

**CITY OF SOLON  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

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



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CITY OF SOLON  
CUYAHOGA COUNTY

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**REPORT ON INTERNAL CONTROL REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

City of Solon  
Cuyahoga County  
34200 Bainbridge Road  
Solon, Ohio 44139

We have audited the financial statements of the City of Solon, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated June 19, 2002, wherein we noted the City reclassified various funds and restated the Enterprise Funds fixed assets. 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 19, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

June 19, 2002

**City of Solon, Ohio**

*Comprehensive Annual Financial Report*

*For the Year Ended December 31, 2001*

*Prepared by the Department of  
Finance*

*D. William Weber, CPA  
Director of Finance*





**City of Solon, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2001*  
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The City of Solon  
CITY HALL

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Fax: (440) 349-6322

June 19, 2002

Residents of the City of Solon  
Honorable Mayor Kevin C. Patton and  
Members of Solon City Council:

I am pleased to submit to you the 2001 Comprehensive Annual Financial Report (CAFR) for the City of Solon. I believe this report, prepared by the Department of Finance, presents thorough operating and financial information about the City's activities during 2001 that should be useful to taxpayers, citizens, investment firms, debt rating agencies and other interested parties.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the data in this report is accurate in all material respects. It is our intention to present this report in a manner that presents fairly the financial position and results of operations of the various funds and account groups of the City in conformity with generally accepted accounting principles (GAAP). All disclosures necessary to provide the reader with a better understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The introductory section includes this transmittal letter, the City's organizational chart, a list of principal city officials and the GFOA Certificate of Achievement.
2. The financial section contains the report of the independent auditors, and includes the general purpose financial statements and notes that provide an overview of the City's financial position and operating results, and the combining statements and schedules of the individual funds and account groups that provide detailed information relative to the general purpose financial statements.
3. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

### **Reporting Entity**

The City of Solon is located in the southeast corner of Cuyahoga County about 15 miles southeast of downtown Cleveland. It was originally organized as a township around 1825, and became a village in 1938. On November 2, 1954, the voters of Solon approved a charter. Then, in 1960, Solon became a city.

The form of government established by the Charter is the Mayor/Council type. There are seven City Council members; each is elected from a ward, for a term of four years. The Mayor's term is also four years. The Mayor appoints all department directors, some with the required confirmation of City Council.

Pursuant to Governmental Accounting Standards Board Statement No. 14, the City of Solon has included in this report all funds, account groups, agencies, boards and commissions for which the City is financially accountable.

## **City Services**

The City of Solon provides a full range of services to its citizens. The police protection services include patrol, investigations, jail facilities, drug resistance programs and safety schools. The fire protection service includes regular safety inspections, emergency medical (paramedic) services and fire safety education. In addition, the City has a very active service department that provides free refuse, leaf and brush pickup, recycling, road maintenance and repair, storm sewer maintenance and repair, two cemeteries and various other service department activities. The recreation department sponsors a full range of activities from its headquarters in the City's 40 acre park, as does the seniors services department from its Senior Center.

Solon has two enterprise operations. They are Grantwood Golf Course and the Water Reclamation (formerly wastewater) Plant. The operating expenses of both of these activities have been, and continue to be covered by user fees.

The administrative functions include planning and zoning, economic development, building permits and inspection, engineering, budget and city income tax administration.

## **Economic Condition and Outlook**

The City of Solon continues to have a vibrant industrial and commercial establishment. Evidence of this can be found in key areas such as:

- a. The City's industrial and commercial property value (real and personal) is at an all time high. For property tax purposes, the assessed value of this property is about 35 percent of market for real estate, and 20 percent of market for machinery and equipment. The total assessed value of commercial and industrial property in 2001 was \$517,819,784.
- b. In the year 2001, there were 134 industrial and commercial building permits granted for new buildings and additions to existing buildings, totaling over \$28,724,000 million in market value.

Most of Solon's industrial complex is in the western part of the City and separated from the residential areas. Part of this complex includes an Enterprise Zone where a new company, or an existing company planning an addition, is able to obtain property tax abatement on their new construction and investment. This program has been successful in attracting new businesses and retaining existing businesses. As of the end of 2001, Solon had 31 Enterprise Zone agreements. These agreements have enabled new and existing firms to retain 3,683 jobs and create 1,064 jobs.

In addition, the City recently had a new shopping complex called "Uptown Solon" completed. This shopping area was the result of a Tax Increment Financing (TIF) agreement between the developer of this complex and the City. Under this agreement, the City built the new road where the complex is located, and the developer will repay the City for this road over ten years in exchange for property tax abatement in the same amount as the cost of the road.

Future growth should continue because there is still some land available for new industry, business and housing. The Planning Department estimates about 242 acres are presently available for industrial development.

## **Major Initiatives**

The Mayor and Council continue to plan for several major capital projects. All of the following are either in the design stage or under construction:

- a. Community Center/Recreation Complex. This complex will be built adjacent to the City's 40 acre park. It will serve a variety of purposes, including a seniors activity center, fitness center, swimming pool, meeting rooms, etc. The estimated cost at this time is about \$19 million.
- b. New Fire Station. The City currently has two fire stations. Plans are progressing rapidly to construct a third fire station in the south end of the city to better serve that area.
- c. Infrastructure Projects. Solon continues to replace and upgrade its infrastructure with funding from a permanent income tax levy of  $\frac{1}{2}$  of 1 percent that the voters approved in 1995. Some of the current projects are;
  1. SOM Center Road widening
  2. Aurora Road-Liberty Road Intersection
  3. Harper Road-Cannon Road Intersection
  4. Meadowlane Storm Sewers
  5. Aurora Road West Sanitary and Storm Sewers
  6. Aspen Glenn Sanitary Sewers
  7. Woodall-Neptune Drive Waterline
  8. Baldwin-Glenallen Avenue Rehabilitation
  9. SOM Center-Miles Road Intersection
  10. Brainard-Miles Road Streetscape
  11. Aurora Road East Sanitary and Storm Sewers

Solon maintains a five year plan for capital projects and operating expenditures. This plan is updated each year by the Mayor and Departments Heads, then submitted to City Council for review.

## **Financial Information**

### ***Internal Accounting Control***

The City is responsible for establishing and maintaining an internal control system designed to protect its assets from loss, theft or misuse. Furthermore, the accounting system must be adequate to ensure that the financial statements are prepared in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that the valuation of costs and benefits require estimates and judgements by management.

### ***Budgetary Controls***

The City's budget process is governed by Ohio law. It starts with the annual tax budget adopted in the July prior to January of the particular budget year. The main purpose of the annual tax budget is to set the property tax rates for the forthcoming budget year. In December of each year, the City

adopts a temporary cash basis appropriations measure for the first three months of the forthcoming budget year. Then, usually in February or March of the current budget year, the City adopts an annual cash basis appropriation measure for the calendar year. Both appropriation measures are prepared by the Mayor, Director of Finance and Department Heads. The annual appropriation measure is reviewed in detail by City Council at its annual budget hearing meeting. Usually after some revisions, it is adopted.

Amendments to the annual appropriations may be made by City Council throughout the budget year as long as the amendment does not cause the total appropriations to exceed the estimated resources for each fund. The estimated resources consist of the unencumbered cash balance at January 1<sup>st</sup> plus the fund's estimated revenue during the budget year.

The level of budgetary control at which expenditures cannot exceed an appropriated amount is established at the function level within all the funds. Budgetary control is maintained by the fully automated accounting system, which utilizes a purchase order/encumbrance system. All expenditures must have a purchase order prior to payment certifying that moneys are legally appropriated and available for such purpose. The outstanding purchase orders or encumbrances at year end carry forward to the succeeding fiscal or budget year, and need not be re-appropriated.

The finance department distributes budget reports every month to each department, or more often if needed. Each department head reviews their department's budget, and will communicate with the Finance Department about any related matter or potential problem.

**General Government Functions**

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2001, increases or decreases from 2000 and percent of increase or decrease on a generally accepted accounting principles (GAAP) basis.

	<u>2000</u>	<u>2001</u>	<u>Change</u>	<u>Percent Change</u>
<b>Revenues</b>				
Municipal Income Taxes	\$28,948,547	\$27,350,350	(\$1,598,197)	(5.52%)
Property Taxes	3,864,543	3,842,118	(22,425)	(0.58)
Other Local Taxes	422,268	569,811	147,543	34.94
Charges for Services	1,119,423	1,440,499	321,076	28.68
Fees, Licenses and Permits	670,334	1,184,015	513,681	76.63
Fines and Forfeitures	347,191	325,416	(21,775)	(6.27)
Intergovernmental	3,059,750	2,964,830	(94,920)	(3.10)
Special Assessments	958,092	707,859	(250,233)	(26.12)
Investment Income	3,808,423	3,820,232	11,809	0.31
Miscellaneous	622,888	595,535	(27,353)	(4.39)
<i>Total Revenues</i>	<u>\$43,821,459</u>	<u>\$42,800,665</u>	<u>(\$1,020,794)</u>	

The City Income Tax rate for 2000 and 2001 was 2.0 percent on earned income for individuals and net profits for businesses. The City Income Tax is divided into the following 3 parts:

- 1.0% Enacted by City Council in 1967 under the provisions of the Ohio Revised Code for operating and capital expenditures.
- 0.5 Adopted by the voters in 1989 to assist the operation of the Police, Fire and Service Departments.
- 0.5 Adopted by the voters in 1995 for infrastructure improvements and maintenance.
- 2.0% - Total City Income Tax Rate



The decline in city income tax in 2001 from 2000 was mostly because of a drop in net profits taxes paid by business and industry, and a return to normal growth because the 2000 receipts were an unusually high 9.5 percent increase over 1999 receipts. The 2001 receipts were 4.6 percent or \$1,207,013 more than the 1999 receipts. As of May 2002, net profits receipts are back on track and the City expects to realize gross collections in excess of the 2001 collections.

