

***CITY OF FAIRVIEW PARK, OHIO***

***AUDIT REPORT***

***FOR THE YEAR ENDED DECEMBER 31, 2001***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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The Honorable Mayor and City Council  
City of Fairview Park  
20777 Lorain Road  
Fairview Park, Ohio 44126-2018

We have reviewed the Independent Auditor's Report of the City of Fairview Park, Cuyahoga County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2001 through December 31, 2001. 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 Fairview Park is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

July 5, 2002

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***CITY OF FAIRVIEW PARK, OHIO***  
**AUDIT REPORT**  
**For the Year Ended December 31, 2001**

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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**

The Honorable Mayor and Members of City Council  
City of Fairview Park  
Fairview Park, Ohio

We have audited the general purpose financial statements of the City of Fairview Park, Ohio as of and for the year ended December 31, 2001 and have issued our report thereon dated June 21, 2002 wherein we noted the City adopted Governmental Accounting Standards Board Statements Nos. 33 and 36. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed several instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-FP-001 and 2001-FP-002. We also noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated June 21, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 the management of the City in a separate letter dated June 21, 2002.**

**This report is intended for the information and use of management, the Honorable Mayor and Members of Council and is not intended to be and should not be used by anyone other than these specified parties.**

*Charles E. Harris & Associates, Inc.*  
**June 21, 2002**

**CITY OF FAIRVIEW PARK  
SCHEDULE OF FINDINGS**

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

**Finding Number : 2001-FP-001**

Section 5705.41 (D), Revised Code, requires in part, that no subdivision or taxing unit shall make any contract or order any expenditure unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

The City did not properly certify the availability of funds for 34 of 40 non-payroll expenditures tested for the audit period.

We recommend the City Finance Director certify the availability of funds prior to the commitment for the expenditure of City money. The City should consider the use of blanket purchase orders and then and now certificates to assist in complying with the above requirement.

**Finding Number: 2001-FP-002**

Section 5705.41 (A), Revised Code, prohibits the City from making fund appropriations in excess of estimated revenue available for expenditure from that fund. The following funds were found to have appropriations in excess of the amount certified as available by the county budget commission:

**State Highway Improvement Fund  
Fire Operating Levy Fund  
State Grants Fund  
P.O.P.A.S. Fund  
Emergency Medical Fund  
State Grants Fund  
New Levy Projects Fund  
Bond Retirement Fund  
Permanent Improvement Fund  
Lorain Road Revitalization Fund  
Employee Section 125 Fund**

Because actual fund receipts were not sufficient to obtain an amended certificate of estimated resources, the City should have had corresponding reductions of appropriations in these funds.

**STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS**

**The prior audit report, as of December 31, 2000, included a material citation. The citation was not corrected and is repeated in the current audit report.**

# *City of Fairview Park, Ohio*



*2001*  
**C A F R**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the year ending December 31, 2001

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# **City of Fairview Park, Ohio**

## **Comprehensive Annual Financial Report**

For the Year Ended December 31, 2001

Issued by the Department of Finance

Theodore R. Kowalski, Director

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**City of Fairview Park, Ohio**  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2001

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***City of Fairview Park, Ohio***  
**Comprehensive Annual Financial Report**  
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# **Introductory Section**

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# *City of Fairview Park*

- Established in 1910 -

Department of Finance

20777 Lorain Road • Fairview Park, Ohio 44126-2018 • [www.fairviewpark.org](http://www.fairviewpark.org)  
440-356-4401 Fax 440-356-9077 City Hall 440-333-2200

**Eileen Ann Patton**  
Mayor

**T. R. Kowalski**  
Finance Director

June 21, 2002

The Honorable Mayor Eileen Ann Patton  
and Members of City Council  
20777 Lorain Road  
Fairview Park, Ohio 44126

It gives me great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Fairview Park. This report has been carefully prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the City for the year ended December 31, 2001.

The information contained in this report will assist City officials in making management decisions and will provide the taxpayers of the City of Fairview Park with comprehensive financial data in such a format as to enable them to gain a true understanding of the City's financial affairs. The general public, as well as investors, will be able to compare the financial position of the City of Fairview Park and the results of its operations with other governmental entities.

Responsibility for the accuracy, completeness, and fairness of the presentation, including all disclosures, lies with the management of the City of Fairview Park and, in particular, the City's Finance Department. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities and status are included herein.

This is the fourth consecutive Comprehensive Annual Financial Report issued by the City. The report is prepared in accordance with Generally Accepted Accounting Principles, as set forth by the Governmental Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA).

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter, a list of public officials, and the City's organizational chart. The financial section, which begins with the Report of Independent Accountants, includes the general purpose financial statements, notes that provide an overview of the City's financial position and operating results, and the combining and individual fund and account group financial statements and schedules. The statistical section includes financial and demographic information.

## **REPORTING ENTITY**

For financial purposes, the City includes all funds, account groups, agencies, boards, and commissions making up the City of Fairview Park (the Primary Government) and its potential component units in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity." The primary government comprises all activities and services which are not legally separate for the City. The City provides various services including public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government. Currently, the City has no component units.

The City participates in the Rocky River Wastewater Treatment Plant which is a joint venture discussed in Note 16 of the Notes to the General Purpose Financial Statements. The City is associated with the Westshore Council of Governments and Tri-City Park, which are identified as jointly governed organizations. These organizations are presented in Note 17 to the general purpose financial statements.

A complete discussion of the City's reporting entity is provided in Note 1 of the General Purpose Financial Statements.

## **THE CITY AND THE FORM OF GOVERNMENT**

### *The City*

The City is located in Cuyahoga County in northeastern Ohio, approximately 10 miles west of the downtown area of the City of Cleveland. It was incorporated as a village in 1910, and became a city in 1951. In 1967, the Village of Parkview was merged into the City.

In the 2000 Census classifications, the City was in the Cleveland Primary Metropolitan Statistical Area (PMSA), comprised of the four counties of Cuyahoga, Geauga, Lake and Medina. It was also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area (CMSA). Effective in 1994, the PMSA was redefined to include Ashtabula and Lorain Counties. Only limited statistics are now available for the new PMSA and, unless otherwise noted, PMSA statistics are for the former PMSA.

The City's 2001 population was 17,572. Because of differences in growth rates, the regional shares of the total population have shifted considerably in recent decades (1950-2000). The Midwest's share of the total population fell from 29 to 23 percent. Ohio gained 506,000 people from 1990 to 2000 or 4.7 percent.

The City's area is approximately 4.77 square miles, broken down by land use as follows:

	Area	Percent of Assessed Valuation of Real Property
Residential	54.5%	81.03%
Commercial/Industrial	9.7	18.97
Public Utility	0.1	0
Governmental (including parks) and Other Tax Exempt	34.3	(a)
Agricultural	0	0
Undeveloped	1.4	(b)

(a) Not applicable. Exempt from property taxation.

(b) Included in above categories.

Sources: City Building Department and County Auditor.

The City is served by diversified transportation facilities, including three State and U.S. highways and interstate highway I-480. It is adjacent to areas served by Conrail and Amtrak, and is served by passenger air services at Cleveland Hopkins International Airport located within two and one-half miles of the City and by Burke Lakefront Airport located within thirteen miles of the city in the County. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Banking and financial services are provided to the City area by offices of local commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

One daily newspaper and two weekly newspapers serve the City. The City is within the broadcast area of seven television stations and 30 AM and FM radio stations. Multi-channel cable TV service, including educational, governmental and public access channels, is provided by Cox Cable Communications, Inc. and Ameritech New Media.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Baldwin-Wallace College, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Ursuline College, Notre Dame College, Oberlin College and The University of Akron.

City residents are served by five hospitals within a three-mile radius of the City - Fairview General Hospital, Lakewood Hospital, the MetroHealth Medical Center, Southwest General Hospital and St. John-West Shore Hospital - and by numerous other hospitals in the County, including The Cleveland Clinic Foundation Hospital and University Hospitals of Cleveland, two tertiary care facilities.

The City is served by varied recreational facilities. The City operates a system of parks with a total of 54.2 acres which offer playgrounds, ball diamonds and other athletic fields, playing courts, nature and jogging trails, The Bain Park Community Cabin and picnic areas. The City's Recreation Department, in cooperation with the Fairview Park City School District, provides various recreational programs and activities for City residents in those parks and at indoor swimming, tennis and skating facilities. The City also participated (with the Cities of Rocky River and Westlake) in the operation of the 14-acre Tri-City Park which offers a baseball diamond, soccer field, basketball court, playground area, parking facility and four tennis courts. A portion of the City lies within the Rocky River Reservation of the Cleveland Metropolitan Park District. The City completed a major recreational redevelopment in the year 2001 at an estimated cost of \$2,000,000. Bonds were issued in 1999 to provide the funds for this redevelopment.

### *City Government*

The City operates under and is governed by its Charter, first adopted by the voters in 1958 and which has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a Council-Mayor form of government.

Legislative authority is vested in a seven-member Council, of whom two are elected at-large and five are elected from wards, for two-year terms. The presiding officer is the President of Council, who is one of the Council members elected at-large, but has no vote except if necessary to break a tie. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The Charter establishes certain administrative departments; the Council may establish divisions of those departments, and additional departments. In the November 2000 election, the voters voted to reduce the size of Council by two at-large members to seven members.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term.

The Mayor appoints, subject to the approval of Council, the directors of City departments. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees.

The Mayor may veto any legislation passed by the Council. A veto may be overridden by a two-thirds vote of all members of the Council.

## **ECONOMIC CONDITION AND OUTLOOK**

Phase I of the Lorain Road Revitalization program is now complete as McGowan and Company moved in October 2001 into their new 47,000 square foot Georgian style colonial office building. Phase II is underway as the City recently acquired the three parcels east of the McGowan Building and sold them to West Valley Medical Building, LTD., who will begin construction on a 43,000 square foot facility by July 2002. Revenue from income and property tax for both of these facilities is expected to exceed \$400,000 annually.

Phase I of the Streetscape Project has been completed between West 213 and West 223 Streets. Amenities include 68 trees, brick pavers, benches, planters, trash receptacles, kiosks, and a Clock Tower. Phase II of the Streetscape, between West 213 east to Wooster Road which includes benches, brick pavers, and 135 new trees is almost complete. Funding for both these projects was provided, in part through the Cuyahoga County Community Development Block Grant Program.

In the past year, the following new businesses have opened in the City:

McGowan & Company Insurance  
TA-Check Income Tax Service  
Dr. Todd Smith – Chiropractor  
Tip-of-the-Tail  
Miles Family Flooring  
Colony Mortgage  
CHC Physical Therapy

In addition, four major coming attractions are West Valley Medical Building on Lorain Road, office condominiums at Brookpark and West 227, the new Metroparks Ranger and Service Station at the bottom of Wooster hill, and the new \$850,000 Marathon Gas Station renovation at West 202 and Lorain. Finally, Two other vacant commercial properties have been recently purchased and will be occupied in the near future. They include the old Able Rents building at West 193<sup>rd</sup> Street and Lorain Road and the former Medical building at West 192<sup>nd</sup> Street and Lorain Road.

## **FIRST RING CONSORTIUM**

Fairview Park continues to be deeply involved in the First Ring Consortium, an organization comprised of 14 mature cities that surround Cleveland whose objective is to foster community and economic development through the identification of common problems and the implementation of common solutions. Current projects in process include the establishment of a Development Office, with a Director, that will serve all 14 cities, a housing initiative that consists of analyzing housing stock in certain neighborhoods to determine how marketability can be improved and advocacy at the regional, state and county level.

## **SERVICE**

A new, automated traffic signals program has been installed on Lorain Road at a cost of \$1.1 million, which was an ODOT funded project. Colored poles for these signals were chosen to further enhance the business district. Decorative bases on these signal poles were installed initially in the Phase I area between West 213<sup>th</sup> and West 223<sup>rd</sup> to provide an additional enhancement.

The 2002 street resurfacing program will begin in July. Ten streets will be completed at a cost of \$700,000. The total reconstruction of West 220<sup>th</sup> Street from Lorain Road to Brookpark Road began in September 2001 and will be completed by October 1, 2002. This is an 8 million-dollar County Engineer project. The City's share is 10% of construction costs. The City was recently successful in convincing ODOT to move up from fiscal year 2005 to fiscal year 2004 the complete resurfacing of Lorain Road (State Route 10). This means the actual work could commence on or after July 2003.

Major sewer repairs have taken place recently in the Woodstock Ave/Elmore Ave. area and at Coffinberry Blvd. and South Sagamore. In addition, in an effort to further reduce basement flooding, a major televising, grouting, and dye testing program was implemented in Coffinberry neighborhood and a downspout disconnect program is currently underway. Finally, additional upgrades are planned for the Ward 5 Pumping Stations at West 220<sup>th</sup> and West 227<sup>th</sup>.

More than \$500,000 in new equipment will be purchased by the Service Department in 2002.

Improvements at City Hall facilities continue with the installation of brick pavers, benches, lights, and new landscaping as part of Phase II of the Lorain Road Streetscape Program.

## **MAJOR INITIATIVES**

The City of Fairview Park continued to maintain its strong financial reserves during 2001. The City's general fund unencumbered cash balance at year end was \$1,755,232. This represents 19.41% of general fund expenditures. The General Fund unencumbered cash balance increased by \$553,587 (46%) during the year 2001.

The City continued its annual street repair program at no extra cost to the residents of the streets repaired. The total spent in 2001 was \$1,169,000.

The City purchased three new police cars at a cost of \$63,000; a parcel of land adjacent to the Senior Center at a cost of \$21,200; an alarm system at Bohlken Park for \$22,600; and service department equipment at a cost of \$55,300.

## **FINANCIAL INFORMATION**

### *Basis of Accounting*

The City of Fairview Park's accounting system is organized on a "fund basis". Each fund or account group is a self-balancing set of accounts. General government operations are reported on a modified accrual basis. Revenues are recognized when measurable and available. Expenditures are recognized when measurable and incurred. The City's proprietary funds are reported on the accrual basis. Revenues are recognized when earned. Expenses are recognized when incurred.

### *Internal Accounting Controls*

In developing the City's accounting system, consideration was given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss and misuse, and assurance regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal controls should not exceed the benefits expected to be derived from their implementation.

The City utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

### *Budgetary Controls*

By statute, City Council adopts a temporary appropriation measure for the City on or about the first day of January. The City Council adopts a permanent appropriation measure by the first day of April. All disbursements and transfers of cash among funds require appropriation authority from City Council. Budgets are controlled at the department level.

Additional information regarding the City's budgetary accounting can be found in Note 2 to the General Purpose Financial Statements.

### *General Government Functions - Financial Highlights*

The following schedule presents a summary of general, special revenue, debt service, and capital projects funds revenues for the year ended December 31, 2001, and the amounts and percentages of increases and decreases in relation to prior year's revenues.

	<u>2000</u> <u>Amount</u>	<u>2001</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
Revenues:					
Property tax revenue	\$ 3,587,529	\$ 3,886,358	29.32%	\$ 298,829	8.33%
Income tax revenue - 1	3,986,569	4,652,551	35.10	665,982	16.71
Intergovernmental - 2	4,146,726	3,484,994	26.30	(661,732)	(15.96)
Special assessments	226,048	223,456	1.69	(2,592)	(1.15)
Charges for services	245,540	215,756	1.63	(29,784)	(12.13)
Fines, licenses & permits	596,309	458,474	3.46	(137,835)	(23.11)
Interest - 3	409,375	249,843	1.89	(159,532)	(38.97)
Rent	12,007	11,166	.08	(841)	(7.00)
Miscellaneous - 4	<u>257,408</u>	<u>70,676</u>	<u>.53</u>	<u>(186,732)</u>	<u>(72.54)</u>
Total Revenues	<u>\$ 13,467,511</u>	<u>\$ 13,253,274</u>	<u>100.00%</u>	<u>\$ (214,237)</u>	<u>(1.60)%</u>

1 - Income tax revenue increased due to business growth throughout the City.

2 - Intergovernmental revenue decreased primarily due to a decrease in estate taxes, state rollback and homestead reimbursements.

3 - Interest revenue decreased due to declining interest rates in 2001.

4 - Miscellaneous revenue decreased due to a reimbursement obtained from the County for Lorain Road Revitalization in the year 2000.

The following schedule presents a summary of general, special revenue, debt service, and capital projects funds expenditures for the year ended December 31, 2001, and the amounts and percentages of increases and decreases in relation to prior year's expenditures.

	<u>2000</u> <u>Amount</u>	<u>2001</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
Expenditures:					
Current:					
General government - 5	\$1,911,286	\$ 1,612,294	11.20%	\$ (298,992)	(15.64)%
Security of persons and property	5,565,714	5,484,567	38.14	(81,147)	(1.46)
Public Health	52,784	61,546	.43	8,762	16.60
Transportation	852,552	973,226	6.78	120,674	14.15
Leisure time activities - 6	2,122,278	1,526,721	10.62	(595,557)	(28.06)
Community environment	1,393,372	1,495,481	10.40	102,109	7.33
Capital outlay - 7	4,065,081	2,659,043	18.49	(1,406,038)	(34.59)
Debt Service:					
Principal retirement	230,000	245,000	1.70	15,000	6.52
Interest and fiscal charges	<u>180,024</u>	<u>321,961</u>	<u>2.24</u>	<u>141,937</u>	<u>78.84</u>
Total Expenditures	<u>\$16,373,091</u>	<u>\$14,379,839</u>	<u>100.00%</u>	<u>\$(2,055,636)</u>	<u>(12.17)%</u>

5 – Decrease due to a reduction in Worker's Compensation payment from 2000 to 2001.

6 - Decrease due to completion of capital expenditures to renovate Bohlken Park.

7 - Capital outlay decreased primarily due to completion of additional street projects and senior center construction and lesser miscellaneous large equipment purchases.

#### *General Fund Balance*

The GAAP fund balance of the General Fund increased from \$1,498,146 to \$2,599,588 during 2001, an increase of 73.5%. This increase is due to increased revenues and continuing conservative spending by the City during the year.

#### *Enterprise Funds*

The Enterprise Funds operated by the City consist of the Sanitary Sewer and Gilles-Sweet funds. Operating revenues in these funds totaled \$1,921,433. Depreciation expense was \$78,838 in the Sanitary Sewer fund. Net Income/(Loss) was \$58,966 and \$(12,570) and total Fund Equity is \$8,560,884 and \$10,248, respectively.

#### *Internal Service Funds*

The internal service funds operated by the City are the Insurance Reserve Fund and the Employee Section 125 Contributions Fund. The Insurance Reserve Fund was created to provide a medical benefits and liability self-insurance program for the City. This fund was discontinued on November 1, 1999 and reactivated on December 1, 2001. The Section 125 Contributions Fund was created to account for deductions from employee incomes for Section 125 contributions for payment to the City's third party administrators. For the year ended December 31, 2001, the funds had net incomes of \$53,602 and \$(4,106) and Fund Equity of \$60,367 and \$4,598, respectively.

#### *Fiduciary Funds*

Fiduciary funds account for assets held by the City of Fairview Park in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or funds. The fiduciary funds which the City maintains are agency funds. At December 31, 2001, assets in agency funds totaled \$69,184.

### **CASH MANAGEMENT**

Cash Management is a vital component of the City's overall financial strategy. The Finance Director maintains an aggressive cash management program. Major considerations are cash flows necessary to pay City liabilities and available interest rates. As City funds become available, they are invested immediately in sweep accounts maintained at the City approved depository banks, short-term federal agencies or other securities authorized by state statutes. During 2001, \$110,878 of interest was deposited in the General Fund, \$49,486 in the Recreation Fund, \$4,007 in the Permanent Improvement Fund, \$826 in the Senior Center Construction Fund, \$49,443 in the Capital Projects Fund, \$35,203 in the Lorain Road Revitalization Fund and \$64,736 in the Sanitary Sewer Fund in accordance with City ordinances. The decrease from the previous year was due to a sharply declining interest rate.

