>	<u>\$65,444</u>	<u>\$5,694</u>	<u>\$4,598</u>	<u>\$4,354</u>

NOTE S - LEGAL COMPLIANCE

A computer system conversion of the financial reporting system during 1999 contributed to the inadvertent omission of an additional supplemental appropriation which would have precluded the occurrence of the following budgetary violations. The following accounts had expenditures plus encumbrances in excess of appropriations:

Fund/Department/Division	Appropriation	Expenditures	Excess
	(Amounts in 000's)		
General Fund			
General Government:			
Office of Personnel-Other	\$713	\$717	(\$4)
Public Service:			
Public Service Administration-Other	\$14	\$16	(\$2)
Public Safety:			
Police-Other	\$10,708	\$10,851	(\$143)
Fire-Personnel	66,061	66,171	(110)
Fire-Other	2,772	2,798	(26)
Traffic Engineering-Other	826	833	(7)
Dog Pound-Other	147	155	(8)
Public Health:			
Public Health Administration-Other	\$88	\$89	(\$1)
Correction-Other	1,322	1,418	(96)
Health-Other	690	896	(206)
Environment-Other	299	300	(1)
Parks, Recreation, & Properties:			
Recreation-Other	\$2,959	\$3,025	(\$66)
Parks Maintenance & Properties-Other	3,676	3,694	(18)
Property Management-Other	2,279	2,315	(36)

(THIS PAGE INTENTIONALLY LEFT BLANK)

CITY OF CLEVELAND, OHIO
GENERAL FUND

COMPARATIVE FINANCIAL STATEMENTS

**THE GENERAL FUND IS ESTABLISHED TO
ACCOUNT FOR ALL FINANCIAL RESOURCES
EXCEPT FOR THOSE REQUIRED TO BE
ACCOUNTED FOR IN ANOTHER FUND**

CITY OF CLEVELAND, OHIO

BALANCE SHEET-GENERAL FUND

(Amounts in 000's)

	December 31,	
	1999	1998
ASSETS		
Cash and cash equivalents	\$ 7,322	\$ 2,037
Receivables:		
Taxes	38,832	33,689
Accounts	11,828	8,824
Accrued interest	1,005	2,461
Less: Allowance for doubtful accounts	(2,000)	(959)
	49,665	44,015
Due from other funds	52,997	42,951
Due from other governments	54,327	53,560
TOTAL ASSETS	\$ 164,311	\$ 142,563
LIABILITIES		
Accounts payable	\$ 4,499	\$ 3,053
Estimated claims payable		1,130
Deferred revenue	39,374	39,975
Due to other funds	9,617	6,082
Due to other governments	225	802
Accrued wages and benefits	20,272	36,678
TOTAL LIABILITIES	73,987	87,720
FUND BALANCE		
Reserve for encumbrances	8,302	5,867
Reserve for rainy day reserve fund	6,031	6,031
Unreserved:		
Undesignated	75,991	42,945
TOTAL FUND BALANCE	90,324	54,843
TOTAL LIABILITIES AND FUND BALANCE	\$ 164,311	\$ 142,563

CITY OF CLEVELAND, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-GENERAL FUND

(Amounts in 000's)

	Years Ended December 31,	
	1999	1998
REVENUES		
Income taxes	\$ 253,403	\$ 242,056
Property taxes	46,195	42,625
State local government fund	59,413	53,998
Other shared revenues	31,722	26,918
Licenses and permits	8,984	10,278
Charges for services	15,599	16,051
Fines and forfeits	19,070	14,766
Investment earnings	2,980	5,581
Miscellaneous	10,055	15,555
TOTAL REVENUES	447,421	427,828
EXPENDITURES		
Current:		
General government	47,543	47,263
Public service	29,345	29,020
Public safety	242,977	239,183
Community development	6,059	6,746
Public health	10,728	10,519
Maintenance, parks and recreation	33,502	34,375
Economic development	1,079	1,063
Other	14,458	14,125
TOTAL EXPENDITURES	385,691	382,294
EXCESS OF REVENUES OVER EXPENDITURES	61,730	45,534
OTHER FINANCING USES		
Operating transfers out	(26,249)	(21,198)
TOTAL OTHER FINANCING USES	(26,249)	(21,198)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	35,481	24,336
Fund balance at beginning of year	54,843	30,507
Fund balance at end of year	\$ 90,324	\$ 54,843

CITY OF CLEVELAND, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL

For the Year Ended December 31, 1999

(Amounts in 000's)

	General Fund			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Income taxes	\$ 236,755	\$ 236,755	\$ 245,844	\$ 9,089
Property taxes	44,075	44,075	45,964	1,889
State local government fund	55,757	55,757	56,923	1,166
Other shared revenues	27,071	27,071	31,187	4,116
Licenses and permits	8,368	8,368	8,731	363
Charges for services	14,949	14,949	13,671	(1,278)
Fines and forfeits	15,407	15,407	16,611	1,204
Investment earnings	2,944	2,944	4,435	1,491
Workers compensation settlement and refunds				
Miscellaneous	23,368	23,368	8,759	(14,609)
TOTAL REVENUES	428,694	428,694	432,125	3,431
EXPENDITURES				
Current:				
General government				
Council and clerk of council				
Personnel	3,146	3,116	3,083	33
Other	1,462	1,542	1,423	119
Total council and clerk of council	4,608	4,658	4,506	152
Office of the Mayor				
Personnel	1,347	1,347	1,341	6
Other	238	238	178	60
Total office of the Mayor	1,585	1,585	1,519	66
Office of personnel				
Personnel	1,114	1,114	1,088	26
Other	449	713	717	(4)
Total office of personnel	1,563	1,827	1,805	22
Landmarks commission				
Personnel	92	92	91	1
Other	8	8	4	4
Total landmarks commission	100	100	95	5
Board of building standards and appeals				
Personnel	76	76	74	2
Other	10	10	9	1
Total board of building standards and appeals	86	86	83	3
Fair campaign finance commission				
Other	10	10	2	8
Total fair campaign finance commission	10	10	2	8

CITY OF CLEVELAND, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Board of zoning appeals				
Personnel	\$ 218	\$ 218	\$ 215	\$ 3
Other	20	20	13	7
Total board of zoning appeals	238	238	228	10
Civil service commission				
Personnel	622	542	526	16
Other	567	647	644	3
Total civil service commission	1,189	1,189	1,170	19
Community relations board				
Personnel	858	858	844	14
Other	56	56	56	
Total community relations board	914	914	900	14
City planning commission				
Personnel	1,167	1,179	1,154	25
Other	41	41	40	1
Total city planning commission	1,208	1,220	1,194	26
Boxing and wrestling commission				
Personnel	9	9	7	2
Total boxing and wrestling commission	9	9	7	2
Office of equal opportunity				
Personnel	546	546	531	15
Other	75	75	50	25
Total office of equal opportunity	621	621	581	40
Board of examiners of plumbers and electricians				
Personnel	88	92	80	12
Other	3	3	2	1
Total board of examiners of plumbers and electricians	91	95	82	13
Municipal court-judicial division				
Personnel	12,461	12,417	12,148	269
Other	1,671	1,715	1,674	41
Total municipal court-judicial division	14,132	14,132	13,822	310
Municipal court-housing division				
Personnel	1,901	1,867	1,794	73
Other	91	125	94	31
Total municipal court-housing division	1,992	1,992	1,888	104

CITY OF CLEVELAND, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Municipal court-clerks division				
Personnel	\$ 5,818	\$ 5,668	\$ 5,534	\$ 134
Other	1,948	2,098	1,861	237
Total municipal court-clerks division	<u>7,766</u>	<u>7,766</u>	<u>7,395</u>	<u>371</u>
Office of budget and management				
Personnel	489	489	468	21
Other	41	41	39	2
Total office of budget and management	<u>530</u>	<u>530</u>	<u>507</u>	<u>23</u>
Department of aging				
Personnel	210	210	163	47
Other	67	67	66	1
Total department of aging	<u>277</u>	<u>277</u>	<u>229</u>	<u>48</u>
Department of law				
Personnel	5,404	5,154	5,092	62
Other	2,024	3,224	3,205	19
Total department of law	<u>7,428</u>	<u>8,378</u>	<u>8,297</u>	<u>81</u>
Division of harbors				
Personnel	55	55		55
Total division of harbors	<u>55</u>	<u>55</u>		<u>55</u>
Finance administration				
Personnel	339	339	339	
Other	33	33	30	3
Total finance administration	<u>372</u>	<u>372</u>	<u>369</u>	<u>3</u>
Division of accounts				
Personnel	836	836	804	32
Other	403	403	398	5
Total division of accounts	<u>1,239</u>	<u>1,239</u>	<u>1,202</u>	<u>37</u>
Division of assessments and licenses				
Personnel	980	980	958	22
Other	185	185	171	14
Total division of assessments and licenses	<u>1,165</u>	<u>1,165</u>	<u>1,129</u>	<u>36</u>
Division of treasury				
Personnel	353	353	353	
Other	67	77	74	3
Total division of treasury	<u>420</u>	<u>430</u>	<u>427</u>	<u>3</u>

CITY OF CLEVELAND, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Division of purchases and supplies				
Personnel	\$ 620	\$ 620	\$ 608	\$ 12
Other	93	93	78	15
Total division of purchases and supplies	713	713	686	27
Bureau of internal audit				
Personnel	192	192	141	51
Other	230	230	223	7
Total bureau of internal audit	422	422	364	58
Division of financial reporting and control				
Personnel	812	912	893	19
Other	407	457	457	
Total division of financial reporting and control	1,219	1,369	1,350	19
TOTAL GENERAL GOVERNMENT	49,952	51,392	49,837	1,555
Public Service				
Public service administration				
Personnel	385	385	353	32
Other	14	14	16	(2)
Total public service administration	399	399	369	30
Division of architecture				
Personnel	551	491	465	26
Other	38	38	31	7
Total division of architecture	589	529	496	33
Division of waste collection and disposal				
Personnel	14,512	14,337	14,317	20
Other	11,604	11,604	11,556	48
Total division of waste collection and disposal	26,116	25,941	25,873	68
Division of engineering and construction				
Personnel	4,341	4,141	4,094	47
Other	391	391	390	1
Total division of engineering and construction	4,732	4,532	4,484	48
TOTAL PUBLIC SERVICE	31,836	31,401	31,222	179

CITY OF CLEVELAND, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Public Safety				
Public safety administration				
Personnel	\$ 3,916	\$ 3,916	\$ 3,915	\$ 1
Other	793	793	580	213
Total public safety administration	4,709	4,709	4,495	214
Division of police				
Personnel	147,868	148,768	148,708	60
Other	10,708	10,708	10,851	(143)
Total division of police	158,576	159,476	159,559	(83)
Division of fire				
Personnel	66,061	66,061	66,171	(110)
Other	2,722	2,772	2,798	(26)
Total division of fire	68,783	68,833	68,969	(136)
Division of emergency medical services				
Personnel	14,623	14,408	14,408	
Other	1,141	1,241	1,166	75
Total division of emergency medical services	15,764	15,649	15,574	75
Division of traffic engineering				
Personnel	2,696	2,610	2,603	7
Other	766	826	833	(7)
Total division of traffic engineering	3,462	3,436	3,436	
Division of dog pound				
Personnel	559	559	535	24
Other	141	147	155	(8)
Total division of dog pound	700	706	690	16
TOTAL PUBLIC SAFETY	251,994	252,809	252,723	86
Community Development				
Division of administration services				
Personnel	91	91	90	1
Total division of administration services	91	91	90	1
Division of neighborhood services				
Personnel	77	77	76	1
Total division of neighborhood services	77	77	76	1

CITY OF CLEVELAND, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL-Continued
For the Year Ended December 31, 1999
(Amounts in 000's)

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Division of neighborhood development				
Personnel	\$ 242	\$ 212	\$ 188	\$ 24
Other	200	200	177	23
Total division of neighborhood development	442	412	365	47
Division of building and housing				
Personnel	5,518	5,518	5,513	5
Other	401	431	426	5
Total division of building and housing	5,919	5,949	5,939	10
Director's office				
Personnel	111	111	111	
Total director's office	111	111	111	
TOTAL COMMUNITY DEVELOPMENT	6,640	6,640	6,581	59
Public Health				
Public health administration				
Personnel	256	317	317	
Other	88	88	89	(1)
Total public health administration	344	405	406	(1)
Division of correction				
Personnel	4,396	4,397	4,386	11
Other	1,153	1,322	1,418	(96)
Total division of correction	5,549	5,719	5,804	(85)
Division of health				
Personnel	2,526	2,526	2,520	6
Other	690	690	896	(206)
Total division of health	3,216	3,216	3,416	(200)
Division of environment				
Personnel	2,067	2,067	2,058	9
Other	299	299	300	(1)
Total division of environment	2,366	2,366	2,358	8
TOTAL PUBLIC HEALTH	11,475	11,706	11,984	(278)

CITY OF CLEVELAND, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Parks, Recreation and Properties				
Parks, recreation and properties administration				
Personnel	\$ 544	\$ 544	\$ 451	\$ 93
Other	172	171	169	2
Total parks, recreation and properties administration	716	715	620	95
Division of research, planning and development				
Personnel	624	624	565	59
Other	74	74	74	
Total division of research, planning and development	698	698	639	59
Division of recreation				
Personnel	7,998	7,998	7,996	2
Other	2,959	2,959	3,025	(66)
Total division of recreation	10,957	10,957	11,021	(64)
Division of parking				
Personnel	706	706	698	8
Other	43	43	40	3
Total division of parking	749	749	738	11
Division of park maintenance and properties				
Personnel	8,716	8,716	8,702	14
Other	3,676	3,676	3,694	(18)
Total division of park maintenance and properties	12,392	12,392	12,396	(4)
Division of property management				
Personnel	8,446	8,446	8,421	25
Other	2,279	2,279	2,315	(36)
Total division of property management	10,725	10,725	10,736	(11)
TOTAL PARKS, RECREATION AND PROPERTIES	36,237	36,236	36,150	86

CITY OF CLEVELAND, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	General Fund			Variance- Favorable (Unfavorable)
	Original Budget	Revised Budget	Actual	
Economic Development				
Economic development administration				
Personnel	\$ 1,049	\$ 1,049	\$ 1,045	\$ 4
Other	131	131	83	48
Total economic development administration	<u>1,180</u>	<u>1,180</u>	<u>1,128</u>	<u>52</u>
TOTAL ECONOMIC DEVELOPMENT	1,180	1,180	1,128	52
Non-departmental expenditures				
Other	15,282	16,582	16,553	29
TOTAL NON-DEPARTMENTAL EXPENDITURES	<u>15,282</u>	<u>16,582</u>	<u>16,553</u>	<u>29</u>
TOTAL EXPENDITURES	<u>404,596</u>	<u>407,946</u>	<u>406,178</u>	<u>1,768</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,098	20,748	25,947	5,199
OTHER FINANCING SOURCES (USES):				
Operating transfers out	(24,778)	(24,778)	(24,778)	
	<u>(24,778)</u>	<u>(24,778)</u>	<u>(24,778)</u>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(680)	(4,030)	1,169	5,199
Fund balance at beginning of year	2,491	2,491	2,491	
Fund balance at end of year	<u>\$ 1,811</u>	<u>\$ (1,539)</u>	<u>\$ 3,660</u>	<u>\$ 5,199</u>

CITY OF CLEVELAND, OHIO

SPECIAL REVENUE FUNDS

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS ARE ESTABLISHED TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE SOURCES (OTHER THAN MAJOR CAPITAL PROJECTS) THAT ARE RESTRICTED BY LAW AND ADMINISTRATIVE ACTION TO EXPENDITURES FOR SPECIFIED PURPOSES

Division of Streets	To account for Motor Vehicle License Tax and Gasoline Excise Tax used for the repair and building of streets.
Restricted Income Tax	To account for one-ninth of the City's income tax collections. Monies are to be used for capital improvement purposes and repayment of debt.
Rainy Day Reserve Fund	To account for revenue which is eligible to be used during significant periods of economic downturn.
Schools Recreation and Cultural Activities Fund	To account for revenue from special taxes earmarked for Cleveland Public Schools for recreation and cultural activities.
Community Development Block Grants	To account for revenue from the federal government and expenditures as prescribed under the Community Development Block Grant Program.
Community Development Funds	To account for revenue earmarked for City-wide development.
Urban Development Action Funds	To account for revenue from the federal government under the Urban Development Action Grant Program.
Economic Development Funds	To account for revenue earmarked to revitalize distressed cities by stimulating economic development.