The City Property Tax Rate for collection year 2001 was 4.2 mills. This was a small decrease from the 4.3 mills levied for collection year 2000. The actual cash receipts for property taxes did remain consistent and increased in each of the past three years as indicated by the following:

Property Tax Cash Receipts

1999	\$4,103,423
2000	4,213,142
2001	4,561,457

Other local taxes consisted of the amusement tax, lodging tax and inheritance tax. The increase of 34.94 percent was mostly the result of a substantial increase in inheritance taxes.

Charges for services are primarily jail inmate revenue and registration fees for recreation programs and facilities. The 28.68 percent increase was mostly due to increased inmate revenue.

Fees, licenses and permits revenues are mostly from building permits issued by the City's building department. The large increase in 2001 was because it was the first full year after a fee increase at the end of 2000, plus there were more permits issued in 2001.

Fines and Forfeitures are from citations issued by the Police, Fire and Building Departments. The decrease of 6.27 percent is a normal fluctuation.

Intergovernmental Revenues are mostly State of Ohio shared tax revenue such as local government distributions, gasoline and motor vehicle taxes and grants. The small decrease was because some one time capital grants were received in 2000, but not in 2001.

Special Assessments are levied and collected for the purpose of paying the cost of an improvement that is considered a benefit to a property owner. The decrease of 26.12 percent in 2001 from 2000 was because several special assessment projects were completed in 2000 and many property owners decided to pay their assessments in cash that year instead of on their tax bills over a 20 year period.

Investment income earnings revenue is from investments made with City Treasury cash. The 0.31 percent increase was because of the combination of declining interest rates at the end of 2001 with an increased amount of cash available to invest.

Miscellaneous revenue consists of donations, miscellaneous activity fees, reimbursements and other receipts that do not fit within the above categories. The reason for the 4.39 percent decrease is due to less miscellaneous revenue in 2001.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2001, increases or decreases from 2000 and percent of increase or decrease on a generally accepted accounting principles (GAAP) basis.

	<u>2000</u>	<u>2001</u>	<u>Change</u>	<u>Percent Change</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	\$8,595,528	\$10,200,788	\$1,605,260	18.57%
Public Health and Welfare	94,139	104,022	9,883	10.50
Leisure Time Activities	2,320,317	2,743,713	423,396	18.25
Community Environment	1,763,591	1,613,073	(150,518)	(8.53)
Basic Utility Services	1,286,482	1,314,350	27,868	2.17
Transportation	3,257,355	3,682,611	425,256	13.06
General Government	4,365,173	4,807,963	442,790	10.14
Capital Outlay	10,336,925	13,622,807	3,285,882	31.79
Debt Service:				
Principal Retirement	10,166,225	8,079,702	(2,086,523)	(20.52)
Interest and Fiscal Charges	1,343,669	1,452,452	108,783	8.10
<i>Total Expenditures</i>	<u>\$43,529,404</u>	<u>\$47,621,481</u>	<u>\$4,092,077</u>	

The Security of Persons and Property category represents Police and Fire Departments operating expenditures. The 18.57 percent increase was mostly due to the hiring of additional personnel and replacement personnel to fill positions that were vacant during most of 2000.

Public Health and Welfare is for cemetery operations and the City's public health contract with Cuyahoga County. The 10.50 percent increase is normal.

Leisure Time Activities is for Parks and Recreation programs, Senior Center activities and Cable TV activities. The increase of 18.25 percent is mainly due to increased programs and new Cable TV projects.

Community Environment is for the operating expenditures of the Planning, Building and Engineering Departments. The decrease of 8.53 percent was because engineering had less personnel expenditures charged to the general fund and more charged to capital projects in 2001.

Basic Utility Services is the City's Service Department operations related to storm sewers, drains, refuse hauling, environment, etc. Although the City has a wastewater utility, it is not reported here with the governmental funds. It is reported with the enterprise funds. The increase in basic utility services of 2.17 percent was normal.

Transportation expenditures are for street maintenance and improvements. The increase of 13.06 percent can be attributed to additional personnel, street maintenance and equipment repairs.

General Government is mainly for the City Hall administrative offices. The increase of 10.14 percent is mostly because of replacement personnel that filled positions that were vacant during 2000.

Capital Outlay is for the construction of buildings, roads, sewers and other infrastructure. It is also for the purchase of land, vehicles and equipment. The 31.79 percent increase was because of the work started on the Community Center, more infrastructure projects and more equipment purchases.

Debt Service expenditures are for the payment of principal and interest on non-enterprise City debt. The decrease of 20.52 percent in principal was mainly because the \$4 million Service Center Note in the general capital improvement fund was rolled-over at \$2 million in 2001.

The increase of 8.10 percent of interest and fiscal charges expenditures was because there was more interest on the City's short term debt to accrue in 2001 and be recognized at year end due to a bond issue in April, 2002 that paid off that same short term debt.

### ***General Fund Balance***

During 2001, the fund balance of the general fund increased by \$3,375,090, from \$26,624,934 to \$30,000,024. The fund balance increase is due primarily to an increase in interest and intergovernmental revenues.

### ***Enterprise Funds***

Enterprise funds operated by the City consist of the Water Reclamation and the Grantwood Recreation funds. Operating revenues in the enterprise funds totaled \$6,816,502, with depreciation expense of \$1,443,234, an operating income of \$2,044,568 and fund equity at year-end of \$40,465,151. The operating income resulted from an increase in operating revenues.

### ***Fiduciary Funds***

The City of Solon's fiduciary funds are comprised of the expendable trust funds and agency funds.

The cemetery endowment expendable trust fund had a fund balance of \$5,122 and the donations trust expendable trust fund had a fund balance of \$76,742 at December 31, 2001. The agency funds included in the City's financial statements are Deposits and Dare Scholarship. These funds had assets totaling \$979,060 at December 31, 2001.

### ***Debt Administration***

The gross indebtedness of the City of Solon at December 31, 2001, was \$46,790,258. These issues included \$12,185,000 in general obligation bonds, \$4,131,604 in special assessment bonds, \$19,769,230 in OWDA loans, \$805,716 in OPWC loans, \$598,708 in manuscript bonds and \$9,300,000 in bond anticipation notes. The overall legal debt margin at December 31, 2001, was \$94,556,479 with an unvoted total debt margin of \$38,960,705.

The City of Solon's current Bond Rating by Moody's Investors Service is Aa1. There are only two other cities in the State of Ohio with a higher bond rating, that being Aaa.

In April 2002, Standard & Poors upgraded their rating for Solon from AA to AA+ in conjunction with a \$12,235,000 various improvement and refunding bond issue.

### ***Cash Management***

Cash management is a vital component in the City of Solon's overall financial strategy. The primary goal of the cash management program is to minimize the level of idle cash on hand to meet the daily cash requirement while simultaneously maximizing the amount available for investment. The City adopted a formal investment policy on August 18, 1997 with Ordinance No. 1997-186. This policy specifies the type of investments the City may purchase. The investment bankers must acknowledge this investment policy by signing it and returning it to the Director of Finance before an investment is made.

## **Risk Management**

The City of Solon belongs to the Northern Ohio Risk Management Association (NORMA). This is a group of ten cities organized for the purpose of enabling the City and other members to obtain liability, property and automobile insurance, and provide for a formalized, jointly administered self-insurance fund. Additional information about NORMA is in Note 16 of the general purpose financial statements.

## **Independent Audit**

In accordance with Ohio law, independent audits are required to be performed on all financial operations of the City. Either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. The Auditor of State's Office performed the audit on the City's financial statements as of December 31, 2001. The City has met the requirements set forth in State statutes. The auditor's report on the general purpose financial statements is included in the financial section of this report.

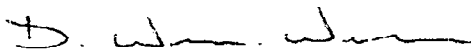
## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The City of Solon received this honor for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2000. A Certificate of Achievement is valid for a period of one year only. The City of Solon believes the current report conforms to the Certificate of Achievement Program requirements, and has submitted it to the GFOA to determine its eligibility for another Certificate of Achievement.