## **RISK MANAGEMENT**

The City of Fairview Park maintains replacement cost insurance on all buildings and their contents. Blanket building and personal property insurance is held in the amount of \$7,900,000.

Prior to November 1999, the City was partially self-insured for health insurance benefits. In November 1999 the City converted its health insurance program from partial self-insurance to a fully insured program. In December 2001 the City converted its health insurance program to a minimum premium self-insurance program.

The coverage limits on December 31, 2001, per occurrence, for all types of coverage are as follows:

<b><u>Type of Coverage</u></b>	<b><u>Carrier</u></b>	<b><u>Coverage</u></b>
General Liability	Clarendon Natl. Insurance Co.	\$1,000,000 per occurrence \$ 2,000,000 aggregate
Blanket Building & Contents	“ “	\$ 7,900,000
Automobile Liability	“ “	\$ 1,000,000
Excess Umbrella Liability	“ “	\$ 2,000,000 occurrence \$ 2,000,000 aggregate
Law Enforcement Liability	“ “	\$ 1,000,000
Public Official Liability	“ “	\$ 1,000,000
Employment Practices Liability	“ “	\$ 1,000,000

The State of Ohio provides worker compensation coverage. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based upon accident history and administrative costs.

The City provides employee medical, prescription, dental and vision benefits through a minimum premium self-insurance program. All funds in the City participate in the program and make payments to the medical self-insurance internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims. Stop loss coverage is provided by Medical Mutual Service Inc. for all claims made in excess of \$50,000 for each person covered by the City's health insurance plan and total claims in excess of 110% of projected claims liability. The City utilizes a third party administration, Medical Mutual of Ohio, to review and pay all claims; the City then reimburses the administrator. During 2001, a total of \$26,530 was paid in benefits and administration costs. Through April 30, 2002, \$45,491 was paid in claims pertaining to 2001.

## **DEBT MANAGEMENT**

In 2000, two loans for a total of \$1,767,500 were obtained from Cuyahoga County, Ohio to be used for redevelopment purposes. These notes will be paid off starting in 2002.

The City maintains a A2 credit rating from Moody's Investors Service, Inc. All bonds of the City are backed by its full faith and credit.

Under current state statutes, the total voted net debt of the City, less the same exempt debt, shall never exceed 10.5% of the total assessed property valuation. The total unvoted debt less the same exempt debt, shall never exceed 5.5% of the assessed valuation. At December 31, 2001, the total legal debt margin was \$34,380,355 with an unvoted debt margin of \$13,230,903.

## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Fairview Park for its comprehensive annual financial report for the fiscal year ended December 31, 2000. This was the 3<sup>rd</sup> consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City submitted a Popular Annual Financial Report (PAFR) to the GFOA for the first time in 2001. A PAFR is a condensed a user friendly overview of this report. The City received an Award for Outstanding Achievement from the GFOA for this report.

## **INDEPENDENT AUDIT**

Included in this report is an unqualified audit opinion rendered on the City's financial statements as of December 31, 2001, by our independent auditor, Charles E. Harris and Associates, Inc. Their audit was conducted in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States.

City management plans to continue to subject the City's financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit also serves to maintain and strengthen the City's accounting and budgetary controls.

## **ACKNOWLEDGMENTS**

The publication of this CAFR represents an important achievement in the ability of the City of Fairview Park to provide significantly enhanced financial information and accountability to the citizens of the City, its elected officials, City management, and investors. This report continues the aggressive program of the Finance Department to improve the City's overall financial accounting, management, and reporting capabilities.

I would like to acknowledge the efforts of the entire staff of the Finance Department for their contributions to this report. Special thanks are extended to Mayor Eileen Ann Patton and Members of City Council for their enthusiastic support of this project. The guidance and assistance provided by the accounting firm of Charles E. Harris & Associates, and in particular John J. Phillips, Vice-President and Chris H. Ischay, Senior Auditor was greatly appreciated. They provided valuable assistance in a most professional manner.

I would also like to thank all of the elected officials, department heads, and their staffs for their assistance and cooperation with the preparation of this CAFR. I ask for their continued support of this project and of my efforts toward continuing the sound financial management for the City of Fairview Park.

Sincerely,



T.R. Kowalski, C.P.A.  
Finance Director

*City of Fairview Park, Ohio*  
Public Officials - Periods Indicated  
For the Year Ended December 31, 2001

ELECTED OFFICIALS

**Mayor**

Eileen Ann Patton

**Council**

Timothy M. Needham, President

William Gluvna

Ken Wolf

John Cooney

Jeanine L. Minek

Frederic Gauthier

William B. Westfall

**APPOINTED OFFICIALS**

**Director of Law**

Lucien C. Rego

**Director of Finance**

Theodore R. Kowalski

**Police Chief**

Pat Neelon

**Fire Chief**

Dave Simon

**Director of Public Service**

James M. Kennedy

**Recreation Director**

Timothy J. Pinchek

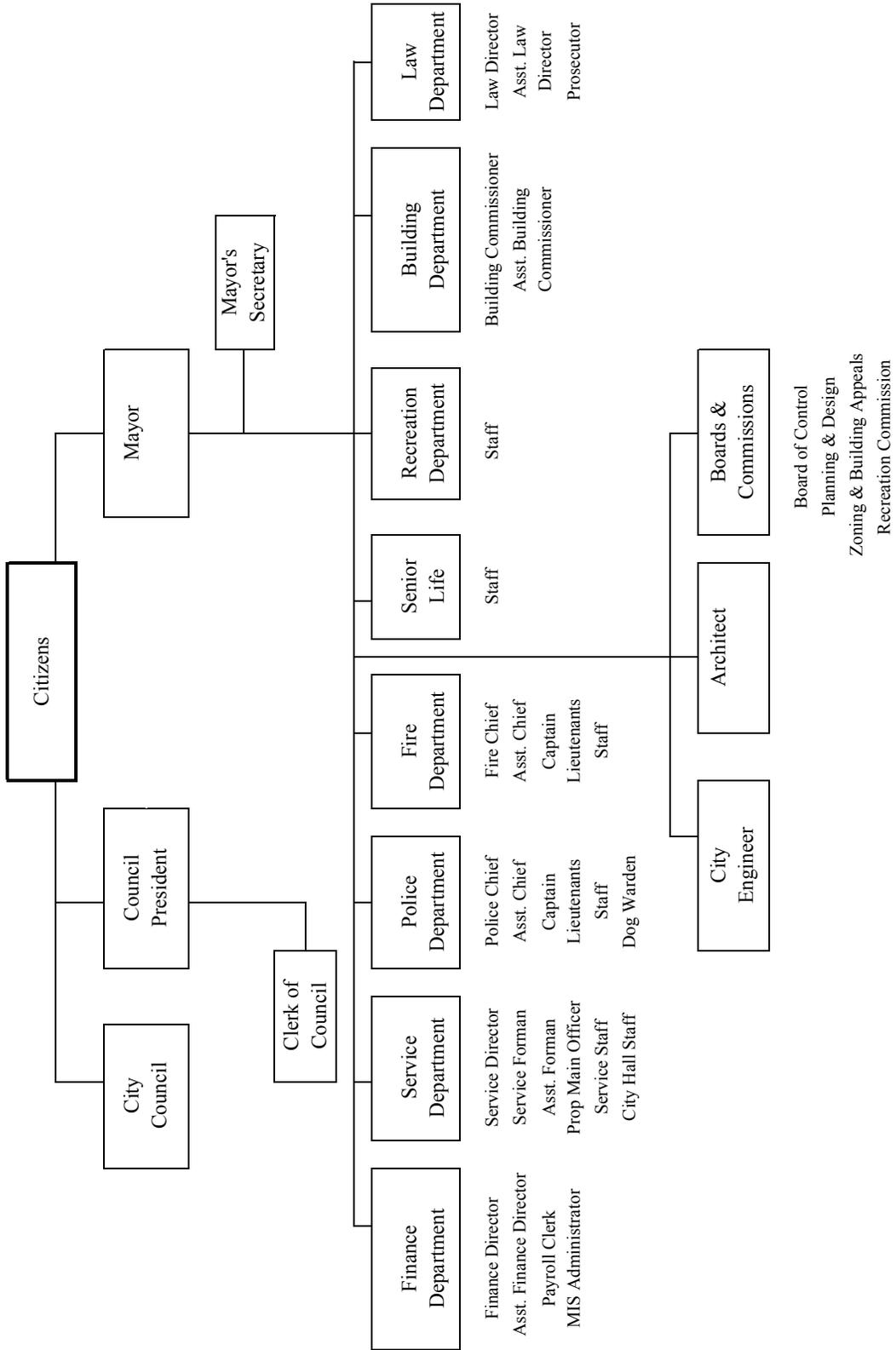
**Building Commissioner**

Steven Polinski

**Senior Life Office**

Nell Ellis

*City of Fairview Park, Ohio*  
 Organizational Chart  
 December 31, 2001



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fairview Park,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2000

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.



*Thomas D. Howe*  
President

*Jeffrey L. Esler*  
Executive Director

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## **Financial Section**

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**Charles E. Harris & Associates, Inc.**  
Certified Public Accountants

The Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland, OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

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**REPORT OF INDEPENDENT ACCOUNTANTS**

**The Honorable Mayor and City Council  
City of Fairview Park  
Fairview Park, Ohio**

We have audited the accompanying general purpose financial statements of the City of Fairview Park (the City), as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 19 of the general purpose financial statements, the City adopted Governmental Accounting Standards Board Statement No. 33 and 36 for the year ended December 31, 2001.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 21, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

*Charles E. Harris & Associates, Inc.*  
Charles E. Harris & Associates, Inc.  
June 21, 2002

**City of Fairview Park, Ohio**  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$ 1,845,528	\$ 937,984	\$ 65,015	\$ 1,155,587
Receivables:				
Taxes	2,958,551	805,634	0	385,803
Accounts	36,393	3,470	0	0
Intergovernmental	507,398	232,773	0	17,840
Interfund Receivable	492,863	5,299	0	45,000
Special Assessments	0	227,164	0	0
Materials and Supplies Inventory	22,791	37,800	0	0
Investment in Joint Venture	0	0	0	0
Fixed Assets:				
Land	0	0	0	0
Buildings	0	0	0	0
Vehicles, equipment, and furnishings	0	0	0	0
Sewer Lines	0	0	0	0
Less: Accumulated depreciation	0	0	0	0
<u>Other Debits</u>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets	\$ 5,863,524	\$ 2,250,124	\$ 65,015	\$ 1,604,230

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$ 2,448,598	\$ 72,840	\$ 69,184	0	0	\$ 6,594,736
0	0	0	0	0	4,149,988
235,477	0	0	0	0	275,340
0	0	0	0	0	758,011
0	0	0	0	0	543,162
0	0	0	0	0	227,164
81	0	0	0	0	60,672
4,775,038	0	0	0	0	4,775,038
0	0	0	\$ 3,105,332	0	3,105,332
0	0	0	3,774,558	0	3,774,558
80,093	0	0	5,280,113	0	5,360,206
3,403,257	0	0	0	0	3,403,257
(948,027)	0	0	0	0	(948,027)
0	0	0	0	\$ 14,716	14,716
0	0	0	0	7,680,924	7,680,924
<u>\$ 9,994,517</u>	<u>\$ 72,840</u>	<u>\$ 69,184</u>	<u>\$ 12,160,003</u>	<u>\$ 7,695,640</u>	<u>\$ 39,775,077</u>

(continued)

**City of Fairview Park, Ohio**  
 Combined Balance Sheet  
 All Fund Types and Account Groups - (continued)  
 December 31, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 101,311	\$ 108,717	0	\$ 81,166
Contracts Payable	0	0	0	11,062
Interfund Payable	0	24,863	\$ 50,299	468,000
Intergovernmental Payable	88,166	115	0	0
Accrued Wages and Benefits	127,028	14,913	0	0
Compensated Absences Payable	128,646	7,857	0	0
Pension Obligation Payable	0	0	0	0
Deferred Revenue	2,818,785	1,032,798	0	287,011
Undistributed Monies	0	0	0	0
Deposits Held Due to Others	0	0	0	0
Accrued Interest Payable	0	0	0	0
Capital Lease Payable	0	0	0	0
Notes Payable	0	0	0	0
Claims Payable	0	0	0	0
OWPC Loans Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b>3,263,936</b>	<b>1,189,263</b>	<b>50,299</b>	<b>847,239</b>
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings (Deficit):				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	6,080	129,826	0	313,132
Reserved for Inventory	22,791	37,800	0	0
Reserved for Debt Service	0	0	14,716	0
Reserved for Budget Stabilization	460,000	0	0	0
Unreserved - Undesignated	2,110,717	893,235	0	443,859
<b>Total Fund Equity and Other Credits</b>	<b>2,599,588</b>	<b>1,060,861</b>	<b>14,716</b>	<b>756,991</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 5,863,524</b>	<b>\$ 2,250,124</b>	<b>\$ 65,015</b>	<b>\$ 1,604,230</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
0	\$ 7,875	0	0	0	\$ 299,069
\$ 31,581	0	0	0	0	42,643
0	0	0	0	0	543,162
251,149	0	\$ 62	0	0	339,492
12,331	0	0	0	0	154,272
56,163	0	0	0	\$ 1,400,775	1,593,441
14,406	0	0	0	314,295	328,701
0	0	0	0	0	4,138,594
0	0	60,777	0	0	60,777
0	0	8,345	0	0	8,345
3,554	0	0	0	0	3,554
0	0	0	0	190,072	190,072
0	0	0	0	1,940,498	1,940,498
0	45,491	0	0	0	45,491
479,201	0	0	0	0	479,201
575,000	0	0	0	3,850,000	4,425,000
<u>1,423,385</u>	<u>53,366</u>	<u>69,184</u>	<u>0</u>	<u>7,695,640</u>	<u>14,592,312</u>
0	0	0	\$ 12,160,003	0	12,160,003
7,716,974	0	0	0	0	7,716,974
854,158	19,474	0	0	0	873,632
0	0	0	0	0	449,038
0	0	0	0	0	60,591
0	0	0	0	0	14,716
0	0	0	0	0	460,000
0	0	0	0	0	3,447,811
<u>8,571,132</u>	<u>19,474</u>	<u>0</u>	<u>12,160,003</u>	<u>0</u>	<u>25,182,765</u>
<u>\$ 9,994,517</u>	<u>\$ 72,840</u>	<u>\$ 69,184</u>	<u>\$ 12,160,003</u>	<u>\$ 7,695,640</u>	<u>\$ 39,775,077</u>

**City of Fairview Park, Ohio**  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 2001

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues:</b>					
Municipal Income Taxes	\$ 3,435,112	0	0	\$ 1,217,439	\$ 4,652,551
Property and Other Taxes	2,702,784	\$ 853,577	0	329,997	3,886,358
Charges for Services	19,274	196,482	0	0	215,756
Licenses and Permits	158,979	210,072	0	0	369,051
Fines and forfeitures	89,423	0	0	0	89,423
Intergovernmental	2,972,168	491,392	0	21,434	3,484,994
Special Assessments	0	223,456	0	0	223,456
Interest	110,878	49,486	0	89,479	249,843
Rent	11,166	0	0	0	11,166
Other	13,267	54,959	0	2,450	70,676
<b>Total Revenues</b>	<b>9,513,051</b>	<b>2,079,424</b>	<b>0</b>	<b>1,660,799</b>	<b>13,253,274</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	\$ 1,597,692	\$ 14,602	0	0	\$ 1,612,294
Security of Persons and Property	4,161,085	1,323,482	0	0	5,484,567
Public Health and Welfare	61,546	0	0	0	61,546
Transportation	365,266	607,960	0	0	973,226
Community Environment	1,491,274	4,207	0	0	1,495,481
Leisure Time Activities	384,114	1,142,607	0	0	1,526,721
Capital Outlay	0	0	0	\$ 2,659,043	2,659,043
<b>Debt Service:</b>					
Principal Retirement	0	80,000	\$ 45,000	120,000	245,000
Interest and Fiscal Charges	0	54,693	129,990	137,278	321,961
<b>Total Expenditures</b>	<b>8,060,977</b>	<b>3,227,551</b>	<b>174,990</b>	<b>2,916,321</b>	<b>14,379,839</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,452,074</b>	<b>(1,148,127)</b>	<b>(174,990)</b>	<b>(1,255,522)</b>	<b>(1,126,565)</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers - In	0	\$ 443,998	\$ 164,098	\$ 150,000	\$ 758,096
Operating Transfers - Out	\$ (571,198)	(186,898)	0	0	(758,096)
<b>Total Other Financing Sources (Uses)</b>	<b>(571,198)</b>	<b>257,100</b>	<b>164,098</b>	<b>150,000</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<b>880,876</b>	<b>(891,027)</b>	<b>(10,892)</b>	<b>(1,105,522)</b>	<b>(1,126,565)</b>
<b>Fund Balances at Beginning of Year, as restated, see note 19.</b>	<b>1,708,132</b>	<b>1,928,379</b>	<b>25,608</b>	<b>1,862,513</b>	<b>5,524,632</b>
<b>Increase in Reserved for Inventory</b>	<b>10,580</b>	<b>23,509</b>	<b>0</b>	<b>0</b>	<b>34,089</b>
<b>Fund Balances at End of Year</b>	<b>\$ 2,599,588</b>	<b>\$ 1,060,861</b>	<b>\$ 14,716</b>	<b>\$ 756,991</b>	<b>\$ 4,432,156</b>

See accompanying notes to the general purpose financial statements.