Home Weatherization Grants	To account for revenue from the State of Ohio and expenditures as prescribed under the Home Weatherization Assistance Program.
Job Training Partnership Act (JTPA) Grants	To account for revenue from the State of Ohio and expenditures under the Job Training Partnership Act Program.
Air Pollution Control Grants	To account for revenue primarily used to reduce levels of air pollution and continue progress towards meeting the federal clean air standards.
General Government Funds	To account for revenue earmarked for general government activities.
Public Service Funds	To account for revenue earmarked for the Litter Control and Recycling Program.
Public Safety Funds	To account for revenue earmarked for public safety activities.
Public Health Funds	To account for revenue earmarked for the improvement of public health.
Maintenance, Parks and Recreation Funds	To account for revenue earmarked for maintenance, parks and recreation activities.
Judgment/Settlement Funds	To account for revenue earmarked for the payment of certain judgments.
Gateway Shared Income Tax Funds	To account for municipal income tax revenue derived from persons employed at the Gund Arena and Jacobs Field with 50% of the revenues shared with the other taxing districts in the City.
Neighborhood Development Investment Fund	To account for revenue earmarked for the Neighborhood Development Investment Fund.
Supplemental Empowerment Zone	To account for revenue from the U.S. Department of Housing and Urban Development Program designed to help rebuild specific urban communities.
Rental Car Transportation Fees	To account for revenues from vehicle rentals at Cleveland Hopkins International Airport earmarked for providing airport shuttle services

CITY OF CLEVELAND, OHIO
COMBINING BALANCE SHEET-ALL SPECIAL REVENUE FUNDS

December 31, 1999

(Amounts in 000's)

	Budgeted				Total Budgeted Funds
	Division of Streets	Restricted Income Tax	Rainy Day Reserve Fund	Schools Recreation and Cultural Activities Fund	
ASSETS					
Cash and cash equivalents	\$ 2,932		\$ 7,531	\$ 2,000	\$ 12,463
Receivables:					
Taxes		\$ 4,854			4,854
Accounts	33				33
Loans					
Accrued interest					
	33	4,854			4,887
Due from other funds	546	16,121			16,667
Due from other governments	782				782
Inventory of supplies	649				649
TOTAL ASSETS	\$ 4,942	\$ 20,975	\$ 7,531	\$ 2,000	\$ 35,448
LIABILITIES					
Accounts payable	\$ 268				\$ 268
Deferred revenue					
Due to other funds	194	140	7,531		7,865
Due to other governments					
Accrued wages and benefits	730				730
TOTAL LIABILITIES	1,192	140	7,531		8,863
FUND BALANCE					
Reserve for inventory	649				649
Reserve for encumbrances	1,272	3,061			4,333
Reserve for rainy day reserve fund					
Unreserved:					
Designated for future capital improvements	1,207	12,982			14,189
Undesignated	622	4,792		2,000	7,414
TOTAL FUND BALANCE	3,750	20,835		2,000	26,585
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,942	\$ 20,975	\$ 7,531	\$ 2,000	\$ 35,448

Non-Budgeted

Community Development Block Grants	Community Development Funds	Urban Development Action Funds	Economic Development Funds	Home Weatherization Grants	Job Training Partnership Act (JTPA) Grants	Air Pollution Control Grants
	\$ 2,235	\$ 9,128	\$ 12,702	\$ 1,546		\$ 351
\$ 946 16,468	1	114,820	6,028 87	416		
17,414	1	114,820	6,115	416		
1,112 3,437	4,215	27		1,760	\$ 2,893	\$ 389
\$ 21,963	\$ 6,451	\$ 123,975	\$ 18,817	\$ 3,722	\$ 2,893	\$ 740
\$ 2,217 16,468 2,897 381 21,963	\$ 756 2,099 3,490 6,345	\$ 20 114,820 114,840	\$ 14 3,544 2 2,745 6 6,311	\$ 168 1,546 2,008 3,722	\$ 2,646 171 76 2,893	\$ 3 350 339 48 740
	106	9,135	1,036 11,470			
	106	9,135	12,506			
\$ 21,963	\$ 6,451	\$ 123,975	\$ 18,817	\$ 3,722	\$ 2,893	\$ 740

Continued

CITY OF CLEVELAND, OHIO

COMBINING BALANCE SHEET-ALL SPECIAL REVENUE FUNDS-Continued

December 31, 1999

(Amounts in 000's)

	Non-Budgeted				
	General Government Funds	Public Service Funds	Public Safety Funds	Public Health Funds	Maintenance, Parks and Recreation Funds
ASSETS					
Cash and cash equivalents	\$ 22,691	\$ 683	\$ 4,680	\$ 5,733	\$ 3,228
Receivables:					
Taxes					
Accounts	166		1	9	12
Loans					
Accrued interest					
	166		1	9	12
Due from other funds	4,277		1		
Due from other governments	774	44	2,645	5,465	1,237
Inventory of supplies					
TOTAL ASSETS	\$ 27,908	\$ 727	\$ 7,327	\$ 11,207	\$ 4,477
LIABILITIES					
Accounts payable	\$ 1,266		\$ 128	\$ 1,046	\$ 25
Deferred revenue	828	\$ 11	2,662	5,417	2,006
Due to other funds	3,580	44	2,557	4,392	1,243
Due to other governments					
Accrued wages and benefits	30			86	2
TOTAL LIABILITIES	5,704	55	5,347	10,941	3,276
FUND BALANCE					
Reserve for inventory					
Reserve for encumbrances					
Reserve for rainy day reserve fund	1,500				
Unreserved:					
Designated for future capital improvements					
Undesignated	20,704	672	1,980	266	1,201
TOTAL FUND BALANCE	22,204	672	1,980	266	1,201
TOTAL LIABILITIES AND FUND BALANCE	\$ 27,908	\$ 727	\$ 7,327	\$ 11,207	\$ 4,477

Non-Budgeted

Judgment/ Settlement Funds	Gateway Shared Income Tax Funds	Neighborhood Development Investment Fund	Supplemental Empowerment Zone	Rental Car Transportation Fee	Total Non- Budgeted Funds	Totals	
						1999	1998
\$ 12	\$ 1,910	\$ 25,901	\$ 159	\$ 2,285	\$ 93,244	\$ 105,707	\$ 96,706
						4,854	4,208
				495	1,630	1,663	2,220
		17,305	14,620		169,657	169,657	163,081
		219			306	306	311
		17,524	14,620	495	171,593	176,480	169,820
			1,605		6,995	23,662	18,500
			6,481		29,367	30,149	23,468
						649	580
\$ 12	\$ 1,910	\$ 43,425	\$ 22,865	\$ 2,780	\$ 301,199	\$ 336,647	\$ 309,074
				\$ 2,261	\$ 10,550	\$ 10,818	\$ 4,315
		\$ 17,305	\$ 12,710		179,766	179,766	168,720
		270	8,113		29,106	36,971	32,192
			1,910		4,655	4,655	5,031
			18		647	1,377	2,664
		17,575	22,751	2,261	224,724	233,587	212,922
						649	580
						4,333	11,027
					1,500	1,500	
					1,036	15,225	12,927
12	1,910	25,850	114	519	73,939	81,353	71,618
12	1,910	25,850	114	519	76,475	103,060	96,152
\$ 12	\$ 1,910	\$ 43,425	\$ 22,865	\$ 2,780	\$ 301,199	\$ 336,647	\$ 309,074

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-ALL SPECIAL REVENUE FUNDS

For the Year Ended December 31, 1999

(Amounts in 000's)

	Budgeted				
	Division of Streets	Restricted Income Tax	Rainy Day Reserve Fund	Schools Recreation and Cultural Activities Fund	Total Budgeted Funds
REVENUES					
Income taxes		\$ 32,118			\$ 32,118
Other shared revenues	\$ 11,399				11,399
Licenses and permits	115				115
Charges for services	2,251				2,251
Investment earnings					
Grants					
Miscellaneous	4,082				4,082
TOTAL REVENUES	17,847	32,118			49,965
EXPENDITURES					
Current:					
General government				\$ 2,000	2,000
Public service	23,284				23,284
Public safety					
Human resources					
Community development					
Public health					
Parks, Recreation and Properties					
Economic development					
Capital outlay		11,091			11,091
TOTAL EXPENDITURES	23,284	11,091		2,000	36,375
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,437)	21,027		(2,000)	13,590
OTHER FINANCING SOURCES (USES)					
Operating transfers in	6,983			2,000	8,983
Operating transfers out		(18,502)			(18,502)
TOTAL OTHER FINANCING SOURCES (USES)	6,983	(18,502)		2,000	(9,519)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,546	2,525			4,071
Fund balances at beginning of year	2,204	18,310		2,000	22,514
Fund balances at end of year	\$ 3,750	\$ 20,835	\$ -	\$ 2,000	\$ 26,585

Non-Budgeted

Community Development Block Grants	Community Development Funds	Urban Development Action Funds	Economic Development Funds	Home Weatherization Grants	Job Training Partnership Act (JTPA) Grants	Air Pollution Control Grants
			\$ 426			
		\$ 308	200			
\$ 34,209	\$ 8,322	1,939	838	\$ 2,160	\$ 7,520	\$ 1,011
		1,733	4,931			
34,209	8,322	3,980	6,395	-2,160	7,520	1,011
					7,520	
34,209	8,322			2,160		1,011
		4,115	1,318			
			441			
34,209	8,322	4,115	1,759	2,160	7,520	1,011
		(135)	4,636			
		(135)	4,636			
	106	9,270	7,870			
\$ -	\$ 106	\$ 9,135	\$ 12,506	\$ -	\$ -	\$ -

Continued

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-ALL SPECIAL REVENUE FUNDS-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	Non-Budgeted				
	General Government Funds	Public Service Funds	Public Safety Funds	Public Health Funds	Maintenance, Parks and Recreation Funds
REVENUES					
Income taxes					
Other shared revenues					
Licenses and permits					
Charges for services					
Investment earnings	2,254		186	6	17
Grants	\$ 799	\$ 162	\$ 5,177	9,326	1,515
Miscellaneous	10,413	68	840	27	406
TOTAL REVENUES	13,466	230	6,203	9,359	1,938
EXPENDITURES					
Current:					
General government	11,451				
Public service		163			
Public safety			6,183		
Human resources					
Community development					
Public health				9,332	
Parks, Recreation and Properties					1,721
Economic development					
Capital outlay					
TOTAL EXPENDITURES	11,451	163	6,183	9,332	1,721
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,015	67	20	27	217
OTHER FINANCING SOURCES (USES)					
Operating transfers in					
Operating transfers out					
TOTAL OTHER FINANCING SOURCES (USES)					
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,015	67	20	27	217
Fund balances at beginning of year	20,189	605	1,960	239	984
Fund balances at end of year	\$ 22,204	\$ 672	\$ 1,980	\$ 266	\$ 1,201

Non-Budgeted

Judgment/ Settlement Funds	Gateway Shared Income Tax Funds	Neighborhood Development Investment Fund	Supplemental Empowerment Zone	Rental Car Transportation Fee	Total Non- Budgeted Funds	Totals	
						1999	1998
					426	\$ 32,544	\$ 30,253
						11,399	10,475
						115	296
						2,251	597
		\$ 961			\$ 3,932	3,932	2,101
			\$ 2,908		75,886	75,886	73,549
	\$ 476	746	9,409	\$ 2,729	31,778	35,860	45,405
	476	1,707	12,317	2,729	112,022	161,987	162,676
				2,482	13,933	15,933	7,526
					163	23,447	24,878
					6,183	6,183	2,449
					7,520	7,520	9,920
					44,691	44,691	45,432
					10,343	10,343	9,295
		6,515			8,236	8,236	8,270
			12,242		17,675	17,675	12,305
					441	11,532	12,631
		6,515	12,242	2,482	109,185	145,560	132,706
	476	(4,808)	75	247	2,837	16,427	29,970
						8,983	7,102
						(18,502)	(18,068)
						(9,519)	(10,966)
	476	(4,808)	75	247	2,837	6,908	19,004
12	1,434	30,658	39	272	73,638	96,152	77,148
\$ 12	\$ 1,910	\$ 25,850	\$ 114	\$ 519	\$ 76,475	\$ 103,060	\$ 96,152

CITY OF CLEVELAND, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
BUDGETED SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL

For the Year Ended December 31, 1999

(Amounts in 000's)

	Division of Streets			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Income taxes				
Other shared revenues	\$ 10,850	\$ 10,850	\$ 11,254	\$ 404
Licenses and permits	400	400	96	(304)
Charges for services	1,500	1,500	1,857	357
Miscellaneous	5,151	5,151	4,059	(1,092)
TOTAL REVENUES	17,901	17,901	17,266	(635)
EXPENDITURES				
Public Service	25,223	25,223	25,157	66
Parks, Recreation and Properties				
Capital outlay				
TOTAL EXPENDITURES	25,223	25,223	25,157	66
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,322)	(7,322)	(7,891)	(569)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	6,754	6,754	6,983	229
Operating transfers out				
TOTAL OTHER FINANCING SOURCES (USES)	6,754	6,754	6,983	229
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(568)	(568)	(908)	(340)
Fund balances at beginning of year	669	669	669	
Fund balances at end of year	\$ 101	\$ 101	\$ (239)	\$ (340)

Restricted Income Tax				Rainy Day Reserve Fund				Schools Recreation and Cultural Activities			
Original Budget	Revised Budget	Actual	Variance-Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance-Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance-Favorable (Unfavorable)
\$ 29,594	\$ 29,594	\$ 30,783	\$ 1,189								
29,594	29,594	30,783	1,189								
								\$ 2,000	\$ 2,000	\$ 2,000	\$ -
19,621	19,321	15,117	4,204								
19,621	19,321	15,117	4,204					2,000	2,000	2,000	
9,973	10,273	15,666	5,393					(2,000)	(2,000)	(2,000)	
				\$ 500	\$ 500	\$ 1,500	\$ 1,000	2,000	2,000	2,000	
(11,750)	(12,050)	(12,050)									
(11,750)	(12,050)	(12,050)		500	500	1,500	1,000	2,000	2,000	2,000	
(1,777)	(1,777)	3,616	5,393	500	500	1,500	1,000				
1,918	1,918	1,918		6,031	6,031	6,031		2,000	2,000	2,000	
\$ 141	\$ 141	\$ 5,534	\$ 5,393	\$ 6,531	\$ 6,531	\$ 7,531	\$ 1,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ -

Continued

CITY OF CLEVELAND, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
BUDGETED SPECIAL REVENUE FUNDS-LEGAL APPROPRIATION LEVEL-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	Totals			
	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES				
Income taxes	\$ 29,594	\$ 29,594	\$ 30,783	\$ 1,189
Other shared revenues	10,850	10,850	11,254	404
Licenses and permits	400	400	96	(304)
Charges for services	1,500	1,500	1,857	357
Miscellaneous	5,151	5,151	4,059	(1,092)
TOTAL REVENUES	47,495	47,495	48,049	554
EXPENDITURES				
Public Service	25,223	25,223	25,157	66
Parks, Recreation and Properties	2,000	2,000	2,000	
Capital outlay	19,621	19,321	15,117	4,204
TOTAL EXPENDITURES	46,844	46,544	42,274	4,270
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	651	951	5,775	4,824
OTHER FINANCING SOURCES (USES)				
Operating transfers in	9,254	9,254	10,483	1,229
Operating transfers out	(11,750)	(12,050)	(12,050)	
TOTAL OTHER FINANCING SOURCES (USES)	(2,496)	(2,796)	(1,567)	1,229
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,845)	(1,845)	4,208	6,053
Fund balances at beginning of year	10,618	10,618	10,618	
Fund balances at end of year	\$ 8,773	\$ 8,773	\$ 14,826	\$ 6,053

CITY OF CLEVELAND, OHIO

DEBT SERVICE FUNDS

COMBINING FINANCIAL STATEMENTS

DEBT SERVICE FUNDS ARE ESTABLISHED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES FOR THE PAYMENT OF DEBT REPORTED IN THE GENERAL LONG-TERM OBLIGATION ACCOUNT GROUP AND PRINCIPAL AND INTEREST OF CERTAIN PROPRIETARY FUNDS' GENERAL OBLIGATIONS

Unvoted Tax Supported
Obligations Fund

To account for the accumulation of resources for the payment of general obligation bonds of the City not requiring a vote of the electors, other than self-supporting obligations, payable from ad valorem property taxes levied within the limitations provided by law.