## **Acknowledgments**

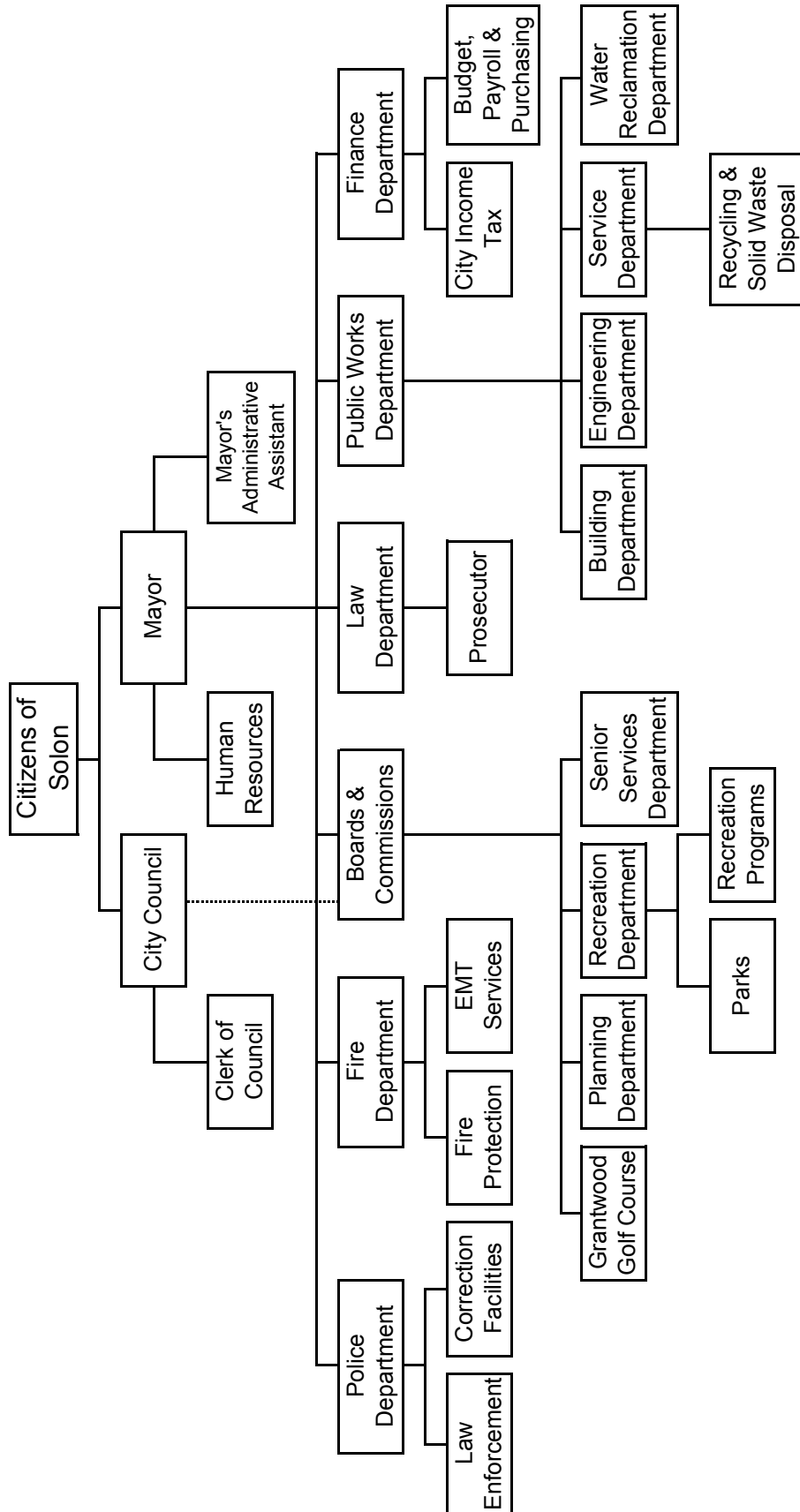
I convey my appreciation to Mayor Kevin Patton and the Members of City Council for their support in preparing this Comprehensive Annual Financial Report. In addition, my gratitude and compliments extend to the Auditor of State's Division of Local Government Services who helped us with this report. Finally, a thank you to the Solon Finance Department staff for the extra work they contributed to this report.

Respectfully submitted,



D. William Weber, CPA  
Director of Finance

**City of Solon, Ohio  
Organizational Chart  
December 31, 2001**



**City of Solon, Ohio**  
*Principal Officials*  
*December 31, 2001*

---

***Elected Officials***

Kevin C. Patton.....Mayor

*City Council*

Barbara J. Smith.....Ward 1 (Vice Mayor)  
Robert N. Pelunis ..... Ward 2  
John T. Scott ..... Ward 3  
Edward K. Suit..... Ward 4  
David J. Krus ..... Ward 5  
Edward H. Kraus..... Ward 6  
Roger J. Goudy..... Ward 7  
Dianne R. Garrett..... Clerk of Council (appointed)

***Appointed Officials***

David J. Matty.....Director of Law  
D. William Weber..... Director of Finance  
Wayne E. Godzich.....Chief of Police  
William J. Shaw ..... Chief of Fire and Rescue  
Robert S. Frankland ..... Director of Planning  
Donald W. Holub ..... Director of Recreation  
Eileen M. Regan ..... Director of Senior Services  
Gary N. Mazzeo..... Grantwood Recreational Park Manager

David E. Hromco.....Assistant Director of Public Works  
Sally Jo Reemsnyder..... Director of Engineering  
Jeffery E. Pokorny ..... Director of Service  
Alan D. Uthe ..... Building Commissioner  
James S. Stanek ..... Superintendent of Water Reclamation

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Solon,  
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.



*Imelda Aruete*  
President

*Jeffrey L. Esler*  
Executive Director

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS**

City of Solon  
Cuyahoga County  
34200 Bainbridge Road  
Solon, Ohio 44139

We have audited the accompanying general-purpose financial statements of the City of Solon, Cuyahoga County, Ohio, (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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

As described in Note 3, during the year ended December 31, 2001, the City reclassified various funds and restated the Enterprise Funds fixed assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 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.

We performed our audit to form 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 additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

**Jim Petro**  
Auditor of State

June 19, 2002

## ***General Purpose Financial Statements***

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The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the City's financial position at December 31, 2001, and the results of operations and changes in cash flows of its proprietary funds for the year then ended.

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$27,726,992	\$3,965,572	\$3,767,317	\$25,306,406
Investments	598,708	0	0	0
Receivables:				
Taxes	3,349,011	638,159	2,761,243	1,402,524
Accounts	34,650	49,285	0	203
Special Assessments	0	0	1,831,815	0
Accrued Interest	1,915	0	0	0
Intergovernmental	738,025	379,188	130,738	980,388
Materials and Supplies Inventory	253,560	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount Available in Debt Service Fund for Retirement of Special Assessment Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Amount to be Provided from Special Assessments	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$32,702,861</b>	<b>\$5,032,204</b>	<b>\$8,491,113</b>	<b>\$27,689,521</b>

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$6,728,216	\$1,063,149	\$0	\$0	\$68,557,652
0	0	0	0	598,708
0	0	0	0	8,150,937
190,880	0	0	0	275,018
0	0	0	0	1,831,815
0	0	0	0	1,915
1,242,303	0	0	0	3,470,642
101,070	0	0	0	354,630
50,332,459	0	49,301,234	0	99,633,693
0	0	0	2,989,743	2,989,743
0	0	0	777,574	777,574
0	0	0	17,929,552	17,929,552
0	0	0	3,354,030	3,354,030
<u>\$58,594,928</u>	<u>\$1,063,149</u>	<u>\$49,301,234</u>	<u>\$25,050,899</u>	<u>\$207,925,909</u>

(continued)

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities, Fund Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts Payable	\$257,742	\$64,614	\$0	\$0
Contracts Payable	0	0	0	1,062,601
Accrued Wages and Benefits	325,127	11,583	0	0
Compensated Absences Payable	82,726	3,770	0	0
Intergovernmental Payable	185,815	10,092	0	30,324
Deferred Revenue	1,780,289	967,828	4,723,796	1,532,184
Deposits Held and Due to Others	0	0	0	0
Accrued Interest Payable	0	0	0	44,944
Notes Payable	0	0	0	7,000,000
Claims Payable	71,138	0	0	0
Manuscript Bonds Payable	0	0	0	0
OPWC Loan Payable	0	0	0	0
OWDA Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
<b>Total Liabilities</b>	<b>2,702,837</b>	<b>1,057,887</b>	<b>4,723,796</b>	<b>9,670,053</b>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	403,543	82,474	0	5,192,975
Reserved for Inventory	253,560	0	0	0
Reserved for Unclaimed Monies	4,735	0	0	0
Unreserved:				
Designated for Construction	12,056,516	0	0	0
Undesignated	17,281,670	3,891,843	3,767,317	12,826,493
<b>Total Fund Equity and Other Credits</b>	<b>30,000,024</b>	<b>3,974,317</b>	<b>3,767,317</b>	<b>18,019,468</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$32,702,861</b>	<b>\$5,032,204</b>	<b>\$8,491,113</b>	<b>\$27,689,521</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$83,154	\$2,225	\$0	\$0	\$407,735
0	0	0	0	1,062,601
32,172	0	0	0	368,882
519,442	0	0	2,426,903	3,032,841
20,744	0	0	308,003	554,978
0	0	0	0	9,004,097
0	979,060	0	0	979,060
0	0	0	0	44,944
0	0	0	2,300,000	9,300,000
0	0	0	0	71,138
598,708	0	0	0	598,708
0	0	0	805,716	805,716
16,875,557	0	0	2,893,673	19,769,230
0	0	0	12,185,000	12,185,000
0	0	0	4,131,604	4,131,604
<u>18,129,777</u>	<u>981,285</u>	<u>0</u>	<u>25,050,899</u>	<u>62,316,534</u>
0	0	49,301,234	0	49,301,234
94,738,857	0	0	0	94,738,857
(54,273,706)	0	0	0	(54,273,706)
0	0	0	0	5,678,992
0	0	0	0	253,560
0	0	0	0	4,735
0	0	0	0	12,056,516
0	81,864	0	0	37,849,187
<u>40,465,151</u>	<u>81,864</u>	<u>49,301,234</u>	<u>0</u>	<u>145,609,375</u>
<u>\$58,594,928</u>	<u>\$1,063,149</u>	<u>\$49,301,234</u>	<u>\$25,050,899</u>	<u>\$207,925,909</u>