**City of Fairview Park, Ohio**  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Non - GAAP  
 Budget Basis) - All Governmental Funds  
 Year Ended December 31, 2001

	General Fund		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax	\$ 3,390,398	\$ 3,415,702	\$ 25,304
Property and other taxes	2,700,433	2,700,473	40
Intergovernmental	3,030,526	3,019,607	(10,919)
Special assessments			
Charges for services	8,000	19,274	11,274
Licenses and permits	142,570	157,072	14,502
Fines and forfeitures	89,000	90,838	1,838
Interest	160,000	148,544	(11,456)
Rent	11,000	11,166	166
Miscellaneous	36,850	13,267	(23,583)
<b>Total Revenues</b>	<b>9,568,777</b>	<b>9,575,943</b>	<b>7,166</b>
<b>Expenditures</b>			
Current:			
General government	1,980,843	1,891,972	88,871
Security of persons and property	4,232,713	4,150,591	82,122
Public health and welfare	53,200	61,546	(8,346)
Transportation	364,990	355,583	9,407
Community environment	1,478,486	1,507,112	(28,626)
Leisure time activities	400,874	387,319	13,555
Capital outlay			
Debt service			
Principal payment			
Interest and fiscal charges			
<b>Total expenditures</b>	<b>8,511,106</b>	<b>8,354,123</b>	<b>156,983</b>
<b>Excess of revenues under expenditures</b>	<b>1,057,671</b>	<b>1,221,820</b>	<b>164,149</b>
<b>Other financing sources (uses)</b>			
Advances in	7,400	3,300	(4,100)
Advances out	(118,000)	(118,000)	
Operating transfers - in			
Operating transfers - out	(571,198)	(571,198)	
<b>Total other sources (uses)</b>	<b>(681,798)</b>	<b>(685,898)</b>	<b>(4,100)</b>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<b>375,873</b>	<b>535,922</b>	<b>160,049</b>
Fund balance at beginning of year	1,201,645	1,201,645	
Prior year encumbrances appropriated	17,665	17,665	
<b>Fund balance at end of year</b>	<b>\$ 1,595,183</b>	<b>\$ 1,755,232</b>	<b>\$ 160,049</b>

See accompanying notes to the general purpose financial statements

Continued

**City of Fairview Park, Ohio**  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Non - GAAP  
 Budget Basis) - All Governmental Funds - Continued  
 Year Ended December 31, 2001

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax			
Property and other taxes	\$ 853,974	\$ 853,577	\$ (397)
Intergovernmental	349,817	176,199	(173,618)
Special assessments	226,000	223,454	(2,546)
Charges for services	192,600	192,409	(191)
Licenses and permits	325,320	498,624	173,304
Fines and forfeitures	4,000	3,458	(542)
Interest	49,409	49,486	77
Rent			
Miscellaneous	54,000	54,909	909
<b>Total Revenues</b>	<b>2,055,120</b>	<b>2,052,116</b>	<b>(3,004)</b>
<b>Expenditures</b>			
Current:			
General government	4,616	7,816	(3,200)
Security of persons and property	1,381,781	1,325,959	55,822
Public health and welfare			
Transportation	531,680	541,251	(9,571)
Community environment	4,100	4,207	(107)
Leisure time activities	1,853,124	1,830,732	22,392
Capital outlay	6,300	6,786	(486)
Debt service			
Principal payment	80,000	75,000	5,000
Interest and fiscal charges	54,693	51,898	2,795
<b>Total expenditures</b>	<b>3,916,294</b>	<b>3,843,649</b>	<b>72,645</b>
<b>Excess of revenues under expenditures</b>	<b>(1,861,174)</b>	<b>(1,791,533)</b>	<b>69,641</b>
<b>Other financing sources (uses)</b>			
Advances in			
Advances out			
Operating transfers - in	437,400	443,998	6,598
Operating transfers - out	(90,000)	(186,898)	(96,898)
<b>Total other sources (uses)</b>	<b>347,400</b>	<b>257,100</b>	<b>(90,300)</b>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<b>(1,513,774)</b>	<b>(1,534,433)</b>	<b>(20,659)</b>
Fund balance at beginning of year	867,966	867,966	
Prior year encumbrances appropriated	1,433,860	1,433,860	
<b>Fund balance at end of year</b>	<b>\$ 788,052</b>	<b>\$ 767,393</b>	<b>\$ (20,659)</b>

See accompanying notes to the general purpose financial statements

Continued

**City of Fairview Park, Ohio**  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Non - GAAP  
 Budget Basis) - All Governmental Funds - Continued  
 Year Ended December 31, 2001

	Debt Service Funds		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax			
Property and other taxes			
Intergovernmental			
Special assessments			
Charges for services			
Licenses and permits			
Fines and forfeitures			
Interest			
Rent			
Miscellaneous			
<b>Total Revenues</b>			
<b>Expenditures</b>			
Current:			
General government			
Security of persons and property			
Public health and welfare			
Transportation			
Community environment			
Leisure time activities			
Capital outlay			
Debt service			
Principal payment	\$ 45,000	\$ 45,000	
Interest and fiscal charges	396,608	129,990	\$ 266,618
<b>Total expenditures</b>	441,608	174,990	266,618
<b>Excess of revenues under expenditures</b>	(441,608)	(174,990)	266,618
<b>Other financing sources (uses)</b>			
Advances in			
Advances out			
Operating transfers - in		164,098	164,098
Operating transfers - out			
<b>Total other sources (uses)</b>		164,098	164,098
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	(441,608)	(10,892)	430,716
Fund balance at beginning of year	75,907	75,907	
Prior year encumbrances appropriated			
<b>Fund balance at end of year</b>	\$ (365,701)	\$ 65,015	\$ 430,716

See accompanying notes to the general purpose financial statements

Continued

**City of Fairview Park, Ohio**  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Non - GAAP  
 Budget Basis) - All Governmental Funds - Continued  
 Year Ended December 31, 2001

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax	\$ 1,040,000	\$ 1,183,338	\$ 143,338
Property and other taxes	302,197	304,138	1,941
Intergovernmental	45,872	46,579	707
Special assessments			
Charges for services			
Licenses and permits			
Fines and forfeitures			
Interest	105,800	100,712	(5,088)
Rent			
Miscellaneous		2,450	2,450
<b>Total Revenues</b>	<b>1,493,869</b>	<b>1,637,217</b>	<b>143,348</b>
<b>Expenditures</b>			
Current:			
General government			
Security of persons and property			
Public health and welfare			
Transportation			
Community environment			
Leisure time activities			
Capital outlay	3,003,756	3,084,598	(80,842)
Debt service			
Principal payment	120,000	120,000	
Interest and fiscal charges	149,203	137,278	11,925
<b>Total expenditures</b>	<b>3,272,959</b>	<b>3,341,876</b>	<b>(68,917)</b>
<b>Excess of revenues under expenditures</b>	<b>(1,779,090)</b>	<b>(1,704,659)</b>	<b>74,431</b>
<b>Other financing sources (uses)</b>			
Advances in	118,000	118,000	
Advances out		(3,300)	(3,300)
Operating transfers - in	90,000	150,000	60,000
Operating transfers - out			
<b>Total other sources (uses)</b>	<b>208,000</b>	<b>264,700</b>	<b>56,700</b>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<b>(1,571,090)</b>	<b>(1,439,959)</b>	<b>131,131</b>
Fund balance at beginning of year	1,536,344	1,536,344	
Prior year encumbrances appropriated	685,059	685,059	
<b>Fund balance at end of year</b>	<b>\$ 650,313</b>	<b>\$ 781,444</b>	<b>\$ 131,131</b>

See accompanying notes to the general purpose financial statements

Continued

**City of Fairview Park, Ohio**  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Non - GAAP  
 Budget Basis) - All Governmental Funds - Continued  
 Year Ended December 31, 2001

	Totals - Memorandum Only		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax	\$ 4,430,398	\$ 4,599,040	\$ 168,642
Property and other taxes	3,856,604	3,858,188	1,584
Intergovernmental	3,426,215	3,242,385	(183,830)
Special assessments	226,000	223,454	(2,546)
Charges for services	200,600	211,683	11,083
Licenses and permits	467,890	655,696	187,806
Fines and forfeitures	93,000	94,296	1,296
Interest	315,209	298,742	(16,467)
Rent	11,000	11,166	166
Miscellaneous	90,850	70,626	(20,224)
<b>Total Revenues</b>	<b>13,117,766</b>	<b>13,265,276</b>	<b>147,510</b>
<b>Expenditures</b>			
Current:			
General government	1,985,459	1,899,788	85,671
Security of persons and property	5,614,494	5,476,550	137,944
Public health and welfare	53,200	61,546	(8,346)
Transportation	896,670	896,834	(164)
Community environment	1,482,586	1,511,319	(28,733)
Leisure time activities	2,253,998	2,218,051	35,947
Capital outlay	3,010,056	3,091,384	(81,328)
Debt service			
Principal payment	245,000	240,000	5,000
Interest and fiscal charges	600,504	319,166	281,338
<b>Total expenditures</b>	<b>16,141,967</b>	<b>15,714,638</b>	<b>427,329</b>
<b>Excess of revenues under expenditures</b>	<b>(3,024,201)</b>	<b>(2,449,362)</b>	<b>574,839</b>
<b>Other financing sources (uses)</b>			
Advances in	125,400	121,300	(4,100)
Advances out	(118,000)	(121,300)	(3,300)
Operating transfers - in	527,400	758,096	230,696
Operating transfers - out	(661,198)	(758,096)	(96,898)
<b>Total other sources (uses)</b>	<b>(126,398)</b>	<b>126,398</b>	<b>126,398</b>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<b>(3,150,599)</b>	<b>(2,449,362)</b>	<b>701,237</b>
Fund balance at beginning of year	3,681,862	3,681,862	
Prior year encumbrances appropriated	2,136,584	2,136,584	
<b>Fund balance at end of year</b>	<b>\$ 2,667,847</b>	<b>\$ 3,369,084</b>	<b>\$ 701,237</b>

*See accompanying notes to the general purpose financial statements*

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**City of Fairview Park, Ohio**  
 Combined Statement of Revenues, Expenses  
 and Changes in Fund Equity  
 All Proprietary Fund Types  
 For the Year Ended December 31, 2001

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
Operating Revenues:			
Charges for Services	\$ 1,917,376	\$ 88,031	\$ 2,005,407
Other Operating Revenues	4,057	8,006	12,063
<b>Total Operating Revenues</b>	<b>1,921,433</b>	<b>96,037</b>	<b>2,017,470</b>
Operating Expenses:			
Personal Services	\$ 511,773	\$ 12,112	\$ 523,885
Contractual Services	828,614	79,920	908,534
Materials and Supplies	77,309	0	77,309
Other Operating Expenses	3,441	0	3,441
Depreciation	78,838	0	78,838
<b>Total Operating Expenses</b>	<b>1,499,975</b>	<b>92,032</b>	<b>1,592,007</b>
Operating Income (Loss)	421,458	4,005	425,463
Non-Operating Revenues (Expenses):			
Interest Income	\$ 64,736	0	\$ 64,736
Interest and Fiscal Charges	(47,748)	0	(47,748)
Equity in income from joint venture	(392,050)	0	(392,050)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(375,062)</b>	<b>0</b>	<b>(375,062)</b>
Net Income (Loss)	46,396	4,005	50,401
Depreciation on Fixed Assets Acquired by Contributed Capital	59,096	15,469	74,565
Retained Earnings at Beginning of Year	748,666	0	748,666
Retained Earnings at End of Year	854,158	19,474	873,632
Contributed Capital at Beginning of Year	7,776,070	0	7,776,070
Depreciation on Fixed Assets Acquired by Contributed Capital	(59,096)	0	(59,096)
Contributed Capital at End of Year	7,716,974	0	7,716,974
<b>Total Fund Equity at End of Year</b>	<b>\$ 8,571,132</b>	<b>\$ 19,474</b>	<b>\$ 8,590,606</b>

See accompanying notes to the general purpose financial statements

**City of Fairview Park, Ohio**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 For the year ended December 31, 2001

	<u>Proprietary Fund Types</u>		Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash received from customers	\$ 1,897,200	0	\$ 1,897,200
Cash received from quasi-external transactions with other funds	0	\$ 88,031	88,031
Cash payments for employee service and benefits	(485,975)	(8,367)	(494,342)
Cash payments to goods and services	(1,409,430)	(30,299)	(1,439,729)
Other operating revenues	4,057	8,006	12,063
Net Cash Provided by Operating Activities	\$ 5,852	\$ 57,371	\$ 63,223
Cash Flows from Investing Activities:			
Interest income	\$ 81,917	0	\$ 81,917
Net Cash Provided by Investing Activities	\$ 81,917	0	\$ 81,917
Cash Flows from Capital and Related Financing Activities:			
Principal paid on OPWC loans	\$ (18,067)	0	\$ (18,067)
Principal paid on bonds	(115,000)	0	(115,000)
Interest paid on bonds, notes and loans	(48,300)	0	(48,300)
Net Cash Used for Capital and Related Financing Activities	\$ (181,367)	0	\$ (181,367)
Net Increase (Decrease) in Cash and Cash Equivalents	(93,598)	57,371	(36,227)
Cash and Cash Equivalents at Beginning of Year	2,542,196	15,469	2,557,665
Cash and Cash Equivalents at End of Year	\$ 2,448,598	\$ 72,840	\$ 2,521,438

**City of Fairview Park, Ohio**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types - (Continued)  
 For the year ended December 31, 2001

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 421,458	\$ 4,005	\$ 425,463
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	78,838	-	78,838
Loss in Equity in Joint Venture	(73,640)	-	(73,640)
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(20,176)	-	(20,176)
(Increase) decrease in inventory	28	-	28
Increase (decrease) in accounts payable	31,581	7,875	39,456
Increase (decrease) in contracts payable	(411,957)	-	(411,957)
Increase (decrease) in accrued wages	(154)	-	(154)
Increase (decrease) in compensated absences	21,367	-	21,367
Increase (decrease) in intergovernmental payable	(46,080)	-	(46,080)
Increase (decrease) in pension obligation payable	4,587	-	4,587
Increase (decrease) in claims payable	-	45,491	45,491
Total Adjustments	<u>(420,804)</u>	<u>53,366</u>	<u>(367,438)</u>
Net Cash Provided by Operating Activities	<u>\$ 5,852</u>	<u>\$ 57,371</u>	<u>\$ 63,223</u>

*See accompanying notes to the general purpose financial statements.*

*City of Fairview Park, Ohio*  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 1 - Reporting Entity and Basis of Presentation**

The City of Fairview Park (the City) is a home rule municipal corporation established under the laws of the State of Ohio, which operates under its own Charter. The current Charter, which provides for a Mayor/Council form of government, was adopted in 1959.

The Mayor, elected by the voters for a four-year term, is the head of the municipal government for ceremonial, administrative, and executive purposes. As the chief conservator of the peace, she oversees the enforcement of all laws and ordinances. She also appoints all department heads, subject to the approval of Council, and executes all contracts, conveyances, and evidences of indebtedness of the City.

Legislative authority is vested in a seven-member council with five members elected by ward and two members elected at large for two-year staggered terms. Council enacts ordinances and resolutions relating to tax levies, appropriates and borrows money, and accepts bids for materials and services and other municipal purposes.

*A. Reporting Entity*

In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of Fairview Park and its potential component units consistent with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity."

The primary government comprises all activities and services which are not legally separate for the City. The City provides various services including public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process. 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 (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources: 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 that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. Currently, the City has no component units.

The Rocky River Wastewater Treatment Plant is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a management board consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The board has complete authority over all aspects of the plant's operation. The City has an explicit and measurable equity interest in the Rocky River Wastewater Treatment Plant. There exists a residual interest in the assets upon venture's liabilities (See Note 15).

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 1 - Reporting Entity and Basis of Presentation (continued)**

*A. Reporting Entity (continued)*

The City is associated with the Westshore Council of Governments and Tri-City Park, which are identified as jointly governed organizations. These organizations are presented in Note 17 to the general purpose financial statements.

*B. Basis of Presentation - Fund Accounting*

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

A fund is defined as a separate 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 City functions typically 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* - This 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 Charter of the City and the general laws of Ohio.

*Special Revenue Funds* - These 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 Fund* - This fund is used to account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal and interest and related costs.

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

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 1 - Reporting Entity and Basis of Presentation (continued)**

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

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

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

*Internal Service Fund* - This fund is 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 Type* - 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* - These 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 the 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 the proprietary funds.

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

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principals (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 Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 2 - Summary of Significant Accounting Policies (continued)**

*A. Measurement Focus and Basis of Accounting*

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

All proprietary fund types 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. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is utilized for reporting purposes by the governmental, expendable trust and agency funds. The accrual basis of accounting is utilized for reporting purposes by the proprietary and non-expendable trust funds. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenue – Exchange and Non-exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within thirty days of year end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, including income taxes, estate taxes, motel-hotel taxes, property taxes, estate taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes, estate taxes, and motel-hotel taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from the non-exchange transactions must also be available before it can be recognized.

*City of Fairview Park, Ohio*  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 2 - Summary of Significant Accounting Policies (continued)**

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

**Deferred Revenue** – Deferred revenue arises when assets are recognized before the revenue recognition criteria have been satisfied.

Delinquent property taxes and property taxes for which there is an enforcement legal claim as of December 31, 2001, but which were levied to finance year 2001 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

**Expense/Expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

*B. Budgetary Data*

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 appropriation ordinance are subject to amendment throughout the year with the legal restriction that the appropriations cannot exceed estimated resources as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. Even though annual budgets are legally adopted, proprietary budgetary statements have not been presented since they are not required under GAAP.

All disbursements require appropriation authority. The legal level of budgetary control is at the fund level with the exception of the General Fund, which is at the department level. Any budgetary modifications at this level may only be made by resolution of the City Council.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 2 - Summary of Significant Accounting Policies (continued)**

*B. Budgetary Data (continued)*

Advances in and Advances out are not required to be budgeted, since they represent a temporary cash advance and are intended to be repaid.

*Tax Budget* - During the first Council meeting in July, the City Finance Director 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 property 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 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 Finance Director 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 2001.

*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 level with the exception of the General Fund, which is at the department level. The appropriation ordinance may be amended during the year as new information becomes available. Total fund appropriations may not exceed current estimated resources as certified. The allocation of appropriations among departments within a fund, with the exception of the General Fund, may be modified during the year by Management. Appropriations among departments within the General Fund may be modified during the year only by ordinance of Council. During the year, several supplemental appropriation measures were passed. However, none were significant in amount. The budget figures which appear in the statement of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

*Encumbrances* - Encumbrances outstanding at year end represent the estimated amount of expenditures that will ultimately result if unperformed contracts in process (for example, purchase orders and contracted services) are completed. On a GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent year expenditures in the governmental funds and reported in the notes to the general purpose financial statements for proprietary funds.

*Lapsing of Appropriations* - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 2 - Summary of Significant Accounting Policies (continued)**

*C. Cash and Cash Equivalents*

Cash received by the City is deposited into several bank accounts. Monies from all funds, including the proprietary funds, are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the City's records.

The City has invested funds in the State Treasurer's Asset Reserve of Ohio (STAROhio) during the fiscal year 2001. STAROhio is an investment pool managed by the State Treasurer's Office, 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 of the investment could be sold for on December 31, 2001.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with an original maturity of three months or less are considered to be cash equivalents. Interest earnings accrue to the general fund except that relate to certain special revenue, capital projects and enterprise funds.

Interest revenue credited to the General Fund during 2001 amounted to \$110,878, which includes interest assigned from other City funds.

*D. Inventory*

Inventories of governmental funds are stated at cost while the inventories of the proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

*E. Investment in Joint Venture*

The investment in the joint venture is reported using the equity method of accounting.

*F. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond December 31, 2001 are recorded as prepaid items by 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.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 2 - Summary of Significant Accounting Policies (continued)**

*G. Interfund Assets and Liabilities*

Receivables and payables resulting from transactions between funds for services provided or goods received and agency fund assets due to operating funds are classified as "due from other funds" or "due to other funds" on the balance sheet. For 2001, there were no such transactions. Short-term interfund loans are classified as "interfund receivables/payables."

*H. Fixed Assets and Depreciation*

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in proprietary funds are capitalized in the specific funds.

All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost when no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The City maintains a capitalization policy of \$1,000.

Improvements are capitalized. 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. Interest incurred during the construction of general fixed assets is also not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment, vehicles, and sewer lines in the proprietary fund types is computed using the straight-line method over an estimated useful life. Improvements to fund fixed assets are depreciated over the useful lives of the related fixed assets. The estimated useful lives are as follows:

Equipment	3-25 years
Vehicles	3-25 years
Building Improvements	40 years
Sewer Lines	40 years

*I. 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 and judgements, compensated absences and contractually required pension contributions 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 resources. Bonds and long-term loans are recognized as a liability of the general long-term obligations account group until due.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 2 - Summary of Significant Accounting Policies (continued)**

*I. Accrued Liabilities and Long-Term Obligations (continued)*

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

*J. Compensated Absences*

The liability for compensated absences is based on the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for 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 employer 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 vesting method. The liability is based upon sick leave accumulated at December 31, 2001 for those employees who the City has identified as probable to receive termination benefit payments in the future.

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.

*K. Fund Equity*

Reservations of fund balances 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 appropriations or expenditures including amounts that are legally segregated for a specific future use. Fund balances are reserved for inventories, prepaid items, encumbrances and budget stabilization.

*L. 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.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 2 - Summary of Significant Accounting Policies (continued)**

*M. Estimates*

The preparations 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 could differ from those estimates.

*N. Total - Memorandum Only Columns*

The total columns on the general purpose financial statements are captioned "Totals (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 - 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 basis) 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 and Actual (Non-GAAP Budget Basis) - All Governmental 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 (Generally Accepted Accounting Principles) 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).
3. Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance for governmental fund types (GAAP).
4. Proceeds and principal payments on short-term note obligations are reported on the operating statement (budget) as opposed to balance sheet transactions (GAAP).

