

# City of Lorain, Ohio

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## Comprehensive Annual Financial Report

For the Year Ended December 31, 2000

**Ronald L. Mantini**  
Lorain City Auditor





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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We have reviewed the Independent Auditor's Report of the City of Lorain, Lorain County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

**JIM PETRO**  
Auditor of State

July 7, 2001

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## INTRODUCTORY SECTION

The introductory section contains information to familiarize readers with the Comprehensive Annual Financial Report (CAFR) and the City of Lorain. A description of the City, the reporting entity, and the operation of City services is included. Other topics range from financial summaries and highlights to city awards.

Key elected and appointed officials are listed along with the City's organizational chart. This section is intended to provide users with an overview of the report and the City of Lorain.



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# The City of Lorain, Ohio

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June 4, 2001

Citizens of Lorain  
Lorain, Ohio

It is with great satisfaction, I submit this Comprehensive Annual Financial Report (CAFR) for the City of Lorain, Ohio, for the year ended December 31, 2000. This CAFR was prepared by the Lorain City Auditor's office. Management is accountable for the accuracy of the data and the entirety and fairness of the material presented, including all disclosures. We consider the information contained herein to be precise in all aspects relating to the City's financial activities and statistical data. This report was designed in a manner so that the reader may obtain a thorough and optimal understanding of the City's financial affairs, basic operations and general composition. Copies will be made available to all interested parties.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section; which contains a Letter of Transmittal, the Certificate of Achievement, an Award for Outstanding Achievement, a list of the City's principal officials and department heads, a map of the voting wards of the City of Lorain with the respective council members noted, and an Organizational Chart of the City;
2. The Financial Section; which begins with the Report of Independent Accountants, and includes the General Purpose Financial Statements and Notes which provide an overview of the City's financial position and operating results, and also includes the Combining Statements and Schedules of the Individual Funds and Account Groups that provide detailed information relative to the General Purpose Financial Statements; and
3. The Statistical Section; which presents various tables reflecting social and economic information, financial trends and the fiscal capacity of the City of Lorain.

### **THE CITY OF LORAIN**

Incorporated in 1874, the City of Lorain is located in Lorain County in northeastern Ohio on the shore of Lake Erie, approximately 30 miles west of Cleveland and 90 miles east of Toledo. Within a 500-mile radius of Lorain, reside 50 percent of the population of the United States and Canada, and 24 of the nation's 50 industrial markets.

Lorain's population in the year 2000 of 68,652 placed Lorain as the largest city in Lorain County and the tenth largest in the State.

The City's area is 23.8 square miles, or 15,226 acres, allocated by: residential land use of 39.5 percent; commercial/industrial land use of 15 percent; governmental land use of 6.5 percent; agricultural land use of 7 percent; undeveloped land use of 21 percent; and other tax exempt land use of 11 percent.

Residential structures total 22,427, the number of dwelling units total 29,487, apartment buildings total 94, and mobile home parks total 11. For 2000-2001, new construction of agriculture/residential property and commercial/industrial property totaled \$5,315,310 and \$2,581,840 respectively.

Lorain possesses an international port that has access to world markets via the St. Lawrence Seaway. Major port facilities include ore shipping from boat-to-boat and boat-to-rail, and docks and other facilities for the receipt of iron ore, gypsum ore, concrete, aggregates and oil. The Lorain Port Authority, a separate political subdivision, operates the port.

The Lorain Palace Civic Center, a 1,600 seat renovated facility of the National Register of Historic Places, operates with a variety of musical and cultural events year round and is located in downtown Lorain.

## **CITY GOVERNMENT**

Lorain operates as a statutory City under the laws and regulations as set forth under the Ohio Constitution, which is in contrast to the specialized charter forms of government. The citizens have voted down charters in the past. The form of government prescribed in Lorain is Mayor-Council with elected officials as follows:

Legislative authority is vested in a 12-member **City Council** and a **Council President**. Council has three members who are elected at-large and nine who are elected from wards, all for two-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions including, but not limited to, City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by City voters for a two-year term.

The City's chief administrative officer is the **Mayor**, who is elected to a four-year term. The Mayor is responsible for basic City services, such as police, fire, streets, parks, and community development. The Mayor appoints a Director of Public Safety/Service, department heads, boards and commissions. The Mayor's role is to promote business and commerce and to be the catalyst for new development and capital projects.

The City's chief financial and fiscal officer is the **Auditor**, who is elected to a four-year term. The Auditor is responsible for keeping financial records and preparing financial reports of the City. In addition, the Auditor monitors the budget, directs payroll and accounts payable, and oversees all information systems activity.

The City's **Treasurer** is elected to a four-year term. The Treasurer is responsible for income tax and other revenue collections of the City. The Treasurer is the custodian of all monetary assets and is responsible for deposits and investments.

The City's chief legal counsel is the **Law Director**, who is elected to a four-year term. The Law Director represents the City in all its cases. The Law Director advises City officials and Council on all legal matters and must approve all ordinances, resolutions, and contracts as to form. The Law Director also appoints the Chief Prosecutor, who is responsible for prosecution of all municipal, civil, and criminal cases.

Lorain has two municipal judges and a Clerk of Courts, each of whom are elected to six-year terms.

## MAJOR INITIATIVES AND ACHIEVEMENTS

**For the Year:** Although there was only a slight increase in revenue, the City Of Lorain, with sound financial management, kept its expenses under control and ended the year with a positive balance in the General Fund. In 2000, the general government revenues were \$39,511,189. This represents an increase of approximately 2.14 percent from 1999. The 2000 general governmental expenditures were \$43,090,386. This represents an increase of approximately 8.15 percent from 1999. The City issued a general obligation bond of \$4,850,000 for the Riverfront Urban Renewal project and re-issued \$1,550,000 of bond anticipation notes to finance expenditures for a street improvement project and the purchase of lakefront park property. During the year, the City purchased over 15 pieces of new equipment and a new fueling system.

In the year 2000, the **Income Tax Department** moved their offices from City Hall to their new location on Fourth Street in addition to having new computer software programs installed. Due to the many problems with the new software, they were unable to prosecute and bring in additional revenue as in the past. However, even with the difficulties they had to contend with, their collections were higher than the previous year, and with the help of other City departments, were able to open additional employer withholding accounts.

The **Department of Health's** overall mission is to protect the environment and promote health and safety to citizens of Lorain. The department has accomplished these goals through on-going programs and collaborations with various City and County agencies. Within the **Nursing Division**, "family focused services" such as Welcome Home provided in-home visits to new and teenage mothers by a Public Health Nurse to discuss issues, concerns or needs and makes referrals to appropriate agencies. A total of 705 visits were made in the Welcome Home program in the year 2000. Another home-visiting program conducted by the Nursing Division is the Ohio Early Start Program. This program is intended to maintain the integrity of the family unit and ensure all children, from birth to three, are immunized and ready for school. In 2000, 3,512 Early Start visits were conducted. The Well Child Clinic focuses on preventative intervention with services including physical examinations, screening, immunizations and referrals and serve children from birth to 21 years. Well Child Clinic services through collaboration with the Lorain City Schools are available at a variety of locations within the City, 1,421 visits were provided in 2000. In addition the health department participates in the Lorain County Immunization Action Plan (IAP), which provides children immunizations available at various locations throughout the County. Lorain's involvement in the IAP for 2000 provided 4,059 children immunizations. The **Health Education** component provides education programs that involve Child Seat Safety, Bike Helmet Safety, Tobacco Prevention, Germs and Hygiene, HIV Prevention, and information on communicable diseases. A grant application was submitted to the Ohio Department of Health to address Cardiovascular Health in Lorain County. Notification was received in December 2000 that the grant application (\$40,000) was approved. The Cardiovascular Grant identifies three target areas in Lorain County to assess and improve cardiovascular health. The **Environmental Division** in collaboration with the Ohio Department of Health has been working to develop an emergency response plan to Bio-terrorism. Such incident may include chemical, radiological or biological contamination resulting from intentional discharges or applications of materials that contaminate food, soil, water or air. Lead poisoning testing/prevention is a program that the Environmental Division has expanded on in the year 2000. With assistance from the Community Development Department, three additional Sanitarians became licensed by the Ohio Department of Health in Lead Risk Assessment. Additionally a new lead analyzer was obtained from the Ohio Department of Health. A total of 42 lead assessments were conducted in 2000. Administratively, the health department developed its own web site (lorainhealth.com) in 2000 as well as review and update all job descriptions of the department staff.

According to the **Lorain Municipal Court's** Annual Report, there were 13,777 cases filed during 2000. This included 5,007 Criminal Cases and 6,508 Traffic Cases. In addition to the Criminal and Traffic

cases, 2,262 new civil cases were filed. In the Small Claims Division a total of 435 cases were filed. The Court also performed 114 marriage ceremonies during 2000.

Lorain's **Civil Service Commission** administered eight exams during 2000 to obtain certified eligibility lists for the City of Lorain as well as Lorain City Schools. Of the eight, five were entry-level exams and three were promotional. A total of 258 applications were filed and a total of 150 applicants passed the exams. The Civil Service Commission made 35 appointments from their eligibility lists during 2000.

The **Lorain Parks and Recreation Department** provides the citizens of Lorain with a wide variety of activities in over 50 parks throughout the City, covering 868 acres.

- Many projects were completed by the **Park Department** during 2000, including the restoration of the historic fountain and the replacement of the sidewalks and tennis courts at Lakeview Park. New playground equipment, picnic shelter and basketball courts were installed at Streator Park. In Central Park, a new picnic shelter and restroom building were constructed. A gazebo and a football field were the new additions to Oakwood Park during 2000.
- The **Recreation Department** sponsored several successful programs for Lorain's school-age children. The all-new Santaland at Lakeview Park attracted nearly 2,000 visitors last year and Easterland, which was held in both Oakwood and Lakeview Parks, had a record 1,500 children meet with the Easter Bunny.

The **Lorain Utilities Department** again had a very busy year with many major infrastructure improvements completed and many more started.

- There was 24,358 feet of water line replaced on Root Road, Garfield Boulevard, and Colorado Avenue. There was 17,600 feet of waterline on Tait, Edith and Grace Streets, Nichols, Madison and Lakeview Avenues, Wallace Lane and West Erie Avenue.
- The Tacoma relief sewer and retention basin project, which was started in the fall of 1999, was completed in November and the Idaho relief sewer and retention basin construction began early in 2000. The Kansas Avenue Pump Station renovation began in the middle of 2000 and will be completed in 2001.
- The continuing program of replacing all the water meters in the City with electronic touch pads continued in 2000 with over 4,000 new meters installed.
- Other department activities included the continuation of programs such as: inspecting all manholes and cleaning and televising sewers; installing rain guards in problem manholes; installing chimney seals in manholes as a preventative measure to reduce infiltration into them; and the summer sewer discount for sewer usage (based on average winter month usage). The rehabilitation of approximately 2,000 of the 5,500 sanitary manholes in the City began in the Southern section of Lorain and will continue into 2001.

The **Building Department** issued permits for 87 new single-family homes and 15 new commercial buildings. The City also issued the following: 597 permits for residential alterations, 118 commercial alteration permits, 1,014 electrical permits, 959 roof permits, 695 contractor licenses, and 115 landlord occupancy permits.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Indicative of continuing local economic breadth, approximately two-thirds of manufacturing firms in the County are engaged in the production of a variety of materials, including primary and fabricated metals, stone, clay and glass, rubber and plastic products, electrical and non-electrical machinery, and transportation equipment. These are in addition to the major steel and auto manufacturing operations in the City and discussed below. The City has pursued several areas for urban renewal enhancement and redevelopment.

An area around the former shipyard section of the City's downtown riverfront has been determined to be blighted, and has been the subject of extensive planning and approvals for significant private projects. Contracts have been approved with Spitzer Great Lakes Ltd. for an estimated \$85,000,000, 62-acre development project to include approximately 420 private residential housing units, nautical boutiques, restaurants, a health club, boardwalk and pier, and a commercial fishing village, and a 34,000-square foot commercial center. A 19-acre Riverside Marina (undergoing \$3,500,000 in completed improvements, financed with bonds issued by the Port Authority) will remain on the site. Financial support currently includes \$930,000 of State roadwork development grants (awarded for 2001) and \$4,850,000 in City-backed tax-increment financing bonds for land acquisition and public improvements, along with City-granted tax abatement.

- Groundbreaking for the construction of the California Avenue extension (the first public roadway into the development site) was held on April 9, 2001. The roadway and associated infrastructure is now under construction.
- Spitzer Great Lakes Ltd. is to begin construction of the first phase of residential structures in this development by September 2001. Groundbreaking on this phase will occur on July 7, 2001. It is expected that 38-46 units will be completed by December 2001.

The City has continued discussions with adjacent Sheffield Village of the possibility of establishing a "joint economic development zone"(JEDZ), newly authorized by Ohio statutes. It would involve industrially-zoned land in Sheffield Village but adjacent to Lorain. A JEDZ could be a mechanism for tax revenues generated by new businesses to be shared by the two municipalities and used to pay, for example, for the extension of City services into the area, as well as the general sharing of income tax revenues.

During the 1990s and in 2000, there was significant growth and general economic development in the area.

- Ford Motor Company, a major employer in the City, has undergone a change in local production over the past several years. In 1997, they discontinued its production of Thunderbird and Cougar models at the Lorain assembly plant. In 1999, the Ford Motor Company Board authorized the retooling of the assembly line at the Lorain plant to accommodate Ford's new E550 Econoline van (a heavy-duty version of the full sized Econoline vans already being assembled at the plant). Ford estimates investing approximately \$60,000,000 in the Lorain plant to complete the retooling, with the first E550s scheduled to come off the line in November 2001. Local union officials have announced expectations that assembly of the new line will create approximately 120 new jobs at the plant, which the City estimates will generate approximately \$200,000 annually in additional municipal income taxes.

USS/KOBE Steel Company pursued and completed its restructuring plans that were announced in the spring of 1999 (and referred to in the City's 1999 disclosure document).

- The new Republic Technologies International was formed late in 1999 by the merger of USS/KOBE and various other companies and affiliates. The merger company, owning 14 plants in North America, has announced plans to invest \$75,000,000 in the Lorain mill and a 50% increase in the bar mill production in the next year. It has already restarted a blast furnace, idle since 1998, creating 26 new jobs and increasing monthly steel production by 40,000 tons.
- Lorain Tubular Company (an affiliate of USX Corporation) purchased the bar steel making facility at the Lorain mill from USS/KOBE Lorain mill. That steel pipe facility wholly American

owned. Lorain Tubular currently employs approximately 500, and generates \$250,000,000 in annual sales.

A voter-approved one-mill property tax levy for the **Lorain Port Authority** (renewed in 1999), generates approximately \$650,000 a year, enabling the Port Authority to pursue a variety of economic development projects. Those recent and current projects include:

- The 25-acre “Grove Site,” to be developed as an intramodal transportation center and for recreational uses. State and federal funds (\$7,000,000) have been committed to this project, which is currently in the design state with construction currently scheduled to begin in 2001. A major new access roadway to the Grove Site called “Riverfront Place” has received financial commitments from the County and the City; it will include related infrastructure improvements (including parking and sidewalks) to serve adjacent business areas. Work on the infrastructure improvements will begin in June 2001 with a scheduled completion date in the Spring of 2002.
  
- The Colorado Industrial Park is a joint City and Port Authority project, started in 1997. This 30-acre project on the City’s east side currently houses Advanced Automotive Systems and a U.S. Postal carrier annex (retaining approximately 100 jobs in the City). Advanced Automotive is already pursuing a \$2,000,000 expansion, scheduled to be completed in 2001. A portion has been completed, creating 140 full-time jobs. Additional phases of the project, including expansion by perhaps up to 150 acres and up to 150 new jobs, is currently in the planning stage, the possibility of which is enhanced by City infrastructure improvements already made, including a major access road. The City is currently in negotiations for acquisition of additional property for the Industrial Park and has received approval for a \$4,700,000 HUD Section 108 loan guarantee for that development’s purpose.

The City’s Community Development Department is charged with promoting, developing and coordinating Lorain’s community and economic development through land use and transportation planning, housing, and commercial rehabilitation, historic preservation, recreation and business assistance programs. It has operated several housing repair programs, as well as business loan and economic development programs as part of City efforts to encourage small businesses to locate in the City and to renovate and construct retail and office space, particularly in the downtown area. Recent downtown development projects in Lorain include the following:

- The renovation of a former restaurant/lounge building into the new “Scorcher’s” Restaurant specializing in barbeque wings and a sports bar atmosphere, representing an investment of over \$500,000;
  
- The renovation of the Swiss-American Jewelers building at the cost of over \$125,000;
  
- The renovation of another formerly vacant building into “Kennedy’s Broadway Billiards,” an upscale billiards hall and lounge at an investment of over \$100,000;
  
- In cooperation with the Mainstreet Development Corporation and the Downtown Merchants Association, the City awarded a contract to provide 42 historic style street posts replacing the 1960’s vintage street lighting along Broadway, representing an investment of over \$65,000. Work on this project began in May 2001;
  
- Also, a formerly vacant building on the City’s east side is being renovated into a “Denny’s” restaurant, part of a family dining franchise, representing an investment of over \$750,000;
  
- The former St. Joseph Hospital building was recently vacated as a result of a merger is currently being renovated by a community development corporation at a cost of approximately \$8,300,000

to create a community center, financed with a combination of federal, local and state moneys. Tenants at the “St. Joseph Community Center” include many non-profit organizations, including Lorain County Community College (classrooms), Catholic Charities, Veterans Administration Clinic, Community Health Partners emergency room, pregnancy services, and Lorain public schools. Many community service organizations have made significant individual investments in the building in order to better serve the social service needs of the community. This includes Specialty Hospital of Lorain, a long-term acute care specialty hospital providing services for the medically complex and rehabilitation patient, basically involving catastrophic illness or injury and lengthy hospitalization;

- The City has planned the construction of six affordable single-family residences as part of its Homeownership In-Fill Housing program for 2001. Two houses are substantially complete and a third is under way, with the remaining construction scheduled for later in 2001; and
- The \$5.8 million renovation of the Southern Heights 63-unit apartment complex in South Lorain began in March 2001, and is expected to be complete by December 2002. This project has been awarded \$4.6 million in 2000 in tax credit under the Affordable Housing Tax Credit Program.

In the area of housing:

- Camden Ridge, a new 57-acre housing development on the City’s west side, has broken ground. Plans for the development call for 155 single-family homes in the \$140-250,000 price range. To date, 40 homes have been sold with 22 in process or completed. The infrastructure improvements needed for the current phase have been completed.
- The Lorain planning commission has approved the 529-acre Martin’s Run housing development project and rezoning request for a Planned Unit development (PUD). The development calls for over 2,000 housing units over a 15-year period. The rezoning plans have also been approved by city council. The developers must now submit their final plans for Council approval. If all goes well, construction on Phase I (25-40 units) should begin in late 2001.
- A lakefront condominium project proposed for Lorain’s Westside will contain 22 units with 8 lake-view homes starting at \$399,000. The project, named “La cote del Lac”, will develop one of the last available pieces of property located on the shores of Lake Erie in the City of Lorain.
- The Oak Point Professional Park, located on the west side of Lorain near state route 2, has received approval from the City for development. The 15-acre site will be developed into an office business district to include business, medical, dental and other professional office space. A total to 150,000 square feet of office space is planned. Construction on a 15,000 square foot building has already begun. A second 5,000 square foot building will begin construction in June.

The City has installed a historic four-sided street clock at the City Hall plaza, with Lorain’s Rotary International contributing 50% of the cost. The installation of this clock has led to the repaving of the plaza area with a specialty colored concrete, the construction of mounting base and new wiring to accommodate the clock’s controller unit.

## **REPORTING ENTITY**

The reporting entity includes all the funds and account groups of the City. Component units are legally separate entities for which the City would be financially accountable. Currently, the City does not have any component units to report in its financial statements.

## FINANCIAL INFORMATION – GENERAL GOVERNMENT FUNCTIONS

The information in this section pertains to the City's general government operation. General government function finances are administered through the General, Special Revenue, Debt Service, and Capital Projects Funds.

**Revenues.** The following schedule presents a summary of General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, revenues for the fiscal year ended December 31, 2000, and the percentage of increases and decreases in relation to previous year's revenues.

<u>Revenue Source</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1999</u>	<u>Percent Change From 1999</u>
Taxes	\$21,766,763	55.09%	\$1,808,617	9.06%
Charges for Services	938,448	2.38	499,014	113.56
Fines, Licenses and Permits	2,296,516	5.81	235,318	11.42
Intergovernmental	13,664,775	34.59	(1,130,656)	(7.64)
Special Assessments	179,267	.45	(35,758)	(16.63)
Interest	490,884	1.24	168,989	52.50
Other	174,536	.44	(717,052)	(80.42)
<i>Total Revenues</i>	<u>\$39,511,189</u>	<u>100.00%</u>	<u>\$828,472</u>	2.14%

Taxes are the largest revenue source of governmental funds. Taxes include real and personal property tax, estate tax, and income tax. Real property tax revenues include voter-approved levies for the general, police pension, and fire pension funds. The increase of 9.06 percent is comprised of a 5.6 percent increase in income tax, a decrease of 5.5 percent in real property tax and a 10.8% increase in tangible personal property tax.

The increase in Charges for Services, 113.56 percent, is primarily due to the re-classification of the revenues from the Lorain Metropolitan Housing Authority for police services and chargebacks received from enterprise funds, and from Other to Charges for Services. The remainder is a result of continued increase in revenues from nursing services in the Health Department.

The increase in Fines, Licenses, and Permits, 11.42 percent, is largely attributable to the amounts collected by the police for confiscations and forfeitures related to illegal drug and gambling activities in the city, which coincides with the City's commitment to a safe community environment for all its citizens.

Intergovernmental revenues consist primarily of federal grants, state shared revenues, motor vehicle license, and gasoline excise tax revenues. The decrease in receipts, of 7.64 percent, is the result of a reduction in receipts of state and federal aid for capital projects in the City.

The decrease in Special Assessment revenue, 16.63 percent, is due to the expiration of some temporary assessments.

The increase in Interest revenue, 52.50 percent, is due mainly to the investment of unused proceeds from notes and bonds received in 2000.

The decrease in Other revenue, 80.42 percent, is from the reclassification of revenues from Other to Charges for Services.

**Expenditures.** The following schedule presents a summary of general governmental expenditures for the fiscal year ended December 31, 2000, and the dollar value of the increase or decrease during the past year.

<u>Expenditures</u>	<u>2000 Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1999</u>	<u>Percent Change From 1999</u>
Current:				
General Government	\$7,007,186	16.26%	\$437,229	6.66%
Security of Persons and Property	17,944,155	41.65	706,328	4.10
Public Health and Welfare	1,780,974	4.13	57,333	3.33
Transportation	3,647,614	8.47	981,624	36.82
Community Environment	685,051	1.59	(25,572)	(3.60)
Leisure Time Activities	1,483,343	3.44	(9,739)	(.65)
Economic Development	4,628,864	10.74	1,272,266	37.90
Capital Outlay	1,677,727	3.89	(1,261,152)	(42.91)
Debt Service:				
Principal Retirement	2,842,366	6.60	721,325	34.01
Interest and Fiscal Charges	1,393,106	3.23	366,073	5.64
<b>Total Expenditures</b>	<b>\$43,090,386</b>	<b>100.00%</b>	<b>\$3,245,715</b>	<b>8.15%</b>

Included in the General Government function costs are those associated with the offices of the Mayor, Auditor, Management Information Systems, Treasurer, and Law Director as well as those for Council, the Courts, the Engineering Department, Electrical Department, and all municipal buildings. Expenditures remained fairly constant in 2000.

Security of Persons and Property consists of the Police and Fire Departments. The increase, 4.10 percent, is a result of an increase in wages and a rise in fuel costs.

Public Health and Welfare includes the Animal Warden, Cemetery, and Health Departments. The increase in expenditures, 3.33 percent, was predominately due to a slight increase in wages.

Transportation costs increased, 36.82 percent, as a result of increased Street Department expenditures for petroleum products such as gasoline and diesel fuel.

Leisure Time Activities include the operation of the Parks and Recreation Department and the City pools. Expenditures remained fairly constant in 2000.

Economic Development resources are used for housing and rental rehabilitation assistance projects, business assistance loans, and targeted street improvements. The increased expenditures, 37.90 percent, reflect a rise in expenditures for various Community Development projects and programs, as well as personal services for general and administrative functions.

The decrease in Capital Outlay, 42.91 percent, is a result of reduced expenditures for capital projects within the City due mainly to timing with funding.

The increase in debt service is due to the initial payments on, and costs related to notes and bonds issued in 2000.

## FINANCIAL INFORMATION – ACCOUNTING CONTROLS

**Internal Controls.** Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurances regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City initiated a comprehensive program to reduce vulnerability to fraud, waste or abuse through an improved internal control structure. Purchasing, accounts payable, payroll, and property control procedures are in place and updated periodically. An existing ordinance requires all purchases exceeding \$15,000 be reviewed and approved by Council,

**Single Audit.** As a recipient of federal financial assistance and because of the level of expenditures of the federal grant programs, the City is required to undergo an annual audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Not-For-Profit Organizations. As part of the City's single audit, tests were made to determine the adequacy of the internal control, including that portion related to major federal financial assistance programs, and to determine that the City has complied with applicable laws and regulations. Included in a separate report is the information related to the single audit, including the Schedule of Federal Awards Expenditures, findings, recommendations, report on internal control over financial reporting and compliance with applicable laws and regulations.

**Budgetary Controls.** Budgetary control is maintained by an encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued unless a sufficient unencumbered appropriation is available.

City departments have on-line purchase order requisition processing via the mainframe computer. The City Auditor then reviews the requisition for availability of funds. Copies of all approved purchase orders are returned to the department head pending receipt of the goods and services. Once the goods and services and the invoice are received, the department head verifies that all goods or services received are in acceptable condition. Invoices for the goods received are then approved and forwarded to the Auditor's Office for payment.

Each department has on-line computer access to reports showing the status of their budgeted accounts. The reports detail all transactions and summarize available balances.

The City adopts a temporary appropriation ordinance on or before January 1 of each year for the period January 1 through March 31. The Mayor submits proposed appropriations to Council's Finance Committee for its recommendations. The committee makes recommendations and forwards the appropriations to the City Council for final passage. All members of Council review the appropriation proposal before its adoption. All expenditures require appropriation authority. For all operating funds, appropriations are passed and are maintained at the line item level within each department and fund. If necessary, appropriations may be amended throughout the year.

**Fixed Assets.** Consumable assets are inventoried at the end of each fiscal year, while fixed assets are continually updated throughout the year. The City has prepared a Fixed Asset Manual to initiate better accountability for fixed assets. This manual provides fixed asset policies and procedures for better control and accountability, for the preparation of year-end financial statements in accordance with generally accepted accounting principles, and for adequate insurance coverage. The appropriate

accounting treatment for the acquisition of a fixed asset is governed by the ultimate use of the asset and by the fund type from which the fixed asset was purchased.

The Auditor's Office completed a fixed asset inventory for the year ended December 31, 2000. Costs of fixed assets, depreciation, maintenance, updates, dispositions, and transfer procedures for fixed assets are outlined in detail in the Fixed Asset Manual.

### ***ENTERPRISE FUNDS***

Enterprise funds are used to account for services provided to the public where all or most of the operating expenses involved are recovered in the form of charges to the user of such services. The City's enterprise operations are comprised of water works and water pollution control funds. These funds had a combined loss of \$489,961 and fund equity of \$43,048,885 as of December 31, 2000. Sewer rates were increased in 1999 that will finance the nearly \$50 million Sanitary Sewer Overflow Project mandated by the Ohio Environmental Protection Agency. A water rate increase is being contemplated for 2001.

### ***DEBT ADMINISTRATION***

In 2000, the City re-issued \$1,550,000 of bond anticipation notes. Of this amount, \$700,000 was to refinance the 1998 note for the purchase of the property adjacent to Lakeview Park and \$850,000 was for a new note for the Oak Point Road street improvement project.