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

	Governmental Fund		
	General	Special Revenue	Debt Service
<b>Revenues</b>			
Municipal Income Taxes	\$20,604,772	\$0	\$0
Property Taxes	195,819	600,938	2,604,058
Other Local Taxes	569,811	0	0
Charges for Services	548,334	878,745	0
Fees, Licenses and Permits	690,901	385,417	107,697
Fines and Forfeitures	325,416	0	0
Intergovernmental	1,597,801	743,521	159,477
Special Assessments	0	0	707,859
Investment Income	3,820,232	0	0
Miscellaneous	274,325	47,671	0
<i>Total Revenues</i>	<u>28,627,411</u>	<u>2,656,292</u>	<u>3,579,091</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property	9,145,828	1,054,960	0
Public Health and Welfare	104,022	0	0
Leisure Time Activities	0	2,743,713	0
Community Environment	1,613,073	0	0
Basic Utility Services	1,224,957	89,393	0
Transportation	3,132,611	550,000	0
General Government	4,800,593	0	7,370
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	3,574,378
Interest and Fiscal Charges	0	0	1,179,283
<i>Total Expenditures</i>	<u>20,021,084</u>	<u>4,438,066</u>	<u>4,761,031</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,606,327</u>	<u>(1,781,774)</u>	<u>(1,181,940)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	0	0	0
Note Premium	0	0	0
Operating Transfers In	0	2,143,694	2,000,000
Operating Transfers Out	(5,283,627)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,283,627)</u>	<u>2,143,694</u>	<u>2,000,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	3,322,700	361,920	818,060
<i>Fund Balances Beginning of Year - Restated Note 3</i>	26,624,934	3,612,397	2,949,257
Increase in Reserve for Inventory	52,390	0	0
<i>Fund Balances End of Year</i>	<u>\$30,000,024</u>	<u>\$3,974,317</u>	<u>\$3,767,317</u>

See accompanying notes to the general purpose financial statements



<u>Types</u>		
<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
\$6,745,578	\$0	\$27,350,350
441,303	0	3,842,118
0	0	569,811
13,420	0	1,440,499
0	0	1,184,015
0	0	325,416
464,031	0	2,964,830
0	0	707,859
0	0	3,820,232
<u>273,539</u>	<u>214,534</u>	<u>810,069</u>
<u>7,937,871</u>	<u>214,534</u>	<u>43,015,199</u>
0	6,334	10,207,122
0	0	104,022
0	12,065	2,755,778
0	193,452	1,806,525
0	0	1,314,350
0	0	3,682,611
0	0	4,807,963
13,622,807	0	13,622,807
4,505,324	0	8,079,702
<u>273,169</u>	<u>0</u>	<u>1,452,452</u>
<u>18,401,300</u>	<u>211,851</u>	<u>47,833,332</u>
<u>(10,463,429)</u>	<u>2,683</u>	<u>(4,818,133)</u>
2,300,000	0	2,300,000
15,300	0	15,300
3,745,000	0	7,888,694
<u>(2,920,000)</u>	<u>0</u>	<u>(8,203,627)</u>
<u>3,140,300</u>	<u>0</u>	<u>2,000,367</u>
(7,323,129)	2,683	(2,817,766)
25,342,597	79,181	58,608,366
<u>0</u>	<u>0</u>	<u>52,390</u>
<u>\$18,019,468</u>	<u>\$81,864</u>	<u>\$55,842,990</u>

**City of Solon, Ohio**  
*Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types and Expendable Trust Funds  
 For the Year Ended December 31, 2001*

	General Fund			
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$22,544,243	\$22,543,000	\$20,759,039	(\$1,783,961)
Property Taxes	185,090	185,060	195,819	10,759
Other Local Taxes	533,892	533,892	564,931	31,039
Charges for Services	306,813	306,800	536,400	229,600
Fees, Licenses and Permits	453,929	453,900	706,203	252,303
Fines and Forfeitures	221,000	221,000	305,446	84,446
Intergovernmental	1,443,227	1,442,278	1,657,527	215,249
Special Assessments	0	0	0	0
Investment Income	2,345,100	2,345,000	3,676,000	1,331,000
Miscellaneous	184,207	184,200	410,439	226,239
<b>Total Revenues</b>	<b>28,217,501</b>	<b>28,215,130</b>	<b>28,811,804</b>	<b>596,674</b>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	5,043,353	9,604,821	9,337,121	267,700
Public Health and Welfare	103,717	106,455	104,022	2,433
Leisure Time Activities	0	0	0	0
Community Environment	1,102,815	2,077,116	1,642,589	434,527
Basic Utility Services	971,793	1,317,557	1,172,768	144,789
Transportation	1,889,148	3,610,142	3,346,858	263,284
General Government	3,100,077	5,525,872	5,123,114	402,758
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>12,210,903</b>	<b>22,241,963</b>	<b>20,726,472</b>	<b>1,515,491</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>16,006,598</b>	<b>5,973,167</b>	<b>8,085,332</b>	<b>2,112,165</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Notes	0	0	0	0
Proceeds of Bonds	0	0	0	0
Operating Transfers In	0	0	0	0
Operating Transfers Out	(14,690,993)	(14,690,993)	(5,283,627)	9,407,366
<b>Total Other Financing Sources (Uses)</b>	<b>(14,690,993)</b>	<b>(14,690,993)</b>	<b>(5,283,627)</b>	<b>9,407,366</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>1,315,605</b>	<b>(8,717,826)</b>	<b>2,801,705</b>	<b>11,519,531</b>
<b>Fund Balances Beginning of Year</b>	<b>24,315,185</b>	<b>24,315,185</b>	<b>24,315,185</b>	<b>0</b>
Prior Year Encumbrances Appropriated	601,062	601,062	601,062	0
<b>Fund Balances End of Year</b>	<b>\$26,231,852</b>	<b>\$16,198,421</b>	<b>\$27,717,952</b>	<b>\$11,519,531</b>

Special Revenue Funds				Debt Service Funds			
Budgeted Amounts		Actual	Variance Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
Original	Final			Original	Final		
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
598,402	598,402	600,938	2,536	1,487,076	2,593,075	2,604,058	10,983
0	0	0	0	0	0	0	0
896,856	921,856	878,745	(43,111)	0	0	0	0
168,000	168,000	336,132	168,132	65,000	65,000	107,697	42,697
1,000	0	0	0	0	0	0	0
762,954	762,954	758,839	(4,115)	261,477	261,477	261,477	0
0	0	0	0	900,000	900,000	707,859	(192,141)
0	0	0	0	0	0	0	0
55,800	55,800	47,671	(8,129)	0	0	0	0
<u>2,483,012</u>	<u>2,507,012</u>	<u>2,622,325</u>	<u>115,313</u>	<u>2,713,553</u>	<u>3,819,552</u>	<u>3,681,091</u>	<u>(138,461)</u>
1,196,144	1,206,800	1,054,960	151,840	0	0	0	0
0	0	0	0	0	0	0	0
2,928,971	3,203,000	2,817,705	385,295	0	0	0	0
0	0	0	0	0	0	0	0
90,000	100,000	89,393	10,607	0	0	0	0
550,000	550,000	550,000	0	0	0	0	0
130,000	130,000	0	130,000	8,500	8,500	7,370	1,130
0	0	0	0	0	0	0	0
0	0	0	0	5,647,000	5,647,000	5,574,378	72,622
0	0	0	0	1,463,000	1,463,000	1,281,283	181,717
<u>4,895,115</u>	<u>5,189,800</u>	<u>4,512,058</u>	<u>677,742</u>	<u>7,118,500</u>	<u>7,118,500</u>	<u>6,863,031</u>	<u>255,469</u>
<u>(2,412,103)</u>	<u>(2,682,788)</u>	<u>(1,889,733)</u>	<u>793,055</u>	<u>(4,404,947)</u>	<u>(3,298,948)</u>	<u>(3,181,940)</u>	<u>117,008</u>
0	0	0	0	4,000,000	2,000,000	2,000,000	0
0	0	0	0	0	0	0	0
2,180,000	2,215,000	2,143,694	(71,306)	4,000,000	2,000,000	2,000,000	0
0	0	0	0	0	0	0	0
<u>2,180,000</u>	<u>2,215,000</u>	<u>2,143,694</u>	<u>(71,306)</u>	<u>8,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>0</u>
(232,103)	(467,788)	253,961	721,749	3,595,053	701,052	818,060	117,008
3,487,486	3,487,486	3,487,486	0	3,097,125	3,097,125	3,097,125	0
122,799	122,799	122,799	0	0	0	0	0
<u>\$3,378,182</u>	<u>\$3,142,497</u>	<u>\$3,864,246</u>	<u>\$721,749</u>	<u>\$6,692,178</u>	<u>\$3,798,177</u>	<u>\$3,915,185</u>	<u>\$117,008</u>