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 3 - Budgetary Basis of Accounting (continued)**

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 Uses All Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$ 880,876	\$ (891,027)	\$ (10,892)	\$(1,105,522)
Net Adjustment for Revenue Accruals	66,192	(27,308)	-	125,398
Net Adjustment for Expenditure Accruals	(302,087)	(456,480)	-	(85,693)
Encumbrances	<u>(109,059)</u>	<u>(159,618)</u>	<u>-</u>	<u>(374,142)</u>
Budget Basis	<u>\$ 535,922</u>	<u>\$(1,534,433)</u>	<u>\$ (10,892)</u>	<u>\$(1,439,959)</u>

**Note 4 - Accountability and Compliance**

*A. Fund Deficits*

The following funds had deficit fund balances as of December 31, 2001:

<i>Special Revenue Funds</i>	
State Grants	(10,237)
<i>Capital Projects Funds</i>	
Lorain Road Revitalization	(520,510)

The State Grants Special Revenue fund deficit resulted from the recognition of liabilities for advances made during the year. The General Fund is liable for any deficit and provides operating transfers when cash is required, not when accruals occur.

The deficits in the Capital Projects Lorain Road Revitalization fund resulted from the conversion to generally accepted accounting principles. Management is analyzing this situation to determine the appropriate steps to eliminate the deficits.

*B. Noncompliance*

The City did not properly encumber a significant portion of expenditures contrary to Ohio Revised Code Section 5705.41 (D).

*City of Fairview Park, Ohio*  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 4 - Accountability and Compliance (continued)**

*B. Noncompliance (continued)*

Section 5705.41 (A), Revised code, prohibits the City from making fund appropriations in excess of estimate revenue available for expenditure for that fund. The following funds were found to have appropriations in excess of the amount certified as available by the county budget commission:

- Special Revenue
  - State Highway Improvement Fund
  - Fire Operating Levy Fund
  - State Grants Fund
  - P.O.P.A.S. Fund
  - New Levy/Project Account Fund
  - Emergency Medical Systems Fund
- Debt Service
  - Bond Retirement Fund
- Capital Projects
  - Permanent Improvement Fund
  - Lorain Road Revitalization Fund
- Internal Service
  - Employee Section 125 Fund

The following funds/accounts had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41, Revised Code

<u>General Fund</u>	
County & State Fees	\$ 2,255
Police Department	2,660
Public Health	8,346
Solid Waste	21,294
Senior Life	14,419
<u>Special Revenue Funds</u>	
Street Construction, Maintenance, and Repair Fund	16,571
Recreation Fund	33,306
Police & Fire Pension	73,891
Street Lighting	6,781
State Grants	107
Bain Park Restoration	3,200
New Levy/Project Account	486
<u>Capital Projects Fund</u>	
Capital Projects Fund	379,917
<u>Internal Service Fund</u>	
Health Insurance Reserve Fund	23,599

***City of Fairview Park, Ohio***  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**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 not 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.

Interim monies may be 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 and 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 (STAR Ohio).

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 5 - Deposits and Investments (continued)**

As well as the above six statutory requirements, the City's investment policy of November 20, 1989, states that the City may invest in the following categories:

1. Commercial paper note issues of United States corporations having assets that exceed \$500 million. Such notes are to be rated "prime" (P-1) by Moody's Investor's Service and (A-1) by Standard & Poor's and must mature no later than 180 days after the date of purchase by the City; and;
2. Bankers acceptances from members of the Federal Deposit Insurance Corporation which are eligible for purchase by the Federal Reserve System and which mature no later than 180 days after the date of purchase by the City.

The City's investment policy also states that investments in government securities may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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. 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. 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 treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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 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.

During 2001, investments were limited to repurchase agreements, commercial paper, and STAROhio. Commercial paper investments are stated at amortized cost and have a remaining maturity at the time of purchase of one year or less.

GASB Statement 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 3.

*Deposits* - At year-end, the carrying amount of the City's deposits was \$20,190 and the bank balance was \$20,961, all of which \$20,961 was covered by federal depository insurance.

*Investments* - Investments are classified under the guidelines of GASB Statement No. 3 into three categories, Category 1 includes investments that are insured or registered or are held by the city or its agent in the City's name.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 5 - Deposits and Investments (continued)**

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.

	Category	Amortized Cost	Fair Value
STAR Ohio	3 -	\$ <u>6,574,546</u>	\$ <u>6,574,546</u>
Total Investments	-	<u>6,574,546</u>	<u>6,574,546</u>

STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

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. Cash and cash equivalents are defined to include investments with original maturities of three months or less and cash and investments of the cash management pool.

A reconciliation between the classification of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$6,594,736	
STAR Ohio	<u>(6,574,546)</u>	<u>6,574,546</u>
GASB Statement No. 3	<u>\$ 20,190</u>	<u>\$ 6,574,546</u>

**Note 6 - Taxes**

*A. Property Taxes*

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied by October 1 in the preceding calendar year on assessed values as of January 1 of the preceding year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 1997. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, payment is due December 31 with the remainder payable by June 20, unless extended.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 6 – Taxes (continued)**

*A. Property Taxes (continued)*

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Certain public utility tangible property currently is assessed at varying percentages of its true value. Public utility property taxes are assessed and payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Fairview Park. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measureable at December 31, 2001. Although total property tax collections for the next fiscal year are measureable, amounts to be received during the availability period are not subject to reasonable estimate at December 31, 2001 nor are they intended to finance 2001 operations. The receivable is, therefore, offset by deferred revenue.

The full tax rate for all City operations for the year ended December 31, 2001 was \$11.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based was as follows:

Real Property	\$360,993,440
Public Utility Personal Property	9,122,440
Tangible Personal Property	<u>12,603,703</u>
Total Assessed Value	<u>\$382,719,583</u>

*B. Income Taxes*

The City levies a municipal income tax of 1.5 percent on all salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of 75 percent of the tax paid to another municipality to a maximum of the total amount assessed with a limit to the credit of 1.25 percent.

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.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 7- Fixed Assets**

A summary of the enterprise funds' fixed assets at December 31, 2001 as follows:

Equipment	\$ 80,093
Sewer Lines	<u>3,403,257</u>
 Total Fixed Assets	 3,483,350
Less Accumulated Depreciation	<u>(948,027)</u>
 Net Fixed Assets	 <u><u>\$ 2,535,323</u></u>

A summary of changes in general fixed assets during 2001 follows:

	Balance <u>January 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2001</u>
Land	\$ 2,075,342	\$ 1,029,990	\$ 0	\$ 3,105,332
Buildings	3,774,558		0	3,774,558
Equipment - Vehicles, furniture	<u>5,052,748</u>	<u>227,365</u>	<u>0</u>	<u>5,280,113</u>
Total	<u><u>\$ 10,902,648</u></u>	<u><u>\$ 1,257,355</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 12,160,003</u></u>

**Note 8 - Contingencies**

The City of Fairview Park is a party to legal proceedings seeking damages. The City management is of the opinion that the ultimate disposition of the claims and legal proceedings will not have material effect, if any, on the financial condition of the City.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 9 - Receivables**

Receivables at December 31, 2001 primarily consisted of taxes, accounts (billings for user charged services), intergovernmental receivables, entitlement or shared revenues and special assessments. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
<b>General Fund:</b>	
Court fines	\$ 3,932
Gasoline tax	49,706
Local government	170,811
Estate taxes	<u>282,949</u>
<i>Total General Fund</i>	<u>\$ 507,398</u>
 <b>Special Revenue Funds:</b>	
Street Construction Maintenance and Repair	
Perm tax	\$ 7,088
State/Local highway	21,350
Gasoline tax	135,074
State Highway	
Perm Tax	575
State/Local highway	1,731
Gasoline tax	10,952
Recreation	
Gasoline tax	20,506
Fire Operating Levy	
Local government	19,008
POPAS Fund	
Fines and Forfeitures	3,942
Police and Fire Pension Fund	
Local government	12,304
Bain Park Restoration Fund	
Local government	50
DUI Education	
Fines and Forfeitures	<u>193</u>
<i>Total Special Revenue Funds</i>	<u>\$ 232,773</u>
 <b>Capital Projects Funds:</b>	
Permanent Improvement	
Local government	<u>17,840</u>
<b>Total</b>	<u>\$ 758,011</u>

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 10- Risk Management**

The City of Fairview Park is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

During 2001, the City contracted for various types of insurance as follows:

<u>Company</u>	<u>Type of Coverage</u>	<u>Deductible</u>
Reliance	Boilers and Machinery	\$1,000
Reliance	Comprehensive Auto	1,000
Reliance	Property and Equipment/Inland Marine	1,000 for Property 250 for Equipment
Reliance	General Liability	5,000
Reliance	Law Enforcement	10,000
Reliance	Public Officials	0
Reliance	Ambulance/Fire Errors and Omissions	0
Guarantee National	Umbrella	0

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

There has not been a significant reduction in commercial coverage from the prior year and settled claims have not exceeded coverage in any of the last five years.

Starting in December of 2001 the City is providing employee medical prescription, dental, and vision benefits through a minimum premium self-insurance program. All funds in the City participate in the program and make payments to the medical self-insurance internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims. Stop loss coverage is provided by Medical Mutual Service Inc. for all claims made in excess of \$50,000 for each person covered by the City's health insurance plan and total claims in excess of 110% of projected claims liability. The City utilized a third party administrator, Medical Mutual of Ohio, to review and pay claims; the City then reimburses the administrator. During 2001, a total of \$26,530 was paid in benefits and administration costs. Through April 30, 2002, \$45,491 was paid in claims pertaining to 2001.

Changes in the fund's claims liability amount for the last two years follow:

	<u>Balance</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2000	\$ 43,432	29,088	72,520	-
2001	\$ -	64,024	18,533	45,491

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 11 - Long-Term Obligations**

Changes in the long-term obligations of the City during 2001 were as follows:

	<u>Outstanding</u> <u>12/31/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u> <u>12/31/01</u>
<i>General Long-Term Obligations</i>				
Bonds Payable				
Park Improvements - 3.7%-5.3%	2,130,000	0	75,000	2,055,000
Senior Center - 3.7%-5.3%	1,300,000	0	45,000	1,255,000
Fire Equipment - 3.7%-5.3%	360,000	0	35,000	325,000
Public Service - 3.7%-5.3%	140,000	0	40,000	100,000
Pension Liability - 3.7%-5.3%	115,000	0	5,000	110,000
Public Service - 3.7%-5.3%	<u>50,000</u>	<u>0</u>	<u>45,000</u>	<u>5,000</u>
<i>Total Bonds</i>	4,095,000	0	245,000	3,850,000
Brownsfield Loans	1,767,500	0	0	1,767,500
Year 2001 Loan	172,998	0	0	172,998
Capital Lease Payable	226,167	0	36,095	190,072
Compensated Absences	1,338,044	62,731	0	1,400,775
Pension Obligation	<u>271,097</u>	<u>314,295</u>	<u>271,097</u>	<u>314,295</u>
Total General Long-Term Obligations	<u>7,870,806</u>	<u>377,026</u>	<u>552,192</u>	<u>7,695,640</u>
<i>Enterprise Fund Obligations</i>				
1998 OPWC Sanitary Sewer - 0% interest	497,268	0	18,067	479,201
1986 7.00% Sanitary Sewer Improvement General Obligation Bonds	<u>690,000</u>	<u>0</u>	<u>115,000</u>	<u>575,000</u>
GRAND TOTAL	<u>\$ 9,058,074</u>	<u>\$ 377,026</u>	<u>\$ 685,259</u>	<u>\$ 8,749,841</u>

The activity of the compensated absences are netted for practical purposes. Police and fire pension liability will be paid from the general fund. Compensated absences reported in the "compensated absences payable" account will be paid from the fund from which the employees' salaries are paid. Long-term pension obligations will be paid from the fund from which the employees' salaries are paid. Enterprise general obligation bonds and Ohio Public Works Commission loans will be paid from user charges.

General obligation bonds will be paid from the General Bond Retirement Debt Service fund and the funds that received the proceeds. The proceeds of the bonds were used to refund the general obligation bond anticipation notes used to improve and expand the City's park and recreational facilities, construct the senior center, acquire equipment and vehicles and pay the unfunded pension liability.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 11 - Long-Term Obligations (continued)**

The City's overall legal debt margin was \$34,380,355 at December 31, 2001. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2001 are as follows:

<u>Year Ended</u>	<u>Sewer General Obligation Bonds</u>	<u>General Obligation Bonds</u>	<u>OPWC Loans</u>
2002	\$ 155,250	\$ 381,562	\$ 36,134
2003	147,200	383,470	36,134
2004	139,150	379,860	36,134
2005	131,100	340,830	36,134
2006	123,050	342,910	36,134
2007-2011	0	1,616,310	180,672
2012-2016	0	1,468,231	117,859
2017-2021	<u>0</u>	<u>880,204</u>	<u>0</u>
Total	<u>\$ 695,750</u>	<u>\$ 5,793,377</u>	<u>\$ 479,201</u>

**Note 12 - Other Employee Benefits**

*Compensated Absences*

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates which are also affected by length of service. Vacation can be carried over at different rates depending on the department and only with the Mayor's approval. The carry over vacation must be taken by February 28 of the following year. Sick leave accrual is continuous, without limit. Overtime worked is always paid to employees on the paycheck for the period in which it was worked.

Upon retirement, an employee can be paid for one half of their accumulated hours of sick leave up to 960 hours, except fire department employees, who are paid for one half of their accumulated sick leave up to 1,196 hours. Upon retirement, termination, or death of the employee, accrued vacation is paid for time the employees have earned but not used.

As of December 31, 2001, the liability for unpaid compensated absences was \$1,593,441 for the entire City.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 13 - Defined Benefit Pension Plans**

*A. Public Employees Retirement System (PERS)*

All City full-time employees, other than Police and Firemen, 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 and the City is required to contribute 13.55 percent. 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, 2001, 2000, and 1999 were \$356,312, \$313,099 and \$253,554 respectively. The full amount has been contributed for 2000 and 1999. 74.1 percent has been contributed for 2001 with the remainder being reported as a liability in the General Long-Term Obligations Account Group and the Enterprise fund.

*B. Police and Firemen's Disability and Pension*

The City of Fairview Park contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. 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 for the plan. That report may be obtained by writing to OP&F, 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, while the City is required to contribute 19.5 percent for police and 24.0 percent for firefighters to fund pension obligations. Contributions are authorized by State statute. The City's contributions to the PFDPF for police and firefighters were \$306,358 and \$393,439, respectively, for the year ended December 31, 2001, \$306,329 and \$415,088 for 2000 and \$188,929 and \$257,284 for 1999. The full amount has been contributed for 2000 and 1999. 76.01 and 75.02 percent respectively, have been contributed for 2001 with the remainder being reported as a liability within the General Long-Term Obligations Account Group.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 14 - Postemployment Benefits**

*A. Public Employees Retirement System (PERS)*

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service employees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employees contribution to PERS is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll for employees; 4.3 percent was the portion that was used to fund health care.

Benefits are advanced funded on a actuarially determined basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health and Medicare, along with investments income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. As of December 31, 2001, the unaudited estimated net assets available for future OPEB payments were \$11,735,900,000. At December 31, 2001, the total number of active contributing participants eligible for OPEB through PERS was 411,076. The City's actual contributions for 2001 which were used to fund OPEB were \$113,073.

*B. Police and Firemen's Disability Pension Fund*

The Ohio Police and Fire Pension Fund (the "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 full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. The Ohio Revised Code provides the statutory authority allowing the Fund's Board of Trustees to provide health care coverage to all eligible individuals.

Health care funding and accounting is on a pay-as-you-go basis. 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. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.25% and 7.5% of covered payroll in 2000 and 2001, respectively. The allocation is 7.75% in 2002. 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.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 14 - Postemployment Benefits (continued)**

The City's actual contributions for 2001 that were used to fund post-employment benefits were \$117,948 for police and \$123,146 for fire. The number of participants eligible to receive health care benefits as of December 31, 2000 (the latest information available) was 12,853 for police and 10,037 for firefighters. The Fund's total health care expenses for the year ending December 31, 2000 (the latest information available) was \$106,160,054, which was net of member contributions of \$5,657,431.

**Note 15 - Segment Information**

The City maintains two enterprise funds to account for its sewer and recreation operations. Segment information for these operations for the year ended December 31, 2001 is as follows:

	<u>Sanitary Sewer</u>	<u>Gilles-Sweet</u>	<u>Total</u>
Operating revenues	\$1,921,433	0	\$1,921,433
Operating expenses			
before depreciation	1,408,567	12,570	1,421,137
Depreciation expense	78,838	0	78,838
Operating income/(loss)	434,028	(12,570)	421,458
Non-operating revenues			
(expenses)	(375,062)	0	(375,062)
Net income	58,966	(12,570)	46,396
Net working capital	2,584,013	10,248	2,594,261
Total assets	9,984,269	10,248	9,994,517
Long-term liabilities	1,305,350	0	1,305,350
Total equity/(deficit)	8,560,884	10,248	8,571,132

**Note 16 - Joint Venture - Rocky River Wastewater Treatment Plant**

The Rocky River Wastewater Treatment Plant (the "Plant") is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The Plant is governed by a management board consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The board has complete authority over all aspects of the Plant's operations. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage liens located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City's continued participation, and the City has an equity interest in the Plant. The City's equity interest is \$4,775,038, which represents 17.19 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard Ave., Rocky River, Ohio 44116.

***City of Fairview Park, Ohio***  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 17 - Jointly Governed Organizations**

A. *Westshore Council of Governments*

The Westshore Council of Governments (the "Council") is comprised the Cities of Bay Village, Fairview Park, Lakewood, North Olmsted, Rocky River and Westlake. The Council helps foster cooperation between municipalities in areas effecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of the Council including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board.

In 2001, the City contributed \$29,771 to the Council, which represented 10.5 percent of total contributions. The Council has established two subsidiary organizations, the Westshore Hazardous Materials Committee ("HAZMAT") which provides hazardous material protection and assistance, and the Westshore Enforcement Bureau which provides extra assistance to cities in the form of a SWAT Team. Complete financial statements can be obtained from the City of Rocky River, P.O. Box 16088, Rocky River, Ohio 44146-0088.

B. *Tri-City Park*

The Tri-City Park (the "Park") provides a recreational park to the cities of Rocky River, Westlake and Fairview Park. The Park is governed by a board consisting of the elected mayors of the three cities. The board exercises total control over the operation of the Park including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the board. Each city's degree of control is limited to its representation on the board. In 2001 the City contributed \$1,000 to the Park. Complete financial statements can be obtained from the City of Westlake, 27216 Hilliard Westlake, Ohio 44145.

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 18 - Capital Lease**

The City has entered into a lease agreement for financing the acquisition of capital equipment. This lease qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at December 31, 2001:

<u>Year</u>	<u>General long- Term debt</u>
2002	\$ 32,521
2003	32,521
2004	32,521
2005	32,521
2006	32,521
2007-2009	<u>45,565</u>
Total minimum lease payment	208,170
Less: Amount representing interest	<u>(18,098)</u>
Present value of future minimum lease payments	<u>\$ 190,072</u>

**City of Fairview Park, Ohio**  
Notes To The General Purpose Financial Statements  
For The Year Ended December 31, 2001

**Note 19 – Restatement of Prior Year Fund Equity**

For fiscal year 2001, the City has implemented GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions” and GASB Statement No. 36 “Reporting for Certain Shared Nonexchange Revenues.” The implementation of GASB Statements 33 and 36 had the following effect on fund balance at December 31, 2000.

	Fund Equity, as stated <u>12/31/00</u>	<u>Adjustment</u>	Fund Equity, as restated <u>12/31/00</u>
General Fund	\$1,498,146	\$209,986	\$1,708,132
Special Revenue Funds			
Street Construction and Repair	2,267	129,671	131,938
State Highway	16,517	10,601	27,118
Recreation	1,091,071	19,686	1,110,757
Fire Operating Levy	17,642	18,248	35,890
Police and Fire Pension	<u>57,489</u>	<u>11,812</u>	<u>69,301</u>
Total Special Revenue Funds	1,184,986	204,427	1,365,073
Capital Projects Funds			
Permanent Improvement	(588)	17,126	16,538

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

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*City of Fairview Park, Ohio*

**General Fund**

The General Fund is the general operating fund of the City. It is used to account for all financial resources of the City, except for those required by law or contract to be accounted for in another fund. The following is the "Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non - GAAP Budget Basis)," as required by law for the level of appropriations as budgeted by the City.