The City issued \$4,850,000 of bonds to finance the Riverfront Urban Renewal project. These bonds were issued at a discount of \$35,297

The City received \$2,500,000 in HUD loans to aid in Community Development.

The City has a total of \$16,829,000 of various general obligation bonds, special assessment bonded debt and long term notes outstanding.

The City is well within its limitations of both voted and unvoted debt.

### ***CASH MANAGEMENT***

The City Treasurer invests temporarily idle cash in the State Treasury Asset Reserve of Ohio (STAROhio), demand deposits, certificates of deposit, treasury bills, and repurchase agreements. STAROhio is a statewide investment pool managed by the Treasurer of the State of Ohio which seeks a high level of current income, the preservation of capital, and maintenance of liquidity. The City earned interest revenue of \$1,425,534 on all investments for the year December 31, 2000.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public funds deposited.

### ***RISK MANAGEMENT***

The City has obtained insurance policies for its employees including public officials liability, building liability, and automobile liability, while certain elected officials in policy-making roles are covered by separate, higher limit bond coverage.

The City manages the hospital/medical benefits for its employees on a self-insured basis. A third party administrator processes the claims. In 1995, the City converted to a managed health care network benefit

plan with its third party administrator. The City made this conversion in order to reduce risk exposure to increasing health care costs. Based on projections provided by the third party administrator, hospital and medical costs are not expected to increase in the near term under the managed health care network.

### ***INDEPENDENT AUDIT***

The City of Lorain selected the firm of Ciuni & Panichi, Inc. to render an opinion on the City's financial statements as of December 31, 2000. The 2000 Report of Independent Accountants, issued by Ciuni & Panichi, Inc. gave a clean, unqualified opinion. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996. The Report of Independent Accountants on the general purpose financial statements is included in the financial section of this report. Copies of the Single Audit Reports may be obtained from the City Auditor's Office.

### ***AWARDS***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 1999.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The CAFR is judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to communicate clearly its financial story and to motivate potential users and user groups to read the CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. The City has now received the Certificate of Achievement for six consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

In addition, the City of Lorain received "The Auditor's Award" from the Auditor of State Jim Petro. This award recognizes City Auditor and his staff for its outstanding commitment to the highest standards of financial reporting in the publishing of its 1999 Comprehensive Annual Financial Report.

### ***ACKNOWLEDGMENTS***

I would like to acknowledge the dedicated effort of the Auditor's staff in the preparation of this Comprehensive Annual Financial Report. Many long hours were spent in the preparation and proofreading of the CAFR. Thanks also must be given to the department heads for their input.

Sincerely,



Ronald L. Mantini  
Lorain City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lorain,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1999

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



*Anne Spray Kinney*  
President

*Jeffrey L. Esser*  
Executive Director

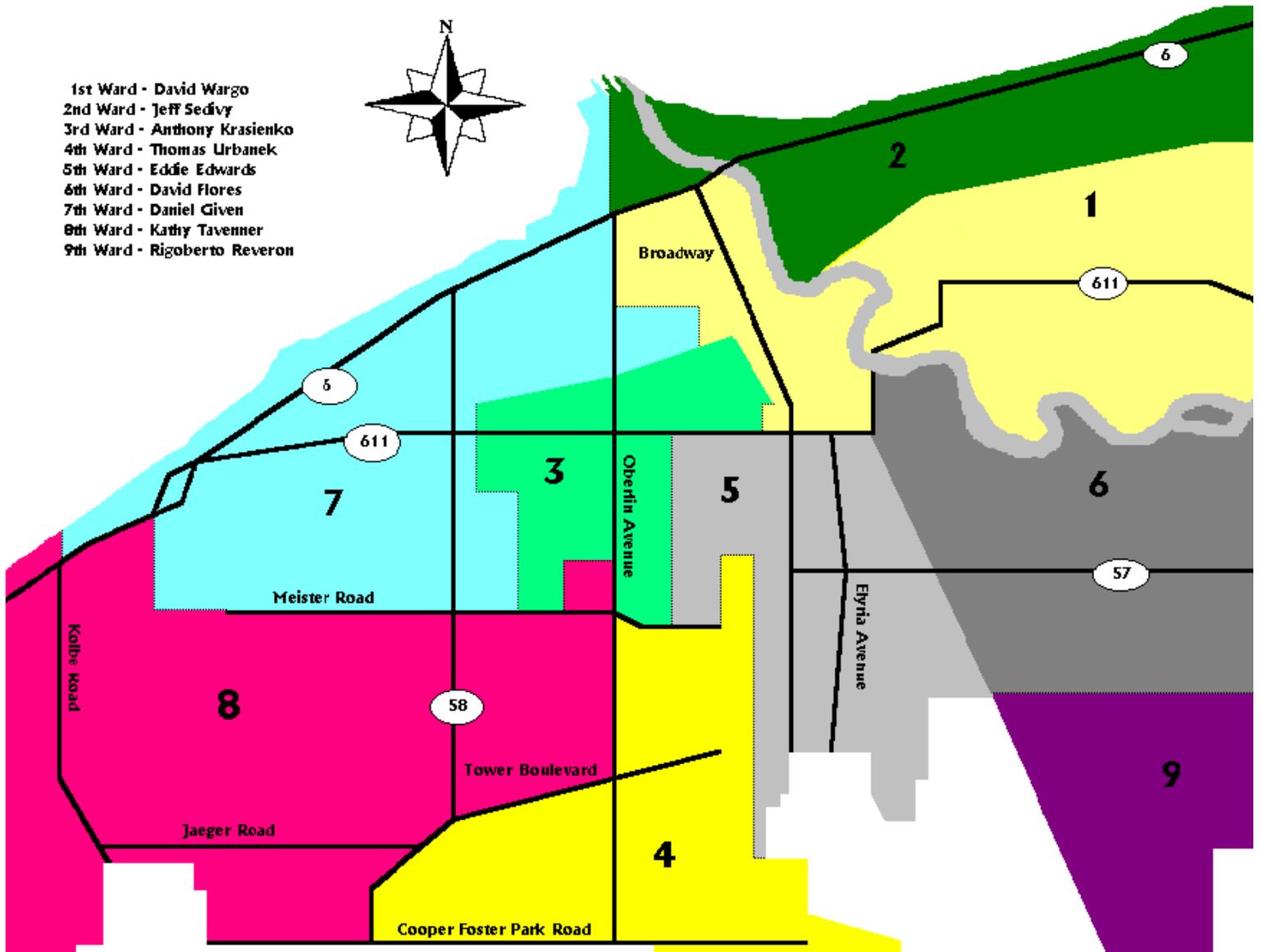
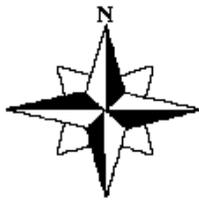
**CITY OF LORAIN, OHIO**  
**ELECTED OFFICIALS**

<b><u>TITLE</u></b>	<b><u>NAME</u></b>	<b><u>YEARS OF SERVICE IN OFFICE</u></b>	<b><u>YEARS OF SERVICE WITH THE CITY</u></b>
Mayor	Craig Foltin	1	7
City Auditor	Ronald L. Mantini	1	1
City Treasurer	Lori Maiorana	12	20
Director of Law	Mark Provenza	1	12
Clerk of Courts	Stephen Bansek	20	20
Judge	Robert Ewers	22	22
Judge	Gustalo Nunez	9	30
<i>Members of Council:</i>			
Council President	John Rich	15	19
Council at Large	Anne Molnar	3	3
Council at Large	Vincent Shipley	5	9
Council at Large	Kathy Tavenner	1	7
1 <sup>ST</sup> Ward	David Wargo	1	1
2 <sup>nd</sup> Ward	Stan Cinniger	1	1
3 <sup>rd</sup> Ward	Anthony Krasienko	5	5
4 <sup>th</sup> Ward	Thomas Urbanek	15	15
5 <sup>th</sup> Ward	Eddie Edwards	3	3
6 <sup>th</sup> Ward	David Flores	3	3
7 <sup>th</sup> Ward	Daniel Given	7	7
8 <sup>th</sup> Ward	Lori Kokoski	1	1
9 <sup>th</sup> Ward	Rigoberto Reveron	7	7

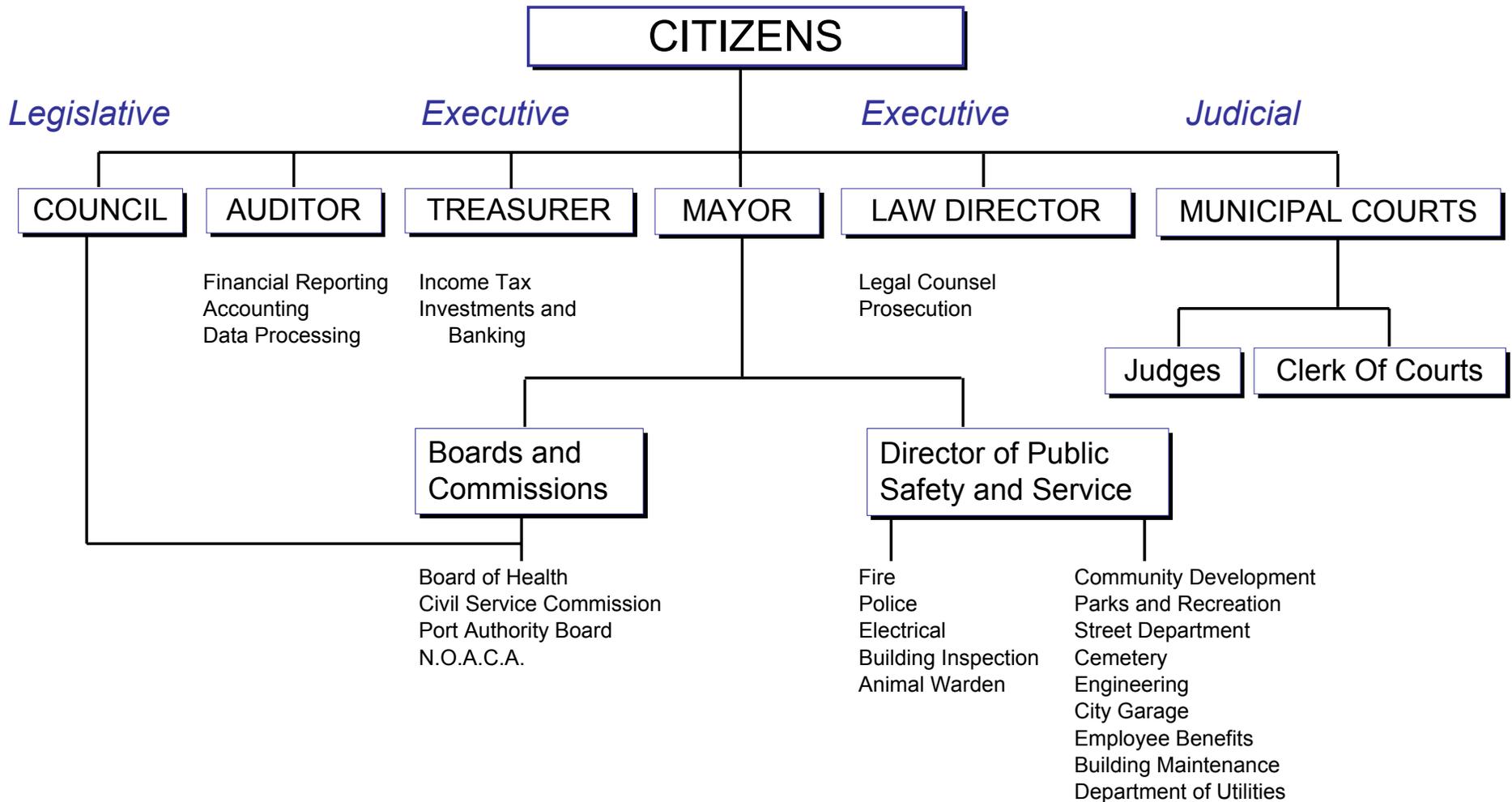
**APPOINTED OFFICIALS**

<b><u>TITLE</u></b>	<b><u>NAME</u></b>	<b><u>YEARS OF SERVICE IN OFFICE</u></b>	<b><u>YEARS OF SERVICE WITH THE CITY</u></b>
Director of Public Safety/Service	Craig Miller	1	7
Police Chief	Celestino Rivera	6	30
Fire Chief	Phil Dore	2	26
Director of Utilities	Robert DeSantis	7	28
Director of Community Development	Sanford Prudoff	28	28
Director of Parks and Recreation	Steven Bailey	24	24
Street Commissioner	Chuck Camera	10	29
Building Inspector	John Pasela	1	3
Administrative Director (Engineering)	Patrick McGannon	2	30
Chief Deputy Auditor	Anita Harper	1	1
MIS Director	David Comer	6	6
Clerk of Council	Nancy Greer	6	9

- 1st Ward - David Wargo
- 2nd Ward - Jeff Sedivy
- 3rd Ward - Anthony Krasienko
- 4th Ward - Thomas Urbanek
- 5th Ward - Eddie Edwards
- 6th Ward - David Flores
- 7th Ward - Daniel Given
- 8th Ward - Kathy Tavenner
- 9th Ward - Rigoberto Reveron



# City of Lorain - Organizational Chart



## FINANCIAL SECTION

The Financial Section contains separate subsections employing a pyramid approach to government financial reporting. At the top of the pyramid (first subsection) are financial statements which contain consolidated data while subsequent subsections in the pyramid include gradually increasing levels of reporting detail.

The subsections included in the Financial Section are:

**General Purpose Financial Statements** - These basic financial statements provide an overview of the financial position of all fund types and account groups and of the operating results of all fund types. Included in this section are notes that provide written detail of areas such as accounting policies, debt administration, employee benefits, and pension plans.

**Combining, Individual Fund and Accounting Group Financial Statements and Schedules** - Combining statements and schedules are used to bring together funds where there is more than one of a specific type. Individual statements are used when there is only one fund of a specific type and for account groups. Schedules are used to present budgetary comparisons.

Located at the beginning of the Financial Section is the Report of Independent Accountants. The accountants' report is the principal element of the Comprehensive Annual Financial Report (CAFR) which attests to the financial control and accountability of this document.



## INDEPENDENT AUDITORS' REPORT

Members of the City Council of the  
City of Lorain, Ohio

We have audited the accompanying general-purpose financial statements of the City of Lorain, Ohio, as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Lorain's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lorain, Ohio as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2001 on our consideration of the City of Lorain'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.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Lorain, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



Cleveland, Ohio  
June 4, 2001

# **GENERAL PURPOSE FINANCIAL STATEMENTS**

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**These basic financial statements provide a summary overview of the financial position of all fund types and account groups and of the operating results of all fund types. The General Purpose Financial Statements include:**

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**Combined Balance Sheet – All Fund Types and Account Groups**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental Fund Types**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Budget Basis) – All Governmental Fund Types**

**Combined Statement of Revenues, Expenses and Changes in Fund Equity  
All Proprietary Fund Types**

**Combined Statement of Revenues, Expenses and Changes in Fund Equity  
Budget and Actual (Budget Basis) – All Proprietary Fund Types**

**Combined Statement of Cash Flows – All Proprietary Fund Types**

**Notes to the General Purpose Financial Statements**

**City of Lorain, Ohio**  
**Combined Balance Sheet**  
*All Fund Types and Account Groups*  
*December 31, 2000*

	<b>Governmental Fund Types</b>			
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$547,683	\$6,986,781	\$730,204	\$5,023,417
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables				
Taxes	4,497,968	839,321	900,788	0
Accounts	0	0	0	0
Special Assessments	360,997	0	1,844,477	0
Accrued Interest	0	23,232	0	0
Interfund	429,282	9,152	0	3,110
Intergovernmental	836,243	335,790	0	109,901
Materials and Supplies				
Inventory	103,596	186,148	0	0
Loans Receivable	0	10,250,112	0	0
Prepaid Items	30,914	32,370	0	7,277
Unamortized Bond Issue Costs	0	0	0	0
Restricted Assets				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Trustees	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service				
Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount Available in Debt Service				
Fund for Retirement of Special Assessment Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b><u>\$6,806,683</u></b>	<b><u>\$18,662,906</u></b>	<b><u>\$3,475,469</u></b>	<b><u>\$5,143,705</u></b>

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$11,780,511	\$471,550	\$182,135	\$0	\$0	\$25,722,281
0	0	122,766	0	0	122,766
0	0	0	0	0	6,238,077
2,771,710	0	0	0	0	2,771,710
0	0	0	0	0	2,205,474
3,358	0	0	0	0	26,590
3,693	0	0	0	0	445,237
31,988	0	0	0	0	1,313,922
465,824	96,335	0	0	0	851,903
0	0	0	0	0	10,250,112
9,302	0	0	0	0	79,863
389,645	0	0	0	0	389,645
1,369,053	0	0	0	0	1,369,053
2,751,553	0	0	0	0	2,751,553
64,880,761	38,674	0	29,210,865	0	94,130,300
0	0	0	0	649,082	649,082
0	0	0	0	77,272	77,272
0	0	0	0	28,834,036	28,834,036
<u>\$84,457,398</u>	<u>\$606,559</u>	<u>\$304,901</u>	<u>\$29,210,865</u>	<u>\$29,560,390</u>	<u>\$178,228,876</u>

(continued)

**City of Lorain, Ohio**  
**Combined Balance Sheet**  
*All Fund Types and Account Groups (continued)*  
December 31, 2000

	<b>Governmental Fund Types</b>			
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>Liabilities, Fund</b>				
<b>Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts Payable	\$355,834	\$765,487	\$3,850	\$28,703
Contracts Payable	0	73,803	0	0
Claims Payable	168,779	0	0	0
Accrued Wages	25,819	17,365	0	0
Compensated Absences Payable	342,018	80,787	0	0
Retainage Payable	0	0	0	0
Interfund Payable	2,368	382,494	0	0
Intergovernmental Payable	313,544	97,429	0	0
Deferred Revenue	3,065,874	540,472	2,745,265	0
Deposits Held and Due to Others	0	0	0	0
Death Benefits Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
Section 108 Hud Loans Payable	0	0	0	0
Real Estate Acquisition Loan	0	0	0	0
CDBG Interest Liability	0	0	0	0
OPWC Loans Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
OWDA Loans Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Revenue Bonds Payable	0	0	0	0
Deferred Loss on Refunding	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
<i>Total Liabilities</i>	<u>4,274,236</u>	<u>1,957,837</u>	<u>2,749,115</u>	<u>28,703</u>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings				
Reserved for Replacement and Improvement	0	0	0	0
Unreserved	0	0	0	0
Fund Balances				
Reserved for Encumbrances	70,912	1,332,305	0	96,468
Reserved for Inventory	103,596	186,148	0	0
Reserved for Loans	0	10,250,112	0	0
Unreserved, Undesignated	2,357,939	4,936,504	726,354	5,018,534
<i>Total Fund Equity and Other Credits</i>	<u>2,532,447</u>	<u>16,705,069</u>	<u>726,354</u>	<u>5,115,002</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$6,806,683</u>	<u>\$18,662,906</u>	<u>\$3,475,469</u>	<u>\$5,143,705</u>

See accompanying notes to the general purpose financial statements

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$268,209	\$44,427	\$0	\$0	\$0	\$1,466,510
357,969	0	0	0	0	431,772
0	346,115	0	0	0	514,894
4,409	0	0	0	0	47,593
1,445,700	98,658	0	0	5,338,770	7,305,933
251,756	0	0	0	0	251,756
1,308	0	59,067	0	0	445,237
275,131	18,715	0	0	781,952	1,486,771
0	0	0	0	0	6,351,611
0	0	245,834	0	0	245,834
330,000	17,500	0	0	1,733,000	2,080,500
211,816	0	0	0	0	211,816
0	0	0	0	1,550,000	1,550,000
0	0	0	0	3,845,000	3,845,000
0	0	0	0	78,069	78,069
0	0	0	0	91,006	91,006
0	0	0	0	60,102	60,102
0	0	0	0	803,491	803,491
21,179,116	0	0	0	0	21,179,116
2,865,000	0	0	0	14,458,448	17,323,448
14,787,196	0	0	0	0	14,787,196
-569,097	0	0	0	0	-569,097
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>820,552</u>	<u>820,552</u>
<u>41,408,513</u>	<u>525,415</u>	<u>304,901</u>	<u>0</u>	<u>29,560,390</u>	<u>80,809,110</u>
0	0	0	29,210,865	0	29,210,865
409,700	0	0	0	0	409,700
300,000	0	0	0	0	300,000
42,339,185	81,144	0	0	0	42,420,329
0	0	0	0	0	1,499,685
0	0	0	0	0	289,744
0	0	0	0	0	10,250,112
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,039,331</u>
<u>43,048,885</u>	<u>81,144</u>	<u>0</u>	<u>29,210,865</u>	<u>0</u>	<u>97,419,766</u>
<u>\$84,457,398</u>	<u>\$606,559</u>	<u>\$304,901</u>	<u>\$29,210,865</u>	<u>\$29,560,390</u>	<u>\$178,228,876</u>

**City of Lorain, Ohio**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2000**

	<b>Governmental</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Revenues</b>		
Municipal Income Tax	\$15,278,622	\$2,532,972
Property and Other Taxes	2,317,288	445,982
Charges for Services	464,699	473,749
Fines, Licenses and Permits	1,438,756	787,527
Intergovernmental	5,069,542	7,541,353
Special Assessments	0	0
Interest	121,516	265,728
Other	110,722	63,744
<i>Total Revenues</i>	<u>24,801,145</u>	<u>12,111,055</u>
<b>Expenditures</b>		
Current:		
General Government	6,887,231	76,293
Security of Persons and Property	13,556,696	4,387,459
Public Health and Welfare	327,976	1,452,998
Transportation	0	3,647,614
Community Environment	536,531	148,520
Leisure Time Activities	1,483,343	0
Economic Development	0	4,628,864
Capital Outlay	6,246	0
Debt Service:		
Principal Retirement	34,225	45,000
Interest and Fiscal Charges	3,662	116,086
<i>Total Expenditures</i>	<u>22,835,910</u>	<u>14,502,834</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,965,235</u>	<u>-2,391,779</u>
<b>Other Financing Sources (Uses)</b>		
Inception of Capital Lease	6,246	759,581
Proceeds of Bonds (Net of Discount)	0	0
Loan Proceeds	0	2,500,000
Sale of Fixed Assets	1,100	0
Proceeds of Notes	0	0
Operating Transfers In	0	1,421,665
Operating Transfers Out	-1,984,565	-20,000
<i>Total Other Financing Sources (Uses)</i>	<u>-1,977,219</u>	<u>4,661,246</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	-11,984	2,269,467
<i>Fund Balances Beginning of Year</i>	2,498,327	14,338,867
Increase in Reserve for Inventory	46,104	96,735
<i>Fund Balances End of Year</i>	<u>\$2,532,447</u>	<u>\$16,705,069</u>

See accompanying notes to the general purpose financial statements

<u>Fund Types</u>		<b>Totals</b>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
\$0	\$0	\$17,811,594
1,191,899	0	3,955,169
0	0	938,448
0	70,233	2,296,516
75,784	978,096	13,664,775
179,267	0	179,267
0	103,640	490,884
0	70	174,536
<u>1,446,950</u>	<u>1,152,039</u>	<u>39,511,189</u>
43,662	0	7,007,186
0	0	17,944,155
0	0	1,780,974
0	0	3,647,614
0	0	685,051
0	0	1,483,343
0	0	4,628,864
0	1,671,481	1,677,727
2,763,141	0	2,842,366
<u>851,925</u>	<u>421,433</u>	<u>1,393,106</u>
<u>3,658,728</u>	<u>2,092,914</u>	<u>43,090,386</u>
<u>-2,211,778</u>	<u>-940,875</u>	<u>-3,579,197</u>
0	0	765,827
0	4,814,703	4,814,703
0	0	2,500,000
0	0	1,100
1,550,000	0	1,550,000
1,200,160	20,000	2,641,825
0	-637,260	-2,641,825
<u>2,750,160</u>	<u>4,197,443</u>	<u>9,631,630</u>
538,382	3,256,568	6,052,433
187,972	1,858,434	18,883,600
0	0	142,839
<u>\$726,354</u>	<u>\$5,115,002</u>	<u>\$25,078,872</u>

**City of Lorain, Ohio**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 2000**

	<b>General Fund</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Municipal Income Tax	\$14,959,797	\$15,202,370	\$242,573
Property and Other Taxes	2,522,991	2,317,288	-205,703
Charges for Services	535,880	464,699	-71,181
Fines, Licenses and Permits	2,107,094	1,437,555	-669,539
Intergovernmental	5,012,711	4,887,369	-125,342
Special Assessments	0	0	0
Interest	168,500	121,516	-46,984
Other	199,224	110,722	-88,502
<i>Total Revenues</i>	<u>25,506,197</u>	<u>24,541,519</u>	<u>-964,678</u>
<b>Expenditures</b>			
<b>Current</b>			
General Government	6,673,262	6,528,584	144,678
Security of Persons and Property	14,310,632	13,680,099	630,533
Public Health and Welfare	333,268	324,280	8,988
Transportation	0	0	0
Community Environment	543,256	536,882	6,374
Leisure Time Activities	1,512,110	1,483,190	28,920
Economic Development	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	34,990	34,225	765
Interest and Fiscal Charges	3,662	3,662	0
<i>Total Expenditures</i>	<u>23,411,180</u>	<u>22,590,922</u>	<u>820,258</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,095,017</u>	<u>1,950,597</u>	<u>-144,420</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Bonds (Net of Discount)	0	0	0
Proceeds of Notes	0	0	0
Loan Proceeds	0	0	0
Sale of Fixed Assets	1,100	1,100	0
Operating Transfers In	9,570	0	-9,570
Operating Transfers Out	-2,200,342	-1,984,565	215,777
<i>Total Other Financing Sources (Uses)</i>	<u>-2,189,672</u>	<u>-1,983,465</u>	<u>206,207</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>-94,655</u>	<u>-32,868</u>	<u>61,787</u>
<i>Fund Balances at Beginning of Year</i>	74,749	74,749	0
Prior Year Encumbrances Appropriated	<u>173,910</u>	<u>173,910</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u>\$154,004</u>	<u>\$215,791</u>	<u>\$61,787</u>

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$2,400,000	\$2,520,263	\$120,263	\$0	\$0	\$0
374,682	445,982	71,300	748,294	743,168	-5,126
470,161	473,176	3,015	0	0	0
820,029	785,079	-34,950	0	0	0
11,054,267	6,768,149	-4,286,118	80,137	75,784	-4,353
0	0	0	300,000	179,267	-120,733
344,024	250,765	-93,259	0	0	0
179,046	63,744	-115,302	0	0	0
<u>15,642,209</u>	<u>11,307,158</u>	<u>-4,335,051</u>	<u>1,128,431</u>	<u>998,219</u>	<u>-130,212</u>
212,813	75,795	137,018	42,166	39,812	2,354
4,545,997	3,804,730	741,267	0	0	0
1,483,694	1,449,269	34,425	0	0	0
3,010,996	2,811,086	199,910	0	0	0
150,000	148,521	1,479	0	0	0
0	0	0	0	0	0
10,498,710	5,727,864	4,770,846	0	0	0
0	0	0	0	0	0
876,641	348,291	528,350	1,033,046	2,459,850	-1,426,804
261,527	261,526	1	707,654	706,485	1,169
<u>21,040,378</u>	<u>14,627,082</u>	<u>6,413,296</u>	<u>1,782,866</u>	<u>3,206,147</u>	<u>-1,423,281</u>
<u>-5,398,169</u>	<u>-3,319,924</u>	<u>2,078,245</u>	<u>-654,435</u>	<u>-2,207,928</u>	<u>-1,553,493</u>
0	0	0	0	0	0
0	0	0	0	1,550,000	1,550,000
2,500,000	2,500,000	0	0	0	0
0	0	0	0	0	0
2,215,203	1,421,665	-793,538	1,200,160	1,200,160	0
-167,739	-20,000	147,739	0	0	0
<u>4,547,464</u>	<u>3,901,665</u>	<u>-645,799</u>	<u>1,200,160</u>	<u>2,750,160</u>	<u>1,550,000</u>
-850,705	581,741	1,432,446	545,725	542,232	-3,493
4,136,145	4,136,145	0	187,972	187,972	0
810,504	810,504	0	0	0	0
<u>\$4,095,944</u>	<u>\$5,528,390</u>	<u>\$1,432,446</u>	<u>\$733,697</u>	<u>\$730,204</u>	<u>-\$3,493</u>