(continued)

**City of Solon, Ohio**  
*Combined Statement of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Governmental Fund Types and Expendable Trust Funds (continued)  
 For the Year Ended December 31, 2001*

	Capital Projects Funds			
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$3,988,312	\$6,988,312	\$6,797,000	(\$191,312)
Property Taxes	438,904	438,904	441,303	2,399
Other Local Taxes	0	0	0	0
Charges for Services	0	0	13,217	13,217
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	5,340,876	5,340,876	199,405	(5,141,471)
Special Assessments	0	0	0	0
Investment Income	0	0	0	0
Miscellaneous	275,845	375,845	273,539	(102,306)
<b>Total Revenues</b>	<u>10,043,937</u>	<u>13,143,937</u>	<u>7,724,464</u>	<u>(5,419,473)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Capital Outlay	36,566,248	42,254,023	19,696,716	22,557,307
Debt Service:				
Principal Retirement	2,536,649	2,536,649	2,505,324	31,325
Interest and Fiscal Charges	124,000	126,225	126,225	0
<b>Total Expenditures</b>	<u>39,226,897</u>	<u>44,916,897</u>	<u>22,328,265</u>	<u>22,588,632</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(29,182,960)</u>	<u>(31,772,960)</u>	<u>(14,603,801)</u>	<u>17,169,159</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Notes	2,300,000	2,300,000	7,315,300	5,015,300
Proceeds of Bonds	2,297,000	5,480,555	0	(5,480,555)
Operating Transfers In	13,848,000	13,848,000	3,745,000	(10,103,000)
Operating Transfers Out	(3,023,000)	(3,023,000)	(2,920,000)	103,000
<b>Total Other Financing Sources (Uses)</b>	<u>15,422,000</u>	<u>18,605,555</u>	<u>8,140,300</u>	<u>(10,465,255)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(13,760,960)</u>	<u>(13,167,405)</u>	<u>(6,463,501)</u>	<u>6,703,904</u>
<b>Fund Balances Beginning of Year</b>	21,634,410	21,634,410	21,634,410	0
Prior Year Encumbrances Appropriated	4,036,897	4,036,897	4,036,897	0
<b>Fund Balances End of Year</b>	<u>\$11,910,347</u>	<u>\$12,503,902</u>	<u>\$19,207,806</u>	<u>\$6,703,904</u>

See accompanying notes to the general purpose financial statements

Expendable Trust Funds				Totals (Memorandum Only)			
Budgeted Amounts		Actual	Variance Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
Original	Final			Original	Final		
\$0	\$0	\$0	\$0	\$26,532,555	\$29,531,312	\$27,556,039	(\$1,975,273)
0	0	0	0	2,709,472	3,815,441	3,842,118	26,677
0	0	0	0	533,892	533,892	564,931	31,039
0	0	0	0	1,203,669	1,228,656	1,428,362	199,706
0	0	0	0	686,929	686,900	1,150,032	463,132
0	0	0	0	222,000	221,000	305,446	84,446
0	0	0	0	7,808,534	7,807,585	2,877,248	(4,930,337)
0	0	0	0	900,000	900,000	707,859	(192,141)
0	0	0	0	2,345,100	2,345,000	3,676,000	1,331,000
221,500	221,500	214,534	(6,966)	737,352	837,345	946,183	108,838
221,500	221,500	214,534	(6,966)	43,679,503	47,907,131	43,054,218	(4,852,913)
8,560	9,688	6,334	3,354	6,248,057	10,821,309	10,398,415	422,894
0	0	0	0	103,717	106,455	104,022	2,433
17,032	20,000	14,290	5,710	2,946,003	3,223,000	2,831,995	391,005
176,107	206,800	191,227	15,573	1,278,922	2,283,916	1,833,816	450,100
0	0	0	0	1,061,793	1,417,557	1,262,161	155,396
0	0	0	0	2,439,148	4,160,142	3,896,858	263,284
7,239	8,500	0	8,500	3,245,816	5,672,872	5,130,484	542,388
0	0	0	0	36,566,248	42,254,023	19,696,716	22,557,307
0	0	0	0	8,183,649	8,183,649	8,079,702	103,947
0	0	0	0	1,587,000	1,589,225	1,407,508	181,717
208,938	244,988	211,851	33,137	63,660,353	79,712,148	54,641,677	25,070,471
12,562	(23,488)	2,683	26,171	(19,980,850)	(31,805,017)	(11,587,459)	20,217,558
0	0	0	0	6,300,000	4,300,000	9,315,300	5,015,300
0	0	0	0	2,297,000	5,480,555	0	(5,480,555)
0	0	0	0	20,028,000	18,063,000	7,888,694	(10,174,306)
0	0	0	0	(17,713,993)	(17,713,993)	(8,203,627)	9,510,366
0	0	0	0	10,911,007	10,129,562	9,000,367	(1,129,195)
12,562	(23,488)	2,683	26,171	(9,069,843)	(21,675,455)	(2,587,092)	19,088,363
77,093	77,093	77,093	0	52,611,299	52,611,299	52,611,299	0
2,088	2,088	2,088	0	4,762,846	4,762,846	4,762,846	0
\$91,743	\$55,693	\$81,864	\$26,171	\$48,304,302	\$35,698,690	\$54,787,053	\$19,088,363

**City of Solon, Ohio**  
*Combined Statement of Revenues, Expenses  
and Changes in Fund Equity  
Proprietary Fund Type  
For the Year Ended December 31, 2001*

	Enterprise
<b>Operating Revenues</b>	
Charges for Services	\$6,357,457
Tap-in Fees	448,305
Other	10,740
	6,816,502
<b>Operating Expenses</b>	
Personal Services	1,615,918
Materials and Supplies	771,117
Contractual Services	617,712
Depreciation	1,443,234
Other	323,953
	4,771,934
<i>Total Operating Expenses</i>	<i>4,771,934</i>
<i>Operating Income</i>	<i>2,044,568</i>
<b>Non-Operating Revenue (Expenses)</b>	
Interest Income	700
Capital Grants	1,150,000
Interest and Fiscal Charges	(607,914)
	542,786
<i>Total Non-Operating Revenues (Expenses)</i>	<i>542,786</i>
<i>Income Before Operating Transfers</i>	<i>2,587,354</i>
Operating Transfers In	314,933
	2,902,287
<i>Net Income</i>	<i>2,902,287</i>
<i>Retained Earnings (Deficit) Beginning of Year - Restated Note 3</i>	<i>(57,175,993)</i>
<i>Retained Earnings (Deficit) End of Year</i>	<i>(54,273,706)</i>
<i>Contributed Capital Beginning and End of Year</i>	<i>94,738,857</i>
<i>Total Fund Equity End of Year</i>	<i>\$40,465,151</i>

See accompanying notes to the general purpose financial statements

**City of Solon, Ohio**  
*Combined Statement of Cash Flows*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2001*

	Enterprise
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$6,321,207
Cash Received from Tap-in Fees	448,305
Cash Received from Other Sources	10,740
Cash Payments for Goods and Services	(1,489,344)
Cash Payments to Employees for Services and Benefits	(2,071,356)
Cash Payments for Other Operating Expenses	(329,680)
	2,889,872
<b><i>Net Cash Provided by Operating Activities</i></b>	
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfer In	314,933
	314,933
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition of Capital Assets	(667,697)
Principal Paid OWDA Loans	(1,018,122)
Interest Paid on OWDA Loans	(576,884)
Principal Paid on Manuscript Bonds	(90,734)
Interest Paid on Manuscript Bonds	(31,030)
	(2,384,467)
<b><i>Net Cash Used In Capital and Related Financing Activities</i></b>	
<b>Cash Flows from Investing Activities</b>	
Interest	700
	700
<b><i>Net Increase in Cash and Cash Equivalents</i></b>	
	821,038
<b><i>Cash and Cash Equivalents Beginning of Year</i></b>	
	5,907,178
	5,907,178
<b><i>Cash and Cash Equivalents End of Year</i></b>	
	\$6,728,216
	\$6,728,216

(continued)

**City of Solon, Ohio**  
*Combined Statement of Cash Flows*  
*Proprietary Fund Type (continued)*  
*For the Year Ended December 31, 2001*