**City of Fairview Park, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non - GAAP Budget Basis) -  
General Fund

Year Ended December 31, 2001

	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax	\$ 3,390,398	\$ 3,415,702	\$ 25,304
Property and other taxes	2,700,433	2,700,473	40
Intergovernmental	3,030,526	3,019,607	(10,919)
Charges for services	8,000	19,274	11,274
Licenses and permits	142,570	157,072	14,502
Fines and forfeitures	89,000	90,838	1,838
Interest	160,000	148,544	(11,456)
Rent	11,000	11,166	166
Miscellaneous	36,850	13,267	(23,583)
<b>Total Revenues</b>	<u>9,568,777</u>	<u>9,575,943</u>	<u>7,166</u>
<b>Expenditures</b>			
Current:			
General government:			
Board of appeals	1,350	716	634
Mayors office	129,592	118,981	10,611
Service director	247,531	230,202	17,329
Finance department	350,692	331,371	19,321
Legal department	119,780	103,090	16,690
Engineering	33,855	33,046	809
Municipal land/building	381,329	363,207	18,122
Civil service	9,509	9,047	462
County & state fees	305,000	307,255	(2,255)
Legislative	107,105	101,247	5,858
Other administrative	295,100	293,810	1,290
<b>Total general government</b>	<u>1,980,843</u>	<u>1,891,972</u>	<u>88,871</u>
Security of persons and property:			
Police department	2,283,203	2,285,863	(2,660)
Traffic control	139,010	132,750	6,260
Fire department	1,810,500	1,731,978	78,522
<b>Total security of persons and property</b>	<u>4,232,713</u>	<u>4,150,591</u>	<u>82,122</u>

**City of Fairview Park, Ohio**

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non - GAAP Budget Basis) -  
General Fund - Continued

	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Expenditures - Continued</b>			
Public health and welfare:			
Public health	53,200	61,546	(8,346)
<b>Total public health and welfare</b>	<u>53,200</u>	<u>61,546</u>	<u>(8,346)</u>
Transportation:			
Street maintenance	35,000	35,000	
Motor vehicle maintenance	329,990	320,583	9,407
<b>Total transportation</b>	<u>364,990</u>	<u>355,583</u>	<u>9,407</u>
Community environment			
Planning	6,883	5,836	1,047
Building department	244,051	238,011	6,040
Solid waste disposal	1,000,387	1,021,681	(21,294)
Senior life office	227,165	241,584	(14,419)
<b>Total community environment</b>	<u>1,478,486</u>	<u>1,507,112</u>	<u>(28,626)</u>
Leisure time activities:			
Parks	400,874	387,319	13,555
<b>Total leisure time activities</b>	<u>400,874</u>	<u>387,319</u>	<u>13,555</u>
<b>Total expenditures</b>	<u>8,511,106</u>	<u>8,354,123</u>	<u>156,983</u>
<b>Excess of revenues under expenditures</b>	<u>1,057,671</u>	<u>1,221,820</u>	<u>164,149</u>
<b>Other financing sources (uses)</b>			
Advances in	7,400	3,300	(4,100)
Advances out	(118,000)	(118,000)	
Operating transfers - out	(571,198)	(571,198)	
<b>Total other sources (uses)</b>	<u>(681,798)</u>	<u>(685,898)</u>	<u>(4,100)</u>
<b>Excess of revenues and other financing sources under expenditures and other uses</b>	<u>375,873</u>	<u>535,922</u>	<u>160,049</u>
Fund balance at beginning of year	1,201,645	1,201,645	
Prior Year Encumbrances Appropriated	17,665	17,665	
<b>Fund balance at end of year</b>	<u>\$ 1,595,183</u>	<u>\$ 1,755,232</u>	<u>\$ 160,049</u>

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*City of Fairview Park, Ohio*

**Special Revenue Funds**

**Street Construction Maintenance and Repair Fund**

To account for the receipts of restricted funds and expenditures use in the maintenance and repair of City streets.

**State Highway Fund**

To account for the receipt of restricted funds and expenditures use in the maintenance of state highways located in the City of Fairview Park.

**Recreation Fund**

To provide for the receipt of recreation funds from recreation programs and recreation millage and account for recreation expenditures.

**S.A.V.E. Fund**

Stop A Vandal Easily funded from general fund, to be used for reward for information in regards to solving crimes.

**Street Lighting Fund**

To account for the receipt of special assessment monies levied for the providing of street lighting of City roads.

**Fire Operating Levy**

To account for the receipt of millage collected to pay salaries and fringe benefits of the fire department.

**Federal Grants Fund**

To account for the receipt and expenditures of Federal Projects.

**State Grants Fund**

To account for the receipt and expenditures of State Projects.

*City of Fairview Park, Ohio*

**Special Revenue Funds - continued**

**Fairview Park Sidewalk**

To account for the transfer of general fund monies used in the improvement of City sidewalks.

**P.O.P.A.S. Fund**

To receipt funds received from traffic violations issued by Auxiliary Police and impound fees from motor vehicles. These funds are to be used for the purchases of police equipment.

**New Levy/Project Account**

Monies transferred from the Recreation Fund to be used for park land acquisition.

**Cable TV Franchise Fee Fund**

To account for revenue received from the cable franchises and record those expenses allowed by City Council.

**DARE Fund**

To account for donations and Federal Grants received and expenditures made for drug education.

**Bain Park Restoration Fund**

To receipt rental income and donations for funds used in Bain Cabin.

**Law Enforcement Trust**

To receipt funds seized in the commitment of a felony and awarded to the City of Fairview Park and to be used in purchases of capital equipment for use in the Police Department.

*City of Fairview Park, Ohio*

**Special Revenue Funds - continued**

**Police and Fire Pension Fund**

To account for receipt of millage collected for police & fire pensions and account for expenditures in regards to police and fire pensions.

**D.U. I. Education Fund**

To receipt funds received Federal Government, State of Ohio or Cuyahoga County to be used in D.U.I. education and equipment used in D.U.I. enforcement.

**Emergency Medical Systems**

To record fees charged for ambulance service and to record expenditures made for Fire Department equipment.

**City of Fairview Park, Ohio**

Combining Balance Sheet - Special Revenue Funds

December 31, 2001

	Street Construction Maintenance and Repair	State Highway	Recreation	SAVE
<b>Assets and other debits:</b>				
Cash and cash equivalents	.	\$ 1,137	\$ 376,900	\$ 400
Receivables (net of allowances for uncollectibles)				
Taxes			329,987	
Accounts Intergovernmental	\$ 163,512	13,258	20,506	
Special assessments				
Interfund receivable				
Materials and supplies inventory	10,668	27,132		
<b>Total assets</b>	<u>\$ 174,180</u>	<u>\$ 41,527</u>	<u>\$ 727,393</u>	<u>\$ 400</u>
<b>Liabilities:</b>				
Accounts payable	\$ 72,000		\$ 3,002	
Accrued wages and benefits	10,610		3,399	
Compensated absence payable	6,377		1,480	
Interfund payable	14,626			
Intergovernmental payable	115			
Deferred revenue			329,987	
<b>Total liabilities</b>	<u>103,728</u>		<u>337,868</u>	
<b>Fund Equity</b>				
Fund balances				
Reserved for encumbrances			\$ 121,019	
Reserved for inventory	\$ 10,668	\$ 27,132		
Unreserved - undesignated	59,784	14,395	268,506	\$ 400
<b>Total fund equity</b>	<u>70,452</u>	<u>41,527</u>	<u>389,525</u>	<u>400</u>
<b>Total liabilities and fund equity</b>	<u>\$ 174,180</u>	<u>\$ 41,527</u>	<u>\$ 727,393</u>	<u>\$ 400</u>

Street Lighting	Fire Operating Levy	Federal Grants	State Grants	Fairview Park Sidewalk	POPAS
\$ 219,482	\$ 2,147	\$ 1,456		\$ 4,924	\$ 11,505
	277,632				
	19,008				3,942
227,164					
<u>\$ 446,646</u>	<u>\$ 298,787</u>	<u>\$ 1,456</u>	<u>\$ -</u>	<u>\$ 4,924</u>	<u>\$ 15,447</u>
\$ 29,285					\$ 904
			\$ 10,237		
<u>227,164</u>	<u>\$ 277,632</u>		<u>10,237</u>		<u>904</u>
256,449	277,632				
					\$ 1,759
\$ 190,197	\$ 21,155	\$ 1,456	\$ (10,237)	\$ 4,924	12,784
<u>190,197</u>	<u>21,155</u>	<u>1,456</u>	<u>(10,237)</u>	<u>4,924</u>	<u>14,543</u>
\$ 446,646	\$ 298,787	\$ 1,456	\$ -	\$ 4,924	\$ 15,447

(Continued)

**City of Fairview Park, Ohio**

Combining Balance Sheet - Special Revenue Funds - (Continued)

December 31, 2001

	New Levy Project Account		Cable TV Franchise Fee		DARE		Bain Park Restoration
<b>Assets and other debits:</b>							
Cash and cash equivalents	\$ 1		\$ 251,721		\$ 1		\$ 13,201
Receivables (net of allowances for uncollectibles)							
Taxes							
Accounts							
Intergovernmental							50
Special assessments							
Interfund receivable							
Materials and supplies inventory							
<b>Total assets</b>	<b>\$ 1</b>		<b>\$ 251,721</b>		<b>\$ 1</b>		<b>\$ 13,251</b>
<b>Liabilities:</b>							
Accounts payable							
Accrued wages and benefits							
Compensated absence payable							
Interfund payable							
Intergovernmental payable							
Deferred revenue							
<b>Total liabilities</b>							
<b>Fund Equity</b>							
Fund balances							
Reserved for encumbrances	\$ 6,300						\$ 616
Reserved for inventory							
Unreserved - undesignated	(6,299)		\$ 251,721		\$ 1		12,635
<b>Total fund equity</b>	<b>1</b>		<b>251,721</b>		<b>1</b>		<b>13,251</b>
<b>Total liabilities and fund equity</b>	<b>\$ 1</b>		<b>\$ 251,721</b>		<b>\$ 1</b>		<b>\$ 13,251</b>

Law Enforcement Trust	Police and Fire Pension	DUI Education	Emergency Medical Systems	Total
\$ 17,529	\$ 3,839	\$ 6,184	\$ 27,557	\$ 937,984
	198,015			805,634
			3,470	3,470
	12,304	193		232,773
				227,164
	5,299			5,299
				37,800
<u>\$ 17,529</u>	<u>\$ 219,457</u>	<u>\$ 6,377</u>	<u>\$ 31,027</u>	<u>\$ 2,250,124</u>
			\$ 4,430	\$ 108,717
				14,913
				7,857
				24,863
				115
	\$ 198,015			1,032,798
	<u>198,015</u>		<u>4,430</u>	<u>1,189,263</u>
			\$ 132	\$ 129,826
\$ 17,529	\$ 21,442	\$ 6,377	26,465	37,800
<u>17,529</u>	<u>21,442</u>	<u>6,377</u>	<u>26,597</u>	<u>893,235</u>
<u>\$ 17,529</u>	<u>\$ 219,457</u>	<u>\$ 6,377</u>	<u>\$ 31,027</u>	<u>\$ 2,250,124</u>

*City of Fairview Park, Ohio*

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Special Revenue funds

For the Year Ended December 31, 2001

	Street Construction Maintenance and Repair	State Highway	Recreation	SAVE
<b>Revenues:</b>				
Property Taxes			\$ 349,585	
Intergovernmental	\$ 385,139	\$ 32,391	24,635	
Special assessments				
Interest			49,486	
Fines, licenses and permits	112,013	7,831		
Charges for services			130,255	
Miscellaneous			50,010	
<b>Total revenues</b>	497,152	40,222	603,971	
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Leisure time activities			\$ 1,142,607	
General government				
Community environment				
Transportation	\$ 564,960	\$ 43,000		
Debt service:				
Principal retirement			75,000	
Interest and fiscal charges			51,898	
<b>Total expenditures</b>	564,960	43,000	1,269,505	
<b>Excess of revenue over (under) expenditures</b>	(67,808)	(2,778)	(665,534)	
<b>Other financing sources (uses):</b>				
Operating transfers in				
Operating transfers out			\$ (55,698)	
<b>Total other financing sources (uses)</b>			(55,698)	
<b>Excess of revenues and other financing sources over (under) expenditures and other uses</b>	(67,808)	(2,778)	(721,232)	
Fund balance at beginning of year, as restated, see note 19.	131,938	27,118	1,110,757	\$ 400
Increase (Decrease) in reserve for inventory	6,322	17,187		
<b>Fund balance at end of year</b>	\$ 70,452	\$ 41,527	\$ 389,525	\$ 400

Street Lighting	Fire Operating Levy	Federal Grants	State Grants	Fairview Park Sidewalk	POPAS
\$ 223,456	\$ 294,242 20,665				
					\$ 47,145
223,456	314,907				47,145
\$ 211,809	\$ 288,442				\$ 81,067
			\$ 4,207		
<u>211,809</u>	<u>288,442</u>		<u>4,207</u>		<u>81,067</u>
11,647	26,465		(4,207)		(33,922)
	\$ <u>(41,200)</u> <u>(41,200)</u>				
11,647	(14,735)		(4,207)		(33,922)
178,550	35,890	\$ 1,456	(6,030)	\$ 4,924	48,465
<u>\$ 190,197</u>	<u>\$ 21,155</u>	<u>\$ 1,456</u>	<u>\$ (10,237)</u>	<u>\$ 4,924</u>	<u>\$ 14,543</u>

(Continued)

**City of Fairview Park, Ohio**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Special Revenue funds - (Continued)

For the Year Ended December 31, 2001

	New Levy Project Levy	Cable TV Franchise Fee	DARE	Bain Park Restoration
<b>Revenues:</b>				
Property Taxes				
Intergovernmental			\$ 13,780	
Special assessments				
Interest				
Fines, licenses and permits		\$ 87,178		
Charges for services				
Miscellaneous				\$ 4,949
<b>Total revenues</b>		87,178	13,780	4,949
<b>Expenditures:</b>				
Current:				
Security of persons and property			\$ 13,781	
Leisure time activities				
General government	\$ 6,786			\$ 7,816
Community environment				
Transportation				
Debt service:				
Principal retirement				
Interest and fiscal charges				
<b>Total expenditures</b>	6,786		13,781	7,816
<b>Excess of revenue over (under) expenditures</b>	(6,786)	87,178	(1)	(2,867)
<b>Other financing sources (uses):</b>				
Operating transfers in	\$ 6,598			
Operating transfers out		\$ (90,000)		
<b>Total other financing sources (uses)</b>	6,598	(90,000)		
<b>Excess of revenues and other financing sources over (under) expenditures and other uses</b>	(188)	(2,822)	(1)	(2,867)
Fund balance at beginning of year, as restated, see note 19.	189	254,543	2	16,118
Increase (Decrease) in reserve for inventory				
<b>Fund balance at end of year</b>	\$ 1	\$ 251,721	\$ 1	\$ 13,251

Law Enforcement Trust	Police and Fire Pension	DUI Education	Emergency Medical Systems	Total
	\$ 209,750 14,782			\$ 853,577 491,392 223,456 49,486
\$ 608		\$ 2,442	\$ 19,082	210,072 196,482 54,959
608	224,532	2,442	19,082	2,079,424
\$ 4,500	\$ 701,996	\$ 192	\$ 21,695	\$ 1,323,482 1,142,607 14,602 4,207 607,960
	5,000 2,795			80,000 54,693
4,500	709,791	192	21,695	3,227,551
(3,892)	(485,259)	2,250	(2,613)	(1,148,127)
	\$ 437,400			443,998 (186,898)
	<u>437,400</u>			<u>257,100</u>
(3,892)	(47,859)	2,250	(2,613)	(891,027)
21,421	69,301	4,127	29,210	1,928,379
				23,509
\$ 17,529	\$ 21,442	\$ 6,377	\$ 26,597	\$ 1,060,861

**City of Fairview Park, Ohio**

Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Special Revenue Funds  
Year Ended December 31, 2001

	Street Construction Maintenance and Repair		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Property and other taxes			
Intergovernmental	\$ 260,000	\$ 96,578	\$ (163,422)
Special assessments			
Licenses and permits	217,000	380,589	163,589
Fines and forfeitures			
Charges for services			
Investment income			
Miscellaneous			
<b>Total Revenues</b>	<b>477,000</b>	<b>477,167</b>	<b>167</b>
<b>Expenditures</b>			
Current:			
General government			
Security of persons and property			
Transportation	481,680	498,251	(16,571)
Community environment			
Leisure time activities			
Capital outlay			
Debt Service			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<b>481,680</b>	<b>498,251</b>	<b>(16,571)</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(4,680)</b>	<b>(21,084)</b>	<b>(16,404)</b>
<b>Other financing sources (uses)</b>			
Operating transfers - in			
Operating transfers - out			
<b>Total other sources (uses)</b>			
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>(4,680)</b>	<b>(21,084)</b>	<b>(16,404)</b>
Fund balance at beginning of year	3,248	3,248	
Prior year encumbrances appropriated	1,460	1,460	
<b>Fund balance at end of year</b>	<b>\$ 28</b>	<b>\$ (16,376)</b>	<b>\$ (16,404)</b>

State Highway			Recreation		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
\$ 17,480	\$ 7,831	\$ (9,649)	\$ 349,905	\$ 349,585	\$ (320)
21,120	30,858	9,738	23,995	23,815	(180)
			130,000	130,255	255
			49,409	49,486	77
			50,000	50,010	10
38,600	38,689	89	603,309	603,151	(158)
50,000	43,000	7,000	1,853,124	1,830,732	22,392
			75,000	75,000	
			51,898	51,898	
50,000	43,000	7,000	1,980,022	1,957,630	22,392
(11,400)	(4,311)	7,089	(1,376,713)	(1,354,479)	22,234
				(55,698)	(55,698)
				(55,698)	(55,698)
(11,400)	(4,311)	7,089	(1,376,713)	(1,410,177)	(33,464)
5,448	5,448		250,848	250,848	
			1,412,208	1,412,208	
\$ (5,952)	\$ 1,137	\$ 7,089	\$ 286,343	\$ 252,879	\$ (33,464)

Continued

*City of Fairview Park, Ohio*

Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Special Revenue Funds - Continued

	Police & Fire Pension		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Property and other taxes	\$ 209,748	\$ 209,750	\$ 2
Intergovernmental	14,437	14,290	(147)
Special assessments			
Licenses and permits			
Fines and forfeitures			
Charges for services			
Investment income			
Miscellaneous			
<b>Total Revenues</b>	<b>224,185</b>	<b>224,040</b>	<b>(145)</b>
<b>Expenditures</b>			
Current:			
General government			
Security of persons and property	628,105	701,996	(73,891)
Transportation			
Community environment			
Leisure time activities			
Capital outlay			
Debt Service			
Principal retirement	5,000	5,000	
Interest and fiscal charges	2,795	2,795	
<b>Total expenditures</b>	<b>635,900</b>	<b>709,791</b>	<b>(73,891)</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(411,715)</b>	<b>(485,751)</b>	<b>(74,036)</b>
<b>Other financing sources (uses)</b>			
Operating transfers - in	437,400	437,400	
Operating transfers - out			
<b>Total other sources (uses)</b>	<b>437,400</b>	<b>437,400</b>	
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>25,685</b>	<b>(48,351)</b>	<b>(74,036)</b>
Fund balance at beginning of year	52,190	52,190	
Prior year encumbrances appropriated			
<b>Fund balance at end of year</b>	<b>\$ 77,875</b>	<b>\$ 3,839</b>	<b>\$ (74,036)</b>

Save			Street Lighting		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
			\$ 226,000	\$ 223,454	\$ (2,546)
			<u>226,000</u>	<u>223,454</u>	<u>(2,546)</u>
			207,796	214,577	(6,781)
			<u>207,796</u>	<u>214,577</u>	<u>(6,781)</u>
			<u>18,204</u>	<u>8,877</u>	<u>(9,327)</u>
			18,204	8,877	(9,327)
\$ 400	\$ 400		176,922	176,922	
			<u>4,396</u>	<u>4,396</u>	
<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 0</u>	<u>\$ 199,522</u>	<u>\$ 190,195</u>	<u>\$ (9,327)</u>