(continued)

**City of Lorain, Ohio**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types (continued)**  
**For the Year Ended December 31, 2000**

	<b>Capital Projects Funds</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Municipal Income Tax	\$0	\$0	\$0
Property and Other Taxes	0	0	0
Charges for Services	0	0	0
Fines, Licenses and Permits	85,616	69,735	-15,881
Intergovernmental	8,233,404	868,195	-7,365,209
Special Assessments	0	0	0
Interest	88,270	103,639	15,369
Other	0	70	70
<i>Total Revenues</i>	<u>8,407,290</u>	<u>1,041,639</u>	<u>-7,365,651</u>
<b>Expenditures</b>			
<b>Current</b>			
General Government	0	0	0
Security of Persons and Property	0	0	0
Public Health and Welfare	0	0	0
Transportation	0	0	0
Community Environment	0	0	0
Leisure Time Activities	0	0	0
Economic Development	0	0	0
Capital Outlay	13,688,460	1,800,016	11,888,444
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	421,433	421,433	0
<i>Total Expenditures</i>	<u>14,109,893</u>	<u>2,221,449</u>	<u>11,888,444</u>
<i>Excess of Revenues</i>			
<i>Over (Under) Expenditures</i>	<u>-5,702,603</u>	<u>-1,179,810</u>	<u>4,522,793</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Bonds (Net of Discount)	4,814,703	4,814,703	0
Proceeds of Notes	0	0	0
Loan Proceeds	0	0	0
Sale of Fixed Assets	0	0	0
Operating Transfers In	240,000	20,000	-220,000
Operating Transfers Out	-802,260	-637,260	165,000
<i>Total Other Financing Sources (Uses)</i>	<u>4,252,443</u>	<u>4,197,443</u>	<u>-55,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>-1,450,160</u>	<u>3,017,633</u>	<u>4,467,793</u>
<i>Fund Balances at Beginning of Year</i>	<u>1,803,092</u>	<u>1,803,092</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>80,617</u>	<u>80,617</u>	<u>0</u>
<i>Fund Balances at End of Year</i>	<u><u>\$433,549</u></u>	<u><u>\$4,901,342</u></u>	<u><u>\$4,467,793</u></u>

**Totals (Memorandum Only)**

<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
\$17,359,797	\$17,722,633	\$362,836
3,645,967	3,506,438	-139,529
1,006,041	937,875	-68,166
3,012,739	2,292,369	-720,370
24,380,519	12,599,497	-11,781,022
300,000	179,267	-120,733
600,794	475,920	-124,874
378,270	174,536	-203,734
<u>50,684,127</u>	<u>37,888,535</u>	<u>-12,795,592</u>
6,928,241	6,644,191	284,050
18,856,629	17,484,829	1,371,800
1,816,962	1,773,549	43,413
3,010,996	2,811,086	199,910
693,256	685,403	7,853
1,512,110	1,483,190	28,920
10,498,710	5,727,864	4,770,846
13,688,460	1,800,016	11,888,444
1,944,677	2,842,366	-897,689
<u>1,394,276</u>	<u>1,393,106</u>	<u>1,170</u>
<u>60,344,317</u>	<u>42,645,600</u>	<u>17,698,717</u>
<u>-9,660,190</u>	<u>-4,757,065</u>	<u>4,903,125</u>
4,814,703	4,814,703	0
0	1,550,000	1,550,000
2,500,000	2,500,000	0
1,100	1,100	0
3,664,933	2,641,825	-1,023,108
<u>-3,170,341</u>	<u>-2,641,825</u>	<u>528,516</u>
<u>7,810,395</u>	<u>8,865,803</u>	<u>1,055,408</u>
-1,849,795	4,108,738	5,958,533
6,201,958	6,201,958	0
<u>1,065,031</u>	<u>1,065,031</u>	<u>0</u>
<u>\$5,417,194</u>	<u>\$11,375,727</u>	<u>\$5,958,533</u>

**City of Lorain, Ohio**  
**Combined Statement of Revenues,**  
**Expenses and Changes in Fund Equity**  
**All Proprietary Fund Types**  
**For the Year Ended December 31, 2000**

	<u>Proprietary Fund Types</u>		<b>Totals</b> <b>(Memorandum</b> <b>Only)</b>
	<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	
<b>Operating Revenues</b>			
Charges for Services	\$13,872,505	\$3,737,983	\$17,610,488
Other Operating Revenues	51,250	24,380	75,630
<i>Total Operating Revenues</i>	<u>13,923,755</u>	<u>3,762,363</u>	<u>17,686,118</u>
<b>Operating Expenses</b>			
Personal Services	6,787,811	559,506	7,347,317
Contractual Services	2,060,553	22,548	2,083,101
Claims	0	2,998,825	2,998,825
Materials and Supplies	559,096	620,044	1,179,140
Utilities	1,102,541	0	1,102,541
Other Operating Expenses	612,001	2,062	614,063
Depreciation	2,766,077	2,643	2,768,720
<i>Total Operating Expenses</i>	<u>13,888,079</u>	<u>4,205,628</u>	<u>18,093,707</u>
<i>Operating Income (Loss)</i>	<u>35,676</u>	<u>-443,265</u>	<u>-407,589</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest	924,470	10,180	934,650
Interest and Fiscal Charges	-1,450,107	0	-1,450,107
<i>Total Non-Operating Revenues (Expenses)</i>	<u>-525,637</u>	<u>10,180</u>	<u>-515,457</u>
<i>Net Loss</i>	-489,961	-433,085	-923,046
<i>Retained Earnings Beginning of Year</i>	<u>43,129,146</u>	<u>514,229</u>	<u>43,643,375</u>
<i>Retained Earnings End of Year</i>	42,639,185	81,144	42,720,329
Contributed Capital Beginning and End of Year	<u>409,700</u>	<u>0</u>	<u>409,700</u>
<i>Total Fund Equity End of Year</i>	<u>\$43,048,885</u>	<u>\$81,144</u>	<u>\$43,130,029</u>

See accompanying notes to the general purpose financial statements

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**City of Lorain, Ohio**  
**Combined Statement of Revenues, Expenses, and**  
**Changes in Fund Equity - Budget and Actual (Budget Basis)**  
**All Proprietary Fund Types**  
**For the Year Ended December 31, 2000**

	<b>Enterprise Funds</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$14,697,818	\$13,656,817	-\$1,041,001
OWDA Loan Proceeds	21,783,916	15,513,215	-6,270,701
Interest	926,264	971,396	45,132
Other Operating Revenues	55,670	51,250	-4,420
<i>Total Revenues</i>	<u>37,463,668</u>	<u>30,192,678</u>	<u>-7,270,990</u>
<b>Expenses</b>			
<b>Current</b>			
Personal Services	6,760,302	6,564,920	195,382
Contractual Services	3,242,821	2,820,390	422,431
Materials and Supplies	1,144,904	789,916	354,988
Utilities	1,293,600	1,102,541	191,059
Other Operating Expenses	585,164	356,776	228,388
Claims	0	0	0
Capital Outlay	26,097,270	21,372,131	4,725,139
Debt Service:			
Principal Retirement	1,589,128	1,522,455	66,673
Interest and Fiscal Charges	1,320,712	1,358,987	-38,275
<i>Total Expenses</i>	<u>42,033,901</u>	<u>35,888,116</u>	<u>6,145,785</u>
<i>Excess of Revenues Under Expenses</i>	-4,570,233	-5,695,438	-1,125,205
Operating Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Under Expenses and Transfers</i>	-4,570,233	-5,695,438	-1,125,205
<i>Fund Equity at Beginning of Year</i>	15,264,112	15,264,112	0
Prior Year Encumbrances Appropriated	<u>1,437,207</u>	<u>1,437,207</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$12,131,086</u></u>	<u><u>\$11,005,881</u></u>	<u><u>-\$1,125,205</u></u>

See accompanying notes to the general purpose financial statements

Internal Service Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$4,063,440	\$3,738,269	-\$325,171	\$18,761,258	\$17,395,086	-\$1,366,172
0	0	0	21,783,916	15,513,215	-6,270,701
67,235	10,180	-57,055	993,499	981,576	-11,923
24,380	24,380	0	80,050	75,630	-4,420
4,155,055	3,772,829	-382,226	41,618,723	33,965,507	-7,653,216
562,815	550,790	12,025	7,323,117	7,115,710	207,407
14,649	11,065	3,584	3,257,470	2,831,455	426,015
653,845	598,811	55,034	1,798,749	1,388,727	410,022
0	0	0	1,293,600	1,102,541	191,059
3,800	2,115	1,685	588,964	358,891	230,073
3,112,006	2,961,231	150,775	3,112,006	2,961,231	150,775
0	0	0	26,097,270	21,372,131	4,725,139
0	0	0	1,589,128	1,522,455	66,673
0	0	0	1,320,712	1,358,987	-38,275
4,347,115	4,124,012	223,103	46,381,016	40,012,128	6,368,888
-192,060	-351,183	-159,123	-4,762,293	-6,046,621	-1,284,328
20,000	0	-20,000	20,000	0	-20,000
-172,060	-351,183	-179,123	-4,742,293	-6,046,621	-1,304,328
659,409	659,409	0	15,923,521	15,923,521	0
99,452	99,452	0	1,536,659	1,536,659	0
\$586,801	\$407,678	-\$179,123	\$12,717,887	\$11,413,559	-\$1,304,328

**City of Lorain, Ohio**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types**  
**For the Year Ended December 31, 2000**

	<u>Proprietary Fund Types</u>		<b>Totals</b> <b>(Memorandum</b> <b>Only)</b>
	<u>Enterprise</u>	<u>Internal</u> <u>Service</u>	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Quasi-External Transactions with Other Funds	\$0	\$3,738,269	\$3,738,269
Cash Received from Customers	13,656,817	0	13,656,817
Cash Payments for Goods and Services	-4,672,297	-643,219	-5,315,516
Cash Payments for Employee Services and Benefits	-6,653,109	-554,215	-7,207,324
Cash Payments for Claims	0	-2,879,942	-2,879,942
Other Operating Revenues	101,534	24,380	125,914
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>2,432,945</u>	<u>-314,727</u>	<u>2,118,218</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal Paid on Bonds	-1,085,000	0	-1,085,000
Interest Paid on Bonds	-1,016,308	0	-1,016,308
Principal Retirement on OWDA Loans	-437,455	0	-437,455
Interest Paid on OWDA Loans	-342,679	0	-342,679
OWDA Loan Proceeds	15,513,215	0	15,513,215
Purchase of Fixed Assets	-17,030,035	0	-17,030,035
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>-4,398,262</u>	<u>0</u>	<u>-4,398,262</u>
<b>Cash Flows from Investing Activities</b>			
Interest	921,112	10,180	931,292
<i>Net Decrease in Cash and Cash Equivalents</i>	-1,044,205	-304,547	-1,348,752
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>16,945,322</u>	<u>776,097</u>	<u>17,721,419</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$15,901,117</u>	<u>\$471,550</u>	<u>\$16,372,667</u>

(continued)

**City of Lorain, Ohio**  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types (continued)**  
**For the Year Ended December 31, 2000**

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating Income (Loss)	\$35,676	-\$443,265	-\$407,589
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Depreciation	2,766,077	2,643	2,768,720
Change in Assets and Liabilities:			
Increase in Accounts Receivable	-245,665	0	-245,665
Decrease (Increase) in Interfund Receivables	-443	286	-157
Decrease in Intergovernmental Receivables	31,168	0	31,168
Decrease (Increase) in Materials Inventory	-200,675	17,036	-183,639
Increase in Prepaid Items	-1,960	0	-1,960
Increase (Decrease) in Accounts Payable	219,348	-15,601	203,747
Decrease in Contracts Payable	-649,565	0	-649,565
Increase in Accrued Wages	4,409	0	4,409
Increase in Claims Payable	0	118,883	118,883
Increase in Compensated Absences Payable	84,548	7,328	91,876
Increase in Interfund Payables	938	0	938
Increase in Intergovernmental Payables	68,333	963	69,296
Increase (Decrease) in Death Benefits Payable	69,000	-3,000	66,000
Increase in Retainage Payable	251,756	0	251,756
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$2,432,945</u>	<u>-\$314,727</u>	<u>\$2,118,218</u>

See accompanying notes to the general purpose financial statements.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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**Note 1 - Reporting Entity**

The City of Lorain is a statutory municipal corporation established and operated under the laws of the State of Ohio. The City began as an unincorporated village under the name of Charleston in 1834. It was incorporated as a village under the name of Lorain in 1874 and became a city in 1896. The City operates under a council-mayor form of government. Elected officials include twelve council members, a council president, and a mayor.

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City provides various services including planning, zoning, street construction, maintenance and repair, and sewer services, municipal court services, and general administrative services. The council through the budgetary process directly controls the operation of these activities. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and the City is able to significantly influence the programs or services performed or provided by the organization; or the City is legally entitled to or can otherwise access the organization's resources; or the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. Currently, the City does not have any component units.

The City participates in the following organizations. These organizations are presented in Note 16 and Note 17 to the City's financial statements and are excluded from the accompanying financial statements.

Northeast Ohio Areawide Coordinating Agency  
Lorain Port Authority

**Note 2 - Summary of Significant Accounting Policies**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989 to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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*A. Basis of Presentation - Fund Accounting*

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

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

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

Governmental Fund Types. Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except for those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

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

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditure for specified purposes.

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

Capital Projects Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Types. Proprietary funds are used to account for the City's ongoing organizations and activities that are similar to those often found in the private sector. The following are the City's proprietary fund types:

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

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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

Fiduciary Fund Types. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City only utilizes the agency fund type.

Agency Funds - Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

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

General Fixed Assets Account Group - The general fixed assets account group is used to account for all fixed assets of the City other than those accounted for in proprietary funds.

General Long-Term Obligations Account Group - The general long-term obligations account group is used to account for all unmatured long-term indebtedness of the City that is not a specific liability of proprietary funds.

*B. Measurement Focus and Basis of Accounting*

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is sixty days after year-end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, and income tax withheld by employers.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2000, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue.

Levied special assessments are measurable and have been recorded as a receivable. Since all assessments are due outside of the available period, the entire amount has been deferred.

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

The proprietary fund types utilize the accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year-end.

### *C. Budgetary Process*

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

Tax Budget. During the first Council meeting in July, the Mayor presents the annual operating budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources. The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the City Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

Appropriations. A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department, and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of Council. During the year, several supplemental appropriation measures were passed, with the final appropriation measure being passed late in December, 2000. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

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

Encumbrances. As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the fund, department, and object level. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and are disclosed in the notes to the financial statements for proprietary funds.

*D. Cash and Cash Equivalents*

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

The police pension and fire pension special revenue funds and the contracts trust agency fund had negative cash balances at December 31, 2000. The general fund made advances to these funds to eliminate the negative cash balances. The police pension and fire pension special revenue funds and the contracts trust agency fund report interfund payable of \$287,873, \$94,604 and \$1,779 respectively. The general fund has a corresponding interfund receivable of \$384,256 on the combined balance sheet.

The Ohio Revised Code authorized the City to invest in obligations of the U.S. Treasury, obligations of the State of Ohio, obligations of its political subdivisions and agencies, repurchase agreements, the State Treasurer's investment pool and certain banker's acceptance and commercial paper notes.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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During 2000, investments were limited to STAROhio, repurchase agreements, and mutual funds. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2000.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2000 amounted to \$121,516, which includes \$95,429 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's bank accounts. These interest-bearing deposit accounts are presented on the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury. The City utilizes a financial institution to service bonded debt as principal and interest come due. The balances of these accounts are presented on the combined balance sheet as restricted assets: "cash and cash equivalents with trustees" and represent deposits or short-term investments in a mutual fund with an original maturity of three months or less.

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

*E. Inventory*

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary fund types when used.

*F. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond December 31, 2000 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

*G. Restricted Assets*

Amounts are held in trust and by the City that are legally restricted for use in paying current and future debt service on revenue bonds are reported as restricted assets.

*H. Fixed Assets and Depreciation*

General fixed assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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expenditures in the governmental funds and capitalized (recorded and accounted for) in the general fixed assets account group. Infrastructure fixed assets such as streets, storm sewers and drains are not capitalized by the City and are not reported as part of the general fixed assets account group. Fixed assets utilized in proprietary funds are capitalized in the funds.

Fixed asset values were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not practicably determinable, estimates were calculated by indexing estimated current costs back to the estimated year of acquisition.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to proprietary fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

The City has elected not to record depreciation in the general fixed assets account group. Depreciation for the proprietary funds fixed assets are determined by allocating the cost of fixed assets over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives are as follows:

Buildings	20 - 50 years
Improvements Other Than Buildings	20 - 45 years
Machinery and Equipment	3 - 15 years
Furniture and Fixtures	3 - 20 years
Infrastructure:	
Sewer Lines	50 years
Water Lines	30 years

Interest is capitalized on enterprise funds' assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, there were no interest costs capitalized on construction projects in the enterprise funds.

*I. Compensated Absences*

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

*J. Accrued Liabilities and Long-term Obligations*

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims, compensated

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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absences, special termination benefits and contractually required pension obligations are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds, long-term loans, and capital leases are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

Bond anticipation notes that are rolled over prior to the issuance of the financial statements and have a maturity date more than 12 months subsequent to the end of the fiscal year are reported in the general long-term obligations group.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

*K. Interfund Transactions*

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

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

*L. Contributed Capital*

Contributed capital represents resources provided to the enterprise funds from other sources that are not subject to repayment.

*M. Amortization of Bond Issuance Costs*

Bond issuance costs for underwriting fees and bond insurance for the sewer revenue refunding bonds and the water revenue bonds are being amortized using the straight-line method over the life of the bonds in the City's enterprise funds. The straight-line method of amortization is not materially different from the effective-interest method. Issuance costs are recorded as deferred charges.

*N. Amortization of Deferred Loss on Refunding*

The difference between the reacquisition price (funds required to refund the old debt) of the sewer revenue refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the new debt, and is presented as a deferred loss on refunding on the balance sheet.

*O. Reserves of Fund Equity and Designations*

Reserves of fund balance are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure including amounts legally segregated for a specific future use. Fund balances are reserved for encumbrances, inventories of supplies and materials, and loans. Retained earnings are reserved for replacement and

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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improvements for the City's utilities systems.

*P. Estimates*

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

*Q. Memorandum Only - Total Columns*

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

**Note 3 - Accountability and Compliance**

*A. Accountability*

The following funds had deficit fund balances as of December 31, 2000:

Fund Name	Amount of Deficit
Special Revenue Funds:	
Police Pension	\$576,573
Fire Pension	381,299
Internal Service Fund:	
Garage	11,023

The deficits in the police pension and fire pension special revenue funds and the garage internal service fund are caused by applying accrual accounting methods to these funds. The general fund is liable for any deficit in the funds and provides operating transfers when cash is required.

*B. Legal Compliance*

Contrary to Section 5705.39, Ohio Revised Code, the following funds had appropriations in excess of estimated revenues and carryover balances:

Fund	Estimated Revenue Plus Carryover Balances	Appropriations	Excess
Special Revenue Fund:			
Police Pension	\$94,729	\$387,447	\$292,718

Contrary to Section 5705.41B, Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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<u>Fund/Function</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
Bond Retirement Fund:			
General Obligation			
Note Principal	\$0	\$1,550,000	\$1,550,000
Enterprise Fund:			
Water Works			
Interest and Fiscal Charges	788,116	826,963	38,847

The City had a negative cash balance in the following funds indicating that revenues from other sources were used to pay obligations of this fund contrary to Ohio Revised Code Section 5705.10:

<u>Fund</u>	<u>Amount</u>
Special Revenue Funds:	
Police Pension	\$287,873
Fire Pension	94,604
Agency Fund:	
Contracts Trust	1,779

**Note 4 - Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances -Budget (Budget Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Budget Basis) and Actual - All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with state statute. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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3. Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance for governmental fund types or as note disclosure in the proprietary fund types (GAAP).
4. Proceeds from and principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).
5. For the proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	(\$11,984)	\$2,269,467	\$538,382	\$3,256,568
Net Adjustment for Revenue Accruals	(259,626)	(355,166)	(448,731)	(110,400)
Allocation of Revenues to Pay Debt	0	(448,731)	448,731	0
Net Adjustment for Expenditure Accruals	342,274	1,025,694	3,850	(6,461)
Debt Principal Retirement	0	(303,291)	0	0
Debt Interest and Fiscal Charges	0	(145,440)	0	0
Encumbrances	<u>(103,532)</u>	<u>(1,460,792)</u>	<u>0</u>	<u>(122,074)</u>
Budget Basis	<u><u>(\$32,868)</u></u>	<u><u>\$581,741</u></u>	<u><u>\$542,232</u></u>	<u><u>\$3,017,633</u></u>

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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**Net Loss/Excess of  
Revenues Over (Under) Expenses and Operating Transfers  
All Proprietary Fund Types**

	<b>Enterprise</b>	<b>Internal Service</b>
GAAP Basis	\$(489,961)	(\$433,085)
Net Adjustment for Revenue Accruals	(734,610)	286
Net Adjustment for Expense Accruals	450,633	129,034
Depreciation Expense	2,766,077	2,643
Proceeds of OWDA Loans	15,513,215	0
Capital Outlay	(17,030,035)	0
Interest and Fiscal Charges	91,120	0
Principal Retirement	(1,522,455)	0
Encumbrances	(4,739,422)	(50,061)
Budget Basis	(\$5,695,438)	(\$351,183)

**Note 5 - Deposits and Investments**

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing no later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons;
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the City has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements," requires disclosures to help assess actual and potential future deposit and investment market and credit risks. The following information regarding deposits and investments is presented using the categories of risk identified in GASB Statement No.3.

*A. Deposits*

At year-end, the carrying amount of the City's deposits was \$11,598,779 and the bank balance was \$12,289,377. Of the bank balance:

1. \$400,000 was covered by federal depository insurance; and
2. \$11,889,377 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

*B. Investments*

GASB Statement No. 3 requires the use of three categories to classify investments. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio and the investment in the U.S. Treasury money market fund are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	<b>Category 2</b>	<b>Carrying Value</b>	<b>Fair Value</b>
Money Market Fund	\$0	\$2,828,099	\$2,828,099
Repurchase Agreement	3,379,022	3,379,022	3,379,022
STAR Ohio	0	12,159,753	12,159,753
Total Investments	\$3,379,022	\$18,366,874	\$18,366,874

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3, is as follows:

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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	<b>Cash and Cash Equivalents</b>	<b>Investments</b>
GASB Statement 9	\$29,965,653	\$0
Investments:		
Money Market Fund	(2,828,099)	2,828,099
Repurchase Agreement	(3,379,022)	3,379,022
STAR Ohio	(12,159,753)	12,159,753
GASB Statement 3	\$11,598,779	\$18,366,874

**Note 6 - Receivables**

Receivables at December 31, 2000 consist primarily of taxes, accounts (billings for utility services), special assessments, accrued interest on investments, community development loans to businesses and property owners, and intergovernmental receivables arising from grants, entitlements, and shared revenues.

The City's community development loans receivable from businesses and property owners contain certain amounts for which the repayment, due to bankruptcies and/or defaults, has been estimated. The loans receivable balance on the general-purpose financial statements is stated net of estimated uncollectibles of \$970,085.

*A. Property Taxes*

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2000 for real and public utility property taxes represents collections of 1999 taxes. Property tax payments received during 2000 for tangible personal property (other than public utility property) is for 2000 taxes.

2000 real property taxes are levied after October 1, 2000 on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2000 real property taxes are collected in and intended to finance 2001.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after October 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after October 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2000, was \$4.96 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

<b>Category</b>	<b>Assessed Value</b>
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**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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Real Estate	\$716,163,110
Public Utility Property	64,043,280
Tangible Personal	145,004,768
Total Property Taxes	\$925,211,158

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Lorain. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2000. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2000 operations. The receivable is offset by deferred revenue.

*B. Income Taxes*

The City levies a municipal income tax of one and three-quarter percent on substantially all earned income arising from employment, residency or business activities within the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds are credited to the general fund (one and one-half percent) and to the police levy fund (one-quarter percent).

*C. Intergovernmental Receivables*

A summary of intergovernmental receivables at December 31, 2000 follows:

	Amount
General Fund:	
Estate Tax	\$539,293
Local Government Tax	230,950
Revenue Assistance	22,368
Other Taxes	17,138
Grants	26,494
Total General Fund	\$836,243

**City of Lorain, Ohio**  
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Special Revenue Funds:	
Gasoline Tax	\$33,608
Permissive Motor Vehicle License Tax	17,947
Motor Vehicle Tax	88,979
Grants	<u>195,256</u>
Total Special Revenue Funds	<u>335,790</u>
Capital Projects Funds:	
Grants	<u>109,901</u>
Enterprise Fund:	
Utility Charges	<u>31,988</u>
Total All Funds	<u>\$1,313,922</u>

**Note 7 - Fixed Assets and Depreciation**

A summary of the proprietary fund types fixed assets at December 31, 2000 follows:

	<b>Enterprise</b>	<b>Internal Service</b>
Land and Improvements	\$461,266	\$0
Buildings	42,183,050	0
Machinery and Equipment	18,780,200	172,126
Furniture and Fixtures	94,178	1,773
Sewer Lines	38,293,440	0
Water Lines	15,246,451	0
Construction in Progress	<u>15,594,042</u>	<u>0</u>
Total	130,652,627	173,899
Less: Accumulated Depreciation	<u>(65,771,866)</u>	<u>(135,225)</u>
Net Fixed Assets	<u><u>\$64,880,761</u></u>	<u><u>\$38,674</u></u>

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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A summary of changes in general fixed assets during 2000 follows:

	<b>Balance January 1, 2000</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance December 31, 2000</b>
Land and Improvements	\$3,635,361	\$557,103	\$0	\$4,192,464
Buildings	9,504,392	16,300	0	9,520,692
Machinery and Equipment	13,831,592	1,305,486	196,760	14,940,318
Furniture and Fixtures	559,974	0	2,583	557,391
<b>Total</b>	<b>\$27,531,319</b>	<b>\$1,878,889</b>	<b>\$199,343</b>	<b>\$29,210,865</b>

**Note 8 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City does not carry general liability insurance. The City's policy for general liability claims is to bear the cost of these claims. The City accrues general liability claims in the General fund. The accrual is based on claims paid in each of the previous three years. During 2000, the City contracted with several companies for other types of insurance as follows:

<b>Company</b>	<b>Type of Coverage</b>	<b>Limits Of Coverage</b>
Arthur J. Gallagher & Co.	Automobile Liability and Property Damage	\$1,000,000
	Law Enforcement Liability	1,000,000
	Public Officials Liability	5,000,000
	Commercial Property Boiler/Machinery Coverage	50,000,000

Claims have not exceeded coverage in any of the last three years and there were no significant reductions in commercial coverage in any of the past three years.

**City of Lorain, Ohio**  
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Workers compensation is provided by the State of Ohio. The City pays the Ohio Bureau of Workers' Compensation a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City manages the hospital/medical, prescription drug, flexible medical savings, and vision benefits for its employees on a self-insured basis through the hospitalization self insurance internal service fund. Payments to the fund are made from the fund from which each employee is paid. Rates for 2000 ranged from \$350 to \$423 per month for single and family coverage depending on the bargaining unit of the employee. Under contracts for police dispatchers, \$300 was paid by the employee. The Plan Administrator for the City determines these rates. Medical Mutual of Ohio, the third party administrator, processes and pays the claims. An excess coverage insurance (stop loss) policy covers claims in excess of \$100,000 per employee and an aggregate of \$1,868,226 per year.