Stadium Bond Fund

The account for the accumulation of resources for the payment of the stadium certificates of participation from pledged city taxes.

Subordinated Income
Tax Fund

To account for the accumulation of resources for the payment of subordinated income tax variable rate refunding bonds payable from pledged income taxes.

Subordinated Income Tax
Reserve Fund

The account is to be maintained at an amount equal to the maximum bond service charges required to be paid in any of the subsequent six month period.

Urban Renewal Fund

To account for the accumulation of resources for the payment of tax increment urban renewal bonds payable from deposits made in lieu of taxes.

Urban Renewal Reserve Fund

The account is to be maintained at an amount equal to one year's maximum annual debt service on certain Urban Renewal Bonds and can be used to cover any debt insufficiency payable from certain urban renewal bonds.

CITY OF CLEVELAND, OHIO
COMBINING BALANCE SHEET-ALL DEBT SERVICE FUNDS

December 31, 1999

(Amounts in 000's)

	Budgeted			
	Unvoted Tax Supported Obligations Fund	Stadium Bond Fund	Subordinated Income Tax Fund	Subordinated Income Tax Reserve Fund
ASSETS				
Cash and cash equivalents	\$ 1,335			
Investments at market	2,356	2	1,324	4,550
Accrued interest	33			16
Due from other funds	3,240			
Due from other governments	22,326			
TOTAL ASSETS	\$ 29,290	\$ 2	\$ 1,324	\$ 4,566
LIABILITIES				
Deferred revenue	\$ 21,715			
TOTAL LIABILITIES	21,715			
FUND BALANCE				
Reserve for debt service	7,575	2	1,324	4,566
TOTAL LIABILITIES AND FUND BALANCE	\$ 29,290	\$ 2	\$ 1,324	\$ 4,566

Non-Budgeted

Urban Renewal Fund	Urban Renewal Reserve Fund	Totals	
		1999	1998
\$ 51	\$ 1	\$ 1,387	\$ 1,494
825	1,466	10,523	9,406
12	24	85	41
		3,240	2,400
		22,326	21,448
<u>\$ 888</u>	<u>\$ 1,491</u>	<u>\$ 37,561</u>	<u>\$ 34,789</u>
		\$ 21,715	\$ 20,792
		21,715	20,792
888	1,491	15,846	13,997
<u>\$ 888</u>	<u>\$ 1,491</u>	<u>\$ 37,561</u>	<u>\$ 34,789</u>

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-ALL DEBT SERVICE FUNDS

For the Year Ended December 31, 1999

(Amounts in 000's)

	Budgeted			
	Unvoted Tax Supported Obligations Fund	Stadium Bond Fund	Subordinated Income Tax Fund	Subordinated Income Tax Reserve Fund
REVENUES				
Property taxes	\$ 23,360			
Investment earnings	305	\$ 2	\$ 28	\$ 56
Grants	1,520			
Miscellaneous	8			
TOTAL REVENUES	25,193	2	28	56
EXPENDITURES				
Principal retirement	20,270	20,000	1,100	
Interest	16,321	900	2,865	
Other				94
TOTAL EXPENDITURES	36,591	20,900	3,965	94
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,398)	(20,898)	(3,937)	(38)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	12,890	20,895	4,212	
Operating transfers out				
TOTAL OTHER FINANCING SOURCES (USES)	12,890	20,895	4,212	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,492	(3)	275	(38)
Fund balances at beginning of year	6,083	5	1,049	4,604
Fund balances at end of year	\$ 7,575	\$ 2	\$ 1,324	\$ 4,566

Non-Budgeted

	Urban Renewal Fund	Urban Renewal Reserve Fund	Totals	
			1999	1998
\$	1,382		\$ 24,742	\$ 24,037
	33	\$ 67	491	875
			1,520	
			8	288
	1,415	67	26,761	25,200
	255		41,625	20,545
	625		20,711	21,347
	479		573	751
	1,359		62,909	42,643
	56	67	(36,148)	(17,443)
		33	38,030	18,276
	(33)		(33)	(46)
	(33)	33	37,997	18,230
	23	100	1,849	787
	865	1,391	13,997	13,210
\$	888	\$ 1,491	\$ 15,846	\$ 13,997

CITY OF CLEVELAND, OHIO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
BUDGETED DEBT SERVICE FUNDS-LEGAL APPROPRIATION LEVEL

For the Year Ended December 31, 1999

(Amounts in 000's)

	Unvoted Tax Supported Obligations Fund			Variance- Favorable (Unfavor- able)	Stadium Bond Fund			Variance Favorab! (Unfavor able)
	Original Budget	Revised Budget	Actual		Original Budget	Revised Budget	Actual	
REVENUES								
Property taxes	\$22,961	\$22,961	\$23,404	\$ 443				
Investment earnings	275	275	253	(22)			\$ 3	\$ 3
Grants	921	921	1,520	599				
Miscellaneous			49	49				
TOTAL REVENUES	24,157	24,157	25,226	1,069			3	3
EXPENDITURES								
Principal retirement	20,270	20,270	20,270		20,000	20,000	20,000	
Interest	16,593	16,593	16,321	272	900	900	900	
TOTAL EXPENDITURES	36,863	36,863	36,591	272	20,900	20,900	20,900	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,706)	(12,706)	(11,365)	1,341	(20,900)	(20,900)	(20,897)	3
OTHER FINANCING SOURCES (USES)								
Operating transfers in	12,950	12,950	12,050	(900)	20,900	20,900	20,895	(5)
TOTAL OTHER FINANCING SOURCES	12,950	12,950	12,050	(900)	20,900	20,900	20,895	(5)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	244	244	685	441			(2)	(2)
Fund balances at beginning of year	3,023	3,023	3,023		5	5	5	
Fund balances at end of year	\$ 3,267	\$ 3,267	\$ 3,708	\$ 441	\$ 5	\$ 5	\$ 3	\$ (2)

Subordinated Income Tax Fund				Subordinated Income Tax Reserve Fund				Totals			
Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)	Original Budget	Revised Budget	Actual	Variance- Favorable (Unfavor- able)
		\$ 29	\$ 29			\$ 40	\$ 40	\$ 22,961	\$ 22,961	\$ 23,404	\$ 443
								275	275	325	50
								921	921	1,520	599
										49	49
		29	29			40	40	24,157	24,157	25,298	1,141
1,100	1,100	1,100				94	(94)	41,370	41,370	41,464	(94)
2,900	2,900	2,865	35					20,393	20,393	20,086	307
4,000	4,000	3,965	35			94	(94)	61,763	61,763	61,550	213
(4,000)	(4,000)	(3,936)	64			(54)	(54)	(37,606)	(37,606)	(36,252)	1,354
4,000	4,000	4,212	212					37,850	37,850	37,157	(693)
4,000	4,000	4,212	212					37,850	37,850	37,157	(693)
		276	276			(54)	(54)	244	244	905	661
1,049	1,049	1,049		4,603	4,603	4,603		8,680	8,680	8,680	
\$ 1,049	\$ 1,049	\$ 1,325	\$ 276	\$ 4,603	\$ 4,603	\$ 4,549	\$ (54)	\$ 8,924	\$ 8,924	\$ 9,585	\$ 661

(THIS PAGE INTENTIONALLY LEFT BLANK)

CITY OF CLEVELAND, OHIO

CAPITAL PROJECTS FUNDS

COMBINING FINANCIAL STATEMENTS

CAPITAL PROJECTS FUNDS ARE ESTABLISHED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF MAJOR CAPITAL FACILITIES OTHER THAN THOSE FINANCED BY SPECIAL REVENUE FUNDS AND PROPRIETARY FUNDS

Capital / Urban Renewal Bond Construction	To account for all bond proceeds and capital projects costs of bond-funded capital acquisitions, tax increment urban renewal bond issues and construction within the City.
Grant Improvement	To account for capital grant revenues which fund capital improvement projects within the City.
Capital Improvement	To account for miscellaneous revenues which fund capital projects.
Certificates of Participation	To account for certificates of participation proceeds which fund certain capital acquisitions.
Cleveland Stadium Construction	To account for bond proceeds and capital projects costs of the new

CITY OF CLEVELAND, OHIO
COMBINING BALANCE SHEET-ALL CAPITAL PROJECTS FUNDS

December 31, 1999

(Amounts in 000's)

	Capital/ Urban Renewal	Grant	Capital	Certificates of	Cleveland	Totals	
	Bond Construction	Improvement	Improvement	Participation	Stadium Construction	1999	1998
ASSETS							
Cash and cash equivalents	\$ 26,009		\$ 13,092		\$ 19,092	\$ 58,193	\$ 75,323
Investments at market	57,517					57,517	38,798
Receivables:							
Accrued interest	908			\$ 94	46	1,048	875
Assessments	124					124	222
	1,032			94	46	1,172	1,097
Due from other funds			4,308		4,714	9,022	21,981
Due from other governments		\$ 9,692			3,200	12,892	8,429
Restricted cash and cash equivalents				5,662	9,499	15,161	14,582
TOTAL ASSETS	\$ 84,558	\$ 9,692	\$ 17,400	\$ 5,756	\$ 36,551	\$ 153,957	\$ 160,210
LIABILITIES							
Accounts payable			\$ 17,212		\$ 873	\$ 18,085	\$ 27,952
Deferred revenue	\$ 124					124	222
Due to other funds	3,133	\$ 9,692			790	13,615	25,584
TOTAL LIABILITIES	3,257	9,692	17,212		1,663	31,824	53,758
FUND BALANCE							
Reserve for encumbrances	11,703				11,094	22,797	26,892
Unreserved:							
Designated for future capital improvements	69,500			\$ 5,756	23,794	99,050	72,557
Undesignated	98		188			286	7,003
TOTAL FUND BALANCE	81,301		188	5,756	34,888	122,133	106,452
TOTAL LIABILITIES AND FUND BALANCE	\$ 84,558	\$ 9,692	\$ 17,400	\$ 5,756	\$ 36,551	\$ 153,957	\$ 160,210

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-ALL CAPITAL PROJECTS FUNDS

For the Year Ended December 31, 1999

(Amounts in 000's)

	Capital/ Urban Renewal	Grant Improvement	Capital Improvement	Certificates of Participation	Cleveland	Totals	
	Bond Construction				Stadium Construction	1999	1998
REVENUES							
Investment earnings	\$ 4,049		\$ 8	\$ 201	\$ 2,960	\$ 7,218	\$ 15,333
Grants		\$ 9,745			20,304	30,049	26,706
Contributions					62,394	62,394	4,642
Miscellaneous	98				1,150	1,248	1,115
TOTAL REVENUES	4,147	9,745	8	201	86,808	100,909	47,796
EXPENDITURES							
Capital outlay	23,545	9,745			88,668	121,958	171,897
Principal retirement				5,392	1,425	6,817	5,966
Interest				1,300	7,293	8,593	8,946
TOTAL EXPENDITURES	23,545	9,745		6,692	97,386	137,368	186,809
EXCESS OF EXPENDITURES OVER REVENUES	(19,398)		8	(6,491)	(10,578)	(36,459)	(139,013)
OTHER FINANCING SOURCES (USES)							
Operating transfers in				6,452	12,805	19,257	17,295
Operating transfers out					(22,895)	(22,895)	(2,762)
Proceeds from sale of non-tax revenue bonds					10,000	10,000	
Proceeds from sale of general obligation bonds, net	25,778					25,778	48,736
Proceeds from sale of certificates of participation, net					20,000	20,000	
Payments to refund bonds							(24,823)
TOTAL OTHER FINANCING SOURCES	25,778			6,452	19,910	52,140	38,446
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	6,380		8	(39)	9,332	15,681	(100,567)
Fund balances at beginning of year	74,921		180	5,795	25,556	106,452	207,019
Fund balances at end of year	\$ 81,301	\$ -	\$ 188	\$ 5,756	\$ 34,888	\$ 122,133	\$ 106,452

CITY OF CLEVELAND, OHIO

ENTERPRISE FUNDS

COMBINING FINANCIAL STATEMENTS

ENTERPRISE FUNDS ARE ESTABLISHED TO ACCOUNT FOR OPERATIONS THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE SECTOR BUSINESSES WHERE THE INTENT IS THAT THE EXPENSE (INCLUDING DEPRECIATION) OF PROVIDING GOODS OR SERVICES PRIMARILY OR SOLELY TO THE GENERAL PUBLIC BE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES

Division of Water

The Division of Water is a segment of the Department of Public Utilities of the City. The Division of Water was created for the purpose of supplying water services to customers within the Cleveland metropolitan area.

Division of Water Pollution Control

The Division of Water Pollution Control is a segment of the Department of Public Utilities of the City. The Division of Water Pollution Control was created for the purpose of providing sewage services to customers and to maintain the local sewer system of the City.

Division of Cleveland Public Power

The Division of Cleveland Public Power is a segment of the Department of Public Utilities of the City. The Division of Cleveland Public Power was established by the City to provide electrical services to customers within the City.

Department of Port Control

The Department of Port Control was established to provide airport facilities for the City and its neighboring communities.

Convention Center

The Convention Center Division was established to provide facilities for conventions, trade shows, sporting events and fine arts programs.

West Side Market

The West Side Market provides a public market where Cleveland area residents can purchase a variety of quality foods in a centralized location.

East Side Market

The East Side Market provides a public market where Cleveland area residents can purchase a variety of quality foods in a centralized location.

Municipal Parking Lots

The Division of Parking was established to provide municipal parking within the City's limits.

Cemeteries

The Division of Cemeteries was established to provide interment and cremation services for the City and its neighboring communities.

Golf Courses

The Golf Course Division was established to provide the City and its neighboring communities with recreational facilities for golfing and cross country skiing.