Continued

*City of Fairview Park, Ohio*

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Special Revenue Funds - Continued

	Fire Operating Levy		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Property and other taxes	\$ 294,321	\$ 294,242	\$ (79)
Intergovernmental	19,905	19,905	
Special assessments			
Licenses and permits			
Fines and forfeitures			
Charges for services			
Investment income			
Miscellaneous			
<b>Total Revenues</b>	<b>314,226</b>	<b>314,147</b>	<b>(79)</b>
<b>Expenditures</b>			
Current:			
General government			
Security of persons and property	340,000	288,442	51,558
Transportation			
Community environment			
Leisure time activities			
Capital outlay			
Debt Service			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<b>340,000</b>	<b>288,442</b>	<b>51,558</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(25,774)</b>	<b>25,705</b>	<b>51,479</b>
<b>Other financing sources (uses)</b>			
Operating transfers - in			
Operating transfers - out		(41,200)	(41,200)
<b>Total other sources (uses)</b>		<b>(41,200)</b>	<b>(41,200)</b>
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>(25,774)</b>	<b>(15,495)</b>	<b>10,279</b>
Fund balance at beginning of year	17,642	17,642	
Prior year encumbrances appropriated			
<b>Fund balance at end of year</b>	<b>\$ (8,132)</b>	<b>\$ 2,147</b>	<b>\$ 10,279</b>

Federal Grants		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)

State Grants		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)

\$ 4,100    \$ 4,207    \$ (107)

4,100	4,207	(107)
(4,100)	(4,207)	(107)

(4,100)	(4,207)	(107)
---------	---------	-------

\$ 1,455    \$ 1,455

70                      70

\$ 1,455	\$ 1,455	\$ 0
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\$ (4,030)	\$ (4,137)	\$ (107)
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Continued

**City of Fairview Park, Ohio**

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Special Revenue Funds - Continued

	Fairview Park Sidewalk		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Property and other taxes			
Intergovernmental			
Special assessments			
Licenses and permits			
Fines and forfeitures			
Charges for services			
Investment income			
Miscellaneous			
<b>Total Revenues</b>			
<b>Expenditures</b>			
Current:			
General government			
Security of persons and property			
Transportation			
Community environment			
Leisure time activities			
Capital outlay			
Debt Service			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>			
<b>Excess of revenues over/(under) expenditures</b>			
<b>Other financing sources (uses)</b>			
Operating transfers - in			
Operating transfers - out			
<b>Total other sources (uses)</b>			
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>			
Fund balance at beginning of year	\$ 4,924	\$ 4,924	
Prior year encumbrances appropriated			
<b>Fund balance at end of year</b>	<b>\$ 4,924</b>	<b>\$ 4,924</b>	<b>\$ 0</b>

Bain Park Restoration			Law Enforcement Trust		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
			\$ 1,000	\$ 608	\$ (392)
\$ 4,000	\$ 4,899	899	1,000	608	(392)
4,000	4,899	899			
4,616	7,816	(3,200)	15,000	4,500	10,500
4,616	7,816	(3,200)	15,000	4,500	10,500
(616)	(2,917)	(2,301)	(14,000)	(3,892)	10,108
(616)	(2,917)	(2,301)	(14,000)	(3,892)	10,108
15,500	15,500		21,421	21,421	
616	616				
\$ 15,500	\$ 13,199	\$ (2,301)	\$ 7,421	\$ 17,529	\$ 10,108

Continued

*City of Fairview Park, Ohio*

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Special Revenue Funds - Continued

	DUI Education		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Property and other taxes			
Intergovernmental			
Special assessments			
Licenses and permits			
Fines and forfeitures	\$ 3,000	\$ 2,850	\$ (150)
Charges for services			
Investment income			
Miscellaneous			
<b>Total Revenues</b>	<b>3,000</b>	<b>2,850</b>	<b>(150)</b>
<b>Expenditures</b>			
Current:			
General government			
Security of persons and property	2,000	191	1,809
Transportation			
Community environment			
Leisure time activities			
Capital outlay			
Debt Service			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<b>2,000</b>	<b>191</b>	<b>1,809</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>1,000</b>	<b>2,659</b>	<b>1,659</b>
<b>Other financing sources (uses)</b>			
Operating transfers - in			
Operating transfers - out			
<b>Total other sources (uses)</b>			
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>1,000</b>	<b>2,659</b>	<b>1,659</b>
Fund balance at beginning of year	3,525	3,525	
Prior year encumbrances appropriated			
<b>Fund balance at end of year</b>	<b>\$ 4,525</b>	<b>\$ 6,184</b>	<b>\$ 1,659</b>

POPAS		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)
\$ 47,000	\$ 46,542	\$ (458)
<u>47,000</u>	<u>46,542</u>	<u>(458)</u>
118,880	80,645	38,235
<u>118,880</u>	<u>80,645</u>	<u>38,235</u>
(71,880)	(34,103)	37,777
<u>(71,880)</u>	<u>(34,103)</u>	<u>37,777</u>
36,728	36,728	
<u>36,728</u>	<u>36,728</u>	
8,880	8,880	
<u>8,880</u>	<u>8,880</u>	
\$ (26,272)	\$ 11,505	\$ 37,777

New Levy/Project Account		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)
\$ 6,300	\$ 6,786	\$ (486)
<u>6,300</u>	<u>6,786</u>	<u>(486)</u>
(6,300)	(6,786)	(486)
<u>(6,300)</u>	<u>(6,786)</u>	<u>(486)</u>
	6,598	6,598
	<u>6,598</u>	<u>6,598</u>
(6,300)	(188)	6,112
<u>(6,300)</u>	<u>(188)</u>	<u>6,112</u>
(6,111)	(6,111)	
<u>(6,111)</u>	<u>(6,111)</u>	
6,300	6,300	
<u>6,300</u>	<u>6,300</u>	
\$ (6,111)	\$ 1	\$ 6,112

Continued

*City of Fairview Park, Ohio*

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Special Revenue Funds - Continued

	Cable TV Franchise Fee		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Property and other taxes			
Intergovernmental			
Special assessments			
Licenses and permits	\$ 87,200	\$ 87,177	\$ (23)
Fines and forfeitures			
Charges for services			
Investment income			
Miscellaneous			
<b>Total Revenues</b>	<b>87,200</b>	<b>87,177</b>	<b>(23)</b>
<b>Expenditures</b>			
Current:			
General government			
Security of persons and property			
Transportation			
Community environment			
Leisure time activities			
Capital outlay			
Debt Service			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>			
<b>Excess of revenues over/(under) expenditures</b>	<b>87,200</b>	<b>87,177</b>	<b>(23)</b>
<b>Other financing sources (uses)</b>			
Operating transfers - in			
Operating transfers - out	(90,000)	(90,000)	
<b>Total other sources (uses)</b>	<b>(90,000)</b>	<b>(90,000)</b>	
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>(2,800)</b>	<b>(2,823)</b>	<b>(23)</b>
Fund balance at beginning of year	254,544	254,544	
Prior year encumbrances appropriated			
<b>Fund balance at end of year</b>	<b>\$ 251,744</b>	<b>\$ 251,721</b>	<b>\$ (23)</b>

DARE		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)
\$ 14,000	\$ 13,780	\$ (220)
<u>14,000</u>	<u>13,780</u>	<u>(220)</u>
14,000	13,781	219
<u>14,000</u>	<u>13,781</u>	<u>219</u>
	(1)	(1)
2	2	
<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ (1)</u>

Emergency Medical System		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)
\$ 15,600	\$ 15,612	\$ 12
<u>15,600</u>	<u>15,612</u>	<u>12</u>
56,000	21,827	34,173
<u>56,000</u>	<u>21,827</u>	<u>34,173</u>
(40,400)	(6,215)	34,185
<u>(40,400)</u>	<u>(6,215)</u>	<u>34,185</u>
29,210	29,210	
<u>\$ (11,190)</u>	<u>\$ 22,995</u>	<u>\$ 34,185</u>

Continued

*City of Fairview Park, Ohio*

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Special Revenue Funds - Continued

	Totals		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Property and other taxes	\$ 853,974	\$ 853,577	\$ (397)
Intergovernmental	349,817	176,199	(173,618)
Special assessments	226,000	223,454	(2,546)
Licenses and permits	325,320	498,624	173,304
Fines and forfeitures	4,000	3,458	(542)
Charges for services	192,600	192,409	(191)
Investment income	49,409	49,486	77
Miscellaneous	54,000	54,909	909
<b>Total Revenues</b>	<b>2,055,120</b>	<b>2,052,116</b>	<b>(3,004)</b>
<b>Expenditures</b>			
Current:			
General government	4,616	7,816	(3,200)
Security of persons and property	1,381,781	1,325,959	55,822
Transportation	531,680	541,251	(9,571)
Community environment	4,100	4,207	(107)
Leisure time activities	1,853,124	1,830,732	22,392
Capital outlay	6,300	6,786	(486)
Debt Service			
Principal retirement	80,000	75,000	5,000
Interest and fiscal charges	54,693	51,898	2,795
<b>Total expenditures</b>	<b>3,916,294</b>	<b>3,843,649</b>	<b>72,645</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(1,861,174)</b>	<b>(1,791,533)</b>	<b>69,641</b>
<b>Other financing sources (uses)</b>			
Operating transfers - in	437,400	443,998	6,598
Operating transfers - out	(90,000)	(186,898)	(96,898)
<b>Total other sources (uses)</b>	<b>347,400</b>	<b>257,100</b>	<b>(90,300)</b>
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>(1,513,774)</b>	<b>(1,534,433)</b>	<b>(20,659)</b>
Fund balance at beginning of year	867,966	867,966	
Prior year encumbrances appropriated	1,433,860	1,433,860	
<b>Fund balance at end of year</b>	<b>\$ 788,052</b>	<b>\$ 767,393</b>	<b>\$ (20,659)</b>

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*City of Fairview Park, Ohio*

**Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term debt and related costs.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the combined general purpose financial statements, no additional financial statements are presented here.

*City of Fairview Park, Ohio*

**Capital Project Funds**

**Permanent Improvement Fund**

To record transfers from general fund, receipt of millage or borrowing for capital equipment and to record expenditures in regard to that equipment.

**Lorain Road Revitalization Project**

To receipt transfers, donations and proceeds from borrowings. These funds are used to purchase property in the revitalization project.

**Senior Center Collection Fund**

To receipt transfers, donations and proceeds from borrowings. These funds are used in the construction of a new senior center.

**Capital Projects Fund**

To record a portion of the income tax collection of the City of Fairview Park and to record expenditures in regards to street maintenance and new construction within the City.

*City of Fairview Park, Ohio*

Combining Balance Sheet - Capital Projects Funds

December 31, 2001

	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Capital Projects	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 77,904	\$ 22,774	\$ 10,858	\$ 1,044,051	\$ 1,155,587
Receivables (net allowance for uncollectibles):					
Taxes	287,011			98,792	385,803
Intergovernmental	17,840				17,840
Interfund			45,000		45,000
<b>Total assets</b>	<b>\$ 382,755</b>	<b>\$ 22,774</b>	<b>\$ 55,858</b>	<b>\$ 1,142,843</b>	<b>\$ 1,604,230</b>
<b>Liabilities</b>					
Accounts payable		\$ 75,284		\$ 5,882	\$ 81,166
Contracts payable	\$ 11,062				11,062
Interfund payable		468,000			468,000
Deferred revenue	287,011				287,011
<b>Total liabilities</b>	<b>298,073</b>	<b>543,284</b>		<b>5,882</b>	<b>847,239</b>
<b>Fund equity</b>					
Fund balances:					
Reserve for encumbrances	\$ 60,704	\$ 121,626		\$ 130,802	\$ 313,132
Undesignated - unreserved	23,978	(642,136)	\$ 55,858	1,006,159	443,859
<b>Total fund equity</b>	<b>84,682</b>	<b>(520,510)</b>	<b>55,858</b>	<b>1,136,961</b>	<b>756,991</b>
<b>Total liabilities and fund equity</b>	<b>\$ 382,755</b>	<b>22,774</b>	<b>\$ 55,858</b>	<b>\$ 1,142,843</b>	<b>\$ 1,604,230</b>

*City of Fairview Park, Ohio*

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Capital Projects Funds

For the Year Ended December 31, 2001

	Permanent Improvement	Lorain Road Revitalization	Senior Center Construction	Capital Projects	Total
<b>Revenues</b>					
Property taxes	\$ 304,138	\$ 25,859			\$ 329,997
Income taxes				\$ 1,217,439	1,217,439
Intergovernmental	21,434				21,434
Interest	4,007	35,203	\$ 826	49,443	89,479
Miscellaneous	2,450				2,450
<b>Total revenues</b>	<b>332,029</b>	<b>61,062</b>	<b>826</b>	<b>1,266,882</b>	<b>1,660,799</b>
<b>Expenditures</b>					
Capital outlay	\$ 131,960	\$ 1,321,967	\$ 289	\$ 1,204,827	\$ 2,659,043
Debt service:					
Principal retirement	120,000				120,000
Interest and fiscal charges	11,925	125,353			137,278
<b>Total expenditures</b>	<b>263,885</b>	<b>1,447,320</b>	<b>289</b>	<b>1,204,827</b>	<b>2,916,321</b>
<b>Excess revenue over (under) expenditures</b>	<b>68,144</b>	<b>(1,386,258)</b>	<b>537</b>	<b>62,055</b>	<b>(1,255,522)</b>
<b>Other financing sources (uses)</b>					
Operating transfers - in		\$ 150,000			\$ 150,000
<b>Total other sources (uses)</b>		<b>150,000</b>			<b>150,000</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</b>	<b>68,144</b>	<b>(1,236,258)</b>	<b>537</b>	<b>62,055</b>	<b>(1,105,522)</b>
Fund balance at beginning of year, as restated, see note 19.	16,538	715,748	55,321	1,074,906	1,862,513
<b>Fund balance at end of year</b>	<b>\$ 84,682</b>	<b>\$ (520,510)</b>	<b>\$ 55,858</b>	<b>\$ 1,136,961</b>	<b>\$ 756,991</b>

**City of Fairview Park, Ohio**  
Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Capital Project Funds

Year Ended December 31, 2001

	Permanent Improvement		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax			
Property and other taxes	\$ 302,197	\$ 304,138	\$ 1,941
Intergovernmental	20,872	20,720	(152)
Miscellaneous		2,450	2,450
Interest	10,800	6,650	(4,150)
<b>Total Revenues</b>	<b>333,869</b>	<b>333,958</b>	<b>89</b>
<b>Expenditures</b>			
Capital outlay:			
General government			
Capital outlay	211,049	203,664	7,385
<b>Total capital outlay</b>	<b>211,049</b>	<b>203,664</b>	<b>7,385</b>
Debt service:			
Principal retirement	120,000	120,000	
Interest and fiscal charges	23,850	11,925	11,925
<b>Total debt service</b>	<b>143,850</b>	<b>131,925</b>	<b>11,925</b>
<b>Total expenditures</b>	<b>354,899</b>	<b>335,589</b>	<b>19,310</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(21,030)</b>	<b>(1,631)</b>	<b>19,399</b>
<b>Other financing sources (uses)</b>			
Advances in			
Advances out		(3,300)	(3,300)
Operating transfers - in			
<b>Total other sources (uses)</b>		<b>(3,300)</b>	<b>(3,300)</b>
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>(21,030)</b>	<b>(4,931)</b>	<b>16,099</b>
Fund balance at beginning of year	69	69	
Prior year encumbrances appropriated	10,999	10,999	
<b>Fund balance at end of year</b>	<b>\$ (9,962)</b>	<b>\$ 6,137</b>	<b>\$ 16,099</b>

Senior Center Construction			Capital Projects		
Revised Budget	Actual	Variance Favorable/ (Unfavorable)	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
			\$ 1,040,000	\$ 1,183,338	\$ 143,338
	\$ 826	\$ 826	60,000	58,033	(1,967)
	826	826	1,100,000	1,241,371	141,371
10,211	289	9,922	1,044,675	1,424,592	(379,917)
10,211	289	9,922	1,044,675	1,424,592	(379,917)
10,211	289	9,922	1,044,675	1,424,592	(379,917)
(10,211)	537	10,748	55,325	(183,221)	(238,546)
(10,211)	537	10,748	55,325	(183,221)	(238,546)
110	110		692,953	692,953	
10,211	10,211		320,675	320,675	
\$ 110	\$ 10,858	\$ 10,748	\$ 1,068,953	\$ 830,407	\$ (238,546)

Continued

**City of Fairview Park, Ohio**  
Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Capital Projects Funds - Continued

	Lorain Road Revitalization		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax			
Property and other taxes			
Intergovernmental	\$ 25,000	\$ 25,859	\$ 859
Miscellaneous			
Interest	35,000	35,203	203
<b>Total Revenues</b>	<b>60,000</b>	<b>61,062</b>	<b>1,062</b>
<b>Expenditures</b>			
Capital outlay:			
General government			
Capital outlay	1,737,821	1,456,053	281,768
<b>Total capital outlay</b>	<b>1,737,821</b>	<b>1,456,053</b>	<b>281,768</b>
Debt service:			
Principal retirement			
Interest and fiscal charges	125,353	125,353	
<b>Total debt service</b>	<b>125,353</b>	<b>125,353</b>	
<b>Total expenditures</b>	<b>1,863,174</b>	<b>1,581,406</b>	<b>281,768</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(1,803,174)</b>	<b>(1,520,344)</b>	<b>282,830</b>
<b>Other financing sources (uses)</b>			
Advances in	118,000	118,000	
Advances out			
Operating transfers - in	90,000	150,000	60,000
<b>Total other sources (uses)</b>	<b>208,000</b>	<b>268,000</b>	<b>60,000</b>
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>(1,595,174)</b>	<b>(1,252,344)</b>	<b>342,830</b>
Fund balance at beginning of year	843,212	843,212	
Prior year encumbrances appropriated	343,174	343,174	
<b>Fund balance at end of year</b>	<b>\$ (408,788)</b>	<b>\$ (65,958)</b>	<b>\$ 342,830</b>

**City of Fairview Park, Ohio**  
Combining Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (Non - GAAP  
Budget Basis) - Capital Projects Funds - Continued

	Totals		
	Revised Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Revenues</b>			
Municipal income tax	\$ 1,040,000	\$ 1,183,338	\$ 143,338
Property and other taxes	302,197	304,138	1,941
Intergovernmental	45,872	46,579	707
Miscellaneous	0	2,450	2,450
Interest	105,800	100,712	(5,088)
<b>Total Revenues</b>	<b>1,493,869</b>	<b>1,637,217</b>	<b>143,348</b>
<b>Expenditures</b>			
Capital outlay:			
General government			
Capital outlay	3,003,756	3,084,598	(80,842)
<b>Total capital outlay</b>	<b>3,003,756</b>	<b>3,084,598</b>	<b>(80,842)</b>
Debt service:			
Principal retirement	120,000	120,000	
Interest and fiscal charges	149,203	137,278	11,925
<b>Total debt service</b>	<b>269,203</b>	<b>257,278</b>	<b>11,925</b>
<b>Total expenditures</b>	<b>3,272,959</b>	<b>3,341,876</b>	<b>(68,917)</b>
<b>Excess of revenues over/(under) expenditures</b>	<b>(1,779,090)</b>	<b>(1,704,659)</b>	<b>74,431</b>
<b>Other financing sources (uses)</b>			
Advances in	118,000	118,000	
Advances out		(3,300)	(3,300)
Operating transfers - in	90,000	150,000	60,000
<b>Total other sources (uses)</b>	<b>208,000</b>	<b>264,700</b>	<b>56,700</b>
<b>Excess of revenues and other financing sources over/(under) expenditures and other uses</b>	<b>(1,571,090)</b>	<b>(1,439,959)</b>	<b>131,131</b>
Fund balance at beginning of year	1,536,344	1,536,344	
Prior year encumbrances appropriated	685,059	685,059	
<b>Fund balance at end of year</b>	<b>\$ 650,313</b>	<b>\$ 781,444</b>	<b>\$ 131,131</b>

*City of Fairview Park, Ohio*

**Enterprise Funds**

**Sanitary Sewer Fund**

To account for the receipt of funds from water and sewer service to the residents of the City, and to account for expenditures in regards to water and sewer service. Also, to account for the expenditure of funds used for the capital improvement of these services.