	Enterprise
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
<i>Operating Income</i>	<b>\$2,044,568</b>
Adjustments:	
Operating Activities:	
Depreciation	1,443,234
(Increase)/Decrease in Assets:	
Accounts Receivable	56,053
Intergovernmental Receivable	(92,303)
Materials and Supplies Inventory	22,670
Increase/(Decrease) in Liabilities:	
Accounts Payable	(129,214)
Accrued Wages and Benefits	10,036
Compensated Absences Payable	(426,358)
Intergovernmental Payable	(38,814)
<i>Total Adjustments</i>	<b>845,304</b>
<i>Net Cash Provided by Operating Activities</i>	<b>\$2,889,872</b>

See accompanying notes to the general purpose financial statements



**City of Solon, Ohio**  
*Combined Statement of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2001*

	Enterprise Fund			
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$6,285,466	\$6,285,466	\$6,321,207	\$35,741
Tap-In Fees	400,000	400,000	448,305	48,305
Interest	5,000	5,000	700	(4,300)
Other	12,000	12,000	10,740	(1,260)
<i>Total Revenues</i>	<u>6,702,466</u>	<u>6,702,466</u>	<u>6,780,952</u>	<u>78,486</u>
<b>Expenses</b>				
Personal Services	2,015,659	2,080,315	2,072,616	7,699
Materials and Supplies	765,725	789,704	710,089	79,615
Contractual Services	1,494,510	1,532,904	1,366,397	166,507
Other	331,178	350,154	329,910	20,244
Capital Outlay	1,373,587	1,393,581	928,702	464,879
Debt Service:				
Principal Retirement	1,108,858	1,108,858	1,108,856	2
Interest and Fiscal Charges	607,918	607,918	607,914	4
<i>Total Expenses</i>	<u>7,697,435</u>	<u>7,863,434</u>	<u>7,124,484</u>	<u>738,950</u>
<i>Excess of Revenues Under Expenses</i>	(994,969)	(1,160,968)	(343,532)	817,436
Operating Transfers In	<u>205,000</u>	<u>205,000</u>	<u>314,933</u>	<u>109,933</u>
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(789,969)	(955,968)	(28,599)	927,369
<i>Fund Equity Beginning of Year</i>	6,375,620	6,375,620	6,375,620	0
Prior Year Encumbrances Appropriated	<u>329,061</u>	<u>329,061</u>	<u>329,061</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$5,914,712</u>	<u>\$5,748,713</u>	<u>\$6,676,082</u>	<u>\$927,369</u>

See accompanying notes to the general purpose financial statements

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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

The City of Solon 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 November 2, 1954.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of Solon consist of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Solon this includes: police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, a public golf course, sanitation system and general administrative services.

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 for which the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City participates in a shared risk pool and a jointly governed organization. These organizations are the Northern Ohio Risk Management Association (NORMA) and the Northeast Ohio Public Energy Council (NOPEC). These organizations are presented in Notes 16 and 17 to the general purpose financial statements.

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

**A. Basis Of Presentation - Fund Accounting**

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

**Governmental Fund Types** Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except 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 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 expendable trusts and major capital projects) that are legally restricted to expenditure for specified purposes.

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

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

**Enterprise Funds** This fund is 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.

**Fiduciary Fund Types** Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. There are two types of fiduciary funds, trust and agency. The City has two expendable trust funds which are accounted for in essentially the same manner as governmental funds. The City's agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

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

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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**General Fixed Assets Account Group** This account group accounts for all general fixed assets of the City other than those accounted for in proprietary funds.

**General Long-Term Obligations Account Group** This account group accounts for all unmatured long-term indebtedness of the City that is not a specific liability of proprietary funds, including special assessment debt for which the City is obligated in some manner.

**B. 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 and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., 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 modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. The full accrual basis of accounting is followed for the proprietary fund.

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-one days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income 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. (See Note 7) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal 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 non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes, interest, grants, fees and rentals.

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

### **C. Budgetary Process**

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

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

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

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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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 function level within each fund. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among funds and functions may be modified during the year only by an ordinance of Council. The Director of Finance is authorized to allocate appropriations to objects within departments. During the year, several supplemental appropriation measures were passed. None of these supplemental appropriations had any significant affect on the original appropriations. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget for that fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statement of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications passed by Council.

**Encumbrances** As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and reported in the notes to the 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. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

**D. Cash and Cash Equivalents**

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

During 2001, investments were limited to repurchase agreements, certificates of deposit, Victory Federal Money Market, Federal Farm Credit Bank Bonds, Federal Home Loan Bank Notes, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Notes, manuscript bonds and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurers 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 the investment could be sold for on December 31, 2001.

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2001 amounted to \$3,820,232, which includes \$1,256,061 assigned from other City funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an original maturity of more than three months not purchased from the pool are reported as investments.

***E. Inventory***

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental 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 spendable resources even though it is a component of net current assets.

***F. 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 the proprietary funds are capitalized in the funds.

All purchased fixed assets are valued at cost when 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.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives 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 sewer lines, equipment and vehicles in the proprietary fund type is computed using the straight-line method over an estimated useful life. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fund fixed assets. The lives used are as follows:

Buildings	7 - 45 years
Machinery and equipment	6 - 40 years
Vehicles	5 - 7 years
Sewer lines	45 years

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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***G. Capitalization of Interest***

Interest is capitalized on proprietary fund fixed assets acquired with tax-exempt debt. The City's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2001, interest incurred on proprietary fund construction projects was immaterial.

***H. 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 the sick leave accumulated at December 31, 2001, by those employees who are expected to become eligible in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year end, taking into consideration any limits specified in the City's termination policy.

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.

***I. Contributed Capital***

Contributed capital represents assets whose construction was financed by special assessments, donations by developers and contributions made by the City prior to 2001. These assets are recorded at their fair market value on the date contributed and are not subject to repayment.

Prior to 1988, the City had not prepared its financial statements in accordance with generally accepted accounting principles. Therefore, the exact amount of contributed capital pertaining to years prior to 1988 cannot be determined. It has been the policy of the City to construct and acquire capital assets used in operations of the sewer fund with resources of the capital projects funds or through donations by developers. These assets are recorded as contributed capital in the accompanying combined financial statements.

***J. Reserves of Fund Equity and Designations***

Reservations of fund balances are established to identify the existence of assets that, because of their nonmonetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditures, including amounts legally segregated for a specific future use. Fund balances are reserved for encumbrances, inventories of supplies and materials and unclaimed monies. A portion of the fund balance in the general fund has been designated for future construction projects. Designations represent monies specified for the new community center.



**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
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***K. Interfund Transactions***

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

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

***L. 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 judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds 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 thirty-one days after year end are generally considered not to have been paid with current available financial resources. Bonds, long term loans and capital leases are recognized as a liability of the general long-term obligations account group until due.

The bond anticipation note that was rolled over prior to the issuance of the financial statements and has a new maturity beyond the year in which the report is issued, has been reported in the general long-term obligations account group.

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

***M. Estimates***

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

***N. Total Columns on General Purpose Financial Statements***

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

**City of Solon, Ohio**  
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**Note 3 – Change in Accounting Principles and Restatement of Prior Year Fund Equity**

**A. Change in Accounting Principles**

For 2001, the City has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues." GASB Statements No. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or modified accrual basis of accounting is required. For revenue recognition to occur on the modified basis, however, the criteria established for accrual basis revenue recognition must be met and the revenue must be available. The provisions of Statement No. 33 also require that capital contributions to proprietary funds be recognized as revenues beginning in 2001. The changes in accounting principles had no effect on fund balance/retained earnings at December 31, 2000.

**B. Restatement of Prior Year Fund Equity**

The City had the following adjustments to beginning fund balance/retained earnings.

*Governmental Funds:*

	General	Special Revenue	Debt Service	Capital Projects
Balances as Previously Recorded	\$19,408,748	\$11,337,115	\$4,019,041	\$24,476,848
Fund Reclassification	9,241,357	(7,519,848)	0	(390,310)
Cash	0	0	(147,868)	0
Taxes Receivable	112,881	(204,870)	(921,916)	(63,954)
Intergovernmental Receivable	0	0	0	(233,598)
Interfund Receivable	(2,138,052)	0	0	0
Interfund Payable	0	0	0	1,360,000
Accrued Interest Payable	0	0	0	193,611
Restated Balance December 31, 2000	<u>\$26,624,934</u>	<u>\$3,612,397</u>	<u>\$2,949,257</u>	<u>\$25,342,597</u>

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
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*Proprietary Funds:*

	Enterprise
Balances as Previously Recorded	(\$42,530,016)
Fund Reclassification	(1,249,541)
Cash	(797,503)
Fixed Assets	(13,480,817)
Accrued Interest Payable	296,687
Interfund Payable	778,052
OWDA Loan Payable	496,587
Manuscript Bonds Payable	(689,442)
Restated Balance December 31, 2000	(\$57,175,993)

*Fiduciary Funds:*

The expendable trust funds' fund balance decreased by \$76,923, from \$156,104 at December 31, 2000 to \$79,181. This decrease was due to a reclassification of funds.

*Account Group:*

The general long-term obligations account group assets and liabilities decreased \$81,879, from \$30,243,362 at December 31, 2000 to \$30,161,483. This decrease was due to an overstatement of OWDA loan payable.