The claims liability of \$346,115 reported in the fund at December 31, 2000 was estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include other allocated claim adjustment expenses. Changes in the fund's claims liability amount for 1998, 1999 and 2000 were:

	<b>Balance at Beginning of Year</b>	<b>Current Year Claims</b>	<b>Claim Payments</b>	<b>Balance at End of Year</b>
2000	\$227,232	\$2,998,825	\$2,879,942	\$346,115
1999	197,623	2,699,103	2,669,494	227,232
1998	125,033	2,231,550	2,158,960	197,623

**Note 9 - Long-term Debt**

A summary of changes in long-term obligations of the City during 2000 were as follows:

	<b>Outstanding 01/01/00</b>	<b>Additions</b>	<b>Reductions</b>	<b>Outstanding 12/31/00</b>
<b>GENERAL LONG-TERM OBLIGATIONS:</b>				
<b>GENERAL OBLIGATION BONDS (Unvoted):</b>				
1989 Various Improvements	\$1,000,000	\$0	\$0	\$1,000,000
1979 6.375% Park Improvements	25,000	0	25,000	0
1984 10.75% Fire Station	210,000	0	35,000	175,000
2000 Riverfront Urban Renewal	0	4,850,000	0	4,850,000
1984 10.75% Various Improvements	125,000	0	25,000	100,000

**City of Lorain, Ohio**  
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1984	10.75%	Sidewalk Improvements	\$51,000	\$0	\$17,000	\$34,000
1984	10.75%	Real Estate Acquisitions	210,000	0	35,000	175,000
1984	10.75%	Real Estate Acquisitions	225,000	0	35,000	190,000
1984	10.75%	Storm Sewer	420,000	0	70,000	350,000
1995	Various Rate	Various Purposes	2,560,000	0	145,000	2,415,000
1998	Various Rate	Capital Purpose	3,385,000	0	310,000	3,075,000
1999		Police & Fire Pension	2,035,000	0	45,000	1,990,000
1988	7.50%	Street Improvement	<u>117,041</u>	<u>0</u>	<u>12,593</u>	<u>104,448</u>
<b>TOTAL GENERAL OBLIGATION BONDS</b>			<u>10,363,041</u>	<u>4,850,000</u>	<u>754,593</u>	<u>14,458,448</u>
<b>SPECIAL ASSESSMENT BONDS</b>						
1979	6.375%	Street Improvement	35,000	0	35,000	0
1983	10.25%	Street Improvement	275,000	0	55,000	220,000
1988	7.50%	Street Improvement	<u>672,959</u>	<u>0</u>	<u>72,407</u>	<u>600,552</u>
<b>TOTAL SPECIAL ASSESSMENT BONDS</b>			<u>982,959</u>	<u>0</u>	<u>162,407</u>	<u>820,552</u>
<b>HUD SECTION 108 LOANS</b>						
Community Development 7.60 to 8.74%			55,000	0	25,000	30,000
Head Start 4.64 to 7.90%			130,000	0	10,000	120,000
Head Start 4.64 to 7.9%			1,430,000	0	110,000	1,320,000
Colorado Industrial Park			<u>0</u>	<u>2,500,000</u>	<u>125,000</u>	<u>2,375,000</u>
<b>TOTAL HUD SECTION 108 LOANS</b>			<u>1,615,000</u>	<u>2,500,000</u>	<u>270,000</u>	<u>3,845,000</u>
1994	0.0%	OPWC Loans	74,010	0	13,908	60,102
Note Payable 4.875%			1,550,000	1,550,000	1,550,000	1,550,000
1998 Real Estate Acquisition Loan			102,011	0	23,942	78,069
Capital Leases			71,889	765,827	34,225	803,491
CDBG Interest Liability			124,297	0	33,291	91,006

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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Compensated Absences	\$4,691,439	\$647,331	\$0	\$5,338,770
Intergovernmental Payables	945,147	781,952	945,147	781,952
Death Benefits	<u>1,714,400</u>	<u>92,500</u>	<u>73,900</u>	<u>1,733,000</u>
<b>TOTAL GENERAL LONG-TERM OBLIGATIONS</b>	<u>22,234,193</u>	<u>11,187,610</u>	<u>3,861,413</u>	<u>29,560,390</u>
<b>ENTERPRISE FUND OBLIGATIONS:</b>				
<b>GENERAL OBLIGATION BONDS</b>				
1984 10.75% Water Improvements	600,000	0	100,000	500,000
1984 10.75% Sewer Improvements	750,000	0	125,000	625,000
1995 Various Water Improvements	<u>1,830,000</u>	<u>0</u>	<u>90,000</u>	<u>1,740,000</u>
<b>TOTAL GENERAL OBLIGATION BONDS</b>	<u>3,180,000</u>	<u>0</u>	<u>315,000</u>	<u>2,865,000</u>
<b>REVENUE BONDS:</b>				
1995 Various Rates Water System	8,905,894	7,653	350,000	8,563,547
1995 Sewer System Revenue Refunding bonds	<u>6,641,072</u>	<u>2,577</u>	<u>420,000</u>	<u>6,223,649</u>
<b>TOTAL REVENUE BONDS</b>	<u>15,546,966</u>	<u>10,230</u>	<u>770,000</u>	<u>14,787,196</u>
<b>OHIO WATER DEVELOPMENT AUTHORITY LOANS</b>				
1978 6.25% Sewer Facility	1,573,983	0	97,477	1,476,506
1994 6.84% Water Facility	1,236,206	0	244,376	991,830
1999 6.5% Sewer Facility	1,261,044	236,365	27,864	1,469,545
1999 6.5% Water Facility	2,032,123	329,483	67,738	2,293,868
2000 6.0% Water Facility	0	3,896,858	0	3,896,858
2000 6.0% Sewer Facility	<u>0</u>	<u>11,050,509</u>	<u>0</u>	<u>11,050,509</u>
<b>TOTAL OWDA LOANS</b>	<u>6,103,356</u>	<u>15,513,215</u>	<u>437,455</u>	<u>21,179,116</u>
<b>TOTAL ENTERPRISE FUNDS</b>	<u>24,830,322</u>	<u>15,523,445</u>	<u>1,522,455</u>	<u>38,831,312</u>
<b>TOTAL ALL TYPES</b>	<u>\$47,064,515</u>	<u>\$26,711,055</u>	<u>\$5,383,868</u>	<u>\$68,391,702</u>

**City of Lorain, Ohio**  
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General obligation bonds will be paid from the general bond retirement debt service fund. Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The HUD Section 108 loans and the OPWC loan is paid from the general bond retirement debt service fund. The real estate acquisition loan will be paid from the debt service fund. The \$4,850,000 bond issued for Riverfront Urban Renewal was sold at a discount of \$35,297.

Compensated absences reported in the compensated absences payable account, contractually required pension contributions reported as intergovernmental payable, and death benefits reported in the death benefits payable account will be paid from the fund from which the employees' salaries are paid. The police and fire pension bond will be paid from taxes receipted in the police and fire pension special revenue funds. Capital leases will be paid from the general fund and the street construction special revenue fund. The CDBG interest liability loan is owed to HUD for interest on HUD funds held by the City and will be paid by the community development special revenue fund. The revenue and general obligation bonds for water improvements and the OWDA water facility loan will be paid from water user charges. The revenue refunding and general obligation bonds for sewer improvements and the OWDA sewer facility loan will be paid from sewer user charges.

Bond anticipation notes that were rolled over prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported in the general long-term obligations account and will be paid from the debt service fund.

The sewer system revenue refunding, Series 1995, bonds mature on April 1. The Series 1995 bonds maturing on or after April 1, 2006 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part on any interest payment date on or after April 1, 2005, in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date shown below:

<u>Redemption Dates (Dates Inclusive)</u>	<u>Redemption Prices</u>
April 1, 2005 through March 31, 2006	102%
April 1, 2006 through March 31, 2007	101
April 1, 2007 and thereafter	100

In conjunction with the issuance of the sewer system revenue refunding bonds and the requirements of the indenture agreement, the City entered into a trust agreement with a commercial bank. The trust agreement requires that the City establish various funds for the construction, replacement, and repayment of debt relating to the advance refunding of the City's outstanding sewer system mortgage revenue refunding bonds, Series 1995. The restricted assets balance in the water pollution fund segregates funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the revenue bonds consisted of the following at December 31, 2000:

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Restricted assets held by the Trustee	
Revenue Bond Current Debt Service	\$1,479,106
Restricted assets held by the City	
Utility Reserve Fund	786,633
Replacement and Improvement Fund	150,000

The sewer system refunding bonds, Series 1995 had a balance at December 31, 2000 of \$6,223,649, net of the unamortized discount.

The twenty-year water revenue bonds, Series 1995, were issued for \$10,000,000 on December 28, 1995 at an average interest rate of 4.8 percent for the purpose of paying costs to the City of improving the water facility. These bonds were issued at a discount \$154,905. The Series 1995 bonds mature on April 1.

The water revenue, Series, 1995 bonds maturing on or after April 1, 2006 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part on any interest payment date on or after April 1, 2005, in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date shown below:

<u>Redemption Dates (Dates Inclusive)</u>	<u>Redemption Prices</u>
April 1, 2005 through March 31, 2006	102%
April 1, 2006 through March 31, 2007	101
April 1, 2007 and thereafter	100

In conjunction with the issuance of the water revenue bonds and the requirements of the indenture agreement, the City entered into a trust agreement with a commercial bank. The trust agreement requires that the City establish various funds for the construction, replacement, and repayment of debt relating to the construction and improvement of the water system. The restricted assets balance in the water fund segregates funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the revenue bonds consisted of the following at December 31, 2000:

Restricted assets held by the Trustee	
Revenue Bond Current Debt Service	\$1,272,447
Restricted assets held by the City	
Utility Reserve Fund	282,420
Replacement and Improvement Fund	150,000

The water revenue bonds, Series 1995, had a balance at December 31, 2000 of \$8,563,547 net of the unamortized discount.

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The City's overall legal debt margin was \$77,804,635 at December 31, 2000. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2000 are as follows:

	<b>General Obligation Bonds</b>	<b>Special Assessment Bonds</b>	<b>HUD Section 108 Loans</b>	<b>OPWC Loan</b>
2001	\$2,295,673	\$194,999	\$387,967	\$13,908
2002	2,148,081	183,930	346,822	13,908
2003	2,170,794	172,862	338,273	13,908
2004	1,997,183	166,054	329,641	7,555
2005	1,925,962	99,666	320,890	1,202
2006-2010	6,621,589	264,498	1,469,751	6,013
2011-2015	4,355,467	0	905,927	3,608
2016-2020	2,546,576	0	510,330	0
2021-2025	3,436,656	0	0	0
Total Principal And Interest	<u>27,497,981</u>	<u>1,082,009</u>	<u>4,609,601</u>	<u>60,102</u>
Less Interest	(10,174,533)	(261,457)	(764,601)	0
Total	<u>\$17,323,448</u>	<u>\$820,552</u>	<u>\$3,845,000</u>	<u>\$60,102</u>

	<b>Revenue Bonds</b>	<b>OWDA Loans</b>	<b>Real Estate Acquisition</b>	<b>CDBG Interest Liability</b>
2001	\$1,544,728	\$777,665	\$27,947	\$30,335
2002	1,551,988	777,665	27,948	30,336
2003	1,541,577	777,665	27,938	30,335
2004	1,548,288	777,665	0	0
2005	1,546,992	491,253	0	0
2006-2010	7,709,991	2,456,264	0	0
2011-2015	4,722,240	1,574,935	0	0
2016-2020	795,150	1,231,252	0	0
Total Principal And Interest	<u>20,960,954</u>	<u>8,864,364</u>	<u>83,833</u>	<u>91,006</u>
Less: Interest	(6,173,758)	(2,632,615)	(5,764)	0
Total	<u>\$14,787,196</u>	<u>\$6,231,749</u>	<u>\$78,069</u>	<u>\$91,006</u>

The City entered into contractual agreements for construction loans from the OWDA. From the beginning of

**City of Lorain, Ohio**  
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*For The Year Ended December 31, 2000*

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these projects through December 31, 2000, the City has received \$14,947,367. Under the terms of these agreements, the OWDA will reimburse, advance or directly pay the construction costs of approved projects. The OWDA will capitalize administrative costs and constructions interest and add them to the total amount of the final loan. These loans are presently reflected as OWDA loans payable. These loans will not have a repayment schedule until the loans are finalized and, therefore, are not included in the above schedule of debt service requirements.

**Note 10 - Capital Leases**

The City entered into leases for the acquisition of equipment. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards Board No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. General fixed assets acquired by lease through the current year have been capitalized in the general fixed assets account group. A corresponding liability was recorded in the general long-term debt obligations account group.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of minimum lease payments as of December 31, 2000:

<b>Year Ending December 31, 2000</b>	<b>Amount</b>
2001	\$173,013
2002	137,207
2003	135,374
2004	135,374
2005	135,127
2006	133,893
2007	133,893
Total Minimum Lease Payments	983,881
Less: Amount Representing Interest	(180,390)
Present Value of minimum lease payments	\$803,491

**Note 11 - Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and state laws. Employees earn ten to twenty-five days of vacation per year, depending upon length of service. The maximum amount of vacation time that can be accrued is a total that can be earned in three years. Earned vacation time is paid upon termination of employment. Employees earn sick leave at different rates depending upon length of service and type of employment. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee can be paid a maximum of 960 hours of accumulated, unused sick leave. As of December 31, 2000, the liability for unpaid compensated absences was \$7,305,933 for the entire City.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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**Note 12 - Defined Benefit Pension Plans**

*A. Public Employees Retirement System*

All City full-time employees, other than Police officers and Firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. The 2000 employer pension contribution rate for the City was 6.54 percent of covered payroll, reduced from 9.35 percent in 1999. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$1,581,998, \$1,322,358, and \$1,283,554, respectively. The full amount has been contributed for 1999 and 1998. 79.42 percent has been contributed for 2000 with the remainder being reported as a liability within the enterprise funds and the general long-term obligations account group.

*B. Ohio Police and Fire Pension Fund*

The City of Lorain contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.25 percent for police and 16.75 percent for firefighters. For 1999, the City's contributions were 12.5 percent for police and 17 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police and firefighters were \$1,120,411 and \$1,067,554 for the year ended December 31, 2000, \$708,454 and \$797,125 for the year ended December 31, 1999, and \$936,202 and \$938,027 for the year ended December 31, 1998. The full amount has been contributed for 1999 and 1998. 74.3 and 74.2 percent, respectively, have been contributed for 2000 with the remainder being reported as a liability within the general long-term obligations account group.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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**Note 13 - Post employment Benefits**

*A. Public Employees Retirement System*

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.20 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 401,339. The City's actual contributions for 2000 which were used to fund postemployment benefits were \$627,579. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

*B. Ohio Police and Fire Pension Fund*

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.25 percent of covered payroll was applied to the postemployment health care program during 2000. For 1999 the percent used to fund healthcare was 7 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2000 that were used to fund postemployment benefits were \$416,793 for police and \$322,401 for fire. OP&F's total health care expenses for the year ended December 31, 1999, (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098. The number of OP&F participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for firefighters.

*C. Death Benefits*

Based on authority granted to the City by State statute to set employee compensation and benefits, the City provides a benefit to the estate of employees who have retired from the City with twenty years of service for non-administrative employees and fifteen years of service for administrative employees in amounts ranging from \$3,000 to \$12,500 at the time of death. Employees do not make any contributions for this benefit. As of December 31, 2000, the liability for unpaid death benefits was \$2,080,500 for the 301 participants currently eligible to receive the benefit. Benefit payments during 2000 were \$25,000 in the governmental and enterprise funds.

**Note 14 – Contractual Commitments**

As of December 31, 2000, the open construction contracts for the water department and water pollution department are as follows: \$4,576,478 and \$7,421,487, respectively.

**Note 15 - Segment Information**

The City's enterprise funds account for water and water pollution services. Segment information for these operations as of and for the year ended December 31, 2000 was as follows:

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Total</u>
Operating Revenues	\$5,183,848	\$8,739,907	\$13,923,755
Depreciation Expense	1,093,035	1,673,042	2,766,077
Operating Income (Loss)	(683,568)	719,244	35,676
Net Income (Loss)	(1,269,091)	779,130	(489,961)
Property, Plant and Equipment			
Additions	5,164,896	11,865,139	17,030,035
Deletions	0	6,175	6,175
Net Working Capital	462,822	11,972,475	12,435,297
Total Assets	24,226,369	60,231,029	84,457,398
Long-term Liabilities	18,020,956	20,366,823	38,387,779
Total Fund Equity	4,825,579	38,223,306	43,048,885
Encumbrances at December 31, 2000	17,902	4,721,520	4,739,422

**Note 16 – Jointly Governed Organization**

*Northeast Ohio Areawide Coordinating Agency*

The Northeast Ohio Areawide Coordinating Agency (NOACA) was created by the County Commissioners of Cuyahoga, Geauga, Lake, Lorain and Medina Counties and is responsible for transportation and environmental planning in the five county region. NOACA is controlled by a 37 member board which includes the Mayor of the City of Lorain. The board exercises total control over the operation of the corporation including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the board. During 2000, the City contributed \$14,538, which represented 2.5 percent of total contributions.

**Note 17 - Related Organization**

*Lorain Port Authority*

The Mayor of the City appoints the nine Port Authority Board Members. The Port Authority hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the Port Authority nor is the Port Authority financially dependent on the City. The Port Authority serves as its own budgeting, taxing, and debt issuance authority.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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**Note 18 - Interfund Activity**

"Interfund Receivable" and "Interfund Payable" at December 31, 2000 consist of the following individual balances:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$429,282	\$2,368
Special Revenue Funds:		
Police Levy	0	17
Police Pension	0	287,873
Fire Pension	0	94,604
Municipal Court Computer	6,901	0
Indigent Drivers	210	0
Legal Research	2,041	0
Total Special Revenue Funds	<u>9,152</u>	<u>382,494</u>
Capital Projects Fund:		
Municipal Court Improvement	<u>3,110</u>	<u>0</u>
Enterprise Funds:		
Water Works	2,046	210
Water Pollution Control	<u>1,647</u>	<u>1,098</u>
Total Enterprise Funds	<u>3,693</u>	<u>1,308</u>
Agency Fund:		
Contracts Trust		1,779
Municipal Court	<u>0</u>	<u>57,288</u>
Total Agency Funds	<u>0</u>	<u>59,067</u>
Total	<u><u>\$445,237</u></u>	<u><u>\$445,237</u></u>

**Note 19 - Litigation**

The City is a defendant in various lawsuits seeking damages. City management cannot presently determine the outcome of such litigation or predict the likelihood or amount of liability, if any, the City may incur as a result of these matters.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 2000*

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**Note 20 – Subsequent Events**

On April 14, 2001 the City rolled over the \$1,550,000 bond anticipation notes. The new bond anticipation notes have a maturity date of April 11, 2002, with an interest rate of 4.875 percent.

# **Combining, Individual Fund And Account Group Financial Statements and Schedules**

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These statements and schedules provide a more detailed presentation of the General Purpose Financial Statements presented in the previous subsection. Combining statements and schedules are used to bring together funds where there is more than one of a specific type. Individual statements are used when there is only one fund of a specific type and for account groups. Schedules are used to present budgetary comparisons that are required to demonstrate legal compliance but are not otherwise required for presentation in conformance with generally accepted accounting principles. These statements and schedules are grouped by fund and account group types as follows:

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**General Fund**

**Special Revenue Funds**

**Debt Service Funds**

**Capital Projects Funds**

**Enterprise Funds**

**Internal Service Funds**

**Agency Funds**

**General Fixed Assets Account Group**

## **General Fund**

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The general fund accounts for 62.76 percent of income tax revenue and other resources traditionally associated with the general governmental operations which are not required to be accounted for by another fund.

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**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Municipal Income Tax	\$14,959,797	\$15,202,370	\$242,573
Property and Other Taxes	2,522,991	2,317,288	-205,703
Charges for Services	535,880	464,699	-71,181
Fines, Licenses and Permits	2,107,094	1,437,555	-669,539
Intergovernmental	5,012,711	4,887,369	-125,342
Interest	168,500	121,516	-46,984
Other	199,224	110,722	-88,502
<i>Total Revenues</i>	<u>25,506,197</u>	<u>24,541,519</u>	<u>-964,678</u>
<b>Expenditures</b>			
<b>Current:</b>			
<b>General Government</b>			
<b>Civil Service</b>			
Personal Services	66,003	65,349	654
Materials and Supplies	2,000	1,876	124
Contractual Services	5,700	5,001	699
Other	6,500	4,666	1,834
<i>Total Civil Service</i>	<u>80,203</u>	<u>76,892</u>	<u>3,311</u>
<b>Council</b>			
Personal Services	245,057	244,456	601
Materials and Supplies	1,050	1,012	38
Contractual Services	27,485	25,305	2,180
Capital Outlay	1,494	1,072	422
Other	6,492	5,202	1,290
<i>Total Council</i>	<u>281,578</u>	<u>277,047</u>	<u>4,531</u>
<b>Mayor</b>			
Personal Services	137,358	136,871	487
Materials and Supplies	4,375	2,987	1,388
Contractual Services	6,700	6,615	85
Other	100	0	100
<i>Total Mayor</i>	<u>148,533</u>	<u>146,473</u>	<u>2,060</u>
<b>Auditor</b>			
Personal Services	461,604	455,421	6,183
Materials and Supplies	19,996	19,427	569
Contractual Services	62,169	61,069	1,100
Capital Outlay	1,728	1,609	119
Other	3,000	2,316	684
<i>Total Auditor</i>	<u>\$548,497</u>	<u>\$539,842</u>	<u>\$8,655</u>

(continued)

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund (continued)*  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Treasurer</b>			
Personal Services	\$388,122	\$384,881	\$3,241
Materials and Supplies	24,781	24,073	708
Contractual Services	15,213	14,927	286
Capital Outlay	3,044	2,864	180
Other	320	314	6
<i>Total Treasurer</i>	<u>431,480</u>	<u>427,059</u>	<u>4,421</u>
<b>Law Director</b>			
Personal Services	554,287	552,380	1,907
Materials and Supplies	21,720	18,750	2,970
Contractual Services	6,000	5,222	778
Capital Outlay	11,652	10,810	842
Other	1,000	566	434
<i>Total Law Director</i>	<u>594,659</u>	<u>587,728</u>	<u>6,931</u>
<b>Judges</b>			
Personal Services	491,154	489,487	1,667
Materials and Supplies	4,563	3,716	847
Contractual Services	30,095	24,112	5,983
Capital Outlay	1,000	229	771
Other	6,700	4,760	1,940
<i>Total Judges</i>	<u>533,512</u>	<u>522,304</u>	<u>11,208</u>
<b>Clerk of Courts</b>			
Personal Services	586,296	579,454	6,842
Materials and Supplies	65,514	65,022	492
Contractual Services	13,347	12,760	587
Capital Outlay	14,671	10,018	4,653
Other	800	279	521
<i>Total Clerk of Courts</i>	<u>680,628</u>	<u>667,533</u>	<u>13,095</u>
<b>Central Services</b>			
Other	52	52	0
<i>Total Central Services</i>	<u>\$52</u>	<u>\$52</u>	<u>\$0</u>

(continued)

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund (continued)*  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Electrical</b>			
Personal Services	\$397,931	\$393,411	\$4,520
Materials and Supplies	60,589	48,346	12,243
Contractual Services	21,502	20,919	583
Capital Outlay	1,000	0	1,000
Other	1,250	1,107	143
<i>Total Electrical</i>	<u>482,272</u>	<u>463,783</u>	<u>18,489</u>
<b>Safety/Service Director</b>			
Personal Services	539,418	526,539	12,879
Materials and Supplies	108,938	96,263	12,675
Contractual Services	1,044,894	1,032,141	12,753
Capital Outlay	18,000	15,275	2,725
Other	367,513	352,139	15,374
<i>Total Safety/Service Director</i>	<u>2,078,763</u>	<u>2,022,357</u>	<u>56,406</u>
<b>Engineering</b>			
Personal Services	467,740	457,585	10,155
Materials and Supplies	15,565	13,955	1,610
Contractual Services	5,129	4,111	1,018
Capital Outlay	5,549	5,302	247
Other	2,500	1,520	980
<i>Total Engineering</i>	<u>496,483</u>	<u>482,473</u>	<u>14,010</u>
<b>Data Processing</b>			
Personal Services	102,877	102,529	348
Materials and Supplies	44,658	44,289	369
Contractual Services	118,126	118,119	7
Capital Outlay	48,937	48,673	264
Other	2,004	1,431	573
<i>Total Data Processing</i>	<u>316,602</u>	<u>315,041</u>	<u>1,561</u>
<i>Total General Government</i>	<u>\$6,673,262</u>	<u>\$6,528,584</u>	<u>\$144,678</u>

(continued)

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund (continued)*  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Security of Persons and Property</b>			
<b>Police Department</b>			
Personal Services	\$7,036,204	\$6,634,895	\$401,309
Materials and Supplies	426,139	403,351	22,788
Contractual Services	231,108	195,303	35,805
Other	430	213	217
<i>Total Police Department</i>	<u>7,693,881</u>	<u>7,233,762</u>	<u>460,119</u>
<b>Fire Department</b>			
Personal Services	6,297,832	6,143,776	154,056
Materials and Supplies	159,159	149,100	10,059
Contractual Service	73,924	71,501	2,423
Capital Outlay	35,289	33,777	1,512
Other	50,547	48,183	2,364
<i>Total Fire Department</i>	<u>6,616,751</u>	<u>6,446,337</u>	<u>170,414</u>
<i>Total Security of Persons and Property</i>	<u>14,310,632</u>	<u>13,680,099</u>	<u>630,533</u>
<b>Public Health and Welfare</b>			
<b>Cemetery</b>			
Personal Services	175,899	169,627	6,272
Materials and Supplies	41,127	39,961	1,166
Contractual Services	10,430	9,858	572
Capital Outlay	142	0	142
<i>Total Cemetery</i>	<u>227,598</u>	<u>219,446</u>	<u>8,152</u>
<b>Dog Warden</b>			
Personal Services	97,272	96,636	636
Materials and Supplies	8,198	8,198	0
Other	200	0	200
<i>Total Dog Warden</i>	<u>105,670</u>	<u>104,834</u>	<u>836</u>
<i>Total Public Health and Welfare</i>	<u>\$333,268</u>	<u>\$324,280</u>	<u>\$8,988</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
**in Fund Balance - Budget and Actual (Budget Basis)**  
*General Fund (continued)*  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Community Environment</b>			
<b>Building Inspection</b>			
Personal Services	\$477,374	\$472,745	\$4,629
Materials and Supplies	18,081	17,973	108
Contractual Services	7,677	7,188	489
Capital Outlay	37,418	37,125	293
Other	2,706	1,851	855
<i>Total Community Environment</i>	<u>543,256</u>	<u>536,882</u>	<u>6,374</u>
<b>Leisure Time Activities</b>			
<b>Parks and Recreation</b>			
Personal Services	1,188,323	1,169,726	18,597
Materials and Supplies	169,253	165,308	3,945
Contractual Services	119,411	117,489	1,922
Capital Outlay	22,127	21,986	141
Other	12,996	8,681	4,315
<i>Total Leisure Time Activities</i>	<u>1,512,110</u>	<u>1,483,190</u>	<u>28,920</u>
<b>Debt Service</b>			
Principal Retirement	34,990	34,225	765
Interest and Fiscal Charges	3,662	3,662	0
<i>Total Debt Service</i>	<u>38,652</u>	<u>37,887</u>	<u>765</u>
<i>Total Expenditures</i>	<u>23,411,180</u>	<u>22,590,922</u>	<u>820,258</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,095,017</u>	<u>1,950,597</u>	<u>-144,420</u>
<b>Other Financing Sources (Uses)</b>			
Sales of Fixed Assets	1,100	1,100	0
Operating Transfers In	9,570	0	-9,570
Operating Transfers Out	-2,200,342	-1,984,565	215,777
<i>Total Other Financing Sources (Uses)</i>	<u>-2,189,672</u>	<u>-1,983,465</u>	<u>206,207</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>-94,655</u>	<u>-32,868</u>	<u>61,787</u>
<i>Fund Balance Beginning of Year</i>	74,749	74,749	0
Prior Year Encumbrances Appropriated	173,910	173,910	0
<i>Fund Balance End of Year</i>	<u>\$154,004</u>	<u>\$215,791</u>	<u>\$61,787</u>

## **Special Revenue Funds**

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Special Revenue funds are established to account for the proceeds of specific revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

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### **Streets Fund**

This fund accounts for that portion of State gasoline tax and motor vehicle registration fees used for maintenance and repair of dedicated streets within the City. Included in this fund as a subfund for State highway for that portion of the State gasoline tax, motor vehicle registration fees designated for State highways and street maintenance within the City.