**Gilles-Sweet Fund**

This fund is used to account for receipts and expenditure of the Gilles-Sweet Building, which was leased from the Fairview Park School District for Senior Center Activities. The lease expired and the Senior Center relocated in July of 2000. This fund is now used to pay residual expenses for past activity.

*City of Fairview Park, Ohio*

Combining Balance Sheet - Enterprise Funds

December 31, 2001

	Sanitary Sewer	Gilles Sweet	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,438,350	\$ 10,248	\$ 2,448,598
Receivables (net of allowances for uncollectibles)			
Accounts	235,477		235,477
Materials and supplies inventory	81		81
Investment in joint venture	4,775,038		4,775,038
Fixed assets:			
Equipment	80,093		80,093
Sewer lines	3,403,257		3,403,257
Accumulated depreciation	(948,027)		(948,027)
<b>Total assets</b>	<b>\$ 9,984,269</b>	<b>\$ 10,248</b>	<b>\$ 9,994,517</b>
<b>Liabilities</b>			
Contracts payable	\$ 31,581		\$ 31,581
Accrued wages	12,331		12,331
Compensated absences payable	56,163		56,163
Pension obligation payable	14,406		14,406
Intergovernmental payable	251,149		251,149
Accrued interest payable	3,554		3,554
OPWC loan payable	479,201		479,201
General obligation bonds payable	575,000		575,000
<b>Total liabilities</b>	<b>1,423,385</b>		<b>1,423,385</b>
<b>Fund equity</b>			
Contributed capital	\$ 7,716,974		\$ 7,716,974
Retained earnings:			
Unreserved	843,910	\$ 10,248	854,158
<b>Total fund equity</b>	<b>8,560,884</b>	<b>10,248</b>	<b>8,571,132</b>
<b>Total liabilities and fund equity</b>	<b>\$ 9,984,269</b>	<b>\$ 10,248</b>	<b>\$ 9,994,517</b>

**City of Fairview Park, Ohio**  
Combining Statement of Revenues, Expenses and  
Changes in Fund Equity - Enterprise Funds  
For the Year Ended December 31, 2001

	Sanitary Sewer	Gilles Sweet	Total
<b>Operating revenues</b>			
Charges for services	\$ 1,917,376		\$ 1,917,376
Other operating revenues	<u>4,057</u>		<u>4,057</u>
<b>Total operating revenues</b>	<b>1,921,433</b>		<b>1,921,433</b>
<b>Operating expenses</b>			
Personal services	\$ 503,938	\$ 7,835	\$ 511,773
Contractual services	826,011	2,603	828,614
Materials and supplies	75,177	2,132	77,309
Other operating expenses	3,441		3,441
Depreciation	78,838		78,838
<b>Total operating expenses</b>	<u>1,487,405</u>	<u>12,570</u>	<u>1,499,975</u>
<b>Operating Income/(Loss)</b>	<b>434,028</b>	<b>(12,570)</b>	<b>421,458</b>
<b>Non-operating revenues/(expenses)</b>			
Interest income	\$ 64,736		\$ 64,736
Equity in income from joint venture	(392,050)		(392,050)
Interest and fiscal charges	<u>(47,748)</u>		<u>(47,748)</u>
<b>Total non-operating revenues/(expenses)</b>	<u>(375,062)</u>		<u>(375,062)</u>
<b>Net income/ (loss)</b>	<b>58,966</b>	<b>(12,570)</b>	<b>46,396</b>
Depreciation of fixed assets acquired by contributed capital	\$ 59,096		\$ 59,096
Retained earnings at beginning of year	<u>725,848</u>	\$ 22,818	<u>748,666</u>
Retained earnings at end of year	843,910	10,248	854,158
Contributed capital at beginning of year	7,776,070		7,776,070
Depreciation on fixed assets acquired by contributed capital	<u>(59,096)</u>		<u>(59,096)</u>
Contributed capital at end of year	<u>7,716,974</u>		<u>7,716,974</u>
<b>Fund equity at end of year</b>	<u>\$ 8,560,884</u>	<u>\$ 10,248</u>	<u>\$ 8,571,132</u>

**City of Fairview Park, Ohio**  
Combining Statement of Cash Flows  
All Enterprise Funds  
For the year ended December 31, 2001

	Sanitary Sewer	Gilles-Sweet	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 1,897,200		\$ 1,897,200
Other operating revenues	4,057		4,057
Cash payments for employee service and benefits	(478,140)	\$ (7,835)	(485,975)
Cash payments to goods and services	(1,404,695)	(4,735)	(1,409,430)
<b>Net Cash Provided by Operating Activities</b>	18,422	(12,570)	5,852
<b>Cash Flows from Investing Activities:</b>			
Interest income	\$ 81,917		\$ 81,917
<b>Net Cash Flows from Investing Activities</b>	81,917		81,917
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Principal paid on OPWC loans	\$ (18,067)		\$ (18,067)
Principal paid on bonds	(115,000)		(115,000)
Interest paid on bonds, notes, and loans	(48,300)		(48,300)
<b>Net Cash Used for Capital and Related Financing Activities</b>	(181,367)		(181,367)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(81,028)	(12,570)	(93,598)
<b>Cash and Cash Equivalents at Beginning of Year</b>	2,519,378	22,818	2,542,196
<b>Cash and Cash Equivalents at End of Year</b>	\$ 2,438,350	\$ 10,248	\$ 2,448,598

(Continued)

**City of Fairview Park, Ohio**  
Combining Statement of Cash Flows  
All Enterprise Funds - continued  
For the year ended December 31, 2001

	<u>Sanitary Sewer</u>	<u>Gilles-Sweet</u>	<u>Total</u>
<b>Reconciliation of Operating Income to</b>			
<b>Net Cash Provided by Operating Activities:</b>			
Operating Income	\$ 434,028	\$ (12,570)	421,458
<b>Adjustments to Reconcile Operating Income</b>			
<b>to Net Cash Provided by Operating Activities:</b>			
Depreciation	78,838	-	78,838
Loss in Equity in Joint Venture	(73,640)	-	(73,640)
<b>Changes in Assets and Liabilities</b>			
(Increase) decrease in accounts receivable	(20,176)	-	(20,176)
(Increase) decrease in inventory	28	-	28
Increase (decrease) in accounts payable	31,581	-	31,581
Increase (decrease) in contracts payable	(411,957)	-	(411,957)
Increase (decrease) in accrued wages	(154)	-	(154)
Increase (decrease) in compensated absences	21,367	-	21,367
Increase (decrease) in intergovernmental payable	(46,080)	-	(46,080)
Increase (decrease) in pension obligation payable	4,587	-	4,587
<b>Total Adjustments</b>	<u>(420,804)</u>	<u>-</u>	<u>(420,804)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 18,422</u>	<u>\$ (12,570)</u>	<u>\$ 5,852</u>

*City of Fairview Park, Ohio*

**Internal Service Funds**

**Health Insurance Reserve**

To account for expenditures sent to the City's third party administrator to cover health insurance claims incurred by employees of the City. Revenues come from general fund transfers.

**Employee Section 125 Contributions**

To account for deductions from employee incomes for 125 contributions to their payment to the City's third party administrator.

*City of Fairview Park, Ohio*

Combining Balance Sheet - Internal Service Funds

December 31, 2001

	Health Insurance Reserve	Employee Section 125 Control	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 64,497	\$ 8,343	\$ 72,840
<b>Total assets</b>	<u>\$ 64,497</u>	<u>\$ 8,343</u>	<u>\$ 72,840</u>
<b>Liabilities</b>			
Accounts payable	\$ 4,130	\$ 3,745	\$ 7,875
Claims Payable	45,491	-	45,491
<b>Total liabilities</b>	<u>49,621</u>	<u>3,745</u>	<u>53,366</u>
<b>Fund equity</b>			
Retained earnings:			
Unreserved	\$ 14,876	\$ 4,598	\$ 19,474
<b>Total fund equity</b>	<u>14,876</u>	<u>4,598</u>	<u>19,474</u>
<b>Total liabilities and fund equity</b>	<u>\$ 64,497</u>	<u>\$ 8,343</u>	<u>\$ 72,840</u>

**City of Fairview Park, Ohio**

Combining Statement of Revenues, Expenses and  
Changes in Fund Equity - Internal Service Funds  
For the Year Ended December 31, 2001

	Health Insurance Reserve	Employee Section 125 Control	Total
<b>Operating revenues</b>			
Charges for services	\$ 88,031		\$ 88,031
Other operating revenues		\$ 8,006	8,006
<b>Total operating revenues</b>	<b>88,031</b>	<b>8,006</b>	<b>96,037</b>
<b>Operating expenses</b>			
Contractual services	\$ 79,920		79,920
Personal services		\$ 12,112	\$ 12,112
<b>Total operating expenses</b>	<b>79,920</b>	<b>12,112</b>	<b>92,032</b>
<b>Net income/ (loss)</b>	<b>8,111</b>	<b>(4,106)</b>	<b>4,005</b>
Fund equity at beginning of year	<b>6,765</b>	<b>8,704</b>	<b>15,469</b>
<b>Fund equity at end of year</b>	<b>\$ 14,876</b>	<b>\$ 4,598</b>	<b>\$ 19,474</b>

**City of Fairview Park, Ohio**  
Combining Statement of Cash Flows  
All Internal Service Funds  
For the year ended December 31, 2001

	Health Insurance Reserve	Employee Section 125 Control	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash received from quasi-external transactions	\$ 88,031		\$ 88,031
Other operating revenues		\$ 8,006	8,006
Cash payments for employee service and benefits		(8,367)	(8,367)
Cash payments to goods and services	(30,299)		(30,299)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 57,732</b>	<b>\$ (361)</b>	<b>\$ 57,371</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	6,765	8,704	15,469
<b>Cash and Cash Equivalents at End of Year</b>	\$ 64,497	\$ 8,343	\$ 72,840
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income	\$ 8,111	\$ (4,106)	\$ 4,005
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
<b>Changes in Assets and Liabilities</b>			
Increase (decrease) in accounts payable	4,130	3,745	7,875
Increase (decrease) in claims payable	45,491		45,491
<b>Total Adjustments</b>	49,621	3,745	53,366
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 57,732</b>	<b>\$ (361)</b>	<b>\$ 57,371</b>

*City of Fairview Park, Ohio*

**Agency Funds**

**Special Hold Account**

To account for funds paid or donated to the City of Fairview Park and then remitted to a third party who is due those funds.

**State Building 3% Assessment**

To receipt State of Ohio assessments on building permits and account for payment to the State of Ohio.

**Architect Deposits**

To account for funds deposited for architect review of new construction within the City and to record expenses in regard to that review or the refund of unused deposits.

**Grade Deposits**

To account for contractor deposits for grade deposits regarding home construction and to record expenses and refunds relating to these projects.

**Street Cleaning**

To account for contractor deposits for street cleaning after new construction or additions to existing structures and to account for expenses and or refunds in relation to these projects.

**Street Opening**

To account for contractor deposits to guarantee restoration of residents' yards after waterline/sewerline repairs.

**Senior Life Donation**

To record donations to the Senior Life Program and to record expenditures relating to those donations.

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*City of Fairview Park, Ohio*

**Agency Funds - continued**

**Survey Sanitary/Storm Storm Collections**

To record deposits for engineering review of plans regarding new construction, as they effect storm water run off and to record expenses incurred or refunds.

**Sidewalk Deposits**

To account for funds deposited for sidewalk construction in regards to new construction in the City of Fairview Park, and to record the expenses or refunds relating to that sidewalk.

**Preliminary Investigation**

To record deposits for engineering review of new subdivision proposals and to record expenses or refunds in regards to those deposits.

City of Fairview Park, Ohio

Combining Schedule of Changes in Assets and  
Liabilities - Agency Funds

For the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Reductions	Balance December 31, 2001
<b>Special hold account</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 9,218	\$ 65,756	\$ 36,349	\$ 38,625
<b>Total assets</b>	<b>\$ 9,218</b>	<b>\$ 65,756</b>	<b>\$ 36,349</b>	<b>\$ 38,625</b>
<b>Liabilities</b>				
Undistributed monies	\$ 9,218	\$ 65,756	\$ 36,349	\$ 38,625
<b>Total liabilities</b>	<b>\$ 9,218</b>	<b>\$ 65,756</b>	<b>\$ 36,349</b>	<b>\$ 38,625</b>
 <b>State building 3% assessment</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 17	\$ 938	\$ 893	\$ 62
<b>Total assets</b>	<b>\$ 17</b>	<b>\$ 938</b>	<b>\$ 893</b>	<b>\$ 62</b>
<b>Liabilities</b>				
Intergovernmental payable	\$ 17	\$ 938	\$ 893	\$ 62
<b>Total liabilities</b>	<b>\$ 17</b>	<b>\$ 938</b>	<b>\$ 893</b>	<b>\$ 62</b>

(continued)

City of Fairview Park, Ohio

Combining Schedule of Changes in Assets and  
Liabilities - Agency Funds - (continued)

For the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Reductions	Balance December 31, 2001
<b>Architect</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 155	\$ 4,563	\$ 3,695	\$ 1,023
<b>Total assets</b>	<b>\$ 155</b>	<b>\$ 4,563</b>	<b>\$ 3,695</b>	<b>\$ 1,023</b>
<b>Liabilities</b>				
Deposits held due to others	\$ 155	\$ 4,563	\$ 3,695	\$ 1,023
<b>Total liabilities</b>	<b>\$ 155</b>	<b>\$ 4,563</b>	<b>\$ 3,695</b>	<b>\$ 1,023</b>
 <b>Grade deposits</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,213	\$ 1,400	\$ 1,630	\$ 1,983
<b>Total assets</b>	<b>\$ 2,213</b>	<b>\$ 1,400</b>	<b>\$ 1,630</b>	<b>\$ 1,983</b>
<b>Liabilities</b>				
Deposits held due to others	\$ 2,213	\$ 1,400	\$ 1,630	\$ 1,983
<b>Total liabilities</b>	<b>\$ 2,213</b>	<b>\$ 1,400</b>	<b>\$ 1,630</b>	<b>\$ 1,983</b>

City of Fairview Park, Ohio

Combining Schedule of Changes in Assets and  
Liabilities - Agency Funds - (continued)

For the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Reductions	Balance December 31, 2001
<b>Street cleaning</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 1,700	\$ 518	\$ 668	\$ 1,550
<b>Total assets</b>	<b>\$ 1,700</b>	<b>\$ 518</b>	<b>\$ 668</b>	<b>\$ 1,550</b>
<b>Liabilities</b>				
Deposits held due to others	\$ 1,700	\$ 518	\$ 668	\$ 1,550
<b>Total liabilities</b>	<b>\$ 1,700</b>	<b>\$ 518</b>	<b>\$ 668</b>	<b>\$ 1,550</b>
 <b>Street opening</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,694	\$ 500	\$ 1,000	\$ 2,194
<b>Total assets</b>	<b>\$ 2,694</b>	<b>\$ 500</b>	<b>\$ 1,000</b>	<b>\$ 2,194</b>
<b>Liabilities</b>				
Deposits held due to others	\$ 2,694	\$ 500	\$ 1,000	\$ 2,194
<b>Total liabilities</b>	<b>\$ 2,694</b>	<b>\$ 500</b>	<b>\$ 1,000</b>	<b>\$ 2,194</b>

(continued)

City of Fairview Park, Ohio

Combining Schedule of Changes in Assets and  
Liabilities - Agency Funds - (continued)

For the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Reductions	Balance December 31, 2001
<b>Senior life donation</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 12,129	\$ 26,072	\$ 16,049	\$ 22,152
<b>Total assets</b>	<b>\$ 12,129</b>	<b>\$ 26,072</b>	<b>\$ 16,049</b>	<b>\$ 22,152</b>
<b>Liabilities</b>				
Undistributed monies	\$ 12,129	\$ 26,072	\$ 16,049	\$ 22,152
<b>Total liabilities</b>	<b>\$ 12,129</b>	<b>\$ 26,072</b>	<b>\$ 16,049</b>	<b>\$ 22,152</b>
 <b>Survey sanitary storm sewer</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 622			\$ 622
<b>Total assets</b>	<b>\$ 622</b>			<b>\$ 622</b>
<b>Liabilities</b>				
Deposits held due to others	\$ 622			\$ 622
<b>Total liabilities</b>	<b>\$ 622</b>			<b>\$ 622</b>

City of Fairview Park, Ohio

Combining Schedule of Changes in Assets and  
Liabilities - Agency Funds - (continued)

For the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Reductions	Balance December 31, 2001
<b>Sidewalk deposits</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 973			\$ 973
<b>Total assets</b>	<b>\$ 973</b>			<b>\$ 973</b>
<b>Liabilities</b>				
Deposits held due to others	\$ 973			\$ 973
<b>Total liabilities</b>	<b>\$ 973</b>			<b>\$ 973</b>
 <b>Preliminary investigation</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 300		\$ 300	
<b>Total assets</b>	<b>\$ 300</b>		<b>\$ 300</b>	
<b>Liabilities</b>				
Undistributed monies	\$ 300		\$ 300	
<b>Total liabilities</b>	<b>\$ 300</b>		<b>\$ 300</b>	

(continued)

City of Fairview Park, Ohio

Combining Schedule of Changes in Assets and  
Liabilities - Agency Funds - (continued)

For the Year Ended December 31, 2001

	Balance January 1, 2001	Additions	Reductions	Balance December 31, 2001
<b>Total agency funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 30,021	\$ 99,747	\$ 60,584	\$ 69,184
<b>Total assets</b>	<u>\$ 30,021</u>	<u>\$ 99,747</u>	<u>\$ 60,584</u>	<u>\$ 69,184</u>
<b>Liabilities</b>				
Intergovernmental payable	\$ 17	\$ 938	\$ 893	62
Undistributed monies	21,647	91,828	52,698	60,777
Deposits held due to others	8,357	6,981	6,993	8,345
<b>Total liabilities</b>	<u>\$ 30,021</u>	<u>\$ 99,747</u>	<u>\$ 60,584</u>	<u>\$ 69,184</u>

*City of Fairview Park, Ohio*

**General Fixed Assets Account Group**

The General Fixed Asset Account Group accounts for the cost of the following types of long-lived assets utilized by Governmental Fund Types:

- Land
- Buildings
- Vehicles, equipment and furnishings

*City of Fairview Park, Ohio*

Schedule of General Fixed Assets by Sources

December 31, 2001

<b>General fixed assets</b>	
Land	\$3,105,332
Buildings	3,774,558
Vehicles, equipment and furnishings	<u>5,280,113</u>
<b>Total general fixed assets</b>	<b><u><u>\$12,160,003</u></u></b>
<b>Investment in general fixed assets</b>	
General fund	\$4,824,223
Capital projects funds	<u>7,335,780</u>
<b>Total investment in general fixed assets</b>	<b><u><u>\$12,160,003</u></u></b>

*City of Fairview Park, Ohio*

Schedule of General Fixed Assets - By Function and Activity

December 31, 2001

	Land and Land Improve.	Buildings	Machinery and Equipment	Total
General government		\$1,784,500	\$459,649	\$2,244,149
Security of persons and property			1,595,912	1,595,912
Transportation		109,700	2,406,873	2,516,573
Leisure time activities		291,600		291,600
Capital outlay	\$3,105,332	1,588,758	817,679	5,511,769
<b>Total general fixed assets</b>	<b>\$3,105,332</b>	<b>\$3,774,558</b>	<b>\$5,280,113</b>	<b>\$12,160,003</b>

*City of Fairview Park, Ohio*

Schedule of Changes in General Fixed Assets -  
By Function and Activity

For the Year Ended December 31, 2001

	Balance January 1, 2000	Additions	Disposals	Balance December 31, 2000
General government	\$2,016,784	\$227,365		\$2,244,149
Security of persons and property	1,595,912			1,595,912
Transportation	2,516,573			2,516,573
Leisure time activities	291,600			291,600
Capital outlay	4,481,779	1,029,990		5,511,769
<b>Total general fixed assets</b>	<b>\$10,902,648</b>	<b>\$1,257,355</b>	<b>\$0</b>	<b>\$12,160,003</b>

## **Statistical Section**

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*City of Fairview Park, Ohio*

General Government Expenditures by Function (1)

Last Ten Fiscal Years

Year	Security of Persons	Public Health	Leisure time Activities	Community Environment	Basic Utility	Transportation
1992	\$ 3,603,373	\$ 40,690	\$ 468,497	\$ 915,867	\$ 266,200	\$ 504,128
1993	3,880,141	41,420	650,925	1,155,671		592,774
1994	3,720,991	62,788	465,145	938,893		579,409
1995	3,908,845	48,200	454,573	901,892		528,495
1996	4,260,854	45,692	497,464	1,069,420		821,747
1997	4,292,831	48,801	661,233	1,015,362		855,497
1998	4,879,587	54,695	815,042	1,293,452		802,226
1999	5,061,879	51,917	907,820	1,203,078		888,275
2000	5,565,714	52,784	2,122,278	1,393,372		852,552
<b>2001</b>	<b>5,484,567</b>	<b>61,546</b>	<b>1,526,721</b>	<b>1,495,481</b>		<b>973,226</b>

	General Government	Capital Outlay	Debt (2) Service	Total			
\$	2,275,134	\$	631,970	\$	2,410,984	\$	11,116,843
	1,827,129	520,957	84,205		8,753,222		
	1,648,203	559,003	74,674		8,049,106		
	1,774,933	1,855,837	87,726		9,560,501		
	1,529,385	1,029,453	85,531		9,339,546		
	1,508,402	817,679	845,245		10,045,050		
	1,606,178	1,028,635	694,829		11,174,644		
	1,638,614	2,044,297	838,558		12,634,438		
	1,911,286	4,065,081	410,024		16,373,091		
	<b>1,612,294</b>	<b>2,659,043</b>	<b>566,961</b>		<b>14,379,839</b>		

(1) Includes all governmental fund type expenditures.