CITY OF CLEVELAND, OHIO
COMBINING BALANCE SHEET-ALL ENTERPRISE FUNDS

December 31, 1999

(Amounts in 000's)

	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control
ASSETS				
Cash and cash equivalents	\$ 23,290	\$ 7,756	\$ 9,579	\$ 9,783
Investments at market	122,339	21,666	25,242	26,913
Receivables:				
Accounts	14,905	29,624	19,557	2,987
Unbilled revenue	21,251	2,392	1,828	9,227
Accrued interest receivable	1,679	327	286	536
Less: Allowance for doubtful accounts	(1,011)		(536)	(428)
Receivables, net	36,824	32,343	21,135	12,322
Due from other funds	3,722	1,086	783	467
Due from other governments				1,012
Inventory of supplies	4,020	301	5,468	275
Prepaid expenses and other assets	6,416		3,161	4,905
Restricted assets:				
Cash and cash equivalents	236,723	5	19,834	172,736
Investments at market	74,286		3,238	69,395
Accrued interest receivable	1,439		104	1,256
Bond retirement reserve				53
Accrued passenger facility charge				2,213
	312,448	5	23,176	245,653
Fixed assets in service:				
Land	5,279	297	4,863	132,753
Land improvements	12,132		1,919	177,035
Utility plant in service	785,386	105,049	323,269	
Buildings, structure and improvements	172,992		41,167	353,931
Furniture, fixtures and equipment	61,969	107	23,177	21,252
Less: Accumulated depreciation	(262,016)	(42,295)	(105,774)	(193,038)
	775,742	63,158	288,621	491,933
Construction in progress	43,531	401	11,078	15,265
TOTAL ASSETS	\$ 1,328,332	\$ 126,716	\$ 388,243	\$ 808,528

Convention Center	West Side Market	East Side Market	Municipal Parking Lots	Cemeteries	Golf Courses	Totals	
						1999	1998
\$ 2,162	\$ 845	\$ 269	\$ 2,030	\$ 733	\$ 2,124	\$ 58,571	\$ 79,336
						196,160	111,405
3,881			14,931	31		85,916	84,179
				34		34,698	29,242
(34)			(14,679)			2,862	1,603
3,847			252	65		(16,688)	(13,897)
41	3		494			106,788	101,127
		10	45	205	20	6,596	7,256
			1,307			1,012	3,624
			3,269	307		10,344	14,284
			12,130	5,200		15,789	17,293
			248			432,874	494,457
						164,249	178,141
						3,047	3,930
						53	53
						2,213	2,228
			15,647	5,507		602,436	678,809
4,261	198	413	12,929	252	208	161,453	119,383
		484	1,264	7	2,823	195,664	177,539
						1,213,704	1,040,279
61,625	5,403	2,400	65,200	4,654	1,661	709,033	533,417
1,410	37	450	694	485	562	110,143	85,844
(51,206)	(2,944)	(1,293)	(9,375)	(1,141)	(2,757)	(671,839)	(619,698)
16,090	2,694	2,454	70,712	4,257	2,497	1,718,158	1,336,764
	70			40	6	70,391	310,572
\$ 22,140	\$ 3,612	\$ 2,733	\$ 90,487	\$ 10,807	\$ 4,647	\$ 2,786,245	\$ 2,660,470

Continued

CITY OF CLEVELAND, OHIO
COMBINING BALANCE SHEET-ALL ENTERPRISE FUNDS-Continued

December 31, 1999

(Amounts in 000's)

	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control
LIABILITIES				
Accounts payable	\$ 4,512	\$ 205	\$ 8,570	\$ 8,831
Due to other funds	4,101	3,555	3,114	4,174
Due to other governments		36,142		2,742
Accrued wages and benefits	8,218	847	3,029	2,186
Accrued interest	19,700		1,623	23,713
Accounts payable from restricted assets	8,394	491	725	9,000
Construction loans	302	7,873		
Deferred payment obligation				28,993
Revenue bonds payable	695,665		237,421	416,025
TOTAL LIABILITIES	740,892	49,113	254,482	495,664
CONTRIBUTED CAPITAL AND RETAINED EARNINGS (DEFICIT)				
Contributed capital - City of Cleveland and others	2,407	43,329	12,183	170,738
Retained earnings (deficit):				
Reserve for debt retirement	18,567	461	6,465	12,100
Unreserved (deficit)	566,466	33,813	115,113	130,026
TOTAL RETAINED EARNINGS (DEFICIT)	585,033	34,274	121,578	142,126
TOTAL FUND EQUITY	587,440	77,603	133,761	312,864
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,328,332	\$ 126,716	\$ 388,243	\$ 808,528

Convention Center	West Side Market	East Side Market	Municipal Parking Lots	Cemeteries	Golf Courses	Totals	
						1999	1998
\$ 263	\$ 152		\$ 34	\$ 45	\$ 50	\$ 22,662	\$ 16,533
3,904			2	5	8	18,863	15,971
3,159			189			42,232	38,828
285	48	\$ 2	147	182	38	14,982	21,740
			1,276			46,312	44,128
			16			18,626	27,182
						8,175	8,645
						28,993	
			70,548			1,419,659	1,407,295
7,611	200	2	72,212	232	96	1,620,504	1,580,322
65,444	4,354	2,943	21,079	5,694	4,598	332,769	320,801
			1,795			39,388	34,401
(50,915)	(942)	(212)	(4,599)	4,881	(47)	793,584	724,946
(50,915)	(942)	(212)	(2,804)	4,881	(47)	832,972	759,347
14,529	3,412	2,731	18,275	10,575	4,551	1,165,741	1,080,148
\$ 22,140	\$ 3,612	\$ 2,733	\$ 90,487	\$ 10,807	\$ 4,647	\$ 2,786,245	\$ 2,660,470

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS (DEFICIT)-ALL ENTERPRISE FUNDS

For the Year Ended December 31, 1999

(Amounts in 000's)

	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control
OPERATING REVENUES				
Charges for services	\$ 204,839	\$ 18,815	\$ 130,601	\$ 76,773
TOTAL OPERATING REVENUE	204,839	18,815	130,601	76,773
OPERATING EXPENSES				
Operations	80,878	6,003	13,705	40,252
Maintenance	18,822	6,928	15,112	
Purchased power			70,619	
Depreciation	24,761	3,387	13,646	19,089
TOTAL OPERATING EXPENSES	124,461	16,318	113,082	59,341
OPERATING INCOME (LOSS)	80,378	2,497	17,519	17,432
NON-OPERATING REVENUE (EXPENSES)				
Interest income	8,938	1,272	2,050	14,923
Interest expense	(18,048)	(366)	(14,808)	(26,029)
Litigation settlement			6,500	
Passenger facility charge revenue				16,753
Loss on disposal of property and equipment	(11,039)			
Other revenues (expenses)			1,609	(22,442)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(20,149)	906	(4,649)	(16,795)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	60,229	3,403	12,870	637
Operating transfers in				
Operating transfers out				
NET INCOME (LOSS)	60,229	3,403	12,870	637
Retained earnings (deficit) at beginning of year	524,804	30,871	108,708	141,489
Retained earnings (deficit) at end of year	\$ 585,033	\$ 34,274	\$ 121,578	\$ 142,126

Convention Center	West Side Market	East Side Market	Municipal Parking Lots	Cemeteries	Golf Courses	Totals	
						1999	1998
\$ 3,011	\$ 1,090	\$ 78	\$ 7,529	\$ 1,547	\$ 2,146	\$ 446,429	\$ 413,683
3,011	1,090	78	7,529	1,547	2,146	446,429	413,683
8,165	774	40	1,677	1,363	1,665	154,522	153,311
659	134	13	45	36	79	41,828	41,647
						70,619	58,686
2,445	162	122	1,700	79	136	65,527	51,490
11,269	1,070	175	3,422	1,478	1,880	332,496	305,134
(8,258)	20	(97)	4,107	69	266	113,933	108,549
45	28		1,089	276	69	28,690	35,214
			(5,065)			(64,316)	(60,172)
						6,500	3,000
						16,753	16,648
						(11,039)	(461)
4,449						(16,384)	1,062
4,494	28		(3,976)	276	69	(39,796)	(4,709)
(3,764)	48	(97)	131	345	335	74,137	103,840
328						328	
(840)						(840)	(1,200)
(4,276)	48	(97)	131	345	335	73,625	102,640
(46,639)	(990)	(115)	(2,935)	4,536	(382)	759,347	656,707
\$ (50,915)	\$ (942)	\$ (212)	\$ (2,804)	\$ 4,881	\$ (47)	\$ 832,972	\$ 759,347

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF CASH FLOWS-ALL ENTERPRISE FUNDS

For the Year Ended December 31, 1999

(Amounts in 000's)

	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 206,271	\$ 18,338	\$ 125,235	\$ 78,626
Cash payments to suppliers for goods or services	(45,656)	(7,112)	(4,587)	(20,370)
Cash payments to employees for services	(58,504)	(6,385)	(20,660)	(16,345)
Cash payments for purchased power			(69,874)	
Cash receipts of customer deposits	623		59	
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	102,734	4,841	30,173	41,911
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash received through operating transfers from other funds				16,768
Cash receipts for passenger facility charges				16,768
Cash received from litigation settlement			6,500	
Cash payments for sound insulation of homes and other				(22,442)
Cash receipts from hotel tax				
Other		771	1,609	
NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES		771	8,109	(5,674)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of revenue bonds, loans and notes		14	44,778	39,791
Acquisition and construction of capital assets	(54,839)	(3,419)	(21,895)	(100,106)
Principal paid on long-term debt	(17,457)	(484)	(6,210)	(8,450)
Interest paid on long-term debt	(38,621)	(366)	(13,486)	(21,549)
Cash paid to escrow agent for refunding			(45,793)	
Capital grant proceeds		580		13,308
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(110,917)	(3,675)	(42,606)	(77,006)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(210,311)	(14,770)	(41,400)	(131,050)
Proceeds from sale and maturity of investment securities	134,533	10,486	49,162	139,382
Interest received on investments	19,084	1,105	3,190	15,354
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(56,694)	(3,179)	10,952	23,686
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(64,877)	(1,242)	6,628	(17,083)
Cash and cash equivalents at beginning of year	324,890	9,003	22,785	199,602
Cash and cash equivalents at end of year	\$ 260,013	\$ 7,761	\$ 29,413	\$ 182,519

Convention Center	West Side Market	East Side Market	Municipal Parking Lots	Cemeteries	Golf Courses	Totals	
						1999	1998
\$ 1,757 (3,364) (1,881)	\$ 1,087 (603) (364)	\$ 78 (20) (11)	\$ 7,040 (1,096) (592)	\$ 1,538 (814) (968)	\$ 2,146 (985) (845)	\$ 442,116 (84,607) (106,555) (69,874) 682	\$ 417,977 (94,237) (106,124) (58,027) 119
(3,488)	120	47	5,352	(244)	316	181,762	159,708
328						328	
						16,768	16,404
						6,500	3,000
						(22,442)	(7,374)
3,609						3,609	3,393
						2,380	8,139
3,937						7,143	23,562
						84,583	303,302
			(238)		(6)	(180,503)	(204,091)
			(1,715)			(34,316)	(29,707)
			(4,451)			(78,473)	(72,608)
						(45,793)	(202,372)
						13,888	358
			(6,404)		(6)	(240,614)	(205,118)
			(15,436)	(5,200)		(418,167)	(427,309)
			8,665	5,075		347,303	456,267
53	32		1,037	285	85	40,225	50,200
53	32		(5,734)	160	85	(30,639)	79,158
502	152	47	(6,786)	(84)	395	(82,348)	57,310
1,660	693	222	12,085	1,124	1,729	573,793	516,483
\$ 2,162	\$ 845	\$ 269	\$ 5,299	\$ 1,040	\$ 2,124	\$ 491,445	\$ 573,793

Continued

CITY OF CLEVELAND, OHIO

COMBINING STATEMENT OF CASH FLOWS-ALL ENTERPRISE FUNDS-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	Division of Water	Water Pollution Control	Cleveland Public Power	Department of Port Control
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
OPERATING INCOME (LOSS)	\$ 80,378	\$ 2,497	\$ 17,519	\$ 17,432
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	24,761	3,387	13,646	19,089
Non-cash rental income				(3,106)
Change in assets and liabilities:				
Accounts receivable, net	3,165	29	(5,157)	3,423
Unbilled revenue	(1,735)	(477)	(209)	(3,036)
Due from other funds	(649)	(249)	509	1,449
Inventory of supplies	90	(95)	3,954	(4)
Prepaid expenses	229		(12)	96
Landing fee adjustment				4,446
Accounts payable	(238)	(750)	358	2,600
Due to other funds	699	1,008	885	(814)
Due to other governments				795
Accrued wages and benefits	(3,966)	(509)	(1,320)	(459)
TOTAL ADJUSTMENTS	<u>22,356</u>	<u>2,344</u>	<u>12,654</u>	<u>24,479</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 102,734</u>	<u>\$ 4,841</u>	<u>\$ 30,173</u>	<u>\$ 41,911</u>

Convention Center	West Side Market	East Side Market	Municipal Parking Lots	Cemeteries	Golf Courses	Totals	
						1999	1998
\$ (8,258)	\$ 20	\$ (97)	\$ 4,107	\$ 69	\$ 266	\$ 113,933	\$ 108,549
2,445	162	122	1,700	79	136	65,527 (3,106)	51,490
(1,008)		20	(83)	(9)		380 (5,457)	(2,426) 518
12	(2)		(406)	(9)	4	664 3,940 313	(1,947) (114) 35
78	66		34	28	(14)	4,446 2,162	(4,593) (1,310)
1,286	(92)		(15)	4	(68)	2,893	6,702
2,032			(1)			2,826	1,073
(75)	(34)	2	16	(406)	(8)	(6,759)	1,731
4,770	100	144	1,245	(313)	50	67,829	51,159
\$ (3,488)	\$ 120	\$ 47	\$ 5,352	\$ (244)	\$ 316	\$ 181,762	\$ 159,708

(THIS PAGE INTENTIONALLY LEFT BLANK)

CITY OF CLEVELAND, OHIO

INTERNAL SERVICE FUNDS

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS ARE ESTABLISHED TO ACCOUNT FOR THE FINANCING OF GOODS OR SERVICES PROVIDED BY ONE DEPARTMENT OF THE CITY TO OTHER DEPARTMENTS OF THE CITY ON A COST-REIMBURSEMENT BASIS

Information Systems Services	The Information Systems Services Division was established to provide centralized data processing services for certain City divisions.
Motor Vehicle Maintenance	The Division of Motor Vehicle Maintenance was established to provide centralized maintenance, repairs and fueling of certain City vehicles.
Printing and Reproduction	The Division of Printing and Reproduction was established to provide printing and reproduction services for all City divisions.
City Storeroom and Warehouse	The City's Storeroom and Warehouse Division was established to provide centralized storeroom services.
Utilities Administration	The Division of Utilities Administration was established to provide administrative assistance to the Department of Public Utilities.
Sinking Fund Administration	The Sinking Fund Administration Fund was established to account for the personnel and other operating expenditures related to the administration of the Debt Service fund.
Municipal Income Tax Administration	The Municipal Income Tax Administration Fund was established to account for operating expenditures related to the collection of Municipal Income Tax for Cleveland and other municipalities.
Telephone Exchange	The Division of Telephone Exchange was established to operate the communications system for the City at minimal cost.
Radio Communications	The Office of Radio Communications was established to operate the 800MHZ radio communication system.

CITY OF CLEVELAND, OHIO
COMBINING BALANCE SHEET-ALL INTERNAL SERVICE FUNDS

December 31, 1999

(Amounts in 000's)

	Information Systems Services	Motor Vehicle Maintenance	Printing and Repro- duction	City Storeroom and Warehouse
ASSETS				
Cash and cash equivalents	\$ 650	\$ 2,819	\$ 434	\$ 66
Accounts receivable, net				
Accrued interest receivable				
Due from other funds	131	1,169	217	
Inventory of supplies		1,143	36	
Fixed assets in service:				
Land		663		
Land improvements		3		
Buildings, structures and improvements		1,605		
Furniture, fixtures and equipment	7,209	1,628	464	6
Less: Accumulated depreciation	(7,206)	(2,965)	(464)	(6)
	3	934		
TOTAL ASSETS	\$ 784	\$ 6,065	\$ 687	\$ 66
LIABILITIES				
Accounts payable	\$ 7	\$ 120		
Due to other funds		4		
Accrued wages and benefits	189	665	95	\$ 5
TOTAL LIABILITIES	196	789	95	5
CONTRIBUTED CAPITAL AND RETAINED EARNINGS				
Contributed capital-City of Cleveland and others	258	2,364	301	
Retained earnings-unreserved	330	2,912	291	61
TOTAL FUND EQUITY	588	5,276	592	61
TOTAL LIABILITIES AND FUND EQUITY	\$ 784	\$ 6,065	\$ 687	\$ 66

Utilities Adminis- tration	Sinking Fund Adminis- tration	Municipal Income Tax Adminis- tration	Telephone Exchange	Radio Commun- ications	Totals	
					1999	1998
\$ 462	\$ 108	\$ 1,216	\$ 265	\$ 1,090	\$ 7,110	\$ 6,800
527					527	
		393	1,563		3,473	25
	5				1,184	1,167
					663	663
					3	3
					1,605	1,605
			9		9,316	9,316
			(5)		(10,646)	(10,568)
			4		941	1,019
\$ 989	\$ 113	\$ 1,609	\$ 1,832	\$ 1,090	\$ 13,235	\$ 9,804
\$ 18	\$ 7	\$ 295	\$ 1,351	\$ 3	\$ 1,801	\$ 1,267
4		920	457	78	1,463	827
368	30	394	24	\$ 4	1,774	2,267
390	37	1,609	1,832	85	5,038	4,361
					2,923	2,923
599	76			-1,005	5,274	2,520
599	76			1,005	8,197	5,443
\$ 989	\$ 113	\$ 1,609	\$ 1,832	\$ 1,090	\$ 13,235	\$ 9,804

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS-ALL INTERNAL SERVICE FUNDS

For the Year Ended December 31, 1999

(Amounts in 000's)

	Information Systems Services	Motor Vehicle Maintenance	Printing and Repro- duction	City Storeroom and Warehouse
OPERATING REVENUES				
Charges for services	\$ 2,121	\$ 14,094	\$ 1,176	\$ 754
TOTAL OPERATING REVENUE	2,121	14,094	1,176	754
OPERATING EXPENSES				
Operations	1,761	10,422	875	714
Maintenance	28	2,184	20	
Depreciation	2	75		
TOTAL OPERATING EXPENSES	1,791	12,681	895	714
OPERATING INCOME (LOSS)	330	1,413	281	40
NON-OPERATING REVENUES				
Interest income			10	
TOTAL NON-OPERATING REVENUES			10	
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ 330	\$ 1,413	\$ 291	\$ 40
Operating transfers in				
NET INCOME (LOSS)	330	1,413	291	40
Retained earnings at beginning of year		1,499		21
Retained earnings at end of year	\$ 330	\$ 2,912	\$ 291	\$ 61