### **Permissive License Fund**

This fund accounts for tax revenues levied by the City designated for street maintenance within the City.

### **Health Services Fund**

This fund accounts for revenues received from local health permits, nursing fees, clinic fees, and grants used to operate the public health services of the City.

### **Community Development Fund**

This fund accounts for State and Federal grants designated for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

### **Litter Control Fund**

This fund accounts for grants from the Lorain County Solid Waste Management District used for recycling and composting activities in the City.

### **Police Levy Fund**

This fund accounts for municipal income tax revenues used to pay a portion of salaries and equipment of the City's police force.

### **Mandatory Drug Fund**

This fund accounts for proceeds received from the sale of property confiscated during drug related arrests.

### **Police Pension Fund**

This fund accounts for property taxes collected to pay for a portion of the employer's share of Police pension benefits.

### **Fire Pension Fund**

This fund accounts for property taxes collected to pay for a portion of the employer's share of fire pension benefits.

**(continued)**

## **Special Revenue Funds**

**(continued)**

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### **Indigent Drivers Fund**

This fund accounts for fees collected by the municipal court from persons whose driver's license or permit was suspended for driving under the influence of alcohol. By order of the court, this fund will provide for the cost of rehabilitation for those deemed to be indigent.

### **Park Land Fund**

This fund was established to account for revenue received from contractors who establish new developments in the city and is used in the development of land for parks.

### **Cemetery Fund**

This fund was established to account for the portion of the burial permit fees that are set aside to maintain the cemetery.

### **Law Enforcement Fund**

This fund was established to account for the monies used by the police department in their enforcement of drug related laws.

### **Municipal Court Computer Fund**

This fund accounts for fees collected by the municipal court to be used for equipment, computers, and improvements for the court.

### **Legal Research Fund**

This fund accounts for court fees collected by the municipal court designated to maintain and keep the City's law library material current.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Special Revenue Funds**  
**December 31, 2000**

	<u>Streets</u>	<u>Permissive License</u>	<u>Health Services</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$39,023	\$0	\$29,664
Receivables:			
Taxes	0	0	0
Accrued Interest	0	0	0
Interfund	0	0	0
Intergovernmental	122,587	17,947	16,470
Materials and Supplies			
Inventory	108,860	0	9,502
Loans Receivable	0	0	0
Prepaid Items	<u>0</u>	<u>0</u>	<u>12,554</u>
<i>Total Assets</i>	<u><u>\$270,470</u></u>	<u><u>\$17,947</u></u>	<u><u>\$68,190</u></u>
<b>Liabilities</b>			
Accounts Payable	\$101,528	\$4,104	\$14,803
Contracts Payable	47,432	2,014	0
Accrued Wages	11,620	0	0
Compensated Absences Payable	19,890	0	6,061
Interfund Payable	0	0	0
Intergovernmental Payable	26,786	0	18,457
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>207,256</u>	<u>6,118</u>	<u>39,321</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	44,476	0	3,716
Reserved for Inventory	108,860	0	9,502
Reserved for Loans	0	0	0
Unreserved, Undesignated (Deficit)	<u>-90,122</u>	<u>11,829</u>	<u>15,651</u>
<i>Total Fund Equity (Deficit)</i>	<u>63,214</u>	<u>11,829</u>	<u>28,869</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$270,470</u></u>	<u><u>\$17,947</u></u>	<u><u>\$68,190</u></u>

<u>Community Development</u>	<u>Police Levy</u>	<u>Mandatory Drug</u>	<u>Police Pension</u>	<u>Fire Pension</u>
\$3,797,484	\$1,249,716	\$10,934	\$0	\$0
0	298,849	0	270,236	270,236
23,232	0	0	0	0
0	0	0	0	0
178,786	0	0	0	0
0	67,786	0	0	0
10,250,112	0	0	0	0
11,162	7,597	0	0	0
<u>\$14,260,776</u>	<u>\$1,623,948</u>	<u>\$10,934</u>	<u>\$270,236</u>	<u>\$270,236</u>
\$41,671	\$27,059	\$0	\$288,700	\$286,695
24,357	0	0	0	0
0	5,745	0	0	0
17,196	37,499	0	0	0
0	17	0	287,873	94,604
18,467	32,987	0	0	0
0	0	0	270,236	270,236
<u>101,691</u>	<u>103,307</u>	<u>0</u>	<u>846,809</u>	<u>651,535</u>
1,004,741	279,372	0	0	0
0	67,786	0	0	0
10,250,112	0	0	0	0
2,904,232	1,173,483	10,934	-576,573	-381,299
<u>14,159,085</u>	<u>1,520,641</u>	<u>10,934</u>	<u>-576,573</u>	<u>-381,299</u>
<u>\$14,260,776</u>	<u>\$1,623,948</u>	<u>\$10,934</u>	<u>\$270,236</u>	<u>\$270,236</u>

(continued)

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
*All Special Revenue Funds (continued)*  
**December 31, 2000**

	<u>Indigent Drivers</u>	<u>Park Land</u>	<u>Cemetery</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$101,461	\$52,654	\$73,276
Receivables:			
Taxes	0	0	0
Accrued Interest	0	0	0
Interfund	210	0	0
Intergovernmental	0	0	0
Materials and Supplies			
Inventory	0	0	0
Loans Receivable	0	0	0
Prepaid Items	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$101,671</u></u>	<u><u>\$52,654</u></u>	<u><u>\$73,276</u></u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	0
Accrued Wages	0	0	0
Compensated Absences Payable	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	0	0	0
Reserved for Inventory	0	0	0
Reserved for Loans	0	0	0
Unreserved, Undesignated (Deficit)	<u>101,671</u>	<u>52,654</u>	<u>73,276</u>
<i>Total Fund Equity (Deficit)</i>	<u>101,671</u>	<u>52,654</u>	<u>73,276</u>
 <i>Total Liabilities and Fund Equity</i>	 <u><u>\$101,671</u></u>	 <u><u>\$52,654</u></u>	 <u><u>\$73,276</u></u>

<u>Law Enforcement</u>	<u>Municipal Court Computer</u>	<u>Legal Research</u>	<u>Totals</u>
\$1,311,251	\$208,043	\$113,275	\$6,986,781
0	0	0	839,321
0	0	0	23,232
0	6,901	2,041	9,152
0	0	0	335,790
0	0	0	186,148
0	0	0	10,250,112
<u>0</u>	<u>0</u>	<u>1,057</u>	<u>32,370</u>
<u>\$1,311,251</u>	<u>\$214,944</u>	<u>\$116,373</u>	<u>\$18,662,906</u>
\$0	\$927	\$0	\$765,487
0	0	0	73,803
0	0	0	17,365
0	141	0	80,787
0	0	0	382,494
0	732	0	97,429
<u>0</u>	<u>0</u>	<u>0</u>	<u>540,472</u>
<u>0</u>	<u>1,800</u>	<u>0</u>	<u>1,957,837</u>
0	0	0	1,332,305
0	0	0	186,148
0	0	0	10,250,112
<u>1,311,251</u>	<u>213,144</u>	<u>116,373</u>	<u>4,936,504</u>
<u>1,311,251</u>	<u>213,144</u>	<u>116,373</u>	<u>16,705,069</u>
<u>\$1,311,251</u>	<u>\$214,944</u>	<u>\$116,373</u>	<u>\$18,662,906</u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Special Revenue Funds**  
**For the Year Ended December 31, 2000**

	<u>Streets</u>	<u>Permissive License</u>	<u>Health Services</u>
<b>Revenues</b>			
Municipal Income Tax	\$0	\$0	\$0
Property and Other Taxes	0	0	0
Charges for Services	0	0	473,749
Fines, Licenses and Permits	0	0	183,855
Intergovernmental	1,616,855	274,811	255,799
Interest	0	0	0
Other	4,937	0	0
	<u>1,621,792</u>	<u>274,811</u>	<u>913,403</u>
<i>Total Revenues</i>			
<b>Expenditures</b>			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Public Health and Welfare	0	0	1,452,998
Transportation	3,332,719	314,895	0
Community Environment	0	0	0
Economic Development	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
	<u>3,332,719</u>	<u>314,895</u>	<u>1,452,998</u>
<i>Total Expenditures</i>			
<i>Excess of Revenues Over (Under) Expenditures</i>			
	<u>-1,710,927</u>	<u>-40,084</u>	<u>-539,595</u>
<b>Other Financing Sources (Uses)</b>			
Inception of Capital Lease	759,581	0	0
Loan Proceeds	0	0	0
Operating Transfers In	789,909	5,038	518,618
Operating Transfers Out	0	0	0
	<u>1,549,490</u>	<u>5,038</u>	<u>518,618</u>
<i>Total Other Financing Sources (Uses)</i>			
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>			
	-161,437	-35,046	-20,977
<i>Fund Balances (Deficit) Beginning of Year</i>			
	202,103	46,875	43,445
<i>Increase in Reserve for Inventory</i>			
	<u>22,548</u>	<u>0</u>	<u>6,401</u>
<i>Fund Balances (Deficit) End of Year</i>			
	<u>\$63,214</u>	<u>\$11,829</u>	<u>\$28,869</u>

<b>Community Development</b>	<b>Litter Control</b>	<b>Police Levy</b>	<b>Mandatory Drug</b>	<b>Police Pension</b>	<b>Fire Pension</b>
\$0	\$0	\$2,532,972	\$0	\$0	\$0
0	0	0	0	222,991	222,991
0	0	0	0	0	0
0	0	0	33,184	0	0
5,198,500	150,000	0	0	22,694	22,694
140,763	0	53,724	0	0	0
22,461	0	32,306	0	0	0
<u>5,361,724</u>	<u>150,000</u>	<u>2,619,002</u>	<u>33,184</u>	<u>245,685</u>	<u>245,685</u>
0	0	0	0	0	0
0	0	2,922,296	31,826	524,766	537,778
0	0	0	0	0	0
0	0	0	0	0	0
0	148,520	0	0	0	0
4,628,864	0	0	0	0	0
0	0	0	0	15,750	29,250
12,347	0	0	0	36,309	67,430
<u>4,641,211</u>	<u>148,520</u>	<u>2,922,296</u>	<u>31,826</u>	<u>576,825</u>	<u>634,458</u>
<u>720,513</u>	<u>1,480</u>	<u>-303,294</u>	<u>1,358</u>	<u>-331,140</u>	<u>-388,773</u>
0	0	0	0	0	0
2,500,000	0	0	0	0	0
108,100	0	0	0	0	0
-20,000	0	0	0	0	0
<u>2,588,100</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,308,613	1,480	-303,294	1,358	-331,140	-388,773
10,850,472	-1,480	1,756,149	9,576	-245,433	7,474
0	0	67,786	0	0	0
<u>\$14,159,085</u>	<u>\$0</u>	<u>\$1,520,641</u>	<u>\$10,934</u>	<u>-\$576,573</u>	<u>-\$381,299</u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
*All Special Revenue Funds (continued)*  
**For the Year Ended December 31, 2000**

	<u>Indigent Drivers</u>	<u>Park Land</u>	<u>Cemetery</u>
<b>Revenues</b>			
Municipal Income Tax	\$0	\$0	\$0
Property and Other Taxes	0	0	0
Charges for Services	0	0	0
Fines, Licenses and Permits	15,305	0	0
Intergovernmental	0	0	0
Interest	0	0	0
Other	0	4,040	0
	<u>0</u>	<u>4,040</u>	<u>0</u>
<i>Total Revenues</i>	<u>15,305</u>	<u>4,040</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Public Health and Welfare	0	0	0
Transportation	0	0	0
Community Environment	0	0	0
Economic Development	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>15,305</u>	<u>4,040</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Inception of Capital Lease	0	0	0
Loan Proceeds	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	15,305	4,040	0
<i>Fund Balances (Deficit) Beginning of Year</i>	86,366	48,614	73,276
Increase in Reserve for Inventory	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$101,671</u>	<u>\$52,654</u>	<u>\$73,276</u>

<u>Law Enforcement</u>	<u>Municipal Court Computer</u>	<u>Legal Research</u>	<u>Totals</u>
\$0	\$0	\$0	\$2,532,972
0	0	0	445,982
0	0	0	473,749
406,884	114,168	34,131	787,527
0	0	0	7,541,353
62,872	8,369	0	265,728
<u>0</u>	<u>0</u>	<u>0</u>	<u>63,744</u>
<u>469,756</u>	<u>122,537</u>	<u>34,131</u>	<u>12,111,055</u>
0	60,019	16,274	76,293
370,793	0	0	4,387,459
0	0	0	1,452,998
0	0	0	3,647,614
0	0	0	148,520
0	0	0	4,628,864
0	0	0	45,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>116,086</u>
<u>370,793</u>	<u>60,019</u>	<u>16,274</u>	<u>14,502,834</u>
<u>98,963</u>	<u>62,518</u>	<u>17,857</u>	<u>-2,391,779</u>
0	0	0	759,581
0	0	0	2,500,000
0	0	0	1,421,665
<u>0</u>	<u>0</u>	<u>0</u>	<u>-20,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>4,661,246</u>
98,963	62,518	17,857	2,269,467
1,212,288	150,626	98,516	14,338,867
<u>0</u>	<u>0</u>	<u>0</u>	<u>96,735</u>
<u>\$1,311,251</u>	<u>\$213,144</u>	<u>\$116,373</u>	<u>\$16,705,069</u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**Streets Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Intergovernmental	\$1,653,750	\$1,614,409	-\$39,341
Other	<u>5,313</u>	<u>4,937</u>	<u>-376</u>
<i>Total Revenues</i>	<u>1,659,063</u>	<u>1,619,346</u>	<u>-39,717</u>
<b>Expenditures</b>			
Current:			
Transportation			
Street Construction			
Personal Services	1,627,562	1,515,253	112,309
Materials and Supplies	860,276	804,582	55,694
Contractual Services	68,859	63,168	5,691
Capital Outlay	128,895	114,900	13,995
Other	<u>3,700</u>	<u>3,606</u>	<u>94</u>
<i>Total Expenditures</i>	<u>2,689,292</u>	<u>2,501,509</u>	<u>187,783</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	-1,030,229	-882,163	148,066
<b>Other Financing Sources</b>			
Operating Transfers In	<u>1,116,083</u>	<u>789,909</u>	<u>-326,174</u>
<i>Excess of Revenues and</i>			
<i>Other Financing Sources</i>			
<i>Over (Under) Expenditures</i>	85,854	-92,254	-178,108
<i>Fund Balance (Deficit) Beginning of Year</i>	-69,132	-69,132	0
Prior Year Encumbrances Appropriated	<u>69,132</u>	<u>69,132</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$85,854</u></u>	<u><u>-\$92,254</u></u>	<u><u>-\$178,108</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Permissive License Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$277,542	\$276,335	-\$1,207
<b>Expenditures</b>			
Current:			
Transportation			
Materials and Supplies	<u>321,704</u>	<u>309,577</u>	<u>12,127</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	-44,162	-33,242	10,920
<b>Other Financing Sources</b>			
Operating Transfers In	<u>30,000</u>	<u>5,038</u>	<u>-24,962</u>
<i>Excess of Revenues and</i>			
<i>Other Financing Sources</i>			
<i>Under Expenditures</i>	-14,162	-28,204	-14,042
<i>Fund Balance Beginning of Year</i>	13,500	13,500	0
Prior Year Encumbrances Appropriated	<u>14,704</u>	<u>14,704</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,042</u></u>	<u><u>\$0</u></u>	<u><u>-\$14,042</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**Health Services Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$470,161	\$473,176	\$3,015
Fines, Licenses and Permits	182,684	183,855	1,171
Intergovernmental	<u>307,779</u>	<u>247,853</u>	<u>-59,926</u>
<i>Total Revenues</i>	<u>960,624</u>	<u>904,884</u>	<u>-55,740</u>
<b>Expenditures</b>			
Current:			
Public Health and Welfare			
Personal Services	1,180,283	1,158,339	21,944
Materials and Supplies	39,897	36,694	3,203
Contractual Services	147,490	143,278	4,212
Capital Outlay	58,130	57,498	632
Other	<u>57,894</u>	<u>53,460</u>	<u>4,434</u>
<i>Total Expenditures</i>	<u>1,483,694</u>	<u>1,449,269</u>	<u>34,425</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	-523,070	-544,385	-21,315
<b>Other Financing Sources</b>			
Operating Transfers In	<u>540,032</u>	<u>518,618</u>	<u>-21,414</u>
<i>Excess of Revenues and</i>			
<i>Other Financing Sources</i>			
<i>Over (Under) Expenditures</i>	16,962	-25,767	-42,729
<i>Fund Balance Beginning of Year</i>	455	455	0
Prior Year Encumbrances Appropriated	<u>15,396</u>	<u>15,396</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$32,813</u></u>	<u><u>-\$9,916</u></u>	<u><u>-\$42,729</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Community Development Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Intergovernmental	\$8,587,496	\$4,434,164	-\$4,153,332
Interest	197,464	121,524	-75,940
Other	<u>130,492</u>	<u>22,461</u>	<u>-108,031</u>
<i>Total Revenues</i>	<u>8,915,452</u>	<u>4,578,149</u>	<u>-4,337,303</u>
<b>Expenditures</b>			
Current:			
Economic Development and Assistance			
Personal Services	1,447,740	1,135,707	312,033
Materials and Supplies	5,000	0	5,000
Contractual Services	2,091,096	1,449,544	641,552
Capital Outlay	1,018,378	374,455	643,923
Other	<u>5,936,496</u>	<u>2,768,158</u>	<u>3,168,338</u>
Total Economic Development	<u>10,498,710</u>	<u>5,727,864</u>	<u>4,770,846</u>
Debt Service:			
Principal Retirement	831,641	303,291	528,350
Interest and Fiscal Charges	<u>157,787</u>	<u>157,787</u>	<u>0</u>
Total Debt Service	<u>989,428</u>	<u>461,078</u>	<u>528,350</u>
<i>Total Expenditures</i>	<u>11,488,138</u>	<u>6,188,942</u>	<u>5,299,196</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>-2,572,686</u>	<u>-1,610,793</u>	<u>961,893</u>
<b>Other Financing Sources (Uses)</b>			
Loan Proceeds	2,500,000	2,500,000	0
Operating Transfers In	529,088	108,100	-420,988
Operating Transfers Out	<u>-20,000</u>	<u>-20,000</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>3,009,088</u>	<u>2,588,100</u>	<u>-420,988</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	436,402	977,307	540,905
<i>Fund Balance Beginning of Year</i>	1,358,810	1,358,810	0
Prior Year Encumbrances Appropriated	<u>375,435</u>	<u>375,435</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,170,647</u>	<u>\$2,711,552</u>	<u>\$540,905</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Litter Control Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$180,000</u>	<u>\$150,000</u>	<u>-\$30,000</u>
<b>Expenditures</b>			
Current:			
Community Environment			
Materials and Supplies	20,000	19,985	15
Capital Outlay	<u>130,000</u>	<u>128,536</u>	<u>1,464</u>
<i>Total Expenditures</i>	<u>150,000</u>	<u>148,521</u>	<u>1,479</u>
<i>Excess of Revenues Over Expenditures</i>	30,000	1,479	-28,521
<i>Fund Balance (Deficit) Beginning of Year</i>	-1,480	-1,480	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$28,520</u></u>	<u><u>-\$1</u></u>	<u><u>-\$28,521</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Police Levy Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Municipal Income Tax	\$2,400,000	\$2,520,263	\$120,263
Interest	80,000	58,000	-22,000
Other	33,241	32,306	-935
<i>Total Revenues</i>	<u>2,513,241</u>	<u>2,610,569</u>	<u>97,328</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	2,224,604	2,103,171	121,433
Materials and Supplies	169,216	135,300	33,916
Contractual Services	174,314	129,110	45,204
Capital Outlay	953,613	795,318	158,295
Other	88,347	68,669	19,678
<i>Total Expenditures</i>	<u>3,610,094</u>	<u>3,231,568</u>	<u>378,526</u>
<i>Excess of Revenues Under Expenditures</i>	-1,096,853	-620,999	475,854
<b>Other Financing Uses</b>			
Operating Transfers Out	-100,739	0	100,739
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	-1,197,592	-620,999	576,593
<i>Fund Balance Beginning of Year</i>	1,153,587	1,153,587	0
Prior Year Encumbrances Appropriated	<u>335,837</u>	<u>335,837</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$291,832</u></u>	<u><u>\$868,425</u></u>	<u><u>\$576,593</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Mandatory Drug Fund**  
*For the Year Ended December 31, 2000*

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Fines, Licenses and Permits	\$50,000	\$33,184	-\$16,816
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	59,500	31,826	27,674
<i>Excess of Revenues Over (Under) Expenditures</i>	-9,500	1,358	10,858
<i>Fund Balance Beginning of Year</i>	9,576	9,576	0
<i>Fund Balance End of Year</i>	\$76	\$10,934	\$10,858

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**Police Pension Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Property and Other Taxes	\$196,644	\$222,991	\$26,347
Intergovernmental	22,700	22,694	-6
<i>Total Revenues</i>	<u>219,344</u>	<u>245,685</u>	<u>26,341</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	331,388	65,462	265,926
Other	4,000	3,483	517
Total Security of Persons and Property	<u>335,388</u>	<u>68,945</u>	<u>266,443</u>
Debt Service:			
Principal Retirement	15,750	15,750	0
Interest and Fiscal Charges	36,309	36,309	0
Total Debt Service	<u>52,059</u>	<u>52,059</u>	<u>0</u>
<i>Total Expenditures</i>	<u>387,447</u>	<u>121,004</u>	<u>266,443</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	-168,103	124,681	292,784
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>-124,615</u>	<u>-124,615</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>-\$292,718</u></u>	<u><u>\$66</u></u>	<u><u>\$292,784</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**Fire Pension Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Property and Other Taxes	\$178,038	\$222,991	\$44,953
Intergovernmental	25,000	22,694	-2,306
<i>Total Revenues</i>	<u>203,038</u>	<u>245,685</u>	<u>42,647</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	132,015	98,114	33,901
Other	4,000	3,484	516
Total Security of Persons and Property	<u>136,015</u>	<u>101,598</u>	<u>34,417</u>
Debt Service:			
Principal Retirement	29,250	29,250	0
Interest and Fiscal Charges	67,431	67,430	1
Total Debt Service	<u>96,681</u>	<u>96,680</u>	<u>1</u>
<i>Total Expenditures</i>	<u>232,696</u>	<u>198,278</u>	<u>34,418</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	-29,658	47,407	77,065
<i>Fund Balance Beginning of Year</i>	<u>133,365</u>	<u>133,365</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$103,707</u></u>	<u><u>\$180,772</u></u>	<u><u>\$77,065</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Indigent Drivers Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$14,900	\$15,095	\$195
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Contractual Services	<u>5,000</u>	<u>0</u>	<u>5,000</u>
<i>Excess of Revenues</i>			
<i>Over Expenditures</i>	9,900	15,095	5,195
<i>Fund Balance Beginning of Year</i>	<u>86,366</u>	<u>86,366</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$96,266</u></u>	<u><u>\$101,461</u></u>	<u><u>\$5,195</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**Park Land Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Other	\$10,000	\$4,040	-\$5,960
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	10,000	4,040	-5,960
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>-47,000</u>	<u>0</u>	<u>47,000</u>
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	-37,000	4,040	41,040
<i>Fund Balance Beginning of Year</i>	<u>48,614</u>	<u>48,614</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,614</u></u>	<u><u>\$52,654</u></u>	<u><u>\$41,040</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Cemetery Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Total Revenues</b>	\$0	\$0	\$0
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>73,276</u>	<u>73,276</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$73,276</u></u>	<u><u>\$73,276</u></u>	<u><u>\$0</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**Law Enforcement Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$403,445	\$406,884	\$3,439
Interest	57,560	62,872	5,312
<i>Total Revenues</i>	461,005	469,756	8,751
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	400,000	370,793	29,207
<i>Excess of Revenues Over Expenditures</i>	61,005	98,963	37,958
<i>Fund Balance Beginning of Year</i>	1,212,288	1,212,288	0
<i>Fund Balance End of Year</i>	<u>\$1,273,293</u>	<u>\$1,311,251</u>	<u>\$37,958</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Municipal Court Computer Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$130,000	\$112,430	-\$17,570
Interest	9,000	8,369	-631
<i>Total Revenues</i>	<u>139,000</u>	<u>120,799</u>	<u>-18,201</u>
<b>Expenditures</b>			
Current:			
General Government			
Personal Services	53,016	45,158	7,858
Materials and Supplies	13,450	783	12,667
Capital Outlay	45,534	11,710	33,824
Other	813	813	0
<i>Total Expenditures</i>	<u>112,813</u>	<u>58,464</u>	<u>54,349</u>
<i>Excess of Revenues Over Expenditures</i>	26,187	62,335	36,148
<i>Fund Balance Beginning of Year</i>	<u>144,560</u>	<u>144,560</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$170,747</u>	<u>\$206,895</u>	<u>\$36,148</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Legal Research Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$39,000	\$33,631	-\$5,369
<b>Expenditures</b>			
Current:			
General Government			
Capital Outlay	<u>100,000</u>	<u>17,331</u>	<u>82,669</u>
<i>Excess of Revenues</i>			
<i>Over (Under) Expenditures</i>	-61,000	16,300	77,300
<i>Fund Balance Beginning of Year</i>	<u>96,975</u>	<u>96,975</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$35,975</u></u>	<u><u>\$113,275</u></u>	<u><u>\$77,300</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balances - Budget and Actual (Budget Basis)*  
*All Special Revenue Funds*  
*For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Municipal Income Tax	\$2,400,000	\$2,520,263	\$120,263
Property and Other Taxes	374,682	445,982	71,300
Charges for Services	470,161	473,176	3,015
Fines, Licenses and Permits	820,029	785,079	-34,950
Intergovernmental	11,054,267	6,768,149	-4,286,118
Interest	344,024	250,765	-93,259
Other	179,046	63,744	-115,302
<i>Total Revenues</i>	<u>15,642,209</u>	<u>11,307,158</u>	<u>-4,335,051</u>
<b>Expenditures</b>			
Current:			
General Government	212,813	75,795	137,018
Security of Persons and Property	4,545,997	3,804,730	741,267
Public Health and Welfare	1,483,694	1,449,269	34,425
Transportation	3,010,996	2,811,086	199,910
Community Environment	150,000	148,521	1,479
Economic Development	10,498,710	5,727,864	4,770,846
Debt Service:			
Principal Retirement	876,641	348,291	528,350
Interest and Fiscal Charges	261,527	261,526	1
<i>Total Expenditures</i>	<u>21,040,378</u>	<u>14,627,082</u>	<u>6,413,296</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>-5,398,169</u>	<u>-3,319,924</u>	<u>2,078,245</u>
<b>Other Financing Sources (Uses)</b>			
Loan Proceeds	2,500,000	2,500,000	0
Operating Transfers In	2,215,203	1,421,665	-793,538
Operating Transfers Out	-167,739	-20,000	147,739
<i>Total Other Financing Sources (Uses)</i>	<u>4,547,464</u>	<u>3,901,665</u>	<u>-645,799</u>
<i>Excess of Revenues and Other</i>			
<i>Financing Sources Over (Under)</i>			
<i>Expenditures and Other Financing Uses</i>	-850,705	581,741	1,432,446
<i>Fund Balances Beginning of Year</i>	4,136,145	4,136,145	0
Prior Year Encumbrances Appropriated	810,504	810,504	0
<i>Fund Balances End of Year</i>	<u>\$4,095,944</u>	<u>\$5,528,390</u>	<u>\$1,432,446</u>

## **Debt Service Funds**

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Debt service funds are established to account for the accumulation of resources for the payment of principal and interest on general long-term debt and related costs.