(2) Represents all interest paid on bonds and notes in addition to payments made to reduce the principal or the actual amount borrowed. Does not include the gross effect of note rollovers.

*City of Fairview Park, Ohio*

General Government Revenue by Source (1)

Last Ten Fiscal Years

Year	Local Taxes	Intergovernmental	Charges for Services	Fees, Licenses, Fines & Forfeitures	Special Assessments
1992	\$ 5,937,047	\$ 1,521,302	\$ 74,891	\$ 260,627	\$ 172,962
1993	5,474,823	2,379,975	205,288	203,553	183,712
1994	5,865,500	1,814,240	316,888	202,663	184,746
1995	7,386,405	1,784,757	233,979	264,652	210,238
1996	6,752,261	2,235,336	260,093	201,965	202,753
1997	7,225,336	2,355,695	287,899	288,055	201,116
1998	7,624,393	2,541,790	200,803	709,147	208,184
1999	7,965,255	2,025,185	297,431	619,283	225,147
2000	7,574,098	4,146,726	245,540	596,309	226,048
<b>2001</b>	<b>8,538,909</b>	<b>3,484,994</b>	<b>215,756</b>	<b>458,474</b>	<b>223,456</b>

Interest	Rentals	Miscellaneous	Total
		\$ 576,243	\$ 8,543,072
\$30,652		15,844	8,493,847
16,659		33,438	8,434,134
68,009		9,912	9,957,952
80,094	\$14,002	3,526	9,750,030
102,740	10,166	153,364	10,624,371
145,130	11,610	241,260	11,682,317
306,041	10,634	27,750	11,476,726
409,375	12,007	257,408	13,467,511
<b>249,843</b>	<b>11,166</b>	<b>70,676</b>	<b>13,253,274</b>

(1) Includes all governmental fund type revenues.

*City of Fairview Park, Ohio*

Property Tax Levies and Collections

Last Ten Fiscal Years

Collection Year	Current Tax Levy	(1) Current Tax Collections	Percent Levy Collected	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
1992	\$ 2,718,526	\$ 2,620,927	96.4%	\$ 69,208	2.5%
1993	2,737,667	2,605,822	95.2	77,797	2.8
1994	2,730,776	2,615,937	95.8	86,470	3.2
1995	3,320,485	3,139,095	94.5	100,238	3.0
1996	3,317,865	2,991,656	90.2	124,456	3.8
1997	3,702,214	3,522,103	95.1	143,595	3.9
1998	4,006,690	3,750,044	93.6	109,207	2.7
1999	3,879,470	3,797,785	97.9	104,185	2.7
2000	3,922,860	3,822,383	97.4	128,625	3.3
<b>2001</b>	<b>4,303,981</b>	<b>4,141,439</b>	<b>96.2</b>	<b>167,031</b>	<b>3.9</b>

(1) Represents amounts collected by the County for the City during the year indicated.

Source: Cuyahoga County Auditor

**City of Fairview Park, Ohio**

**Assessed and Estimated Value of All Taxable Property (1)**

**Last Ten Fiscal Years**

Collection Year	Real Property		Public Utility Tangible Property		Tangible Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992	\$ 255,132,340	\$ 728,949,543	\$ 10,157,790	\$ 11,542,943	\$ 9,400,213	\$ 37,600,852	\$ 274,690,343	\$ 778,093,338	35.30
1993	254,814,170	728,040,486	10,217,510	11,610,807	9,315,935	37,263,740	274,347,615	776,915,033	35.31
1994	253,775,800	725,073,714	10,122,770	11,503,148	8,836,304	35,345,216	272,734,874	771,922,078	35.33
1995	288,878,080	825,365,943	10,242,190	11,638,852	11,126,369	44,505,476	310,246,639	881,510,271	35.19
1996	288,260,820	823,602,343	9,793,290	11,128,739	11,327,056	45,308,224	309,381,166	880,039,306	35.16
1997	293,690,410	839,115,457	9,588,730	10,896,284	11,394,515	45,578,060	314,673,655	895,589,801	35.14
1998	317,905,830	908,302,371	9,385,270	10,665,080	11,819,544	47,278,176	339,110,644	966,245,627	35.10
1999	320,707,080	916,305,943	9,441,390	10,782,852	11,702,030	46,808,120	341,850,500	973,842,915	35.10
2000	324,605,540	927,444,400	9,610,600	10,921,136	11,895,084	47,580,336	346,111,224	985,945,872	35.10
<b>2001</b>	<b>360,993,440</b>	<b>1,031,409,829</b>	<b>9,122,440</b>	<b>10,366,409</b>	<b>12,603,703</b>	<b>50,414,812</b>	<b>382,719,583</b>	<b>1,092,191,050</b>	<b>35.04</b>

(1) The assessed valuation is computed at approximately the following percentage of estimated actual value:

- a) real property - 35%,
- b) public utility tangible property - 88%,
- c) tangible personal property - 1990-1999 - 25%.

Source: Cuyahoga County Auditor

**City of Fairview Park, Ohio**

Property Tax Rates - Direct and Overlapping Governments  
(Per \$1,000 of Assessed Value)

Last Ten Fiscal Years

Tax Year	Collection Year	City	(1) County and					Polaris JVSD	Total
			Special Taxing Districts	Fairview Park School District	Berea School District	Rocky River School District			
1992	1993	11.90	17.80	69.20	51.10	59.50	2.50	212.00	
1993	1994	11.90	17.80	71.30	57.00	59.40	2.50	219.90	
1994	1995	12.80	18.20	70.50	56.90	58.90	2.50	219.80	
1995	1996	10.40	18.00	78.60	57.00	58.40	2.40	224.80	
1996	1997	11.80	18.00	78.40	57.90	60.90	2.40	229.40	
1997	1998	11.80	18.00	78.10	57.90	64.40	2.40	232.60	
1998	1999	11.80	16.70	76.20	58.00	64.70	2.40	229.80	
1999	2000	11.80	16.70	76.20	63.90	68.60	2.40	239.60	
2000	2001	11.80	17.60	82.20	63.80	68.00	2.40	245.80	
<b>2001</b>	<b>2002</b>	<b>11.80</b>	<b>17.60</b>	<b>78.40</b>	<b>63.80</b>	<b>67.50</b>	<b>2.40</b>	<b>241.50</b>	

(1) Cleveland Metropolitan Park District, Cuyahoga Community College District, Cleveland-Cuyahoga County Port Authority and Cuyahoga County Library and Cuyahoga County Services.

Source: Cuyahoga County Auditor

**City of Fairview Park, Ohio**

Property Tax Rates - Compared to Charter Limitations  
(Per \$1,000 of Assessed Value)

Last Ten Fiscal Years

Tax Year/ Collection Year	General Fund	Recreation Purposes	Permanent Improvement	Police Pension	Fire Pension	Fire Levy	Bond Retirement	Total City Millage
1992/1993	10.04	0.60	n/a	0.30	0.30	n/a	0.66	11.90
1993/1994	10.14	0.60	n/a	0.30	0.30	n/a	0.56	11.90
1994/1995	10.24	0.60	0.90	0.30	0.30	n/a	0.46	12.80
1995/1996	8.33	0.60	0.87	0.30	0.30	n/a	n/a	10.40
1996/1997	8.33	1.00	0.87	0.30	0.30	1.00	n/a	11.80
1997/1998	8.33	1.00	0.87	0.30	0.30	1.00	n/a	11.80
1998/1999	8.33	1.00	0.87	0.30	0.30	1.00	n/a	11.80
1999/2000	8.33	1.00	0.87	0.30	0.30	1.00	n/a	11.80
2000/2001	8.33	1.00	0.87	0.30	0.30	1.00	n/a	11.80
<b>2001/2002</b>	<b>8.33</b>	<b>1.00</b>	<b>0.87</b>	<b>0.30</b>	<b>0.30</b>	<b>1.00</b>	<b>n/a</b>	<b>11.80</b>

Source: Cuyahoga County Auditor

*City of Fairview Park, Ohio*

Special Assessment Billings and Collections

Last Seven Years - (2)

<u>Collection Year</u>	<u>Amount Billed</u>	(1) <u>Amount Collected</u>	<u>Percent Collected</u>
1995	212,248	209,628	98.8%
1996	207,262	202,942	97.9
1997	203,744	201,569	98.9
1998	204,358	200,214	98.0
1999	225,609	220,841	97.9
2000	225,264	220,999	98.1
<b>2001</b>	<b>230,192</b>	<b>232,252</b>	<b>100.9</b>

(1) Collections made by County Auditor only.

(2) Information prior to collection year 1995 not available from the County Auditor.

Source: Cuyahoga County Auditor

*City of Fairview Park, Ohio*

Computation of Legal Debt Margin - Statutory Debt Limitations

December 31, 2001

**Statutory (direct) debt limitations**

Overall debt limitation 10-1/2% of assessed valuation \$40,185,556

Gross indebtedness \$6,844,699

Less - debt not subject to limitation 1,054,201

Debt within 10-1/2% limitation 5,790,498

Less - amount available in debt service fund (14,716) 5,775,782

**Legal debt margin within 10-1/2% limitation \$34,409,774**

Unvoted debt limitation 5-1/2% of assessed valuation \$21,049,577

Gross indebtedness \$6,844,699

Less - debt not subject to limitation 1,054,201

Debt within 5-1/2% limitation 5,790,498

Less - amount available in debt service fund (14,716) 5,775,782

**Legal debt margin within 5-1/2% limitation \$15,273,795**

*City of Fairview Park, Ohio*

Computation of Legal Debt Margin - Constitutional Debt Limitations

December 31, 2001

<b>Constitutional (indirect) debt limitation</b>	
Overall debt limitation authorized by Charter	<b>10.00 mills</b>
Encumbered millage as of December 31, 2001	<b><u>3.5425 mills</u></b>
<b>Available millage as of December 31, 2001</b>	<b><u><u>6.4575 mills</u></u></b>

Assumes maturity over a twenty year period with 5.5% annual interest.

**City of Fairview Park, Ohio**

Computation of Direct and Overlapping Debt

December 31, 2001

Jurisdiction	Debt Outstanding	Percentage Applicable to City of Fairview Park, Ohio	Overlapping Debt	Amount Applicable to City of Fairview Park, Ohio
City of Fairview Park	\$6,844,699	100.00%		\$6,844,699
Fairview Park City School District	4,444,993	100.00	4,444,993	
Rocky River City School District	27,889,128	9.55	2,663,412	
Cuyahoga County	216,544,636	1.32	2,858,389	
Greater Cleveland Regional Transit Authority	123,915,000	1.32	1,635,678	
Polaris Joint Vocational School	none	none	<u>none</u>	
Subtotal Overlapping Debt				<u>\$11,602,472</u>
Total Applicable to Fairview Park				<u><u>\$18,447,171</u></u>

The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing the overlapping subdivisions' assessed valuation within the City by its total assessed valuation.

Source: Cuyahoga County Auditor

*City of Fairview Park, Ohio*

Ratio of Net General Debt to Assessed Value  
and Net Debt Per Capita

Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	Gross Debt	Special Assessment/ General Obligation Debt	General Obligation Debt
1992	18,028	\$ 274,690,343	\$ 3,927,000	\$ 12,030	\$ 3,914,970
1993	18,028	274,347,615	3,323,000	8,019	3,314,981
1994	18,028	272,734,874	2,759,000	4,009	2,754,991
1995	18,028	310,246,639	3,065,000		3,065,000
1996	18,028	309,381,166	2,425,000		2,425,000
1997	18,028	314,673,655	1,870,000		1,870,000
1998	18,028	339,110,644	1,630,817		1,630,817
1999	18,028	341,850,500	5,672,013		5,130,000
2000	17,572	346,111,224	7,222,766		6,035,498
<b>2001</b>	<b>17,572</b>	<b>382,719,583</b>	<b>6,844,699</b>		<b>5,790,498</b>

	General Obligation Debt Service Money Available	(1) Net General Obligation Debt	(1) Ratio of Net Debt to Assessed Valuation	(1) Net General Obligation Debt Per Capita
\$	44,017	\$ 3,870,953	1.4	215
	1,413	3,313,568	1.2	184
	25,147	2,729,844	1.0	151
	25,499	3,039,501	1.0	169
	200	2,424,800	0.8	135
	4	1,869,996	0.6	104
	847	1,629,970	0.5	90
	0	5,130,000	1.5	285
	25,608	6,009,890	1.7	342
	<b>14,716</b>	<b>5,775,782</b>	<b>1.5</b>	<b>329</b>

(1) Does not include Special Assessment or OPWC Debt.

Source: Cuyahoga County Auditor

**City of Fairview Park, Ohio**

Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total General Fund Expenditures

Last Ten Fiscal Years

Year	(1) General Obligation Principal	General Obligation Interest	(2) General Obligation Debt Service	Total General Fund Operating Expenditures	Ratio of General Obligation Debt Service to General Fund Operating Expenditures
1992	\$ 124,990	\$ 124,897	\$ 249,887	\$ 5,598,422	4.46
1993	124,990	116,160	241,150	6,212,221	3.88
1994	124,990	107,424	232,414	5,938,727	3.91
1995	124,990	98,687	223,677	6,067,778	3.69
1996	120,000	89,950	209,950	6,746,493	3.11
1997	120,000	81,550	201,550	6,491,957	3.10
1998	120,000	73,150	193,150	7,291,247	2.65
1999	120,000	133,123	253,123	7,730,714	3.27
2000	345,000	261,468	606,468	8,366,107	7.25
<b>2001</b>	<b>360,000</b>	<b>369,709</b>	<b>729,709</b>	<b>8,060,977</b>	<b>9.05</b>

(1) Does not include the rollover of principal due under bond anticipation notes or OPWC loans.

(2) Debt service on General Obligation Bonds and Notes does not include debt service on Special Assessment Bonds and Notes.

***City of Fairview Park, Ohio***

Demographic Statistics

Last Ten Fiscal Years

<u>Year</u>	(1) Population	(2) Rocky River City School District	Fairview Park City School District	(3) Cuyahoga County Unemployment Rate
1992	18,028		1,827	6.70%
1993	18,028		1,855	6.30
1994	18,028		1,976	4.40
1995	18,028		1,997	4.70
1996	18,028		2,052	5.20
1997	18,028		2,091	4.80
1998	18,028	16	2,076	4.50
1999	18,028	16	1,974	4.50
2000	17,572	20	1,903	4.60
<b>2001</b>	<b>17,572</b>	<b>33</b>	<b>1,899</b>	<b>6.00</b>

(1) Census Statistics

(2) Rocky River Board of Education (Rocky River, Fairview Park). Board of Education did not keep attendance records of children from the City of Fairview Park prior to 1998.

(3) Ohio Bureau of Employment Services Labor Marketing Information Department.

***City of Fairview Park, Ohio***

Construction, Bank Deposits and Assessed Property Taxes

Last Ten Fiscal Years

Year	(1) Residential & Commercial Construction Value	(1) Residential & Commercial Construction Units	(2) County Bank Deposits (In Thousands)	(3 and 4) Total Assessed Property Values
1992	\$6,995,300	404		\$274,690,343
1993	5,995,176	372	21,900,421	274,347,615
1994	4,414,399	341	20,885,453	272,734,874
1995	12,855,065	366	22,694,304	310,246,639
1996	7,897,348	382	27,068,211	309,381,166
1997	7,207,918	416	53,941,971	314,673,655
1998	6,046,691	400	58,904,596	339,110,644
1999	4,697,708	348	57,816,942	341,850,500
2000	3,227,495	379	61,942,764	346,111,224
<b>2001</b>	<b>10,439,559</b>	<b>383</b>	<b>63,893,769</b>	<b>382,719,583</b>

(1) City of Fairview Park Building Department.

(2) Federal Reserve Bank of Cleveland (total demand, time and savings deposits in Cuyahoga County).

(3) Cuyahoga County Auditor's Office.

(4) Represents the values assessed for taxation which range from 25% to 88% of estimated true value.

*City of Fairview Park, Ohio*

Principal Taxpayers - Real Property

December 31, 2001

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Westgate Joint Venture	\$ 13,899,990	3.63%
Z & Sons Limited Partnership	7,019,150	1.83
Fairview Shopping Center Corp.	3,937,080	1.03
Westgate Joint Venture	2,798,890	0.73
Dillards Department Store	2,458,890	0.64
Cleveland Electric Illuminating Co.	2,424,770	0.63
Lawn Village Inc.	2,355,430	0.62
Ohio Bell Telephone Co	1,973,780	0.52
200 West Apartments	1,941,800	0.51
Westgate Medical Center	<u>1,129,520</u>	<u>0.30</u>
	\$ <u>39,939,300</u>	<u>10.44</u>
Total assessed valuation	\$ <u>382,719,583</u>	

*City of Fairview Park, Ohio*

Principal Taxpayers - Personal Property

December 31, 2001

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Total Assessed Value</u>
Dillards Department Store	\$ 3,573,880	0.93%
First National Supermarkets	809,890	0.21
Kohl's Department Stores	682,180	0.18
Cox Cable Cleveland	348,860	0.09
Office Depot Inc.	338,690	0.09
Ameritech New Media Inc.	309,470	0.08
Gap, Inc.	198,740	0.05
Quadax Inc.	182,940	0.05
Gordon Food Service Inc.	177,080	0.05
Reserves Network Inc.	<u>133,330</u>	<u>0.03</u>
	\$ <u>6,755,060</u>	<u>1.77</u>
Total assessed valuation	\$ <u>382,719,583</u>	



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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**CITY OF FAIRVIEW PARK**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 30, 2002**