Utilities Adminis- tration	Sinking Fund Adminis- tration	Municipal Income Tax Adminis- tration	Telephone Exchange	Radio Communi- cations	Totals	
					1999	1998
\$ 2,501		\$ 4,486	\$ 3,870	\$ 2,157	\$ 31,159	\$ 31,831
2,501		4,486	3,870	2,157	31,159	31,831
2,235	\$ 461	5,437	5,051	790	27,746	27,357
95			278	866	3,471	4,218
			1		78	95
2,330	461	5,437	5,330	1,656	31,295	31,670
171	(461)	(951)	(1,460)	501	(136)	161
8		951			969	1,014
8		951			969	1,014
\$ 179	\$ (461)	\$ -	\$ (1,460)	\$ 501	\$ 833	\$ 1,175
	461		1,460		1,921	601
179				501	2,754	1,776
420	76			504	2,520	744
\$ 599	\$ 76	\$ -	\$ -	\$ 1,005	\$ 5,274	\$ 2,520

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS

For the Year Ended December 31, 1999

(Amounts in 000's)

	Information Systems Services	Motor Vehicle Maintenance	Printing and Repro- duction	City Storeroom and Warehouse
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,990	\$ 12,792	\$ 953	\$ 754
Cash payments to suppliers for goods or services	(619)	(9,265)	(412)	(660)
Cash payments to employees for services	(865)	(4,392)	(409)	(54)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	506	(865)	132	40
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Cash received through operating transfers from other funds				
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES				
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments		20	11	
NET CASH PROVIDED BY INVESTING ACTIVITIES		20	11	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	506	(845)	143	40
Cash and cash equivalents at beginning of year	144	3,664	291	26
Cash and cash equivalents at end of year	<u>\$ 650</u>	<u>\$ 2,819</u>	<u>\$ 434</u>	<u>\$ 66</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
OPERATING INCOME (LOSS)	\$ 330	\$ 1,413	\$ 281	\$ 40
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2	75		
Change in assets and liabilities:				
Due from other funds	294	(1,169)	(96)	
Inventory of supplies		(368)	(18)	
Accounts payable	(3)	(616)	(12)	
Due to other funds		1		
Due to other governments				
Accrued wages and benefits	(117)	(201)	(23)	
TOTAL ADJUSTMENTS	176	(2,278)	(149)	
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 506	\$ (865)	\$ 132	\$ 40

Utilities Adminis- tration	Sinking Fund Adminis- tration	Municipal Income Tax Adminis- tration	Telephone Exchange	Radio Communi- cations	Totals	
					1999	1998
\$ 1,545		\$ 4,657	\$ 3,767	\$ 2,161	\$ 28,619	\$ 32,250
(306)	\$ (424)	(1,938)	(5,241)	(1,504)	(20,369)	(19,882)
(1,637)	(37)	(3,198)	(191)	(72)	(10,855)	(11,410)
(398)	(461)	(479)	(1,665)	585	(2,605)	958
	461		1,460		1,921	516
	461		1,460		1,921	516
12		951			994	1,016
12		951			994	1,016
(386)		472	(205)	585	310	2,490
848	108	744	470	505	6,800	4,310
\$ 462	\$ 108	\$ 1,216	\$ 265	\$ 1,090	\$ 7,110	\$ 6,800
\$ 171	\$ (461)	\$ (951)	\$ (1,460)	\$ 501	\$ (136)	\$ 161
			1		78	95
(527)		171	(1,506)		(2,833)	1,478
	(5)				(391)	(3)
12	6	(176)	1,321	2	534	(646)
3	(1)	554		78	635	(272)
(57)		(77)	(21)	4	(492)	(14)
(569)		472	(205)	84	(2,469)	159
\$ (398)	\$ (461)	\$ (479)	\$ (1,665)	\$ 585	\$ (2,605)	\$ 958

(THIS PAGE INTENTIONALLY LEFT BLANK)

CITY OF CLEVELAND, OHIO

AGENCY FUNDS

COMBINING FINANCIAL STATEMENTS

**AGENCY FUNDS ARE ESTABLISHED TO ACCOUNT FOR
ASSETS RECEIVED AND HELD BY THE CITY ACTING
IN THE CAPACITY OF AN AGENT OR CUSTODIAN**

Payroll Agency	To account for payroll taxes and other related payroll deductions collected for other governmental units or funds.
Municipal Courts	To account for assets received and disbursed by the Municipal Courts as agent or custodian related to Civil and Criminal Court matters.
Central Collection Agency	To account for the collection of the Municipal Income Tax for the City of Cleveland and any other municipalities that employ the Central Collection Agency as their agency.
Other Agencies	To account for miscellaneous assets held by the City for other funds, governmental units or individuals.

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-
ALL AGENCY FUNDS

For the Year Ended December 31, 1999

(Amounts in 000's)

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
PAYROLL AGENCY				
ASSETS				
Cash and cash equivalents	\$ 8,922	\$ 354,937	\$ 360,909	\$ 2,950
TOTAL ASSETS	\$ 8,922	\$ 354,937	\$ 360,909	\$ 2,950
LIABILITIES				
Due to other governments	\$ 2,372	\$ 2,402	\$ 2,372	\$ 2,402
Sundry liabilities	6,550	352,535	358,537	548
TOTAL LIABILITIES	\$ 8,922	\$ 354,937	\$ 360,909	\$ 2,950
MUNICIPAL COURTS				
ASSETS				
Cash and cash equivalents	\$ 6,499	\$ 50,854	\$ 50,004	\$ 7,349
Accrued interest	35	77	35	77
TOTAL ASSETS	\$ 6,534	\$ 50,931	\$ 50,039	\$ 7,426
LIABILITIES				
Due to other funds	\$ 1,483	\$ 20,236	\$ 19,977	\$ 1,742
Sundry liabilities	5,051	30,695	30,062	5,684
TOTAL LIABILITIES	\$ 6,534	\$ 50,931	\$ 50,039	\$ 7,426
CENTRAL COLLECTION AGENCY				
ASSETS				
Cash and cash equivalents	\$ 19,542	\$ 423,378	\$ 417,109	\$ 25,811
Taxes receivable	18,107	16,493	18,107	16,493
Due from other governments	223	215	223	215
TOTAL ASSETS	\$ 37,872	\$ 440,086	\$ 435,439	\$ 42,519
LIABILITIES				
Due to other funds	\$ 12,116	\$ 293,565	\$ 288,962	\$ 16,719
Due to other governments	25,756	146,521	146,477	25,800
TOTAL LIABILITIES	\$ 37,872	\$ 440,086	\$ 435,439	\$ 42,519

CITY OF CLEVELAND, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-
ALL AGENCY FUNDS-Continued

For the Year Ended December 31, 1999

(Amounts in 000's)

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
OTHER AGENCIES				
ASSETS				
Cash and cash equivalents	\$ 5,183	\$ 11,670	\$ 10,393	\$ 6,460
TOTAL ASSETS	\$ 5,183	\$ 11,670	\$ 10,393	\$ 6,460
LIABILITIES				
Due to other governments	\$ 3,140	\$ 259	\$ 516	\$ 2,883
Sundry liabilities	2,043	11,411	9,877	3,577
TOTAL LIABILITIES	\$ 5,183	\$ 11,670	\$ 10,393	\$ 6,460
 TOTALS-ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 40,146	\$ 840,839	\$ 838,415	\$ 42,570
Taxes receivable	18,107	16,493	18,107	16,493
Accrued interest	35	77	35	77
Due from other governments	223	215	223	215
TOTAL ASSETS	\$ 58,511	\$ 857,624	\$ 856,780	\$ 59,355
LIABILITIES				
Due to other funds	\$ 13,599	\$ 313,801	\$ 308,939	\$ 18,461
Due to other governments	31,268	149,182	149,365	31,085
Sundry liabilities	13,644	394,641	398,476	9,809
TOTAL LIABILITIES	\$ 58,511	\$ 857,624	\$ 856,780	\$ 59,355

CITY OF CLEVELAND, OHIO
GENERAL FIXED ASSETS
ACCOUNT GROUP

**THIS ACCOUNT GROUP IS USED TO PRESENT THE
GENERAL FIXED ASSETS OF THE CITY UTILIZED IN ITS
GENERAL OPERATIONS, EXCLUSIVE OF THOSE USED IN
ENTERPRISE AND INTERNAL SERVICE FUNDS**

**GENERAL FIXED ASSETS INCLUDE LAND, BUILDINGS,
BETTERMENTS AND EQUIPMENT OWNED BY
THE CITY AND THE CITY'S INVESTMENT
IN THE JUSTICE CENTER BUILDING**

CITY OF CLEVELAND, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES

December 31, 1999

(Amounts in 000's)

General Fixed Assets:

Land	\$ 37,070
Land improvements	54,006
Buildings, structures and improvements	489,325
Furniture, fixtures and equipment	83,734
Construction in progress	32,200
TOTAL GENERAL FIXED ASSETS	<u><u>\$ 696,335</u></u>

Investment in General Fixed Assets:

General obligation bonds	\$ 245,878
General Fund and other revenues	304,242
Special Revenue Fund revenues:	
Restricted income taxes	66,245
Federal grants	43,066
Certificates of participation	26,625
Gifts	10,279
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u><u>\$ 696,335</u></u>

CITY OF CLEVELAND, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

December 31, 1999

(Amounts in 000's)

	Total	Land	Land Improvements	Buildings, Structures and Improvements	Capitalized Leased Equipment	Furniture, Fixtures and Equipment
General Government:						
General government	\$ 284,385	\$ 208		\$ 272,292	\$ 8	\$ 11,877
City Hall	20,476			20,476		
Justice Center	29,725			29,306	150	269
Charles V. Carr Municipal Center	22,102	2,540		19,562		
TOTAL GENERAL GOVERNMENT	356,688	2,748		341,636	158	12,146
Public Service:						
Waste collection	21,026	1,057		8,138	7,332	4,499
Engineering and construction	2,852				60	2,792
Streets	18,527	258	20	12,922	2,854	2,473
Other	2,701			1,317		1,384
TOTAL PUBLIC SERVICE	45,106	1,315	20	22,377	10,246	11,148
Public Health:						
Correction	7,166	135		6,638	78	315
Health and environment	10,733	1,116	56	8,868	53	640
TOTAL PUBLIC HEALTH	17,899	1,251	56	15,506	131	955
Public Safety:						
Police	58,106	4,560	316	33,049	5,548	14,633
Fire	41,321	1,619		22,036	13,650	4,016
Emergency medical service	4,879			125	669	4,085
Traffic engineering	1,655			155	363	1,137
Dog pound	739			630	31	78
TOTAL PUBLIC SAFETY	106,700	6,179	316	55,995	20,261	23,949
Parks, Recreation and Properties						
Park maintenance and properties	57,806	23,000	24,829	8,083	674	1,220
Research, planning and development	3,858		3,383	164		311
Recreation	71,007	920	23,941	44,980	27	1,139
TOTAL PARKS, RECREATION AND PROPERTIES	132,671	23,920	52,153	53,227	701	2,670
Community Development:						
Community development	4,890	1,657	1,331	584	71	1,247
TOTAL COMMUNITY DEVELOPMENT	4,890	1,657	1,331	584	71	1,247
Economic Development:						
Economic development	181		130			51
TOTAL ECONOMIC DEVELOPMENT	181	-	130	-	-	51
TOTAL BY FUNCTION	664,135	37,070	54,006	489,325	31,568	52,166
Construction in progress	32,200		8,294	23,906		
TOTAL GENERAL FIXED ASSETS	\$ 696,335	\$ 37,070	\$ 62,300	\$ 513,231	\$ 31,568	\$ 52,166

CITY OF CLEVELAND, OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

For the Year Ended December 31, 1999

(Amounts in 000's)

	Balance January 1, 1999	Additions	Deductions	Transfers	Balance December 31, 1999
General Government:					
General government	\$ 11,320	\$ 2,038	\$ (83)	\$ 271,110	\$ 284,385
City Hall	16,859			3,617	20,476
Justice Center	29,725				29,725
Charles V. Carr Municipal Center	22,102				22,102
TOTAL GENERAL GOVERNMENT	\$ 80,006	\$ 2,038	\$ (83)	\$ 274,727	\$ 356,688
Public Service:					
Waste collection	22,931	288	(2,254)	61	21,026
Engineering and construction	1,556	1,324	(28)		2,852
Streets	17,934	603	(10)		18,527
Other	1,575	596		530	2,701
TOTAL PUBLIC SERVICE	43,996	2,811	(2,292)	591	45,106
Public Health:					
Correction	7,051	110	(14)	19	7,166
Health and environment	10,733				10,733
TOTAL PUBLIC HEALTH	17,784	110	(14)	19	17,899
Public Safety:					
Police	56,903	1,767	(461)	(103)	58,106
Fire	40,809	865	(452)	99	41,321
Emergency medical service	4,469	454	(63)	19	4,879
Traffic engineering	1,531	183	(47)	(12)	1,655
Dog pound	739				739
TOTAL PUBLIC SAFETY	104,451	3,269	(1,023)	3	106,700
Maintenance, Parks and Recreation					
Park maintenance and properties	57,638	811	(582)	(61)	57,806
Research, planning and development	3,661	45		152	3,858
Recreation	69,554	69	(45)	1,429	71,007
TOTAL MAINTENANCE, PARKS AND RECREATION	130,853	925	(627)	1,520	132,671
Community Development:					
Community development	4,845	45			4,890
TOTAL COMMUNITY DEVELOPMENT	4,845	45	-	-	4,890
Economic Development:					
Economic development	181				181
TOTAL ECONOMIC DEVELOPMENT	181	-	-	-	181
Construction in progress	194,749	114,311		(276,860)	32,200
TOTAL GENERAL FIXED ASSETS	\$ 576,865	\$ 123,509	\$ (4,039)	\$ -	\$ 696,335

**STATISTICAL
SECTION**

CITY OF CLEVELAND, OHIO
GENERAL FUND REVENUES BY SOURCE AND
EXPENDITURES BY FUNCTION-(BUDGET BASIS)
LAST TEN FISCAL YEARS
(Amounts in 000's)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
REVENUES										
Income taxes	\$186,428	\$183,139	\$184,805	\$191,005	\$196,309	\$209,154	\$215,876	\$222,745	\$230,863	\$245,844
Property taxes	36,830	37,320	40,423	39,309	38,722	40,145	40,844	40,844	43,026	45,964
State local government fund	38,038	39,379	37,570	40,107	43,431	46,407	48,689	50,762	54,255	56,923
Other shared revenues	6,100	6,250	8,454	9,862	10,147	17,879	24,820	26,122	26,581	31,187
Licenses and permits	5,227	5,450	5,981	5,733	6,488	6,964	8,403	8,886	10,303	8,731
Charges for services	7,959	9,796	11,440	14,394	15,038	12,160	13,191	13,570	14,975	13,671
Fines and forfeits	8,634	11,627	13,745	13,947	13,890	13,360	14,422	15,375	15,914	16,611
Investment earnings	2,301	1,944	1,121	1,006	1,106	2,060	1,384	2,159	4,241	4,435
Sale of city assets	168	0	0	0	0	0	0	0	0	0
Cleveland Public Power repayment	0	3,965	0	0	0	0	0	0	0	0
Workers compensation settlement	599	462	199	17	419	534	2,177	417	0	0
and refunds	16,818	21,846	19,181	21,522	20,234	16,367	17,298	16,898	9,508	8,759
Miscellaneous	\$309,102	\$321,178	\$322,919	\$336,902	\$345,784	\$365,030	\$387,104	\$397,778	\$409,666	\$432,125