**Note 4 - Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP 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 (Non-GAAP Basis) and Actual - All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type are presented on the budgetary basis to provide a relevant comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are:

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

**City of Solon, Ohio**  
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3. Outstanding year end encumbrances are treated as expenditures/expenses (budget) rather than as a reservation of fund balance for governmental fund types and expendable trust funds and as note disclosure in the proprietary fund type (GAAP).
4. Short-term note proceeds and principal retirement for governmental and expendable trust funds are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).
6. Unrecorded cash, which consists of unrecorded claims payments, is not reported by the City on the operating statements (budget), but is reported on the GAAP basis operating statements.

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

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

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$3,322,700	\$361,920	\$818,060	(\$7,323,129)	\$2,683
Net Adjustment for					
Revenue Accruals	290,651	(33,967)	0	(111,407)	0
Proceeds of Notes	0	0	0	7,000,000	0
Revenue reclassified for Debt	0	0	2,102,000	(2,102,000)	0
Fair Value Adjustment for Investments	(106,258)	0	0	0	0
Net Adjustment for					
Expenditure Accruals	(203,898)	27,334	0	69,635	2,225
Principal Retirement	0	0	(2,000,000)	2,000,000	0
Interest and Fiscal Charges	0	0	(102,000)	102,000	0
Unrecorded Cash	10,473	679	0	0	0
Encumbrances	(511,963)	(102,005)	0	(6,098,600)	(2,225)
Budget Basis	<u>\$2,801,705</u>	<u>\$253,961</u>	<u>\$818,060</u>	<u>(\$6,463,501)</u>	<u>\$2,683</u>

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
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Net Income/Excess of Revenues Under  
Expenses and Operating Transfers  
Proprietary Fund Type

	Enterprise
GAAP Basis	\$2,902,287
Net Adjustment for Revenue Accruals	(1,186,250)
Net Adjustment for Expense Accruals	(652,156)
Capital Acquisition	(667,697)
Depreciation	1,443,234
Principal Retirement	(1,018,122)
Unrecorded Cash	1,127
Encumbrances	(851,022)
Budget Basis	(\$28,599)

**Note 5 – Fund Deficits**

The Community Center capital projects fund had a fund deficit of \$616,775. The deficit was caused by the issuance of notes during the year. Once the notes are retired or bonds are issued, this deficit will be eliminated.

**Note 6 - Deposits and Investments**

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.

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 finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies can be deposited or invested in the following:

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
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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 exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. 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, if the securities are not represented by certificate, upon receipt of confirmation of transfer from the qualified trustee or, custodian.

**City of Solon, Ohio**  
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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 \$231,394 and the bank balance was \$792,486. Of the bank balance:

1. \$200,000 was covered by federal depository insurance.
2. \$592,486 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions trust department or agent in the City's name and all State statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**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. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio 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, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

Type	Category 3	Carrying Value	Fair Value
Manuscript Bonds		\$598,708	\$598,708
Victory Federal Money Market		8,463,744	8,463,744
Star Ohio		16,278,884	16,278,884
Repurchase Agreement	\$985,000	985,000	985,000
Federal National Mortgage Association Bonds	1,001,720	1,001,720	1,001,720
Federal Farm Credit Bank Bonds	3,016,890	3,016,890	3,016,890
Federal Home Loan Mortgage Corporation Bonds	9,841,690	9,841,690	9,841,690
Federal National Mortgage Association Notes	12,510,370	12,510,370	12,510,370
Federal Home Loan Bank Bonds	16,227,960	16,227,960	16,227,960
<b>Total</b>	<b>\$43,583,630</b>	<b>\$68,924,966</b>	<b>\$68,924,966</b>

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

**City of Solon, Ohio**  
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	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement 9	\$68,557,652	\$598,708
Investments		
Victory Federal Money Market	(8,463,744)	8,463,744
Star Ohio	(16,278,884)	16,278,884
Repurchase Agreement	(985,000)	985,000
Federal National Mortgage Association Bonds	(1,001,720)	1,001,720
Federal Farm Credit Bank Bonds	(3,016,890)	3,016,890
Federal Home Loan Mortgage Corporation Bonds	(9,841,690)	9,841,690
Federal National Mortgage Association Notes	(12,510,370)	12,510,370
Federal Home Loan Bank Bonds	<u>(16,227,960)</u>	<u>16,227,960</u>
GASB Statement 3	<u>\$231,394</u>	<u>\$68,924,966</u>

**Note 7 - Receivables**

Receivables at December 31, 2001, consisted of taxes, accounts (billings for user charged services), special assessments, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are considered fully collectible.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2001 for real and public utility property taxes represents collections of the 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) are for 2001 taxes.

2001 real property taxes are levied after October 1, 2001 on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2001, was \$4.20 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:



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*Notes to the General Purpose Financial Statements*  
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Real Property	\$865,497,080
Public Utility Property	24,380,670
Tangible Personal Property	<u>222,037,724</u>
Total Assessed Values	<u><u>\$1,111,915,474</u></u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Solon. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2001 and for which there is an enforceable legal claim. Although property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2001 operations. The receivable is offset by deferred revenue.

**B. Income Tax**

The City levies and collects an income tax of 2.0 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. In 2001, the proceeds were allocated seventy-five percent to the general fund and twenty-five percent to the infrastructure capital projects fund.

**C. Intergovernmental Receivable**

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amount
General	
Local Government	\$457,189
Estate Tax	133,304
Prisoner Housing	93,652
Homestead and Rollback	25,142

**City of Solon, Ohio**  
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Bedford Municipal Court	\$19,970
Liquor Permit Fees	<u>8,768</u>
Total General Fund	<u>738,025</u>
<b>Special Revenue Funds</b>	
State Construction Maintenance and Repair	321,755
State Highway	26,088
Police Pension	15,085
Fire Pension	15,085
Law Enforcement	<u>1,175</u>
Total Special Revenue Funds	<u>379,188</u>
<b>Debt Service Fund</b>	
Bond Retirement	<u>130,738</u>
<b>Capital Projects Funds</b>	
Infrastructure	661,250
Service and Safety Equipment	21,138
Old City Hall Renovation	<u>298,000</u>
Total Capital Projects Funds	<u>980,388</u>
<b>Enterprise Fund</b>	
Water Reclamation	<u>1,242,303</u>
Total Intergovernmental Receivables	<u><u>\$3,470,642</u></u>

**Note 8 - Fixed Assets**

A summary of the enterprise fund fixed assets at December 31, 2001, follows:

Land	\$734,300
Land Improvements	262,066
Buildings and Improvements	27,623,651
Furniture, Fixtures and Equipment	6,940,486
Vehicles	650,740
Infrastructure	33,761,721
Construction in Progress	<u>83,792</u>
Total	70,056,756
Less: Accumulated Depreciation	<u>(19,724,297)</u>
Net Fixed Assets	<u><u>\$50,332,459</u></u>

**City of Solon, Ohio**  
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A summary of changes in general fixed assets follows:

	Balance 01/01/01	Additions	Deletions	Balance 12/31/01
Land	\$5,663,423	\$941,867	\$0	\$6,605,290
Land Improvements	537,034	196,284	0	733,318
Buildings	28,734,992	293,873	0	29,028,865
Furniture, Fixtures and Equipment	2,494,078	620,361	0	3,114,439
Vehicles	5,913,906	1,348,510	324,781	6,937,635
Construction in Progress	0	2,881,687	0	2,881,687
<b>Total</b>	<b>\$43,343,433</b>	<b>\$6,282,582</b>	<b>\$324,781</b>	<b>\$49,301,234</b>

**Note 9 - Risk Management**

**A. Property and Liability**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. In October 1989, The City joined together with neighboring cities to form the Northern Ohio Risk Management Agency (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the general fund.

There has not been a significant reduction in coverage from the prior year and claims have not exceeded coverage provided by NORMA in any of the last three years.

**B. Workers' Compensation**

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

**C. Employee Health Benefits**

In February 2001, the City elected to provide employee health and prescription drug benefits through a partially self insured program. The City is using the general fund to account for and finance the cost of this program.

Claims within the network are subject to \$100 single and \$200 family deductible, then are covered 100 percent. Claims out of network are subject to \$200 single and \$400 family deductible followed by 90/10 percent co-insurance for the next \$1,000 single and \$2,000 family, then 100 percent. The City is liable for the first \$50,000 per person per year and a calculated aggregate maximum of \$581,801 as of December 31, 2001. Employees in the self insured plan pay \$2 generic or \$9 brand name for each prescription drug.

**City of Solon, Ohio**  
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Third party administrators, Medical Mutual of Ohio and Ameriscript, review all the health claims and all the prescription drug claims, respectively, which are then paid by the City. The premiums are paid by the fund that pays the salary for the employee and are based on historical cost information based upon the number of family and single plans.

The claims liability of \$71,138 reported in the general fund at December 31, 2001 was estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in 2001 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2001	\$0	\$1,090,651	\$1,019,513	\$71,138

**Note 10 - Defined Benefit Pension Plans**

***A. Public Employees Retirement System***

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

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer pension contribution rate for the City was 9.25 percent of covered payroll, increased from 6.54 percent in 2000. 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 \$825,582, \$677,669 and \$682,737 respectively. The full amount has been contributed for 2000 and 1999. 90.58 percent has been contributed for 2001 with the remainder being reported in the funds.