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### **General Obligation Bond Retirement Fund**

To account for the accumulation of resources to pay principal and interest on general obligation debt.

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

To account for the collection of special assessments levied against benefited properties for the payment of special assessment bonds and related interest.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Debt Service Funds**  
**December 31, 2000**

	<b>General Obligation Bond Retirement</b>	<b>Special Assessment Bond Retirement</b>	<b>Totals</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Cash and Cash Equivalents	\$652,932	\$77,272	\$730,204
Receivables:			
Taxes	900,788	0	900,788
Special Assessments	<u>0</u>	<u>1,844,477</u>	<u>1,844,477</u>
<i>Total Assets</i>	<u><u>\$1,553,720</u></u>	<u><u>\$1,921,749</u></u>	<u><u>\$3,475,469</u></u>
 <b>Liabilities</b>			
Accounts Payable	\$3,850	\$0	\$3,850
Deferred Revenue	<u>900,788</u>	<u>1,844,477</u>	<u>2,745,265</u>
<i>Total Liabilities</i>	<u>904,638</u>	<u>1,844,477</u>	<u>2,749,115</u>
 <b>Fund Equity</b>			
Fund Balances			
Unreserved, Undesignated	<u>649,082</u>	<u>77,272</u>	<u>726,354</u>
<i>Total Fund Equity</i>	<u>649,082</u>	<u>77,272</u>	<u>726,354</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$1,553,720</u></u>	<u><u>\$1,921,749</u></u>	<u><u>\$3,475,469</u></u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Debt Service Funds**  
**For the Year Ended December 31, 2000**

	<b>General Obligation Bond Retirement</b>	<b>Special Assessment Bond Retirement</b>	<b>Totals</b>
<b>Revenues</b>			
Property and Other Taxes	\$1,191,899	\$0	\$1,191,899
Intergovernmental	75,784	0	75,784
Special Assessments	<u>0</u>	<u>179,267</u>	<u>179,267</u>
<i>Total Revenues</i>	<u>1,267,683</u>	<u>179,267</u>	<u>1,446,950</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	34,630	9,032	43,662
Debt Service:			
Principal Retirement	2,600,734	162,407	2,763,141
Interest and Fiscal Charges	<u>772,150</u>	<u>79,775</u>	<u>851,925</u>
<i>Total Expenditures</i>	<u>3,407,514</u>	<u>251,214</u>	<u>3,658,728</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>-2,139,831</u>	<u>-71,947</u>	<u>-2,211,778</u>
<b>Other Financing Sources</b>			
Proceeds of Notes	1,550,000	0	1,550,000
Operating Transfers In	<u>1,200,160</u>	<u>0</u>	<u>1,200,160</u>
<i>Total Other Financing Sources</i>	<u>2,750,160</u>	<u>0</u>	<u>2,750,160</u>
<i>Excess of Revenues and</i>			
<i>Other Financing Sources</i>			
<i>Over (Under) Expenditures</i>	610,329	-71,947	538,382
<i>Fund Balances Beginning of Year</i>	<u>38,753</u>	<u>149,219</u>	<u>187,972</u>
<i>Fund Balances End of Year</i>	<u><u>\$649,082</u></u>	<u><u>\$77,272</u></u>	<u><u>\$726,354</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property and Other Taxes	\$748,294	\$743,168	-\$5,126
Intergovernmental	80,137	75,784	-4,353
<i>Total Revenues</i>	<u>828,431</u>	<u>818,952</u>	<u>-9,479</u>
<b>Expenditures</b>			
Current:			
General Government			
Other	31,166	30,780	386
Debt Service:			
G.O. Bond Principal	796,936	733,535	63,401
OPWC Principal	73,702	13,908	59,794
Note Principal	0	1,550,000	-1,550,000
Total Principal	<u>870,638</u>	<u>2,297,443</u>	<u>-1,426,805</u>
G.O. Bond Interest	559,565	559,513	52
Note Interest	67,197	67,197	0
Total Interest	<u>626,762</u>	<u>626,710</u>	<u>52</u>
Total Debt Service	<u>1,497,400</u>	<u>2,924,153</u>	<u>-1,426,753</u>
<i>Total Expenditures</i>	<u>1,528,566</u>	<u>2,954,933</u>	<u>-1,426,367</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>-700,135</u>	<u>-2,135,981</u>	<u>-1,435,846</u>
<b>Other Financing Sources</b>			
Proceeds of Notes	0	1,550,000	1,550,000
Operating Transfers In	1,200,160	1,200,160	0
<i>Total Other Financing Sources</i>	<u>1,200,160</u>	<u>2,750,160</u>	<u>1,550,000</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	500,025	614,179	114,154
<i>Fund Balance Beginning of Year</i>	<u>38,753</u>	<u>38,753</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$538,778</u></u>	<u><u>\$652,932</u></u>	<u><u>\$114,154</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Special Assessment Bond Retirement Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Special Assessments	<u>\$300,000</u>	<u>\$179,267</u>	<u>-\$120,733</u>
<b>Expenditures</b>			
Current:			
General Government			
Other	<u>11,000</u>	<u>9,032</u>	<u>1,968</u>
Debt Service:			
S. A. Bond Principal	162,408	162,407	1
S. A. Bond Interest	<u>80,892</u>	<u>79,775</u>	<u>1,117</u>
Total Debt Service	<u>243,300</u>	<u>242,182</u>	<u>1,118</u>
<i>Total Expenditures</i>	<u>254,300</u>	<u>251,214</u>	<u>3,086</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	45,700	-71,947	-117,647
<i>Fund Balance Beginning of Year</i>	<u>149,219</u>	<u>149,219</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$194,919</u></u>	<u><u>\$77,272</u></u>	<u><u>-\$117,647</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual (Budget Basis)**  
**All Debt Service Funds**  
**For the Year Ended December 31, 2000**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Property and Other Taxes	\$748,294	\$743,168	-\$5,126
Intergovernmental	80,137	75,784	-4,353
Special Assessments	300,000	179,267	-120,733
<i>Total Revenues</i>	<u>1,128,431</u>	<u>998,219</u>	<u>-130,212</u>
<b>Expenditures</b>			
Current:			
General Government	42,166	39,812	2,354
Debt Service:			
Principal Retirement	1,033,046	2,459,850	-1,426,804
Interest and Fiscal Charges	707,654	706,485	1,169
<i>Total Expenditures</i>	<u>1,782,866</u>	<u>3,206,147</u>	<u>-1,423,281</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>-654,435</u>	<u>-2,207,928</u>	<u>-1,553,493</u>
<b>Other Financing Sources</b>			
Proceeds of Notes	0	1,550,000	1,550,000
Operating Transfers In	1,200,160	1,200,160	0
<i>Total Other Financing Sources</i>	<u>1,200,160</u>	<u>2,750,160</u>	<u>1,550,000</u>
<i>Excess of Revenues and Other</i>			
<i>Financing Sources Over Expenditures</i>	545,725	542,232	-3,493
<i>Fund Balances Beginning of Year</i>	187,972	187,972	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Balances End of Year</i>	<u>\$733,697</u>	<u>\$730,204</u>	<u>-\$3,493</u>

## **Capital Projects Funds**

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

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### **Capital Improvements Fund**

This fund accounts for state grants, transfers in, and various other financing sources used for the construction of various improvements of the City.

### **General Sewer Fund**

This fund accounts for fees from new homes and new users of the storm sewer system used for capital expenditures for the existing storm sewer system.

### **Riverfront Urban Renewal Fund**

This fund accounts for monies received from the sale of bonds be used for urban renewal activities to remove blight from the riverfront.

### **Municipal Court Improvements Fund**

This fund accounts for fees collected by the municipal court to be used for capital improvements for the court.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Capital Projects Funds**  
**December 31, 2000**

	<u>Capital Improvements</u>	<u>General Sewer</u>	<u>Riverfront Urban Renewal</u>	<u>Municipal Court Improvements</u>	<u>Totals</u>
<b>Assets</b>					
Cash and Cash Equivalents	\$617,699	\$100,047	\$3,824,341	\$481,330	\$5,023,417
Interfund Receivable	0	0	0	3,110	3,110
Intergovernmental Receivable	109,901	0	0	0	109,901
Prepaid Items	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,277</u>	<u>7,277</u>
<i>Total Assets</i>	<u>\$727,600</u>	<u>\$100,047</u>	<u>\$3,824,341</u>	<u>\$491,717</u>	<u>\$5,143,705</u>
<b>Liabilities</b>					
Accounts Payable	<u>\$20,584</u>	<u>\$0</u>	<u>\$7,666</u>	<u>\$453</u>	<u>\$28,703</u>
<i>Total Liabilities</i>	<u>20,584</u>	<u>0</u>	<u>7,666</u>	<u>453</u>	<u>28,703</u>
<b>Fund Equity</b>					
Fund Balances:					
Reserved for Encumbrances	53,512	2,482	39,145	1,329	96,468
Unreserved, Undesignated	<u>653,504</u>	<u>97,565</u>	<u>3,777,530</u>	<u>489,935</u>	<u>5,018,534</u>
<i>Total Fund Equity</i>	<u>707,016</u>	<u>100,047</u>	<u>3,816,675</u>	<u>491,264</u>	<u>5,115,002</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$727,600</u>	<u>\$100,047</u>	<u>\$3,824,341</u>	<u>\$491,717</u>	<u>\$5,143,705</u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Capital Projects Funds**  
**For the Year Ended December 31, 2000**

	<u>Capital Improvements</u>	<u>General Sewer</u>	<u>Riverfront Urban Renewal</u>	<u>Municipal Court Improvements</u>	<u>Totals</u>
<b>Revenues</b>					
Fines, Licenses and Permits	\$0	\$18,425	\$0	\$51,808	\$70,233
Intergovernmental	978,096	0	0	0	978,096
Interest	9,025	0	64,284	30,331	103,640
Other	0	0	70	0	70
<i>Total Revenues</i>	<u>987,121</u>	<u>18,425</u>	<u>64,354</u>	<u>82,139</u>	<u>1,152,039</u>
<b>Expenditures</b>					
Capital Outlay	1,536,491	23,843	86,789	24,358	1,671,481
Debt Service					
Interest and Fiscal Charges	0	0	421,433	0	421,433
<i>Total Expenditures</i>	<u>1,536,491</u>	<u>23,843</u>	<u>508,222</u>	<u>24,358</u>	<u>2,092,914</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>-549,370</u>	<u>-5,418</u>	<u>-443,868</u>	<u>57,781</u>	<u>-940,875</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds of Bonds (Net of Discount)	0	0	4,814,703	0	4,814,703
Operating Transfers In	20,000	0	0	0	20,000
Operating Transfers Out	-83,100	0	-554,160	0	-637,260
<i>Total Other Financing Sources (Uses)</i>	<u>-63,100</u>	<u>0</u>	<u>4,260,543</u>	<u>0</u>	<u>4,197,443</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>-612,470</u>	<u>-5,418</u>	<u>3,816,675</u>	<u>57,781</u>	<u>3,256,568</u>
<i>Fund Balances Beginning of Year</i>	<u>1,319,486</u>	<u>105,465</u>	<u>0</u>	<u>433,483</u>	<u>1,858,434</u>
<i>Fund Balances End of Year</i>	<u><u>\$707,016</u></u>	<u><u>\$100,047</u></u>	<u><u>\$3,816,675</u></u>	<u><u>\$491,264</u></u>	<u><u>\$5,115,002</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Capital Improvements Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Intergovernmental	\$8,233,404	\$868,195	-\$7,365,209
Interest	9,500	9,025	-475
<i>Total Revenues</i>	<u>8,242,904</u>	<u>877,220</u>	<u>-7,365,684</u>
<b>Expenditures</b>			
Capital Outlay			
Contractual Services	9,474,545	1,605,831	7,868,714
Capital Outlay	48,514	8,337	40,177
<i>Total Expenditures</i>	<u>9,523,059</u>	<u>1,614,168</u>	<u>7,908,891</u>
<i>Excess of Revenues Under Expenditures</i>	<u>-1,280,155</u>	<u>-736,948</u>	<u>543,207</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	240,000	20,000	-220,000
Operating Transfers Out	-248,100	-83,100	165,000
<i>Total Other Financing Sources (Uses)</i>	<u>-8,100</u>	<u>-63,100</u>	<u>-55,000</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>-1,288,255</u>	<u>-800,048</u>	<u>488,207</u>
<i>Fund Balance Beginning of Year</i>	1,267,523	1,267,523	0
Prior Year Encumbrances Appropriated	<u>79,225</u>	<u>79,225</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$58,493</u></u>	<u><u>\$546,700</u></u>	<u><u>\$488,207</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**General Sewer Fund**  
For the Year Ended December 31, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$30,000	\$18,425	-\$11,575
<b>Expenditures</b>			
Capital Outlay			
Contractual Services	<u>100,000</u>	<u>26,325</u>	<u>73,675</u>
<i>Excess of Revenues Under Expenditures</i>	-70,000	-7,900	62,100
<i>Fund Balance Beginning of Year</i>	<u>105,465</u>	<u>105,465</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$35,465</u></u>	<u><u>\$97,565</u></u>	<u><u>\$62,100</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Riverfront Urban Renewal Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest	\$46,870	\$64,283	\$17,413
Other	0	70	70
<i>Total Revenues</i>	<u>46,870</u>	<u>64,353</u>	<u>17,483</u>
<b>Expenditures</b>			
Capital Outlay			
Contractual Services	3,783,209	56,934	3,726,275
Capital Outlay	69,000	69,000	0
Debt Service			
Interest and Fiscal Charges	421,433	421,433	0
<i>Total Expenditures</i>	<u>4,273,642</u>	<u>547,367</u>	<u>3,726,275</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>-4,226,772</u>	<u>-483,014</u>	<u>3,743,758</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Bonds (Net of Discount)	4,814,703	4,814,703	0
Operating Transfers Out	-554,160	-554,160	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,260,543</u>	<u>4,260,543</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	33,771	3,777,529	3,743,758
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$33,771</u></u>	<u><u>\$3,777,529</u></u>	<u><u>\$3,743,758</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**Municipal Court Improvements Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Fines, Licenses and Permits	\$55,616	\$51,310	-\$4,306
Interest	31,900	30,331	-1,569
<i>Total Revenues</i>	<u>87,516</u>	<u>81,641</u>	<u>-5,875</u>
<b>Expenditures</b>			
Capital Outlay			
Contractual Services	32,992	6,792	26,200
Capital Outlay	180,200	26,797	153,403
<i>Total Expenditures</i>	<u>213,192</u>	<u>33,589</u>	<u>179,603</u>
<i>Excess of Revenues</i>			
<i>Over (Under) Expenditures</i>	-125,676	48,052	173,728
<i>Fund Balance Beginning of Year</i>	430,104	430,104	0
Prior Year Encumbrances Appropriated	1,392	1,392	0
<i>Fund Balance End of Year</i>	<u>\$305,820</u>	<u>\$479,548</u>	<u>\$173,728</u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balances - Budget and Actual (Budget Basis)**  
**All Capital Projects Funds**  
**For the Year Ended December 31, 2000**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Fines, Licenses and Permits	\$85,616	\$69,735	-\$15,881
Intergovernmental	8,233,404	868,195	-7,365,209
Interest	88,270	103,639	15,369
Other	0	70	70
<i>Total Revenues</i>	<u>8,407,290</u>	<u>1,041,639</u>	<u>-7,365,651</u>
<b>Expenditures</b>			
Capital Outlay	13,688,460	1,800,016	11,888,444
Debt Service			
Interest and Fiscal Charges	<u>421,433</u>	<u>421,433</u>	<u>0</u>
<i>Total Expenditures</i>	<u>14,109,893</u>	<u>2,221,449</u>	<u>11,888,444</u>
<i>Excess of Revenues Under Expenditures</i>	<u>-5,702,603</u>	<u>-1,179,810</u>	<u>4,522,793</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Bonds (Net of Discount)	4,814,703	4,814,703	0
Operating Transfers In	240,000	20,000	-220,000
Operating Transfers Out	<u>-802,260</u>	<u>-637,260</u>	<u>165,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>4,252,443</u>	<u>4,197,443</u>	<u>-55,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	-1,450,160	3,017,633	4,467,793
<i>Fund Balances Beginning of Year</i>	1,803,092	1,803,092	0
Prior Year Encumbrances Appropriated	<u>80,617</u>	<u>80,617</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$433,549</u></u>	<u><u>\$4,901,342</u></u>	<u><u>\$4,467,793</u></u>

## **Enterprise Funds**

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Enterprise funds account for the acquisition and operation of governmental facilities and services that are financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges.

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### **Water Works Fund**

To account for the revenues generated from the charges for distribution of water to the residential and commercial users of the City.

### **Water Pollution Control Fund**

To account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the City.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Enterprise Funds**  
**December 31, 2000**

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$126,431	\$11,654,080	\$11,780,511
Receivables:			
Accounts	1,053,250	1,718,460	2,771,710
Accrued Interest	377	2,981	3,358
Interfund	2,046	1,647	3,693
Intergovernmental	0	31,988	31,988
Materials and Supplies			
Inventory	442,287	23,537	465,824
Prepaid Items	3,943	5,359	9,302
Unamortized Bond Issue Costs	214,322	175,323	389,645
<b>Total Current Assets</b>	<u>1,842,656</u>	<u>13,613,375</u>	<u>15,456,031</u>
<b>Restricted Assets</b>			
Cash and Cash Equivalents	432,420	936,633	1,369,053
Cash and Cash Equivalents with Trustees	<u>1,272,447</u>	<u>1,479,106</u>	<u>2,751,553</u>
<b>Total Restricted Assets</b>	<u>1,704,867</u>	<u>2,415,739</u>	<u>4,120,606</u>
Fixed Assets (Net of Accumulated Depreciation)	<u>20,678,846</u>	<u>44,201,915</u>	<u>64,880,761</u>
<b>Total Assets</b>	<u><u>\$24,226,369</u></u>	<u><u>\$60,231,029</u></u>	<u><u>\$84,457,398</u></u>

(continued)

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
*All Enterprise Funds (continued)*  
**December 31, 2000**

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$116,977	\$151,232	\$268,209
Contracts Payable	29,135	328,834	357,969
Accrued Wages	1,962	2,447	4,409
Compensated Absences Payable	27,053	37,449	64,502
Retainage Payable	98,637	153,119	251,756
Interfund Payable	210	1,098	1,308
Intergovernmental Payable	122,021	153,110	275,131
Accrued Interest Payable	123,709	88,107	211,816
Current Portion of OWDA Loans Payable	295,130	160,504	455,634
Current Portion of General Obligation Bonds Payable	200,000	125,000	325,000
Current Portion of Revenue Bonds Payable	<u>365,000</u>	<u>440,000</u>	<u>805,000</u>
Total Current Liabilities	<u>1,379,834</u>	<u>1,640,900</u>	<u>3,020,734</u>
<b>Long-Term Liabilities</b>			
Death Benefits Payable	201,500	128,500	330,000
Compensated Absences Payable	693,483	687,715	1,381,198
OWDA Loans Payable	6,887,426	13,836,056	20,723,482
General Obligation Bonds Payable	2,040,000	500,000	2,540,000
Revenue Bonds Payable	8,198,547	5,783,649	13,982,196
Deferred Loss on Refunding	<u>0</u>	<u>-569,097</u>	<u>-569,097</u>
Total Long-Term Liabilities	<u>18,020,956</u>	<u>20,366,823</u>	<u>38,387,779</u>
<i>Total Liabilities</i>	<u>19,400,790</u>	<u>22,007,723</u>	<u>41,408,513</u>
<b>Fund Equity</b>			
Contributed Capital	<u>207,038</u>	<u>202,662</u>	<u>409,700</u>
Retained Earnings			
Reserved for Replacement and Improvement	150,000	150,000	300,000
Unreserved	<u>4,468,541</u>	<u>37,870,644</u>	<u>42,339,185</u>
<i>Total Retained Earnings</i>	<u>4,618,541</u>	<u>38,020,644</u>	<u>42,639,185</u>
<i>Total Fund Equity</i>	<u>4,825,579</u>	<u>38,223,306</u>	<u>43,048,885</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$24,226,369</u>	<u>\$60,231,029</u>	<u>\$84,457,398</u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Equity**  
**All Enterprise Funds**  
**For the Year Ended December 31, 2000**

	<b>Water Works</b>	<b>Water Pollution Control</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for Services	\$5,156,146	\$8,716,359	\$13,872,505
Other Operating Revenues	27,702	23,548	51,250
<i>Total Operating Revenues</i>	<u>5,183,848</u>	<u>8,739,907</u>	<u>13,923,755</u>
<b>Operating Expenses</b>			
Personal Services	3,325,251	3,462,560	6,787,811
Contractual Services	485,083	1,575,470	2,060,553
Materials and Supplies	206,196	352,900	559,096
Utilities	507,545	594,996	1,102,541
Other Operating Expenses	250,306	361,695	612,001
Depreciation	1,093,035	1,673,042	2,766,077
<i>Total Operating Expenses</i>	<u>5,867,416</u>	<u>8,020,663</u>	<u>13,888,079</u>
<i>Operating Income (Loss)</i>	<u>-683,568</u>	<u>719,244</u>	<u>35,676</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest	260,885	663,585	924,470
Interest and Fiscal Charges	-846,408	-603,699	-1,450,107
<i>Total Non-Operating Revenues (Expenses)</i>	<u>-585,523</u>	<u>59,886</u>	<u>-525,637</u>
<i>Net Income (Loss)</i>	-1,269,091	779,130	-489,961
<i>Retained Earnings Beginning of Year</i>	<u>5,887,632</u>	<u>37,241,514</u>	<u>43,129,146</u>
<i>Retained Earnings End of Year</i>	4,618,541	38,020,644	42,639,185
Contributed Capital Beginning and End of Year	<u>207,038</u>	<u>202,662</u>	<u>409,700</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,825,579</u></u>	<u><u>\$38,223,306</u></u>	<u><u>\$43,048,885</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenses and Changes**  
**in Fund Equity - Budget and Actual (Budget Basis)**  
**Water Works Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$5,704,845	\$5,105,091	-\$599,754
OWDA Loan Proceeds	6,900,000	4,226,341	-2,673,659
Interest	296,180	290,449	-5,731
Other Operating Revenues	<u>27,195</u>	<u>27,702</u>	<u>507</u>
<i>Total Revenues</i>	<u>12,928,220</u>	<u>9,649,583</u>	<u>-3,278,637</u>
<b>Expenses</b>			
<b>Current</b>			
Personal Services	3,248,008	3,224,638	23,370
Contractual Services	477,232	389,510	87,722
Materials and Supplies	565,465	390,891	174,574
Utilities	605,500	507,545	97,955
Other Operating Expenses	262,273	154,254	108,019
Capital Outlay	8,371,091	5,971,378	2,399,713
<b>Debt Service:</b>			
Principal Retirement	862,116	852,114	10,002
Interest and Fiscal Charges	<u>788,116</u>	<u>826,963</u>	<u>-38,847</u>
<i>Total Expenses</i>	<u>15,179,801</u>	<u>12,317,293</u>	<u>2,862,508</u>
<i>Excess of Revenues Under Expenses</i>	-2,251,581	-2,667,710	-416,129
<i>Fund Equity Beginning of Year</i>	3,918,091	3,918,091	0
Prior Year Encumbrances Appropriated	<u>488,232</u>	<u>488,232</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,154,742</u></u>	<u><u>\$1,738,613</u></u>	<u><u>-\$416,129</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenses and Changes**  
**in Fund Equity - Budget and Actual (Budget Basis)**  
**Water Pollution Control Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$8,992,973	\$8,551,726	-\$441,247
OWDA Loan Proceeds	14,883,916	11,286,874	-3,597,042
Interest	630,084	680,947	50,863
Other	28,475	23,548	-4,927
<i>Total Revenues</i>	<u>24,535,448</u>	<u>20,543,095</u>	<u>-3,992,353</u>
<b>Expenses</b>			
<b>Current</b>			
Personal Services	3,512,294	3,340,282	172,012
Contractual Services	2,765,589	2,430,880	334,709
Materials and Supplies	579,439	399,025	180,414
Utilities	688,100	594,996	93,104
Other Operating Expenses	322,891	202,522	120,369
Capital Outlay	17,726,179	15,400,753	2,325,426
<b>Debt Service:</b>			
Principal Retirement	727,012	670,341	56,671
Interest and Fiscal Charges	532,596	532,024	572
<i>Total Expenses</i>	<u>26,854,100</u>	<u>23,570,823</u>	<u>3,283,277</u>
<i>Excess of Revenues Under Expenses</i>	-2,318,652	-3,027,728	-709,076
<i>Fund Equity Beginning of Year</i>	11,346,021	11,346,021	0
Prior Year Encumbrances Appropriated	<u>948,975</u>	<u>948,975</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$9,976,344</u></u>	<u><u>\$9,267,268</u></u>	<u><u>-\$709,076</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenses, and**  
**Changes in Fund Equity - Budget and Actual (Budget Basis)**  
**All Enterprise Funds**  
**For the Year Ended December 31, 2000**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$14,697,818	\$13,656,817	-\$1,041,001
OWDA Loan Proceeds	21,783,916	15,513,215	-6,270,701
Interest	926,264	971,396	45,132
Other Operating Revenues	<u>55,670</u>	<u>51,250</u>	<u>-4,420</u>
<i>Total Revenues</i>	<u>37,463,668</u>	<u>30,192,678</u>	<u>-7,270,990</u>
<b>Expenses</b>			
Personal Services	6,760,302	6,564,920	195,382
Contractual Services	3,242,821	2,820,390	422,431
Materials and Supplies	1,144,904	789,916	354,988
Utilities	1,293,600	1,102,541	191,059
Other Operating Expenses	585,164	356,776	228,388
Capital Outlay	26,097,270	21,372,131	4,725,139
<b>Debt Service:</b>			
Principal Retirement	1,589,128	1,522,455	66,673
Interest and Fiscal Charges	<u>1,320,712</u>	<u>1,358,987</u>	<u>-38,275</u>
<i>Total Expenses</i>	<u>42,033,901</u>	<u>35,888,116</u>	<u>6,145,785</u>
<i>Excess of Revenues</i>			
<i>Under Expenses</i>	-4,570,233	-5,695,438	-1,125,205
<i>Fund Equity Beginning of Year</i>	15,264,112	15,264,112	0
Prior Year Encumbrances Appropriated	<u>1,437,207</u>	<u>1,437,207</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$12,131,086</u></u>	<u><u>\$11,005,881</u></u>	<u><u>-\$1,125,205</u></u>

**City of Lorain, Ohio**  
**Combining Statement of Cash Flows**  
**All Enterprise Funds**  
**For the Year Ended December 31, 2000**

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$5,105,091	\$8,551,726	\$13,656,817
Cash Payments for Goods and Services	-2,230,780	-2,441,517	-4,672,297
Cash Payments for Employee Services and Benefits	-3,274,351	-3,378,758	-6,653,109
Other Operating Revenues	57,643	43,891	101,534
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>-342,397</u>	<u>2,775,342</u>	<u>2,432,945</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal Paid on Bonds	-540,000	-545,000	-1,085,000
Interest Paid on Bonds	-604,438	-411,870	-1,016,308
Principal Retirement on OWDA	-312,114	-125,341	-437,455
Interest Paid on OWDA Notes	-222,525	-120,154	-342,679
OWDA Loan Proceeds	4,226,341	11,286,874	15,513,215
Purchase of Fixed Assets	-5,164,896	-11,865,139	-17,030,035
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>-2,617,632</u>	<u>-1,780,630</u>	<u>-4,398,262</u>
<b>Cash Flows from Investing Activities</b>			
Interest	260,508	660,604	921,112
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	-2,699,521	1,655,316	-1,044,205
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>4,530,819</u>	<u>12,414,503</u>	<u>16,945,322</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$1,831,298</u>	<u>\$14,069,819</u>	<u>\$15,901,117</u>

(continued)

**City of Lorain, Ohio**  
**Combining Statement of Cash Flows**  
**All Enterprise Funds (continued)**  
**For the Year Ended December 31, 2000**

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities</b>			
Operating Income (Loss)	-\$683,568	\$719,244	\$35,676
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Depreciation	1,093,035	1,673,042	2,766,077
<b>Change in Assets and Liabilities</b>			
Increase in Accounts Receivable	-50,410	-195,255	-245,665
Decrease (Increase) in Interfund Receivables	-645	202	-443
Decrease in Intergovernmental Receivables	0	31,168	31,168
Increase in Materials and Supplies Inventory	-185,073	-15,602	-200,675
Decrease (Increase) in Prepaid Items	-2,917	957	-1,960
Increase in Accounts Payable	103,597	115,751	219,348
Increase (Decrease) in Contracts Payable	-796,057	146,492	-649,565
Increase in Accrued Wages	1,962	2,447	4,409
Increase in Compensated Absences Payable	29,914	54,634	84,548
Increase in Interfund Payables	111	827	938
Increase in Intergovernmental Payables	20,767	47,566	68,333
Increase in Death Benefits Payable	28,250	40,750	69,000
Increase in Retainage Payable	98,637	153,119	251,756
Net Cash Provided by (Used for) Operating Activities	<u><u>-\$342,397</u></u>	<u><u>\$2,775,342</u></u>	<u><u>\$2,432,945</u></u>

## **Internal Service Funds**

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Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

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### **Garage Fund**

To account for charges to various departments of the City for maintenance on vehicles and equipment and other related costs used to defray the operating costs and purchases of the garage.