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
EXPENDITURES AND OTHER USES										
General Government	\$34,474	\$35,290	\$35,856	\$36,643	\$37,445	\$39,189	\$41,623	\$42,352	\$45,902	\$49,837
Public Service	32,062	31,320	31,362	30,798	29,435	30,357	29,537	30,208	30,669	31,222
Public Safety	184,862	192,352	194,675	200,874	207,541	217,825	225,669	234,064	240,717	252,723
Community Development	6,788	7,158	7,164	6,366	6,040	6,461	5,920	5,943	6,461	6,581
Public Health	10,870	10,381	10,604	10,421	10,545	10,261	10,037	10,274	10,418	11,984
Parks, Recreation and Properties	25,064	27,613	28,098	29,310	30,126	31,121	33,263	34,952	34,385	36,150
Economic Development	490	469	443	932	1,026	1,017	1,103	1,039	1,067	1,128
Other	9,306	9,203	9,784	12,580	11,876	12,843	14,071	14,575	14,963	16,553
Operating Transfers Out	7,083	7,928	5,282	9,253	12,125	16,392	26,208	24,776	23,650	24,778
	\$310,999	\$321,714	\$323,268	\$337,177	\$346,159	\$365,466	\$387,431	\$398,183	\$408,232	\$430,956

CITY OF CLEVELAND, OHIO
GENERAL GOVERNMENT REVENUES AND OTHER FINANCING SOURCES
AND EXPENDITURES BY FUNCTION AND OTHER USES
LAST TEN FISCAL YEARS
(Amounts in 000's)

	1990	1991	1992	1993
REVENUES AND OTHER FINANCING SOURCES				
Income taxes	\$213,510	\$205,957	\$211,417	\$217,082
Property taxes	54,749	55,850	61,367	58,994
State local government fund	38,308	39,289	37,569	40,515
Other shared revenues	15,820	16,958	19,392	20,644
Licenses and permits	5,506	5,837	6,519	6,096
Charges for services	9,690	11,672	14,492	14,832
Fines and forfeits	8,678	11,950	13,839	13,856
Investment earnings	8,192	8,355	6,276	5,898
Grants	96,182	65,502	67,612	76,864
Assessments	113	98	116	122
Sale of City assets	168	0	0	0
Cleveland Public Power repayment	0	3,965	0	4,370
Workers compensation settlement and refunds	982	436	0	249
Enterprise reimbursements	6,733	7,319	6,157	6,038
Miscellaneous	21,502	26,598	25,610	30,442
Operating transfers in	18,376	16,124	21,001	20,553
Resources from capitalized leases	4,058	2,191	2,363	0
Proceeds from sale and transfer of notes and bonds, net	0	0	0	0
Proceeds from sale of bonds-net	25,856	63,129	35,380	136,456
Proceeds from sale of certificates of participation	0	0	17,125	0
	\$528,423	\$541,230	\$546,235	\$653,011
EXPENDITURES AND OTHER USES				
Current:				
General government	\$36,316	\$38,060	\$39,047	\$36,291
Public service	55,431	51,867	50,610	54,357
Public safety	188,877	202,545	199,584	205,801
Human resources	8,737	8,865	10,380	7,726
Community development	34,153	36,166	39,768	45,511
Public health	13,643	13,231	15,901	17,516
Maintenance, parks and recreation	26,308	28,494	28,515	29,931
Economic development	51,367	12,547	8,206	4,944
Other	14,255	6,227	9,107	12,164
Rebatable arbitrage	0	807	0	(131)
Capital outlay	38,419	45,135	49,273	88,960
Debt service:				
Principal retirement	16,670	16,150	15,810	16,972
Interest	14,696	14,822	17,694	16,820
Enterprise debt service	6,751	6,470	6,178	5,199
Operating transfers out	18,876	18,157	20,560	20,723
Payments to refund notes, bonds and certificates of participation	0	26,913	10,156	99,858
	\$524,499	\$526,456	\$520,789	\$662,642

Note: Includes all Governmental Fund Types

1994	1995	1996	1997	1998	1999
\$222,651	\$237,081	\$243,213	\$255,925	\$272,309	\$285,947
60,949	62,630	63,968	64,354	66,662	70,937
43,634	52,625	50,865	50,217	53,998	59,413
22,339	29,098	34,590	37,561	37,393	43,121
6,924	7,466	8,714	9,252	10,574	9,099
15,682	13,056	13,744	16,326	16,648	17,850
13,726	13,402	14,771	15,572	14,766	19,070
6,731	10,276	9,963	10,492	23,890	14,621
81,507	97,841	90,412	92,276	100,255	107,455
0	0	0	0	0	62,394
0	0	0	0	0	0
35,609	0	0	0	0	0
303	916	2,095	0	0	0
4,161	2,878	1,342	116	0	0
25,723	25,704	38,494	36,232	67,005	47,171
53,613	28,769	47,568	41,580	42,673	66,270
0	3,891	0	0	0	0
139,708	0	58,491	214,166	48,736	35,778
19,790	19,171	0	0	0	20,000
\$753,050	\$604,804	\$678,230	\$844,069	\$754,909	\$859,126

\$38,061	\$39,901	\$44,268	\$44,568	\$54,789	\$63,476
49,959	50,619	50,246	47,975	53,898	52,792
210,118	223,488	227,572	236,426	241,632	249,160
6,724	8,919	9,494	9,549	9,920	7,520
50,065	58,502	57,509	56,754	52,178	50,750
20,201	20,981	22,560	22,343	19,814	21,071
31,409	32,889	34,528	36,858	42,645	41,738
7,668	13,242	22,285	18,439	13,368	18,754
10,227	14,523	12,980	19,546	14,876	15,031
0	0	0	0	0	0
81,622	63,457	42,314	81,222	184,528	133,490
112,119	18,824	21,935	25,003	26,511	48,442
22,616	26,439	23,444	26,488	30,293	29,304
4,577	2,810	2,602	352	0	0
53,226	30,455	48,497	40,981	42,074	67,679
0	19,171	16,644	47,665	24,823	0
\$698,592	\$624,220	\$636,878	\$714,169	\$811,349	\$799,207

CITY OF CLEVELAND, OHIO

AD VALOREM

PROPERTY TAX LEVIES AND COLLECTIONS- REAL, UTILITY AND TANGIBLE TAXES LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Delinquent Levy (1)	Total Levy	Current Collection	Current Levy Collected	Delinquent Collection	Total Collections	Total	
								As Percent of Current Levy	Cummulative Delinquencies
1989/1990	\$54,774,040	\$11,405,459	\$66,179,499	\$52,515,034	95.9%	\$2,512,244	\$55,027,278	100.5%	\$10,432,080
1990/1991	55,216,283	11,565,961	66,782,244	52,854,525	95.7%	2,547,649	55,402,174	100.3%	9,883,006
1991/1992	61,331,722	10,980,125	72,311,847	56,886,685	92.8%	2,632,169	59,518,854	97.0%	10,200,350
1992/1993	60,086,819	11,399,652	71,486,471	55,724,076	92.7%	2,164,940	57,889,016	96.3%	12,217,231
1993/1994	61,438,787	12,569,653	74,008,440	56,476,156	91.9%	2,421,817	58,897,973	95.9%	10,772,864
1994/1995	63,537,979	11,399,864	74,937,843	58,758,206	92.5%	2,403,005	61,161,211	96.3%	10,975,479
1995/1996	64,041,017	12,339,642	76,380,659	59,133,403	92.3%	2,850,250	61,983,653	96.8%	12,752,255
1996/1997	65,060,514	14,986,362	80,046,876	59,733,751	91.8%	3,023,595	62,757,346	96.5%	14,222,919
1997/1998	68,518,965	13,796,053	82,315,018	62,883,792	91.8%	2,785,155	65,668,947	95.8%	14,128,110
1998/1999	69,516,994	14,138,999	83,655,993	63,427,067	91.2%	4,219,704	67,646,771	97.3%	13,869,371

Source: Cuyahoga County Auditor's Office

(1) Levy includes adjustments, abatements, additions and penalties against current delinquent levy.

(2) The reduction primarily resulted from the negotiated LTV Steel Company settlement on delinquent property taxes.

CITY OF CLEVELAND, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Amounts in 000's)

Tax Year/ Collection Year	Real Property (1)		Personal Property (2)		Public Utilities (3)		Total	Ratio of Total Assessed Value To Total Estimated Actual Value	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value
1989/1990	\$2,946,812	\$8,419,463	\$918,288	\$3,279,600	\$477,373	\$954,746	\$4,342,473	\$12,653,809	34.3%
1990/1991	3,014,356	8,612,446	958,519	3,550,070	499,998	999,996	4,472,873	13,162,512	34.0%
1991/1992	3,580,628	10,230,366	905,638	3,483,223	518,619	1,037,238	5,004,885	14,750,827	33.9%
1992/1993	3,510,905	10,031,157	868,719	3,474,876	519,073	1,038,146	4,898,697	14,544,179	33.7%
1993/1994	3,526,652	10,076,150	862,181	3,448,724	503,658	572,338	4,892,491	14,097,212	34.7%
1994/1995	3,666,719	10,476,340	816,921	3,267,684	517,663	588,253	5,001,303	14,332,277	34.9%
1995/1996	3,700,852	10,573,863	820,959	3,283,836	484,244	550,277	5,006,055	14,407,976	34.7%
1996/1997	3,767,013	10,762,894	856,832	3,427,327	476,677	541,678	5,100,522	14,731,899	34.6%
1997/1998	4,015,815	11,473,757	885,245	3,540,980	474,182	538,843	5,375,242	15,553,580	34.6%
1998/1999	4,085,338	11,672,394	913,154	3,652,616	478,752	544,036	5,477,244	15,869,046	34.5%

Source: Cuyahoga County Auditor's Office

(1) The assessed valuation level for real property in Cuyahoga County is 35% of market value, except for certain agricultural land.

(2) For the collection year 1998, the percentage used to determine taxable value of personal property and inventory was 25%.

(3) In the case of public utilities, real property is assessed at 35% of true (market) value and personal property is assessed at 88% of true value except personal property of railroads which is assessed at 25% of true value in 1998.

CITY OF CLEVELAND, OHIO
AD VALOREM PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION)

Tax Year/ Collection Year	City of Cleveland					Total City Rate	County	Library & School	Total
	General Fund	Bond Retirement	Police Pension	Fire Pension					
1989/1990	7.75	4.05	0.30	0.30	12.40	15.30	51.00	78.70	
1990/1991	7.75	4.05	0.30	0.30	12.40	16.80	51.00	80.20	
1991/1992	7.75	3.95	0.30	0.30	12.30	16.80	51.90	81.00	
1992/1993	7.75	3.95	0.30	0.30	12.30	16.80	52.70	81.80	
1993/1994	7.75	4.35	0.30	0.30	12.70	16.80	51.40	80.90	
1994/1995	7.75	4.35	0.30	0.30	12.70	16.80	51.10	80.60	
1995/1996	7.75	4.35	0.30	0.30	12.70	16.60	51.10	80.40	
1996/1997	7.75	4.35	0.30	0.30	12.70	16.60	64.00	93.30	
1997/1998	7.75	4.35	0.30	0.30	12.70	16.60	64.00	93.30	
1998/1999	7.75	4.35	0.30	0.30	12.70	15.30	65.00	93.00	

Source: Cuyahoga County Auditor's Office

CITY OF CLEVELAND, OHIO
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Year	Population		Assessed Value (2) (Amounts in 000's)	Gross General Bonded Debt (3)	Less Balance in Debt Service Fund (4)	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1990	505,616	(1)	\$4,342,473	\$219,225,000	\$12,990,801	\$206,234,199	4.75%	\$407.89
1991	505,616	(2)	4,472,873	240,870,000	12,943,932	227,926,068	5.10%	450.79
1992	505,616	(2)	5,004,885	251,060,000	9,447,394	241,612,606	4.83%	477.86
1993	505,616	(2)	4,898,697	272,380,000	9,397,000	262,983,000	5.37%	520.12
1994	505,616	(2)	4,892,491	296,800,000	9,157,000	287,643,000	5.88%	568.90
1995	505,616	(2)	5,001,303	280,650,000	9,729,000	270,921,000	5.42%	535.82
1996	505,616	(2)	5,006,055	291,665,000	8,460,000	283,205,000	5.66%	560.12
1997	505,616	(2)	5,100,522	299,100,000	5,408,000	293,692,000	5.76%	580.86
1998	505,616	(2)	5,375,242	306,165,000	6,083,000	300,082,000	5.58%	593.50
1999	505,616	(2)	5,477,243	312,225,000	7,575,000	304,650,000	5.56%	602.53

(1) Bureau of Census.

(2) Cuyahoga County Auditor's Office. Values listed for year of collection.

(3) General Obligation Debt Outstanding December 31.

(4) Balance in Debt Service Fund excludes the balance in the Stadium Fund, Urban Renewal Fund, Urban Renewal Reserve Fund, Subordinated Income Tax Fund and Subordinated Income Tax Reserve Fund.

CITY OF CLEVELAND, OHIO

COMPUTATION OF LEGAL DEBT MARGIN (1)

December 31, 1999

Total of all City Debt Outstanding		\$ 1,932,131,000
Debt Exempt From Direct Debt Limitation:		
Tax Supporting:		
Tax Supporting Issues after 1980	\$ 307,085,000	
Self-Supporting:		
Revenue Bonds and Notes	1,521,601,000	
Ohio Water Development Authority Loans	8,175,000	
Urban Renewal Bonds	9,430,000	
Subordinated Income Tax Refunding Bonds	70,700,000	
Non-tax Revenue Bonds	10,000,000	
Total Exempt Debt		<u>1,926,991,000</u>
Net Indebtedness (Voted and Unvoted) Subject to 10.50% Debt Limitation		5,140,000
Less: Applicable Debt Service Fund		<u>7,575,000</u>
Net Indebtedness Subject to 10.50% Limitation		<u>\$ -</u>
Net Indebtness (Unvoted) Subject to 5.50% Legal Debt Limitation		\$ 5,140,000
Less: Applicable Debt Service Fund		<u>7,575,000</u>
Net Indebtedness Subject to 5.50% Limitation		<u>\$0</u>
Assessed Valuation of City (1998 for 1999 Collection)		<u>\$ 5,477,243,429</u>
10.50% of Valuation (Maximum Voted and Unvoted General Obligation Debt Allowed)		\$ 575,110,560
Net Indebtedness Subject to 10.50% Debt Limitation		<u>-</u>
Legal 10.50% Margin		<u>\$ 575,110,560</u>
5.50% of Valuation (Maximum Unvoted Non-exempt General Obligation Debt Allowed)		\$ 301,248,389
Net Indebtness Subject to 5.50% Debt Limitation		<u>-</u>
Legal 5.50% Margin		<u>\$ 301,248,389</u>

(1) Computation of Legal Debt Margin based on Section 133, the Uniform Bond Act of the Ohio Revised Code.

CITY OF CLEVELAND, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 1999

	Gross Debt (1)	Debt Service Fund		Net Debt	Percent Applicable (4)	City's Share
City of Cleveland	\$ 312,225,000	\$ 7,575,000	(5)	\$ 304,650,000	100.00%	\$ 304,650,000
Cleveland School District	95,375,000	18,227,000	(3)	77,148,000	98.69%	76,137,361
Shaker Heights School District	17,289,230	625,144	(3)	16,664,086	0.82%	136,646
Berea School District	13,430,000	544,149	(3)	12,885,851	0.49%	63,141
Polaris St. Vocational School District	0	1,376	(3)	(1,376)	0.00%	0
Cuyahoga County	141,004,636	1,049,914	(2)	139,954,722	21.45%	<u>30,020,288</u>
TOTAL NET DIRECT AND OVERLAPPING DEBT						<u><u>\$ 411,007,436</u></u>

(1) Bond schedules from County Budget Commission.

(2) 2000 estimated unencumbered balances filed with County Budget Commission in January 2000.

(3) Certified unencumbered balances filed with County Budget Commission in July 1999.

(4) Percent applicable column is calculated using current assessed valuation of the City area overlapping the applicable taxing district divided by total current assessed valuation of that taxing district.

(5) Balance in Debt Service Fund excludes the balance in the Stadium Fund, Urban Renewal Fund, Urban Renewal Reserve Fund, Subordinated Income Tax Fund and Subordinated Income Tax Reserve Fund.