### **Hospitalization Fund**

To account for medical benefit self-insurance program for employees of the City.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Internal Service Funds**  
**December 31, 2000**

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$21,334	\$450,216	\$471,550
Materials and Supplies Inventory	<u>96,335</u>	<u>0</u>	<u>96,335</u>
Total Current Assets	117,669	450,216	567,885
Fixed Assets (Net of Accumulated Depreciation)	<u>38,674</u>	<u>0</u>	<u>38,674</u>
<i>Total Assets</i>	<u><u>\$156,343</u></u>	<u><u>\$450,216</u></u>	<u><u>\$606,559</u></u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$32,944	\$11,483	\$44,427
Claims Payable	0	346,115	346,115
Compensated Absences Payable	98,658	0	98,658
Intergovernmental Payable	18,264	451	18,715
Death Benefits Payable	<u>17,500</u>	<u>0</u>	<u>17,500</u>
<i>Total Liabilities</i>	<u>167,366</u>	<u>358,049</u>	<u>525,415</u>
<b>Fund Equity</b>			
Retained Earnings			
Unreserved (Deficit)	<u>-11,023</u>	<u>92,167</u>	<u>81,144</u>
<i>Total Fund Equity (Deficit)</i>	<u>-11,023</u>	<u>92,167</u>	<u>81,144</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$156,343</u></u>	<u><u>\$450,216</u></u>	<u><u>\$606,559</u></u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Retained Earnings**  
**All Internal Service Funds**  
**For the Year Ended December 31, 2000**

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Charges for Services	\$1,140,452	\$2,597,531	\$3,737,983
Other Operating Revenues	13,649	10,731	24,380
<i>Total Operating Revenues</i>	<u>1,154,101</u>	<u>2,608,262</u>	<u>3,762,363</u>
<b>Operating Expenses</b>			
Personal Services	545,541	13,965	559,506
Contractual Services	11,065	11,483	22,548
Claims	0	2,998,825	2,998,825
Materials and Supplies	620,044	0	620,044
Other Operating Expenses	2,062	0	2,062
Depreciation	2,643	0	2,643
<i>Total Operating Expenses</i>	<u>1,181,355</u>	<u>3,024,273</u>	<u>4,205,628</u>
<i>Operating Loss</i>	-27,254	-416,011	-443,265
<b>Non-Operating Revenues</b>			
Interest	0	10,180	10,180
<i>Net Loss</i>	-27,254	-405,831	-433,085
<i>Retained Earnings Beginning of Year</i>	<u>16,231</u>	<u>497,998</u>	<u>514,229</u>
<i>Retained Earnings (Deficit) End of Year</i>	<u><u>-\$11,023</u></u>	<u><u>\$92,167</u></u>	<u><u>\$81,144</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenses and Changes**  
**in Fund Equity - Budget and Actual (Budget Basis)**  
**Garage Fund**  
**For the Year Ended December 31, 2000**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$1,278,762	\$1,140,738	-\$138,024
Other Operating Revenues	13,649	13,649	0
<i>Total Revenues</i>	<u>1,292,411</u>	<u>1,154,387</u>	<u>-138,024</u>
<b>Expenses</b>			
Personal Services	545,478	534,405	11,073
Contractual Services	14,649	11,065	3,584
Materials and Supplies	653,845	598,811	55,034
Other Operating Expenses	2,800	2,115	685
<i>Total Expenses</i>	<u>1,216,772</u>	<u>1,146,396</u>	<u>70,376</u>
<i>Excess of Revenues Over Expenses</i>	75,639	7,991	-67,648
<b>Non-Operating Revenues</b>			
Operating Transfers In	20,000	0	-20,000
<i>Excess of Revenues and Transfers Over Expenses</i>	95,639	7,991	-87,648
<i>Fund Equity (Deficit) Beginning of Year</i>	-20,429	-20,429	0
Prior Year Encumbrances Appropriated	20,446	20,446	0
<i>Fund Equity End of Year</i>	<u><u>\$95,656</u></u>	<u><u>\$8,008</u></u>	<u><u>-\$87,648</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget and Actual (Budget Basis)*  
**Hospitalization Fund**  
*For the Year Ended December 31, 2000*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$2,784,678	\$2,597,531	-\$187,147
Interest	67,235	10,180	-57,055
Other Operating Revenues	<u>10,731</u>	<u>10,731</u>	<u>0</u>
<i>Total Revenues</i>	<u>2,862,644</u>	<u>2,618,442</u>	<u>-244,202</u>
<b>Expenses</b>			
Personal Services	17,337	16,385	952
Claims	3,112,006	2,961,231	150,775
Other	<u>1,000</u>	<u>0</u>	<u>1,000</u>
<i>Total Expenses</i>	<u>3,130,343</u>	<u>2,977,616</u>	<u>152,727</u>
<i>Excess of Revenues Under Expenses</i>	-267,699	-359,174	-91,475
<i>Fund Equity Beginning of Year</i>	679,838	679,838	0
Prior Year Encumbrances Appropriated	<u>79,006</u>	<u>79,006</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$491,145</u></u>	<u><u>\$399,670</u></u>	<u><u>-\$91,475</u></u>

**City of Lorain, Ohio**  
**Schedule of Revenues, Expenses, and**  
**Changes in Fund Equity - Budget and Actual (Budget Basis)**  
**All Internal Service Funds**  
**For the Year Ended December 31, 2000**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$4,063,440	\$3,738,269	-\$325,171
Interest	67,235	10,180	-57,055
Other Operating Revenues	24,380	24,380	0
<i>Total Revenues</i>	<u>4,155,055</u>	<u>3,772,829</u>	<u>-382,226</u>
<b>Expenses</b>			
Personal Services	562,815	550,790	12,025
Contractual Services	14,649	11,065	3,584
Materials and Supplies	653,845	598,811	55,034
Other Operating Expenses	3,800	2,115	1,685
Claims	3,112,006	2,961,231	150,775
<i>Total Expenses</i>	<u>4,347,115</u>	<u>4,124,012</u>	<u>223,103</u>
<i>Excess of Revenues Under Expenses</i>	-192,060	-351,183	-159,123
Operating Transfers In	20,000	0	-20,000
<i>Excess of Revenues and Transfers Under Expenses</i>	-172,060	-351,183	-179,123
<i>Fund Equity Beginning of Year</i>	659,409	659,409	0
Prior Year Encumbrances Appropriated	99,452	99,452	0
<i>Fund Equity End of Year</i>	<u>\$586,801</u>	<u>\$407,678</u>	<u>-\$179,123</u>

**City of Lorain, Ohio**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the Year Ended December 31, 2000**

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Quasi-External Transactions with Other Funds	\$1,140,738	\$2,597,531	\$3,738,269
Cash Payments for Goods and Services	-611,991	-31,228	-643,219
Cash Payments for Employee Services and Benefits	-537,797	-16,418	-554,215
Cash Payments for Claims	0	-2,879,942	-2,879,942
Other Operating Revenues	<u>13,649</u>	<u>10,731</u>	<u>24,380</u>
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>4,599</u>	<u>-319,326</u>	<u>-314,727</u>
<b>Cash Flows from Investing Activities</b>			
Interest	<u>0</u>	<u>10,180</u>	<u>10,180</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	4,599	-309,146	-304,547
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>16,735</u>	<u>759,362</u>	<u>776,097</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$21,334</u></u>	<u><u>\$450,216</u></u>	<u><u>\$471,550</u></u>

(continued)

**City of Lorain, Ohio**  
*Combining Statement of Cash Flows*  
*All Internal Service Funds (continued)*  
*For the Year Ended December 31, 2000*

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Reconciliation of Operating Loss to</b>			
<b>Net Cash Provided by (Used for) Operating Activities</b>			
Operating Loss	-\$27,254	-\$416,011	-\$443,265
<b>Adjustments to Reconcile Operating</b>			
<b>Loss to Net Cash Provided by (Used for)</b>			
<b>Operating Activities</b>			
Depreciation	2,643	0	2,643
<b>Change in Assets and Liabilities</b>			
Decrease in Interfund Receivables	286	0	286
Decrease in Materials Inventory	17,036	0	17,036
Increase (Decrease) in Accounts Payable	4,144	-19,745	-15,601
Increase in Claims Payable	0	118,883	118,883
Increase (Decrease) in Compensated Absences Payable	10,148	-2,820	7,328
Increase in Intergovernmental Payable	596	367	963
Decrease in Death Benefits Payable	-3,000	0	-3,000
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$4,599</u>	<u>-\$319,326</u>	<u>-\$314,727</u>

## **Agency Funds**

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These funds are purely custodial (assets equal liabilities) and these do not involve the measurement of results of operations.

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### **Street Excavation Fund**

This fund was established to account for deposits made by private contractors who excavate streets during construction to ensure that repairs are properly completed.

### **Allotment Improvement Fund**

This fund was established to account for inspection fees charged to developers for engineering, surveying and inspection costs.

### **Deposits Held Fund**

This fund was established to account for deposits held by the City to ensure compliance with various City ordinances. Upon satisfactory completion of projects, the deposits are returned.

### **State Highway Patrol Fund**

This fund was established to account for the portion of the State Highway Patrol fines that are dedicated to the county Law Library.

### **Contracts Trust Fund**

This fund was established to account for charges to contractors to cover the cost of bid proposals, prepared and distributed by the director of public service/safety.

### **Vital Statistics Fund**

This fund was established to account for the portion of fees collected for birth and death certificates that are sent to the State.

### **Municipal Court Fund**

This fund was established to account for the activities within the municipal court.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
*All Agency Funds*  
*December 31, 2000*

	<u>Street Excavation</u>	<u>Allotment Improvement</u>	<u>Deposits Held</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$9,660	\$112,205	\$55,009
Cash and Cash Equivalents in Segregated Accounts	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$9,660</u></u>	<u><u>\$112,205</u></u>	<u><u>\$55,009</u></u>
<b>Liabilities</b>			
Due to Other Funds	\$0	\$0	\$0
Deposits Held and Due to Others	<u>9,660</u>	<u>112,205</u>	<u>55,009</u>
<i>Total Liabilities</i>	<u><u>\$9,660</u></u>	<u><u>\$112,205</u></u>	<u><u>\$55,009</u></u>

<u>State Highway Patrol</u>	<u>Contracts Trust</u>	<u>Vital Statistics</u>	<u>Municipal Court</u>	<u>Totals</u>
\$936	\$0	\$4,325	\$0	\$182,135
<u>0</u>	<u>0</u>	<u>0</u>	<u>122,766</u>	<u>122,766</u>
<u><u>\$936</u></u>	<u><u>\$0</u></u>	<u><u>\$4,325</u></u>	<u><u>\$122,766</u></u>	<u><u>\$304,901</u></u>
\$0	\$1,779	\$0	\$57,288	\$59,067
<u>936</u>	<u>-1,779</u>	<u>4,325</u>	<u>65,478</u>	<u>245,834</u>
<u><u>\$936</u></u>	<u><u>\$0</u></u>	<u><u>\$4,325</u></u>	<u><u>\$122,766</u></u>	<u><u>\$304,901</u></u>

**City of Lorain, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended December 31, 2000**

	<u>Balance</u> <u>1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/00</u>
<i>Street Excavation</i>				
<b>Assets</b>				
Cash and Cash Equivalents	<u>\$10,460</u>	<u>\$3,000</u>	<u>\$3,800</u>	<u>\$9,660</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$10,460</u>	<u>\$3,000</u>	<u>\$3,800</u>	<u>\$9,660</u>
 <i>Allotment Improvement</i>				
<b>Assets</b>				
Cash and Cash Equivalents	<u>\$87,126</u>	<u>\$26,215</u>	<u>\$1,136</u>	<u>\$112,205</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$87,126</u>	<u>\$26,215</u>	<u>\$1,136</u>	<u>\$112,205</u>
 <i>Deposits Held</i>				
<b>Assets</b>				
Cash and Cash Equivalents	<u>\$32,803</u>	<u>\$101,795</u>	<u>\$79,589</u>	<u>\$55,009</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$32,803</u>	<u>\$101,795</u>	<u>\$79,589</u>	<u>\$55,009</u>

(continued)

**City of Lorain, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (continued)**  
**For the Year Ended December 31, 2000**

	<u>Balance</u> <u>1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/00</u>
<i>State Highway Patrol</i>				
<b>Assets</b>				
Cash and Cash Equivalents	\$0	\$13,853	\$12,917	\$936
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$13,853	\$12,917	\$936
 <i>Contracts Trust</i>				
<b>Assets</b>				
Cash and Cash Equivalents	\$80	\$4,834	\$4,914	\$0
<b>Liabilities</b>				
Due to Other Funds	\$0	\$1,779	\$0	\$1,779
Deposits Held and Due to Others	80	3,055	4,914	-1,779
<i>Total Liabilities</i>	<u>\$80</u>	<u>\$4,834</u>	<u>\$4,914</u>	<u>\$0</u>
 <i>Vital Statistics</i>				
<b>Assets</b>				
Cash and Cash Equivalents	\$4,269	\$21,681	\$21,625	\$4,325
<b>Liabilities</b>				
Deposits Held and Due to Others	\$4,269	\$21,681	\$21,625	\$4,325

(continued)

**City of Lorain, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (continued)**  
**For the Year Ended December 31, 2000**

	<u>Balance 1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/00</u>
<b>Municipal Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$123,285	\$2,321,023	\$2,321,542	\$122,766
<b>Liabilities</b>				
Due to Other Funds	\$53,141	\$57,288	\$53,141	\$57,288
Deposits Held and Due to Others	70,144	2,263,735	2,268,401	65,478
<i>Total Liabilities</i>	<u>\$123,285</u>	<u>\$2,321,023</u>	<u>\$2,321,542</u>	<u>\$122,766</u>
<b>Total All Agency Funds</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$134,738	\$171,378	\$123,981	\$182,135
Cash and Cash Equivalents in Segregated Accounts	123,285	2,321,023	2,321,542	122,766
<i>Total Assets</i>	<u>\$258,023</u>	<u>\$2,492,401</u>	<u>\$2,445,523</u>	<u>\$304,901</u>
<b>Liabilities</b>				
Due to Other Funds	\$53,141	\$59,067	\$53,141	\$59,067
Deposits Held and Due to Others	204,882	2,433,334	2,392,382	245,834
<i>Total Liabilities</i>	<u>\$258,023</u>	<u>\$2,492,401</u>	<u>\$2,445,523</u>	<u>\$304,901</u>

## **General Fixed Assets Account Group**

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The general fixed assets account group is used to account for all land and improvements, buildings, machinery and equipment, and furniture and fixtures not used in the operations of the proprietary funds.

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**City of Lorain**  
*Schedule of General Fixed Assets*  
*By Function*  
*December 31, 2000*

<u>Function</u>	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Furniture and Fixtures</u>
General Government	\$7,418,373	\$80,994	\$3,646,445	\$3,432,702	\$258,232
Security of Persons and Property	6,581,539	119,031	1,346,317	4,939,861	176,330
Public Health Service	879,325	24,890	414,841	393,971	45,623
Transportation	3,982,024	0	141,775	3,825,367	14,882
Community Environment	135,539	0	4,387	103,021	28,131
Economic Development	3,236,195	905,166	2,152,838	157,668	20,523
Leisure Time Activities	<u>6,977,870</u>	<u>3,062,383</u>	<u>1,814,089</u>	<u>2,087,728</u>	<u>13,670</u>
<i>Total General Fixed Assets</i>	<u><u>\$29,210,865</u></u>	<u><u>\$4,192,464</u></u>	<u><u>\$9,520,692</u></u>	<u><u>\$14,940,318</u></u>	<u><u>\$557,391</u></u>

**City of Lorain**  
*Schedule of Changes in General Fixed Assets*  
*By Function*  
*For the Year Ended December 31, 2000*

<b>Function</b>	<b>General Fixed Assets 01/01/00</b>	<b>Additions</b>	<b>Deletions</b>	<b>General Fixed Assets 12/31/00</b>
General Government	\$7,370,616	\$56,154	\$8,397	\$7,418,373
Security of Persons and Property	6,197,364	391,655	7,480	6,581,539
Public Health Service	929,364	13,501	63,540	879,325
Transportation	3,317,809	783,011	118,796	3,982,024
Community Environment	135,539	0	0	135,539
Economic Development	2,682,757	554,568	1,130	3,236,195
Leisure Time Activities	6,897,870	80,000	0	6,977,870
<i>Total General Fixed Assets</i>	<u>\$27,531,319</u>	<u>\$1,878,889</u>	<u>\$199,343</u>	<u>\$29,210,865</u>

**City of Lorain**  
*Schedule of General Fixed Assets*  
*By Source*  
*December 31, 2000*

**General Fixed Assets:**

Land and Improvements	\$4,192,464
Buildings	9,520,692
Machinery and Equipment	14,940,318
Furniture and Fixtures	<u>557,391</u>
<i>Total General Fixed Assets</i>	<u><u>\$29,210,865</u></u>

**Investment in General  
Fixed Assets:**

Donated Property	\$435,000
General Governmental Revenues	<u>28,775,865</u>
<i>Total General Fixed Assets</i>	<u><u>\$29,210,865</u></u>

## STATISTICAL SECTION

The Statistical Section contains comprehensive statistical data which relates to physical, economic, social, and political characteristics of the City. It is intended to provide users with a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements and supporting schedules included in the Financial Section.

Statistical Section tables usually cover more than two fiscal years and often present data from outside the accounting entity. In contrast to the Financial Section information, Statistical Section data are not usually susceptible to independent audit.



**City of Lorain, Ohio**  
**Governmental Fund Revenues by Source (1)**  
**Last Ten Years (2)**

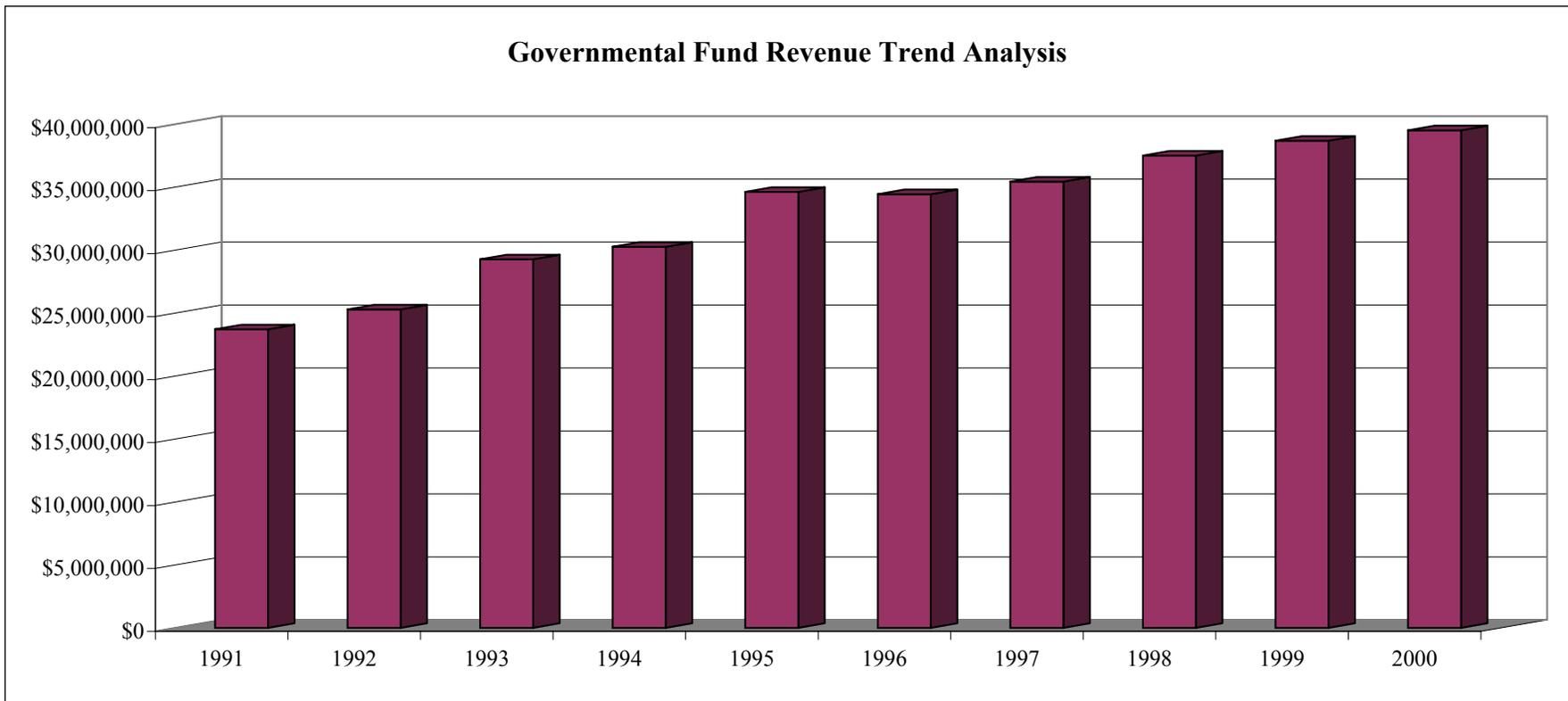
<b>Year</b>	<b>Taxes</b>	<b>Charges for Services</b>	<b>Fines, Licenses and Permits</b>	<b>Inter-governmental</b>	<b>Special Assesments</b>	<b>Interest</b>	<b>Donations</b>	<b>Other</b>	<b>Total</b>
2000	\$21,766,763	\$938,448	\$2,296,516	\$13,664,725	\$179,267	\$490,884	\$0	\$174,536	\$39,511,189
1999	19,958,146	439,434	2,061,198	14,795,431	215,025	321,895	0	891,588	38,682,717
1998	20,311,699	430,802	2,725,477	12,769,960	322,014	426,823	0	515,976	37,502,751
1997	20,251,077	351,342	2,056,536	11,388,615	429,841	444,923	0	513,513	35,435,847
1996	21,779,583	385,589	1,908,494	9,091,196	471,149	344,016	0	459,089	34,439,116
1995	21,301,019	545,590	1,926,151	9,676,597	555,346	228,752	0	384,041	34,617,496
1994	19,984,868	492,980	1,510,696	7,121,764	554,300	113,348	100,000	382,607	30,260,563
1993	18,834,777	304,409	1,260,128	5,656,055	311,544	0	0	2,903,089	29,270,002
1992	15,433,423	372,390	1,384,111	6,449,772	626,605	0	0	1,020,234	25,286,535
1991	14,564,382	522,060	878,686	5,790,649	681,827	0	0	1,270,587	23,708,191

(1) Includes: General, Special Revenue, Debt Service and Capital Projects Funds

(2) 1994 thru 2000 reported on GAAP basis, all other years on cash basis

Source: Lorain City Auditor

**City of Lorain, Ohio  
Governmental Fund Revenues by Source (1)  
Last Ten Years (2)**



**City of Lorain, Ohio**  
**Governmental Fund Expenditures by Function (1)**  
**Last Ten Years (2)**

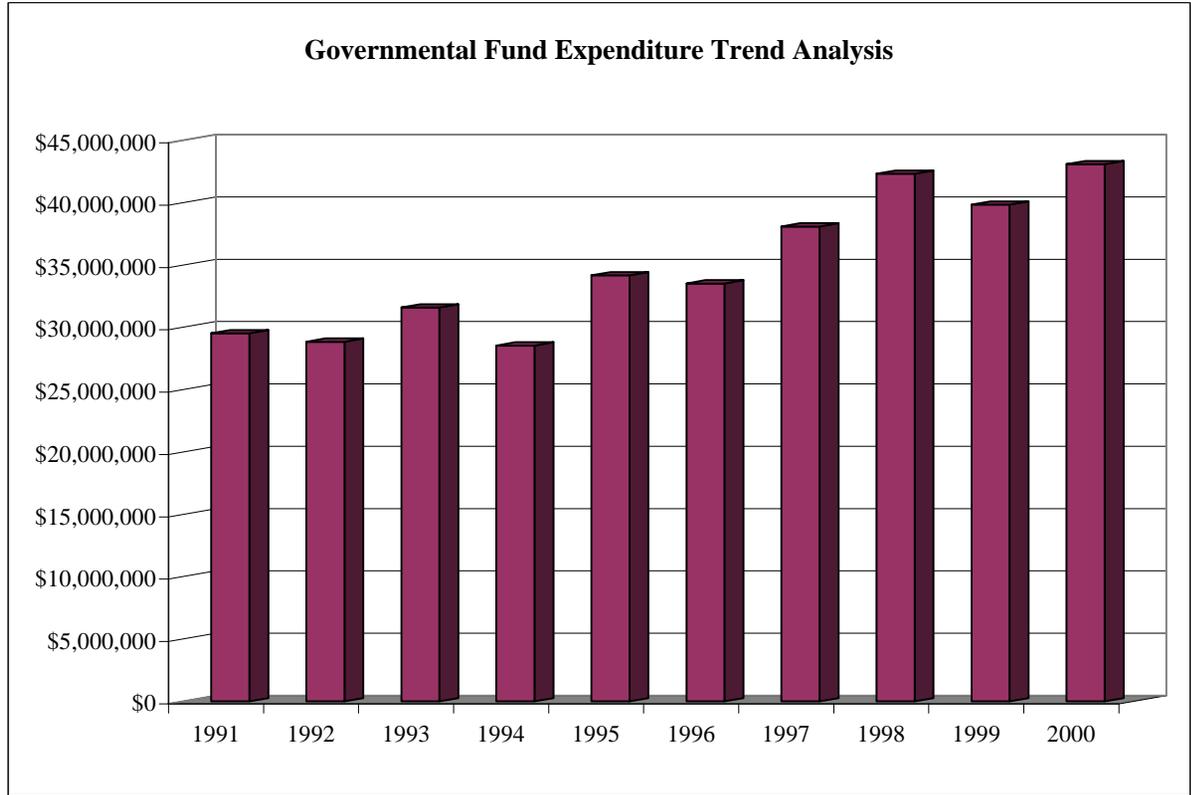
<b>Year</b>	<b>General Government</b>	<b>Security of Persons and Property</b>	<b>Public Health and Welfare</b>	<b>Transportation</b>	<b>Community Environment</b>	<b>Leisure Time Activities</b>	<b>Economic Development</b>	<b>Other</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Total</b>
2000	\$7,007,186	\$17,944,155	\$1,780,974	\$3,647,614	\$685,051	\$1,483,343	\$4,628,864	\$0	\$1,677,727	\$4,235,472	\$43,090,386
1999	6,569,957	17,237,827	1,723,641	2,665,990	710,623	1,493,082	3,356,598	0	2,938,879	3,148,074	39,844,671
1998	6,546,059	15,760,123	1,594,986	2,557,555	704,649	1,407,498	5,021,472	0	2,434,120	6,292,582	42,319,044
1997	6,947,463	15,322,993	1,832,377	2,826,661	770,878	1,567,121	3,445,537	0	2,849,449	2,530,914	38,093,393
1996	6,303,235	14,356,607	1,567,052	2,492,447	593,131	1,528,519	2,118,978	0	1,918,307	2,645,860	33,524,136
1995	6,196,674	13,791,459	1,464,032	2,729,612	528,943	1,290,460	2,667,513	25,664	2,979,368	2,503,841	34,177,566
1994	5,896,129	12,964,480	1,415,335	1,859,011	568,381	932,646	1,564,722	22,462	921,873	2,392,394	28,537,433
1993	7,357,498	12,233,516	1,267,649	2,309,568	1,277,157	1,195,855	0	0	33,700	5,922,673	31,597,616
1992	5,307,369	10,401,820	1,155,752	2,495,858	2,134,996	1,094,323	0	0	867,218	5,393,212	28,850,548
1991	6,451,637	10,369,470	1,219,278	2,579,141	2,076,521	1,032,416	0	0	797,266	5,003,663	29,529,392

(1) Includes: General, Special Revenue, Debt Service and Capital Projects Funds

(2) 1994 thru 2000 reported on GAAP basis, all other years on cash basis

Source: Lorain City Auditor

**City of Lorain, Ohio  
Governmental Fund Expenditures by Function (1)  
Last Ten Years (2)**



**City of Lorain, Ohio**  
**Assessed and Estimated Actual Values of Taxable Property -- (In Thousands 000s)**  
**Last Ten Years**

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2000	\$716,163	\$2,046,180	\$64,043	\$72,776	\$145,005	\$580,019	\$925,211	\$2,698,976	34%
1999	607,363	1,735,324	67,935	77,199	152,995	611,978	828,293	2,424,501	34
1998	605,581	1,730,231	69,159	78,590	147,825	591,300	822,565	2,400,121	34
1997	592,530	1,692,944	72,540	82,432	158,609	634,436	823,679	2,409,812	34
1996	524,374	1,498,213	70,388	79,986	152,707	610,830	747,469	2,189,029	34
1995	510,337	1,458,106	83,334	94,698	127,053	508,212	720,724	2,061,016	35
1994	508,188	1,451,966	80,007	90,917	125,047	500,188	713,242	2,043,071	35
1993	456,760	1,305,029	81,738	92,884	138,141	552,564	676,639	1,950,477	35
1992	452,478	1,292,794	82,402	93,639	135,932	522,815	670,812	1,909,248	35
1991	449,147	1,283,277	81,935	93,108	141,038	542,454	672,120	1,918,839	35

Source: Lorain County Auditor

(1) This amount is calculated by dividing the assessed value by the assessment percentage.