CITY OF CLEVELAND, OHIO

STATEMENT OF DIRECT DEBT (1)

December 31, 1999

DIRECT DEBT

Long-Term Debt:

General Obligation Bonds and Notes:

 Various Purpose \$ 312,225,000

Revenue Bonds:

 Airport 384,076,000

 Waterworks 731,400,000

 Public Power System Improvement 286,935,000

 Parking Facilities 79,190,000

 Urban Renewal Bonds 9,430,000

 Subordinated Income Tax Refunding Bonds 70,700,000

 Non-tax Revenue Bonds 10,000,000

 Ohio Water Development Authority Loans 8,175,000

 Total Long-Term Debt \$ 1,892,131,000

Short Term Debt - Airport Surplus Revenue Notes 40,000,000

 Gross Direct Debt 1,932,131,000

Deduct:

 General Obligation Debt Service Fund 7,575,000 (2)

Exempt Tax-Supporting General Obligations:

 General Obligation Bonds Issued after 1980 307,085,000

Revenue Bonds:

 Airport 384,076,000

 Waterworks Improvement 731,400,000

 Public Power System Improvement 286,935,000

 Parking Facilities 79,190,000

 Total Revenue Bonds 1,481,601,000

 Urban Renewal Bonds 9,430,000

 Subordinated Income Tax Refunding Bonds 70,700,000

 Non-tax Revenue Bond Anticipation Notes 10,000,000

 Short Term Debt - Airport Surplus Revenue Notes 40,000,000

 Total Deductions 1,926,391,000

 Net Direct Debt \$ 5,740,000

(1) Statement of Direct Debt is based on Section 133 of the Uniform Bond Act of the Ohio Revised Code.

(2) Balance in Debt Service Fund excludes the balance in the Stadium Fund, Urban Renewal Fund, Urban Renewal Reserve Fund, Subordinated Income Tax Fund and Subordinated Income Tax Reserve Fund.

CITY OF CLEVELAND, OHIO

*RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL GENERAL FUND EXPENDITURES-(BUDGET BASIS)
LAST TEN FISCAL YEARS*

Year	Debt Service on General Tax Supported Debt	Debt Service on Self-Supporting Debt	General Fund Expenditures (1)	Ratio of Tax Supported Debt Service to General Fund Expenditures	Ratio of Self-Supporting Debt Service to General Fund Expenditures
1990	\$31,365,592	\$6,751,278	\$310,999,000	10.09%	2.17%
1991	30,972,700	6,469,481	321,714,000	9.63%	2.01%
1992	33,504,835	6,177,438	323,268,000	10.36%	1.91%
1993	32,204,093	5,198,337	337,177,000	9.55%	1.54%
1994	33,182,285	4,576,925	346,159,000	9.59%	1.32%
1995	33,960,155	2,810,246	366,659,000	9.26%	0.77%
1996	34,890,298	2,601,657	387,431,000	9.01%	0.67%
1997	35,157,587	352,168	398,183,000	8.83%	0.09%
1998	35,603,010	0	408,232,000	8.72%	0.00%
1999	36,590,983	0	430,956,000	8.49%	0.00%

(1) Expenditures and other financing uses based on budget basis accounting.

CITY OF CLEVELAND, OHIO

REVENUE BOND COVERAGE-AIRPORT BONDS

LAST TEN FISCAL YEARS

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirement (3)	Coverage
1990	\$42,493,000	\$25,041,000	\$17,452,000	\$8,351,285	2.09
1991	39,965,000	26,203,000	13,762,000	10,547,056	1.30
1992	43,872,000	27,236,000	16,636,000	10,168,562	1.64
1993	44,398,000	28,098,000	16,300,000	10,057,216	1.62
1994	54,875,000	28,610,000	26,265,000	10,028,565	2.62
1995	56,876,000	29,992,000	26,884,000	15,626,785	1.72
1996	61,778,000	34,050,000	27,728,000	16,771,815	1.65
1997	56,335,000	31,864,000	24,471,000	16,411,660	1.49
1998	68,259,000	34,263,000	33,996,000	19,133,000	1.78
1999	77,943,000	40,252,000	37,691,000	27,127,792	1.39

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

(2) Direct operating expenses are calculated in accordance with bond indenture.

(3) Annual debt service requirements include principal and interest of both self-supported revenue and self-supported general obligation bonds.

CITY OF CLEVELAND, OHIO
REVENUE BOND COVERAGE-WATER BONDS
LAST TEN FISCAL YEARS

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirement (3)	Coverage
1990	\$124,001,000	\$82,590,000	\$41,411,000	\$30,180,496	1.37
1991	135,068,000	85,815,000	49,253,000	30,129,809	1.63
1992	133,180,000	89,673,000	43,507,000	25,932,187	1.68
1993	146,739,000	88,562,000	58,177,000	41,492,806	1.40
1994	158,282,000	93,326,000	64,956,000	38,917,184	1.67
1995	165,654,000	96,719,000	68,935,000	42,606,553	1.62
1996	176,968,000	100,882,000	76,086,000	43,107,346	1.77
1997	187,151,000	100,286,000	86,865,000	50,927,000	1.71
1998	204,021,000	102,462,000	101,559,000	49,796,000	2.04
1999	216,137,000	102,061,000	114,076,000	57,666,000	1.98

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

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

(3) Annual debt service requirements include principal and interest of both self-supported revenue and self-supported general obligation bonds.

CITY OF CLEVELAND, OHIO
REVENUE BOND COVERAGE-PUBLIC POWER SYSTEM BONDS
LAST TEN FISCAL YEARS

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirement (3)	Coverage
1990	\$51,798,000	\$39,745,000	\$12,053,000	\$4,836,856	2.49
1991	55,470,000	42,007,000	13,463,000	4,823,566	2.79
1992	60,426,000	48,294,000	12,132,000	5,632,570	2.15
1993	67,788,000	54,128,000	13,660,000	5,912,677	2.31
1994	79,696,000	62,330,000	17,366,000	5,901,327	2.94
1995	92,073,000	71,315,000	20,758,000	17,471,701	1.19
1996	99,881,000	68,566,000	31,315,000	17,033,000	1.84
1997	111,663,000	77,015,000	34,648,000	20,561,000	1.69
1998	121,896,000	87,658,000	34,238,000	20,797,000	1.65
1999	132,651,000	99,436,000	33,215,000	19,240,000	1.73

- (1) Gross revenues include operating revenues plus interest income.
- (2) Direct operating expenses include operating expenses less depreciation.
- (3) Annual debt service requirements include principal and interest of both self-supported revenue and self-supported general obligation bonds.

CITY OF CLEVELAND, OHIO

REVENUE BOND COVERAGE-SEWER AND SEWAGE DISPOSAL BONDS

LAST TEN FISCAL YEARS

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirement	Coverage
1990	\$15,463,000	\$9,098,000	\$6,365,000	\$4,456,931	1.43
1991	15,015,000	9,987,000	5,028,000	4,247,886	1.18
1992	15,487,000	9,883,000	5,604,000	4,044,932	1.39
1993	16,120,000	10,672,000	5,448,000	3,634,158	1.50
1994	17,112,000	11,282,000	5,830,000	3,068,983	1.90
1995	16,844,000	11,071,000	5,773,000	2,251,648	2.56
1996	17,556,000	11,998,000	5,558,000	2,087,048	2.66
1997	18,423,000	13,303,000	5,120,000	906,000	5.65
1998	19,835,000	12,735,000	7,100,000	1,109,000	6.40
1999	20,087,000	12,931,000	7,156,000	850,000	8.42

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

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

CITY OF CLEVELAND, OHIO

PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

Year	Total Estimated Actual Value (1) (Amounts in 000's)	Bank Deposits at December 31 (2) (Amounts in 000's)	Building Permits Issued (3)
1990	\$12,653,809	\$19,188,641	5,371
1991	13,162,512	18,392,243	5,376
1992	14,750,827	19,379,280	5,355
1993	14,544,179	21,009,421	5,957
1994	14,097,212	20,885,453	6,666
1995	14,332,277	22,458,573	6,850
1996	14,407,976	27,068,211	8,077
1997	14,731,899	53,941,971	9,728
1998	15,553,580	58,904,596	9,216
1999	15,649,266	57,816,942	8,882

- (1) Estimated actual value for real, personal and public utilities-Cuyahoga County Auditor's Office. Value listed for year of collection.
- (2) Bank deposits at year-end for banks headquartered in the City of Cleveland-Federal Reserve Bank of Cleveland (total demand, time and saving deposits).
- (3) Building permits issued-Division of Building and Housing, City of Cleveland.

CITY OF CLEVELAND, OHIO

PRINCIPAL PROPERTY TAXPAYERS

December 31, 1999

The largest property taxpayers with respect to property located in the City, based on assessed valuation of property for the 1999 tax collection year, are as follows:

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Assessed Valuation by Category
Real Property (1)			
City of Cleveland, Ohio	Government	\$ 80,962,360	2.10%
ZML - Cleveland Public Square LLC	Commercial Real Estate Holdings	56,306,250	1.46%
Lakeside Associates	Commercial Real Estate Holdings	35,350,000	0.92%
The LTV Corporation	Steel Manufacturing and Processing	32,400,450	0.84%
BRE/City Center LLC	Commercial Real Estate Holdings	31,819,000	0.83%
600 Superior Place Partnership	Commercial Real Estate Holdings	24,850,000	0.65%
Federal Reserve Bank of Cleveland	Government	23,721,670	0.62%
Erievue Joint Venture	Commercial Real Estate Holdings	22,925,000	0.60%
PHS Mt. Sinai, Incorporated	Hospital System	21,294,000	0.55%
Tower City	Commercial Real Estate Holdings	17,406,860	0.45%
TOTAL		\$ 347,035,590	9.02%
Total Assessed Valuation-Real		\$ 3,847,401,220	74.29%
Tangible Personal Property (other than Public Utilities)			
The LTV Corporation	Steel Manufacturing and Processing	\$ 70,548,610	7.97%
B.F. Goodrich Company	Automotive Products	14,468,070	1.64%
PPG Industries, Incorporated	Automotive Finishes, Coatings & Resins	10,759,120	1.22%
IBM Credit Corporation	Real Estate Agents and Managers	10,424,420	1.18%
ICG Equipment, Incorporated	Telephone Components	9,470,540	1.07%
TRW, Incorporated	Motor Vehicle Parts and Accessories	8,249,630	0.93%
Midland Steel	Steel Manufacturing and Processing	8,001,730	0.90%
General Electric Company	Electric Components	7,767,820	0.88%
Cargill, Incorporated	Salt Mining	7,372,770	0.83%
Ferry Cap & Set Screw Company	Fastener Manufacturing	7,265,210	0.82%
TOTAL		\$ 154,327,920	17.44%
Total Assessed Valuation-Tangible Personal		\$ 884,704,635	17.08%
Public Utilities (Real and Tangible Personal Property)			
Cleveland Electric Illuminating Co.	Electric	\$ 268,621,200	60.16%
Ameritech	Telephone	130,471,670	29.22%
East Ohio Gas Company	Natural Gas	47,392,150	10.61%
TOTAL		\$ 446,485,020	100.00%
Total Assessed Valuation-Public Utilities		\$ 446,485,020	8.62%
Total Assessed Valuation-All Categories		\$ 5,178,590,875	100.00%

Source: Cuyahoga County Auditor's Office.

(1) Includes Public Utilities Real Property.

CITY OF CLEVELAND, OHIO

SCHEDULE OF INSURANCE COVERAGE

December 31, 1999

Type of Coverage / Name of Carrier	Policy Number	Policy Period	Annual Premium
AIRPORTS:			
1) COMPREHENSIVE GENERAL LIABILITY INSURANCE -			
A) Great American Insurance Co. Primary Airport General Liability Insurance	GHK 0295282-00	10/10/99-10/10/00	\$244,023
B) Underwriters at Lloyd's of London Excess Airport Liability Insurance	GIK0295283-00	10/10/99-10/10/00	
2) PROPERTY DAMAGE AND EARNINGS INSURANCE -			
A) Arkwright Mutual Insurance Co.	02020416	02/06/99-02/06/00	\$117,850
3) VEHICLE LIABILITY INSURANCE:			
A) St. Paul Mercury Insurance Co.	GP03400045	07/03/99-07/03/00	\$ 47,740
CLEVELAND PUBLIC POWER:			
1) PROPERTY COVERAGE:			
A) Lloyd's of London Property Insurance Coverage	PL010599-1	08/29/99-08/29/00	\$ 86,000
B) Lloyd's of London Boiler and Machinery Coverage	PL010599-1	08/29/99-08/28/00	(included above)

Details of Coverage	Liability Limit
Bodily injury and property damage including airport operations hazard, products-completed operations hazard, contractual hazard, non-owned aircraft hazard, liquor liability hazard and hangarkeepers liability.	\$50 million annual aggregate. Self-insured retention of \$100,000.
Excess liability coverage	\$150 million annual aggregate, excess to \$50 million primary coverage.
Property damage, gross earnings, demolition, and increased cost of construction	\$316,805,000.
Earthquake and flood	\$100 million annual aggregate.
Debris removal (greater of)	25% of value or \$5 million.
Extra expense, service interruption bodily injury, EDP-media, property damage/bodily injury (automatic coverage or errors and omissions), transit and expediting expense	\$1 million with deductibles of \$100,000 per occurrence and \$500,000 annual aggregate.
Bodily injury or property damage arising out of the ownership, maintenance, operation and use of all owned, non-owned, leased and/or hired vehicles	\$1 million per occurrence; \$1,000 deductible per accident with annual aggregate deductible of \$10,000.
Blanket real and personal property special form coverage for insured perils; newly acquired location; fire brigade charges and extinguishing services	\$82,093,565 per occurrence; \$250,000 deductible for turbines, \$100,000 deductible for one location; \$5,000 deductible for three locations.
Pollutant removal	\$50,000 per occurrence.
Comprehensive coverage including production machinery (including breakdown)	\$20,000,000 per accident; \$250,000 deductible for turbines/generators. \$25,000 per occurrence. 20,000 KVA or larger, \$10,000 per occurrence for transformer under 20,000KVA.
Water damage	\$100,000 per accident
Expediting expenses	\$100,000 per accident
Hazardous substance	\$100,000 per accident
Ammonia contamination	\$100,000 per accident

CITY OF CLEVELAND, OHIO

SCHEDULE OF INSURANCE COVERAGE

December 31, 1999

Type of Coverage/ Name of Carrier	Policy Number	Policy Period	Annual Premium
NEW CLEVELAND BROWNS' STADIUM CONSTRUCTION:			
American Guarantee and Liability Company General liability coverage	ERP3589292	04/23/00-04/23/01	\$75,600

Details of Coverage	Liability Limit
Commercial General Liability Coverage, wrap program; products/completed operations coverage; personal & advertising injury coverage	\$30,000,000 per occurrence. \$30,000,000 aggregate. \$10,000 deductible per occurrence. \$100,000 aggregate deductible.
Fire damage	\$50,000 any one fire
Medical expense	\$5,000 any one person.
Builders' risk property coverage	\$210,000,000 limit
Earthquake coverage, Flood coverage	\$25,000 deductible
	\$5,000,000 limit
	\$100,000 deductible

CITY OF CLEVELAND, OHIO

DEMOGRAPHIC STATISTICS

December 31, 1999

The population of the City, the County, the PMSA and the State for each decade from 1940 to 1990 (U.S. Bureau of the Census) is as follows:

Year	Population			
	City	County	PMSA	State
1940	878,336	1,217,250	1,219,734	6,907,612
1950	914,808	1,389,532	1,532,574	7,946,627
1960	876,050	1,647,895	1,909,483	9,706,397
1970	750,903	1,721,300	2,063,729	10,652,017
1980	573,822	1,498,400	1,898,825	10,797,630
1990	505,616	1,412,140	1,831,122	10,847,115

AGE DISTRIBUTION (1), (2)

Age	1990			
	Males		Females	
	Number	Percentage	Number	Percentage
Under 5 Years	22,579	9.5%	21,577	8.0%
5-9 yrs	19,524	8.2%	19,069	7.1%
10-14 yrs	17,439	7.4%	16,848	6.3%
15-19 yrs	17,080	7.2%	16,937	6.3%
20-24 yrs	18,289	7.7%	20,205	7.6%
25-34 yrs	43,747	18.4%	47,501	17.7%
35-44 yrs	30,917	13.0%	33,503	12.5%
45-54 yrs	20,002	8.4%	23,968	8.9%
55-64 yrs	20,558	8.7%	25,120	9.4%
65-74 yrs	17,310	7.3%	24,006	8.9%
75 and over	9,766	4.2%	19,671	7.3%
Total	237,211	100.0%	268,405	100.0%

Median age 29.9 32.5

DISTRIBUTION OF FAMILIES BY INCOME BRACKET (average 2.2 persons) (1), (2)

Income	1990		1980	
	Number	Percentage	Number	Percentage
\$0-4,999	33,323	16.7%	52,258	23.9%
\$5,000- 9,999	31,029	15.5%	40,191	18.4%
\$10,000- 14,999	22,925	11.5%	33,290	15.3%
\$15,000- 19,999	21,224	10.6%	29,231	13.4%
\$20,000- 24,999	17,680	8.9%	23,682	10.8%
\$25,000- 34,999	29,632	14.8%	25,639	11.7%
\$35,000- 49,999	25,866	13.0%	10,967	5.0%
\$50,000- 74,999	14,060	7.0%	2,961	1.3%
\$75,000- 99,999	2,568	1.3%	224	.1%
Over \$100,000	1,310	.7%	56	.1%
Total	199,617	100.0%	218,499	100.0%

Median Family Income (1)..... \$ 22,448 \$ 15,991
 Per Capita Income (1)..... \$ 9,258 \$ 5,770

Source: (1) U.S. Census of Population 1980, 1990

(2) Northern Ohio Data & Information Service, College of Urban Affairs, Cleveland State University.

CITY OF CLEVELAND, OHIO

DEMOGRAPHIC STATISTICS

December 31, 1999

Employment

The following table indicates the distribution of employees among major industrial classifications in the Cleveland - Lorain - Elyria PMSA for the years 1995 through 1999:

Distribution of Employees by Sector (Amounts in 000's)

	1999 ⁽¹⁾⁽²⁾	1998 ⁽²⁾	1997 ⁽²⁾	1996 ⁽²⁾	1995 ⁽²⁾
Good Producing Industries:					
Construction	45.6	46.6	44.2	41.9	41.4
Primary Metal	20.6	21.4	21.6	21.7	22.4
Fabricated Metal	38.7	38.6	38.4	37.7	38.5
Industrial Machinery	35.6	37.5	36.3	36.9	36.3
Electrical Equipment	15.3	15.4	16.0	16.5	16.7
Transportation Equipment	21.7	21.4	22.2	22.7	23.1
Printing & Publishing	17.2	16.8	17.0	17.8	18.0
Chemical Products	17.8	17.5	17.4	17.7	17.7
Rubber & Plastic Products	15.0	14.5	14.6	14.4	15.4
Other	41.4	40.3	39.7	40.1	39.3
Total Goods Producing Industries	268.9	270.0	267.4	267.4	268.8
Service Producing Industries:					
Transportation & Public Utilities	46.5	45.8	45.4	45.1	44.4
Wholesale Trade	74.6	73.9	72.7	71.1	71.0
Retail Trade	201.5	202.6	198.3	195.5	190.5
Finance, Insurance, & Real Estate	79.6	75.5	74.1	71.9	69.3
Health Services	111.7	109.0	106.2	104.3	103.8
Other Services	241.3	239.4	228.9	221.8	215.3
Federal Government	20.4	21.2	21.5	22.3	22.6
State Government	9.1	9.1	9.0	9.1	9.5
Local Government	115.7	115.9	114.0	111.3	109.6
Total Service Producing Industries	900.4	892.4	870.1	852.4	836.0
Grand Total	1,169.3	1,162.4	1,137.5	1,119.8	1,104.8
Goods Producing Percentage	23.0%	23.2%	23.5%	23.9%	24.3%
Service Producing Percentage	77.0%	76.8%	76.5%	76.1%	75.7%

Source: Ohio Bureau of Employment Services, Labor Market Information Division

(1) Preliminary

(2) Effective January 1, 1994 the Cleveland PMSA was modified to include Lorain and Ashtabula counties.

CITY OF CLEVELAND, OHIO

DEMOGRAPHIC STATISTICS

December 31, 1999

Employment

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

Years ⁽¹⁾	Employed		Unemployed		Unemployment Rate			
	County	PMSA	County	PMSA	County	PMSA	Ohio	U.S.
1990	646,900	1,034,100	34,000	57,700	5.0%	5.3%	5.7%	5.6%
1991	635,700	1,019,400	39,400	68,600	5.8%	6.3%	6.4%	6.8%
1992	629,200	1,011,100	48,800	82,900	7.2%	7.6%	7.3%	7.5%
1993	627,900	1,008,500	46,000	75,100	6.8%	6.9%	6.5%	6.9%
1994	636,300	1,023,900	39,400	64,200	5.8%	5.9%	5.5%	6.1%
1995	644,100	1,037,000	31,800	55,400	4.7%	5.1%	4.8%	5.6%
1996	655,700	1,046,100	34,300	57,100	5.0%	5.2%	4.9%	5.4%
1997	651,900	1,061,600	33,000	53,500	4.8%	4.8%	4.6%	4.9%
1998	644,400	1,088,700	30,000	49,400	4.4%	4.3%	4.3%	4.5%
1999 ⁽²⁾	649,900	1,069,800	31,300	50,300	4.6%	4.5%	4.3%	4.2%

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

(1) Effective January 1, 1994 the Cleveland PMSA was modified to include Lorain and Ashtabula counties.

(2) Preliminary

CITY OF CLEVELAND, OHIO

DEMOGRAPHIC STATISTICS

December 31, 1999

Corporate Headquarters

The following table shows the corporations among Fortune magazine's listing of the five hundred largest U.S. corporations in the United States which are located in the Cleveland - Lorain - Elyria PMSA:

The 500 Largest Industrial and Service Corporations Ranked by Revenues⁽¹⁾

Rank	Company	Worldwide Revenues (\$ millions)	Worldwide Assets (\$ millions)	Major Product or Services
103	TRW. Incorporated	\$ 16,969	\$ 18,266	Automotive and Electronics
213	Eaton Corporation	8,402	8,437	Automotive and Electronics
218	National City Corporation	8,293	87,121	Commercial Banking
221	KeyCorp	7,989	83,395	Commercial Banking
286	Progressive	6,124	9,704	Insurance
326	Sherwin Williams	5,003	4,052	Paints
328	Parker Hannifin Corporation	4,958	3,703	Hydraulic Components
332	OfficeMax	4,842	2,275	Retail Office Supplies
384	LTV	4,120	6,101	Steel Manufacturing

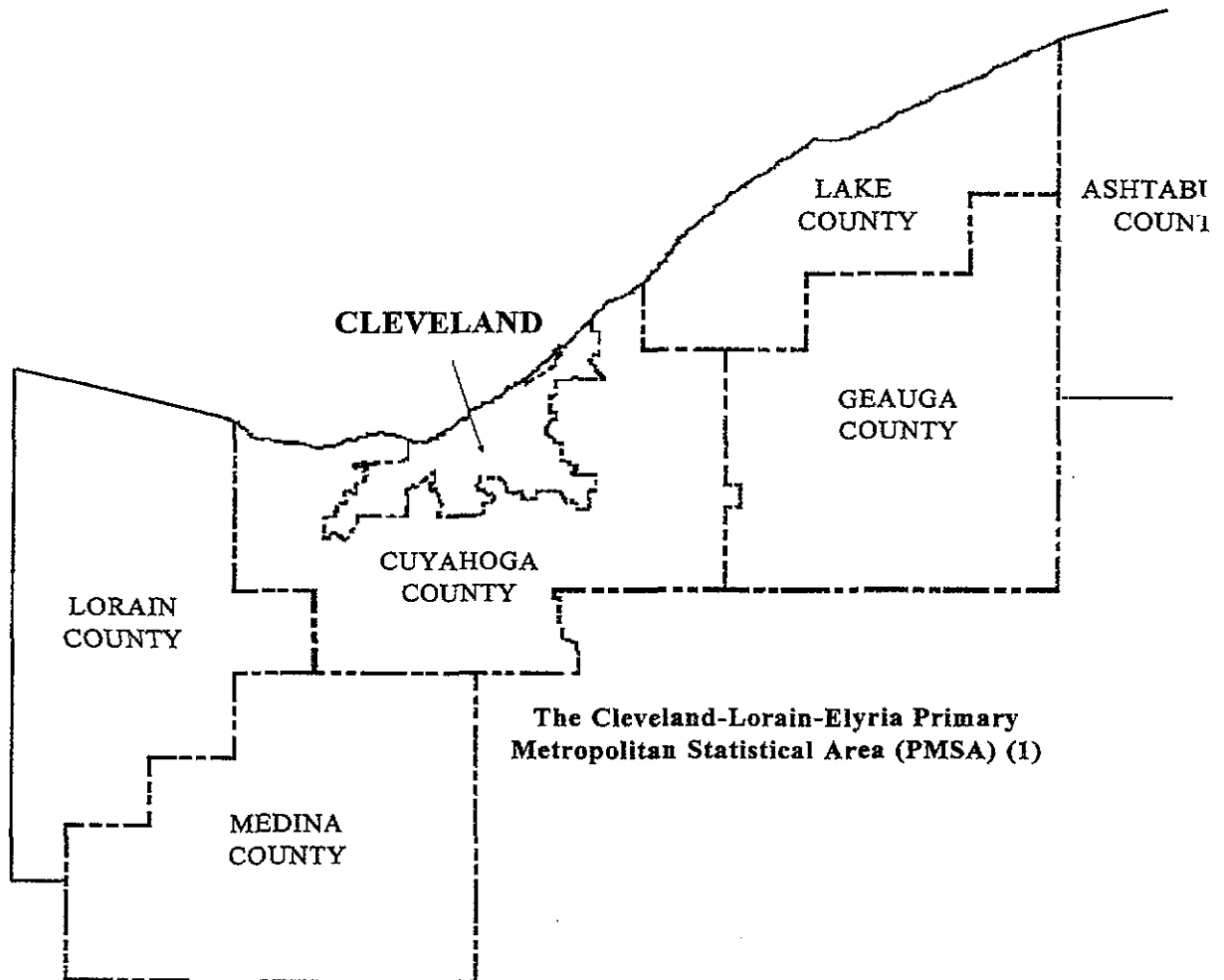
Source: (1) Fortune 500 Directory of the Largest U.S. Corporations, April 26, 2000

CITY OF CLEVELAND, OHIO

DEMOGRAPHIC STATISTICS - Continued

December 31, 1999

METROPOLITAN CLEVELAND



- 2.2 million people
- 6 counties
- Largest metropolitan area in Ohio
- 1,061,600 employed labor force

(1) Effective January 1, 1994 Ashtabula and Lorain counties were added to the Cleveland PMSA.

CITY OF CLEVELAND, OHIO

MISCELLANEOUS DEMOGRAPHIC STATISTICS

December 31, 1999

DATE OF INCORPORATION	MARCH 5, 1836
DATE OF ADOPTION OF ORIGINAL CITY CHARTER	JULY 1, 1913
FORM OF GOVERNMENT	MAYOR AND TWENTY-ONE COUNCILMEN
AREA-SQUARE MILES	76
MILES OF SHORELINE ON CUYAHOGA RIVER	17
MILES OF SHORELINE ON LAKE ERIE	14
ELECTION OF NOVEMBER, 1998 (Gubernatorial)	
Number of Registered Voters-Last General Election	247,100
Number of Ballots Cast-Last General Election	46,063
Percentage of Registered Votes Cast	19
AIRPORTS	
Cleveland Hopkins International Airport	
Enplaned Passengers	6,456,639
Total Airport Landing Weight (1,000 lbs)	9,918,009
Number of Scheduled Aircraft Departures per day (Average at Hopkins)	408
Miles from City Hall to Cleveland Hopkins International Airport	13
Miles from City Hall to Burke Lakefront Airport	1/4
WATER SYSTEM	
Number of Customer Billings	1,610,684
Daily Average Pumpage-Gallons	268,100,000
Greatest Pumpage for a Single Day (June 10, 1999)	398,600,000
Maximum-Filtration Plant Capacity per day-gallons	529,000,000
Maximum-Intake Capacity per day-gallons	740,000,000
Number of Miles of Watermains Owned by City	1,600
Number of Miles of Watermains Owned by Suburbs	3,500
Population Served	1,500,000
FIRE DEPARTMENT	
Number of Stations	26
Number of Employees (Uniform)	925
POLICE DEPARTMENT	
Number of Districts	6
Number of Employees (Uniform)	1,877
BUILDINGS	
Permits Issued	8,882
Estimated Cost of Construction	\$502,186,592
Inspections under Ohio Basic Building Code	58,079
PARKS AND RECREATION	
Number of Parks (District, Community, Neighborhood and Urban)	145
Number of Ball Diamonds (at 73 sites)	143
Total Playgrounds	113
Recreation Centers	18
Pools:	
Indoor	17
Outdoor	24
Golf Courses (2-18 hole courses at each)	2
Ice Rink	1
Roller Rink (indoor)	1
Tennis Courts (at 30 sites)	136
Soccer Fields	8
Cudell Fine Arts Center	1
Rockefeller Park Public Greenhouse	1
Camp George L. Forbes	1
Total Park Acreage (not including golf courses)	1,427

CITY OF CLEVELAND, OHIO

SCHEDULE OF STATISTICS-GENERAL FUND

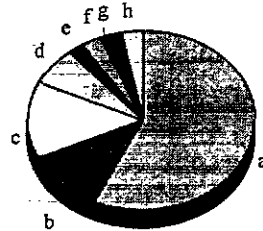
For The Year Ended December 31, 1999

OPERATING RATIOS: GENERAL FUND-BUDGET BASIS

REVENUE DOLLAR BY SOURCE

Where the money came from

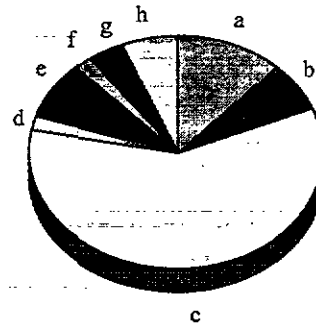
a. Income taxes	\$ 0.57
b. Property taxes	0.11
c. State local government fund	0.14
d. Other shared revenues	0.07
e. Licenses and permits	0.02
f. Charges for services	0.03
g. Fines and forfeits	0.03
h. Miscellaneous	0.03
	<u>\$ 1.00</u>



EXPENDITURE DOLLAR BY FUNCTION

Where the money was spent

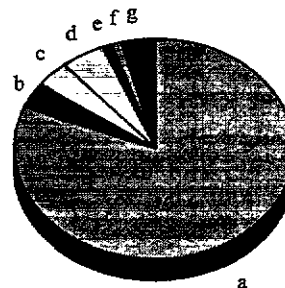
a. General government	\$ 0.12
b. Public service	0.07
c. Public safety	0.59
d. Public health	0.02
e. Maintenance, parks and recreation	0.08
f. Community development	0.02
g. Other	0.04
h. Operating transfers out	0.06
	<u>\$ 1.00</u>



EXPENDITURE DOLLAR BY OBJECT

What the money was spent on

a. Salaries, wages, and related benefits	\$ 0.81
b. Interdepartmental charges	0.04
c. Utilities	0.04
d. Contractual services	0.05
e. Materials and supplies	0.01
f. Miscellaneous	0.01
g. Operating transfers out	0.04
	<u>\$ 1.00</u>



Special Thanks To:

The Financial Reporting & Control Staff

Faranak Arab, Assistant City Controller
Michael Chambers
Celina Chaves
Angela Holmes
Mike Klein
Yanping Liu
Sharon Moenk
Antoine Pink
Ray Pring
Va'Kedia Stiggers
Gary Walker

Internal Audit Staff

Frank Badalamenti, Manager
Fariba Arab
Greg Cordek
Theodore Hudson

Other Administrative Staff

George Barbulescu
Commissioner Myrna Branche
Kelly Clark, Assistant Director of Finance
James Fadel, Controller of J.T.P.A.
Harlita Robinson
Commissioner Shareen Jackson
Commissioner Daniel Jarvis
Tina Magistro
Al Walker, Treasurer
Division of Office of Budget and Management

Photography

Donn Nottage

Cover Color Separations & Printing

Bowne of Cleveland

Nancee Murphy, Controller
Department of Finance
Room 18 – City Hall
Cleveland, Ohio 44114
(216) 664-3881





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

CITY OF CLEVELAND

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 28, 2000**