(2) The percentages for 2000 were 35% for all real property, 35% for public utility real, 88% for public utility tangible, and 25% for tangible personal.

**City of Lorain, Ohio**  
**Property Tax Levies and Collections**  
**Real and Public Utility Taxes**  
**Last Ten Years**

<b>Year</b>	<b>Current Tax Levy (1)</b>	<b>Current Tax Collections (1)</b>	<b>Percent Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Collections To Current Tax Levy</b>	<b>Outstanding Delinquent Taxes (2)</b>	<b>Percent of Delinquent Taxes To Current Tax Levy</b>
2000	\$3,066,578	\$2,922,999	95.3%	\$115,157	\$3,038,157	99.1%	\$246,327	8.0%
1999	3,183,610	2,910,261	91.4	107,157	3,017,418	94.8	352,399	11.1
1998	3,057,957	2,945,399	96.3	102,854	3,048,253	99.7	185,575	6.1
1997	2,731,861	2,644,441	96.8	80,588	2,725,029	99.7	149,383	5.5
1996	2,733,704	2,649,883	96.9	78,927	2,728,810	99.8	141,597	5.2
1995	2,699,844	2,532,355	93.8	76,274	2,608,629	96.6	229,928	8.5
1994	2,481,747	2,412,367	97.2	75,120	2,487,487	100.2	135,920	5.5
1993	2,473,103	2,403,856	97.2	79,536	2,483,392	100.4	149,765	6.1
1992	2,457,289	2,388,485	97.2	49,871	2,438,356	99.2	160,803	6.5
1991	2,300,415	2,240,604	97.4	54,025	2,294,629	99.7	141,612	6.2

Source: Lorain County Auditor

(1). State Reimbursement of Rollback and Homestead Exemptions are included.

(2). Penalties and interest are included, since by Ohio Law they become part of the tax obligation as assessment occurs.

**City of Lorain, Ohio**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$1000 Assessed Valuation)**  
**Last Ten Years**

<b>City of Lorain</b>							
<b>Year</b>	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Total City</b>	<b>Lorain County</b>	<b>Special Taxing Districts</b>	<b>Total District and Overlapping Governments</b>
2000	\$3.36	\$0.60	\$1.00	\$4.96	\$10.79	\$58.98	\$74.73
1998	3.36	0.60	1.00	4.96	10.79	58.98	74.73
1998	3.36	0.60	1.00	4.96	10.79	58.98	74.73
1997	3.36	0.60	1.00	4.96	12.69	58.98	76.63
1996	3.36	0.60	1.00	4.96	12.69	58.49	76.14
1995	3.36	0.60	1.00	4.96	11.49	58.49	74.94
1994	3.36	0.60	1.00	4.96	11.49	58.49	74.94
1993	3.36	0.60	1.00	4.96	11.39	58.49	74.84
1992	3.36	0.60	1.00	4.96	11.74	49.12	65.82
1991	3.36	0.60	1.00	4.96	11.74	50.74	67.44

Source: Lorain County Auditor

**City of Lorain, Ohio  
Special Assessment Collections  
Last Ten Years**

<u>Year</u>	<u>Current Assessments Due</u>	<u>Current Collections</u>	<u>Percent Collected</u>
2000	\$1,081,772	\$179,267	17%
1999	1,110,658	215,025	19
1998	1,073,368	322,014	30
1997	1,094,484	429,841	39
1996	1,008,422	471,149	47
1995	1,052,001	555,346	53
1994	1,226,627	588,692	48
1993	1,457,125	577,022	40
1992	1,443,148	629,213	44
1991	1,357,769	681,927	50

Source: Lorain County Auditor

**City of Lorain, Ohio**  
**Ratio of Annual Debt Service Expenditures for**  
**General Obligation Bonded Debt to Total Governmental Fund Expenditures**  
**Last Ten Years**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures (1)</b>	<b>Ratio of Debt Service to Governmental Fund Expenditures (Percentage)</b>
2000	\$754,593	\$654,743	\$1,409,336	\$43,090,386	3.27%
1999	909,593	596,557	1,506,150	39,844,671	3.78
1998	832,564	551,619	1,384,183	42,319,044	3.27
1997	817,564	511,231	1,328,795	38,093,393	3.49
1996	815,212	651,906	1,467,118	33,524,136	4.38
1995	550,356	433,376	983,732	34,177,566	2.88
1994	550,356	482,999	1,033,355	28,537,433	3.62
1993	1,094,000	1,043,228	2,137,228	31,597,616	6.76
1992	1,115,000	1,135,266	2,250,266	28,850,548	7.80
1991	1,265,185	1,360,473	2,625,658	29,529,392	8.89
1990	1,195,347	1,275,088	2,470,435	26,878,783	9.19

(1) 1994 through 2000 reported on GAAP basis; all other years on cash basis.  
Source: Lorain City Auditor

**City of Lorain, Ohio**  
**Ratio of Net General Obligation Bonded Debt**  
**to Assessed Value and Net General Obligation Bonded Debt Per Capita**  
**Last Ten Years**

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt (1)</u>	<u>Debt Service Monies Available</u>	<u>Net General Obligation Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net General Obligation Bonded Debt Per Capita</u>
2000	68,652	\$925,211,158	\$14,458,448	\$649,082	\$13,809,366	1.49%	\$201
1999	69,800	828,293,210	10,363,041	38,753	10,324,288	1.25	148
1998	69,800	822,564,554	9,202,634	465,084	8,737,550	1.06	125
1997	69,800	823,678,974	6,355,198	668,308	5,686,890	0.69	81
1996	71,483	747,469,350	7,172,762	1,066,319	6,106,443	0.82	85
1995	71,483	720,724,541	7,987,974	1,253,250	6,734,724	0.93	94
1994	71,483	713,242,551	5,018,330	1,194,950	3,823,380	0.54	53
1993	71,483	676,638,529	5,568,685	1,570,884	3,997,801	0.59	56
1992	71,483	670,812,164	5,420,000	852,114	4,567,886	0.68	64
1991	71,245	672,120,000	5,872,000	779,712	5,092,288	0.76	71

(1) Includes only general obligation bonds payable from property taxes.  
Source: Lorain County Auditor

**City of Lorain, Ohio**  
**Computation of Direct and Overlapping General Obligation Bonded Debt**  
**December 31, 2000**

	<b>General Obligation Bonded Debt</b>	<b>Percent Applicable to City (1)</b>	<b>Amount Applicable to City of Lorain</b>
City of Lorain	\$14,458,448	100.00%	\$14,458,448
Lorain City Schools	1,222,981	100.00	1,222,981
County of Lorain	6,950,000	20.00	1,390,000
			\$17,071,429

(1) Percentages were determined by dividing each jurisdiction's assessed valuation within the City by the jurisdiction's total assessed valuation.

Source: Lorain City Schools  
Lorain County Auditor

**City of Lorain, Ohio**  
**Schedule of Enterprise Revenue Bond Coverage**  
**Water and Water Pollution Control Funds**  
**For the Years Ended December 31, 1995, 1996, 1997, 1998, 1999, 2000**

<u>Fund</u>	<u>Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
Water Pollution Control	2000	\$8,739,907	\$6,347,621	\$2,392,286	\$420,000	\$331,245	\$751,245	3.18
	1999	8,276,380	5,696,068	2,580,312	400,000	349,495	749,495	3.44
	1998	7,465,131	5,507,841	1,957,290	390,000	366,582	756,582	2.59
	1997	6,904,935	5,222,997	1,681,938	375,000	382,557	757,557	2.22
	1996	7,581,145	4,870,041	2,711,104	200,000	394,045	594,045	4.56
	1995	7,100,160	5,214,605	1,885,555	275,000	817,605	1,092,605	1.73
Water Works (3)	2000	5,183,848	4,774,381	409,467	350,000	443,608	793,608	-0.5
	1999	5,482,568	5,705,652	(223,084)	335,000	458,168	793,168	-0.28
	1998	6,030,207	4,573,306	1,456,901	325,000	471,865	796,865	1.83
	1997	5,726,504	4,675,543	1,050,961	310,000	484,650	794,650	1.32
	1996	5,881,611	5,158,948	722,663	0	408,977	408,977	1.77

(1) Audited GAAP financial statements are not available for years prior to 1994.  
Because of timing fluctuations on a cash basis, comparisons for years prior to 1994 are not meaningful.

(2) Excludes Depreciation

(3) Water Revenue Bonds were issued in 1995. Interest payments began in 1996. Principal payments began in 1997.

Source: Lorain City Auditor

**City of Lorain, Ohio**  
**Legal Debt Margin**  
**December 31, 2000**

	<b>Total Debt Limit</b>	<b>Total Unvoted Debt Limit</b>
Assessed Valuation	\$925,211,158	\$925,211,158
Debt Limitation	97,147,172 10.5 percent	50,886,614 5.5 percent
Debt Applicable to Limitation: (Total Voted and Unvoted)		
General Obligation Bonds	14,458,448	14,458,448
Special Assessment Bonds	820,552	820,552
Hud Section 108 Loans	3,845,000	3,845,000
Enterprise Fund General Obligation Bonds	2,865,000	2,865,000
Enterprise Fund Revenue Bonds	14,787,196	14,787,196
Ohio Water Development Authority Loans	21,179,116	21,179,116
Bond Anticipation Notes	1,550,000	1,550,000
OPWC Loans	60,102	60,102
Real Estate Acquisition Loan	78,069	78,069
	-----	-----
Total Debt Applicable to Limitation	59,643,483	59,643,483
	-----	-----
Less: Debt Outside Limitations:		
Special Assessment Bonds	820,552	820,552
Enterprise Fund General Obligation Bonds	2,865,000	2,865,000
Revenue Bonds	14,787,196	14,787,196
Ohio Water Development Authority Loans	21,179,116	21,179,116
	-----	-----
Total Debt Outside Limitations	39,651,864	39,651,864
	-----	-----
Total Debt Applicable to Limitation within 10.5%	19,991,619	
Total Debt Applicable to Limitation within 5.5%		19,991,619
Less: Amount Available in Debt Service Fund	649,082	649,082
	-----	-----
Net Debt Margin Within 10.5%	19,342,537	
Net Debt Margin Within 5.5%		19,342,537
	-----	-----
Overall Debt Margin Within 10.5% Limitation	77,804,635	
Overall Debt Margin Within 5.5% Limitation	-----	31,544,077

Source: Lorain City Auditor

**City of Lorain, Ohio**  
**Property Value, Construction and Bank Deposits**  
**Last Ten Years**

<b>Year</b>	<b>Estimated Actual City Property Value (1)</b>	<b>New Construction</b>			<b>County Bank Deposits (2, 3)</b>
		<b>Agriculture/ Residential</b>	<b>Commercial Industrial</b>	<b>Total</b>	
2000	\$2,698,975,841	\$5,315,310	\$2,581,840	\$7,897,150	\$513,102,000
1999	2,424,501,221	5,782,570	6,079,500	11,862,070	463,993,000
1998	2,400,122,000	3,552,310	2,478,800	6,031,110	444,974,000
1997	2,409,811,422	5,100,610	2,873,810	7,974,420	1,381,977,000
1996	2,189,029,000	2,517,540	10,517,990	13,035,530	1,744,502,000
1995	2,061,016,000	2,455,480	1,381,910	3,837,390	1,628,133,000
1994	2,043,071,000	1,757,400	1,134,360	2,891,760	1,517,978,000
1993	1,950,477,000	2,874,400	1,357,150	4,231,550	1,170,581,000
1992	1,909,248,000	2,078,900	1,676,770	3,755,670	1,126,173,000
1991	1,918,839,000	2,999,110	655,730	3,654,840	1,066,123,000
1990	1,828,531,000	1,895,730	1,667,810	3,563,540	1,317,821,000

Sources:

- (1) Lorain County Auditor's Office
- (2) Federal Reserve Bank of Cleveland
- (3) Decreases in 1997 and 1998 resulted when out-of-county banks acquired local bank branches.  
The deposits were moved out of Lorain County.

**City of Lorain  
Ten Largest Real Property Taxpayers  
December 31, 2000**

<b>Taxpayer</b>	<b>Real Property Assessed Valuation</b>	<b>Percentage of Total Real Property Assessed Valuation</b>
Ohio Edison Company	\$47,436,630	6.62%
Ford Motor Company	17,433,240	2.40
Republic Technologies Int'l	13,209,850	1.85
Century Telephone	11,578,080	1.62
Columbia Gas of Ohio, Inc.	7,558,390	1.06
Lorain Tubular	6,253,630	0.87
Key Corporation	3,678,680	0.52
Marconi Communications	2,174,550	0.30
Community Health Partners	2,188,680	0.31
South Shore Community Development Corporation	1,925,000	0.27
Lake Terminal Railroad	1,921,090	0.27
Penn Power	1,030,570	0.15
Total of Above	\$116,388,390	16.25%
Total City Valuation	\$716,163,110	

(1) Formerly USS/Kobe Steel Company

(2) Formerly Reliance Electric Company  
(Lorain Products Division)

Source: Lorain County Auditor

**City of Lorain, Ohio**  
**Ten Largest Personal Property Taxpayers**  
**December 31, 2000**

<b>Taxpayer</b>	<b>Personal Property Assessed Valuation</b>	<b>Percentage of Total Personal Property Assessed Valuation</b>
Republic Technologies Int'l	\$57,765,740	27.63%
Lorain Tubular	11,583,910	5.54
Ford Motor Company	16,788,950	8.03
Marconi Communications	9,152,750	4.38
LTV Steel	4,631,310	2.22
P.C. Campana, Inc.	1,736,100	0.83
K-Mart Corporation	1,718,700	0.82
Praxair, Inc.	1,469,740	0.71
Joe Firment Chevrolet	1,072,950	0.51
National Gypsum Company	1,436,160	0.69
Parnassos L P	1,909,970	0.91
Johnson Metall	1,216,800	0.58
Arion	1,134,170	0.54
Total of Above	111,617,250	53.39%
Total City Valuation	\$209,048,048	

(1) Formerly USS/Kobe Steel Company

(2) Formerly Reliance Electric Company  
(Lorain Products Division)

Source: Lorain County Auditor

**City of Lorain, Ohio**  
**Ten Largest Employers in the City**  
**as of Second Quarter 2000**

<b>Employer</b>	<b>Nature of Activity or Business</b>	<b>Number of Employees</b>
Community Health Partners (Health Center)	Health care	2,178
Ford Motor Company (Lorain Plant)	Automobile manufacturing control center	1,730
Republic Technologies Int'l	Steel manufacturing	1,585
Marconi Communications	Telecommunications equipment	1,250
Lorain City School District	Education	1,200
May Department Stores, Inc.	Information Systems/Credit Center	600
City of Lorain	Government	550
Lorain Tubular	Steel manufacturing	500
P.C. Campana	Steel mold manufacturing and repair	390
Lorain County Community Action Agency	Education/community services	290

Source: Lorain County Chamber of Commerce

**City of Lorain, Ohio  
Demographic Statistics  
Last Ten Years**

<b>Year</b>	<b>Population (1)</b>	<b>School Enrollment (2)</b>	<b>Average Unemployment Rate Lorain County (3)</b>
2000	68,652	10,619	5.4%
1999	69,800	10,571	3.4
1998	69,800	10,634	3.6
1997	69,800	10,576	6.1
1996	71,483	10,684	7.8
1995	71,483	10,615	5.1
1994	71,483	10,923	4.4
1993	71,483	11,164	5.9
1992	71,483	11,458	9.0
1991	71,245	11,716	9.7

Sources: (1) Ohio Department of Development  
(2) Lorain Board of Education  
(3) Ohio Department of Employment Services  
Labor Market Information Department

**City of Lorain, Ohio**  
**Miscellaneous Information**  
**December 31, 2000**

Government:	Date of Incorporation	1874
	Form of Government	Mayor/Council
Area:	23.8 square miles	
Streets:	Miles of Streets	220
Traffic Lights:		522
Fire:	Fire Protection:	
	Number of Stations	4
	Number of Firemen and Officers	88
Police:	Police Protection:	
	Number of Stations	1
	Number of Sub-Stations	2
	Number of Policemen and Officers	110
Rescue Service:	Rescue Service:	
	Number of Stations	1
	Number of Rescue Personnel	50
Recreation and Culture:	Number of Parks	56
	Number of Libraries	2
Employees:	Part Time and Seasonal	221
	Full Time	572

City Employees are represented by the following bargaining units:

Lorain Firefighters Association - International Association of Firefighters	85
Fraternal Order of Police - Lodge No. 3, Lorain	89
Fraternal Order of Police - Lodge No. 3, Lorain - Promoted Unit	17
Ohio Police Benevolent Association (Correction Officers)	11
Ohio Police Benevolent Association (Dispatchers)	19
United Steelworkers - Local 6621	219

Source: Lorain City Auditor

# **City Of Lorain, Ohio**

**SINGLE AUDIT REPORTS**

**DECEMBER 31, 2000**

**CITY OF LORAIN, OHIO**

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

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**Report On Compliance And On Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

Members of the City Council of the  
City of Lorain, Ohio

We have audited the financial statements of the City of Lorain, Ohio as of and for the year ended December 31, 2000, and have issued our report thereon dated June 4, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Lorain's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 00-1, 00-2 and 00-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lorain's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Lorain, Ohio, in a separate letter dated June 4, 2001.

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

*Curtis F. Parrella, Inc.*

Cleveland, Ohio  
June 4, 2001

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

Members of the City Council of the  
City of Lorain, Ohio

Compliance

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

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lorain'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 of Lorain's compliance with those requirements.

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

Internal Control Over Compliance

The management of the City of Lorain 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 of Lorain's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the City of Lorain, Ohio as of and for the year ended December 31, 2000, and have issued our report thereon dated June 4, 2001. Our audit was performed for the purpose of forming an opinion on the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

*Cimini & Partners, P.C.*

Cleveland, Ohio  
June 4, 2001

# CITY OF LORAIN, OHIO

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### FOR THE YEAR ENDED DECEMBER 31, 2000

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<u>Federal Program</u>	<u>CFDA Number</u>	<u>Pass-Through Agency Awarding Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing And Urban Development</b>			
Community Development Block Grant (CDBG)			
Small Cities Cluster:			
Community Development Block Grant	14.218		\$ 2,221,075
Section 108 Program	14.218		<u>19,624</u>
Total CDGB Program	14.218		2,240,699
Brownfields Economics Development			
Grant (BEDI)	14.246	B99-BD-39-005	149,208
EDI Special Project Grant	14.246	06-39-02084-03	<u>404,164</u>
Total BEDI and EDI Grant	14.246		553,372
HOME Investment Partnership Program	14.239		<u>1,010,587</u>
Total U.S. Department of Housing and Urban Development			<u>3,804,658</u>
<b>U.S. Department of Commerce:</b>			
Special Economic Development and Assistance Program			
Long Term Economic Deterioration			
Implementation Grant	11.307		112,169
Title IX Long Term Economic Deterioration			
Revealing Loan Fund Grant Assistance	11.307		<u>195,573</u>
Total Special Economic Development and Assistance Program	11.307		307,742
State and Local Economic Development			
Planning Grant	11.305		<u>20,025</u>
Total U.S. Department of Commerce			327,767
<b>Department of Transportation</b>			
Passed Through the Ohio Department of Public Safety			
State and Community Highway Safety Grant	20.600	47013PD0- GR#1137.0	<u>25,789</u>
Total Department of Transportation			25,789

Continued

The accompanying notes are an integral part of this schedule

**CITY OF LORAIN, OHIO**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)

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

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<u>Federal Program</u>	<u>CFDA Number</u>	<u>Pass-Through Agency Awarding Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services</b>			
Passed Through the Ohio Department of Health			
Maternal and Child Health Services Grant	93.994	47-201-P-CJ-392	15,723
		47-2-002-2-CJ-01	<u>25,000</u>
Total U.S. Department of Health and Human Services			40,723
<b>U.S. Department of Justice</b>			
Local Law Enforcement Grant	16.592	200-LB-VX-1354	<u>25,317</u>
Total Department of Justice			<u>25,317</u>
Total Federal Financial Assistance			\$ <u>4,224,254</u>

The accompanying notes are an integral part of this schedule

## **CITY OF LORAIN, OHIO**

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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##### **NOTE 1 - BASIS OF PRESENTATION**

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

##### **NOTE 2 - SUBRECIPIENTS**

The City passes-through certain Federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note 1, the City records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

##### **NOTE 3 – LOANS**

The City of Lorain disbursed \$436,254 in new loans under the HOME Investment Partnership Program (CFDA #14.239) during 1999. These loan amounts are included in the federal expenditures presented in the Schedule for the HOME Program.

# **CITY OF LORAIN, OHIO**

## SCHEDULE OF FINDINGS OMB CIRCULAR A-133, SECTION .505

**DECEMBER 31, 2000**

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### 1. SUMMARY OF AUDITOR'S RESULTS

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	Community Development Block Grant (CDBG) CFDA #14.218
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

00-1 Ohio Rev. Code Section 5705.10 states that money that is paid into a fund must be used only for the purposes for which such fund has been established.

The following funds had deficit cash balances as of December 31, 2000:

Community Development Block Grant Fund	\$	68,169
Title IX EDA Business Loan Fund		55,643
HOME Partnership Fund		79,694
312 Rehabilitation Fund		54,006
Contracts Trust Fund		1,780

A negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

Continued

# **CITY OF LORAIN, OHIO**

## SCHEDULE OF FINDINGS OMB CIRCULAR A-133, SECTION .505 – (CONTINUED)

**DECEMBER 31, 2000**

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Ciuni & Panichi, Inc. recommends that, should a fund cash deficit occur, the City obtain authorization, from City Council, to advance monies from the General Fund to cover the deficit balance.

00-2 Ohio Rev. Code 5705.36 states that total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplementation appropriation.

At December 31, 2000, the City's Title IX EDA Business and Police Pension Special Revenue Funds had appropriations in excess of total estimated resources by \$283,143 and \$292,718, respectively. This condition could result in the City overspending its available resources.

Ciuni & Panichi, Inc. recommends that management monitor its appropriations to ensure that appropriations do not exceed certified resources.

00-3 Ohio Rev. Code 5705.41(B) states that no subdivision or taking unit is to expend money unless it has been appropriated.

At December 31, 2000, the City had expenditures plus encumbrances in excess of appropriations as follows:

Title IX EDA Loan Fund	\$ (135,286)
Law Enforcement Trust Fund	(343,761)
Water Revenue Bond Fund	(18,847)
Water Bond Reserve Fund	(8,177)

This condition resulted in the City overspending its authorized appropriations.

Ciuni & Panichi, Inc. recommends that management monitor its expenditures and encumbrances and amend appropriations when necessary.

### **3. FINDINGS FOR FEDERAL AWARDS**

There were no findings for federal awards to report in 2000.

## CITY OF LORAIN, OHIO

### SCHEDULE OF PRIOR AUDIT FINDINGS OMB CIRCULAR A-133, SECTION .315(b)

**DECEMBER 31, 2000**

<b>Finding No.</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Explanation</b>
1999-20847-001	<p>Article I.D. of the 1998 EDI – Special Project No. B-98-SP-OH-0061 Grant Agreement requires the Grantee and Sub-Grantee to comply with the administrative requirements of OMB Circular A-133 “Audits of States, Local Governments and Non-Profit Organizations”. In addition, Section 1.7 of the subrecipient agreement between the City of Lorain and the South Shore Community Development Corporation (subrecipient) requires the Subrecipient to contract with an independent auditor to have an annual audit conducted in accordance with current Grantee policy concerning subrecipient audits and, as applicable, OMB Circular A-133.</p> <p>Discussion with the City Community Development Department personnel disclosed that an audit report in accordance with OMB Circular A-133 had not been received from the South Shore Community Development Corporation for 1999. Discussions also disclosed that, contrary to the subrecipient agreement, the City’s Community Development Department does not require an A-133 audit until the project is complete.</p> <p>During 1999, the City paid \$318,170 to the South Shore Community Development Corporation.</p>	Yes	The auditor obtained the 1999 audit report for the South Shore Community Development Corporation, noting that there were no deficiencies noted in the audit. In addition, the auditor obtained audit reports for all CDBG subrecipients for this fiscal year.

**CITY OF LORAIN, OHIO**

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133, SECTION .315(b) – (CONTINUED)

**DECEMBER 31, 2000**

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<b>Finding No.</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Explanation</b>
(Cont.)	<p>Without an A-133 audit, the City's Community Development Department does not have assurances that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.</p> <p>We recommend that the City enforce the provisions of the subrecipient agreement to ensure that subrecipient audits are conducted in a timely manner.</p>		

**CITY OF LORAIN**

**200 WEST ERIE AVENUE, 6<sup>TH</sup> FLOOR  
LORAIN, OHIO 44052  
(440) 204-2090**

RESPONSE TO FINDINGS ASSOCIATED WITH AUDIT CONDUCTED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
FOR THE YEAR ENDED DECEMBER 31, 2000

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
00-1	Management will monitor fund balances and advance funds from the General Fund to cover deficit fund balances, if necessary.	N/A	Ronald Mantini, Auditor
00-2	Management will monitor appropriations to ensure that they do not exceed certified resources.	N/A	Ronald Mantini, Auditor
00-3	Management will monitor expenditures and encumbrances and amend appropriations, if necessary.	N/A	Ronald Mantini, Auditor



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 LORAIN**

**LORAIN 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  
JULY 26, 2001**