***B. Ohio Police and Fire Pension Fund***

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that

**City of Solon, Ohio**  
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*For Year Ended December 31, 2001*

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includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12 percent for police and 16.5 percent for firefighters. For 2000, the City contributions were 12.25 percent for police and 16.75 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$289,052 and \$457,865 for the year ended December 31, 2001, \$260,372 and \$412,435 for the year ended December 31, 2000 and \$278,728 and \$441,511 for the year ended December 31, 1999. The full amount has been contributed for 2000 and 1999. 72.43 and 73.20 percent, respectively, have been contributed for 2001 with the remainder being reported as a liability in the general long-term obligations account group.

## **Note 11 - 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 retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

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

The number of active contributing participants was 411,076. The City's actual contributions for 2001 which were used to fund postemployment benefits were \$383,784. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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**B. Ohio Police and Fire Pension Fund**

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employers' contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2001. For 2000, the percent used to fund healthcare was 7.25 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2001 that were used to fund postemployment benefits were \$180,658 for police and \$208,120 for fire. The OP&F's total health care expenses for the year ended December 31, 2000, (the latest information available) were \$106,160,054 which was net of member contributions of \$5,657,431. The number of OP&F participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters.

**Note 12 - Other Employee Benefits – Compensated Absences**

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Accumulated vacation leave must be taken within twelve months after credited or be forfeited unless approved by Council by motion.

Sick leave is earned at the rate of 4.6 hours per eighty hours worked by each employee to a maximum of 15 days or 120 hours per year. Each employee with the City hired prior to December 31, 1988, is paid for up to 120 days or a maximum of 960 hours in full and one day for every three days of accumulated sick leave in excess of 120 days. Each employee with the City hired after December 31, 1988, is paid for up to 45 days or a maximum of 360 hours in full and one day for every four days of accumulated sick leave in excess of 45 days. This benefit is paid to an employee upon retirement under a pension plan resulting from his public employment, or his estate upon death.

Various departments allow compensation time to be earned on the same basis as overtime in lieu of overtime. Compensation time is subject to the regulations of the Fair Labor Standards Act (FLSA).

As of December 31, 2001, the liability for unpaid compensated absences was \$3,032,841 for the entire City.

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
For Year Ended December 31, 2001

**Note 13 - Long-Term Obligations**

The changes in long-term obligations during the year were as follows:

	Balance 01/01/01	Additions	Reductions	Balance 12/31/01
<b>General Long-term Obligations</b>				
<b>General Obligation Bonds</b>				
1982 - 12.25%				
Grantwood Park Improvements	\$110,000	\$0	(\$55,000)	\$55,000
1982 - 12.25%				
Central Wastewater	300,000	0	(150,000)	150,000
1993 - 5.19%				
New City Hall Construction	5,510,000	0	(305,000)	5,205,000
1996 - 4.88%				
LTGO Refunding	4,090,000	0	(505,000)	3,585,000
1997 - 5.70%				
Library Building	3,315,000	0	(125,000)	3,190,000
<b>Total General Obligation Bonds</b>	<b>13,325,000</b>	<b>0</b>	<b>(1,140,000)</b>	<b>12,185,000</b>
<b>Special Assessment Bonds</b>				
1985 - 8.25%				
Sherbrook Drive	525,000	0	(105,000)	420,000
1992 - 6.31%				
County Issued Miles Sewer	791,604	0	0	791,604
1992 - 5.72%				
Various Purpose Improvements	3,110,000	0	(190,000)	2,920,000
<b>Total Special Assessment Bonds</b>	<b>4,426,604</b>	<b>0</b>	<b>(295,000)</b>	<b>4,131,604</b>
<b>OWDA Loans</b>				
1993 - 4.30%				
Northeast Pump	1,786,443	0	(110,342)	1,676,101
1997 - 4.16%				
Aurora/Liberty Sanitary Sewer	1,246,608	0	(29,036)	1,217,572
<b>Total OWDA Loans</b>	<b>3,033,051</b>	<b>0</b>	<b>(139,378)</b>	<b>2,893,673</b>
<b>OPWC Loans</b>				
1996 - 0%				
Solon Allotment	666,606	0	(23,807)	642,799
1999 - 0%				
Cochran Project	169,434	0	(6,517)	162,917
<b>Total OPWC Loans</b>	<b>836,040</b>	<b>0</b>	<b>(30,324)</b>	<b>805,716</b>
<b>Other Long-term Obligations</b>				
Notes Payable	6,475,000	2,300,000	(6,475,000)	2,300,000
Compensated Absences	1,699,867	888,313	(161,277)	2,426,903
Pension Obligation	365,921	308,003	(365,921)	308,003
<b>Total Other Long-term Obligations</b>	<b>8,540,788</b>	<b>3,496,316</b>	<b>(7,002,198)</b>	<b>5,034,906</b>
<b>Total General Long-term Obligations</b>	<b>\$30,161,483</b>	<b>\$3,496,316</b>	<b>(\$8,606,900)</b>	<b>\$25,050,899</b>

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
For Year Ended December 31, 2001

	Balance 01/01/01	Additions	Reductions	Balance 12/31/01
<b>Enterprise Funds Obligations</b>				
<b>OWDA Loans</b>				
1971 - 6.25%				
Treatment Plant Expansion	\$254,459	\$0	(\$19,038)	\$235,421
1993 - 4.30%				
Northeast Pump	2,457,043	0	(152,377)	2,304,666
1996 - 3.04%				
Treatment Plant Upgrade and Expansion	14,853,402	0	(829,005)	14,024,397
1997 - 3.54%				
Treatment Plant Upgrade and Expansion	328,774	0	(17,701)	311,073
<b>Total OWDA Loans</b>	<b>17,893,678</b>	<b>0</b>	<b>(1,018,121)</b>	<b>16,875,557</b>
<b>Other Enterprise Funds Obligations</b>				
Manuscript Bonds	689,442	0	(90,734)	598,708
Compensated Absences	945,800	0	(426,358)	519,442
<b>Total Other Enterprise Funds Obligations</b>	<b>1,635,242</b>	<b>0</b>	<b>(517,092)</b>	<b>1,118,150</b>
<b>Total Enterprise Funds</b>	<b>19,528,920</b>	<b>0</b>	<b>(1,535,213)</b>	<b>17,993,707</b>
<b>Grand Total</b>	<b>\$50,268,870</b>	<b>\$1,196,316</b>	<b>(\$10,720,580)</b>	<b>\$40,744,606</b>

General obligation bonds will be paid from the general bond retirement debt service fund from property taxes. Special assessment bonds were paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The OWDA loans will be paid from the general bond retirement debt service fund from property taxes. The OPWC loans will be paid from the infrastructure capital projects fund from income taxes.

Compensated absences will be paid from the fund from which the employees' salaries are paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the employees' salaries are paid.

The OWDA enterprise fund loans are being paid from the water reclamation enterprise fund from user fees. The manuscript bonds were issued for improvements to Grantwood and are being paid from the Grantwood recreation enterprise fund from user fees.

Bond anticipation notes that are refinanced prior to the issuance of the financial statements with a new maturity beyond the end of the year in which the refinancing occurs are reported as long-term obligations.

The City's overall legal debt margin was \$94,556,479 with an unvoted debt margin of \$38,960,705 at December 31, 2001. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2001 are as follows:



**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

	General Obligation Bonds	Special Assessment Bonds	OWDA Loans	OPWC Loans
2002	\$1,843,791	\$704,338	\$996,309	\$90,973
2003	1,628,563	600,620	1,890,744	60,648
2004	1,624,713	589,849	1,890,742	60,648
2005	1,627,015	577,913	1,890,742	60,648
2006	1,635,200	467,201	1,890,741	60,648
2007 - 2011	5,375,374	2,338,909	9,436,239	303,241
2012 - 2016	2,881,552	469,271	6,652,522	168,910
Total Principal and Interest	16,616,208	5,748,101	24,648,039	805,716
Less: Interest	(4,431,208)	(1,616,497)	(4,878,809)	0
Total Principal	<u>\$12,185,000</u>	<u>\$4,131,604</u>	<u>\$19,769,230</u>	<u>\$805,716</u>

**Note 14 - Note Debt**

The City's note activity, including amounts outstanding and interest rates is as follows:

	Balance 12/31/00	Additions	Reductions	Balance 12/31/01
2.5% Matures December 18, 2002 Community Center Fund	\$0	\$5,000,000	\$0	\$5,000,000
3.25% Matures May 24, 2002 General Improvement Fund	0	2,000,000	0	2,000,000
Total	<u>\$0</u>	<u>\$7,000,000</u>	<u>\$0</u>	<u>\$7,000,000</u>

The community center note was issued at a premium of \$15,300. The notes are backed by the full faith and credit of the City of Solon and mature within one year. The note liability is reflected in the fund which received the proceeds.

**Note 15 - Contingencies**

**A. Grants**

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2001.

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

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**B. Litigation**

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

**Note 16 – Shared Risk Pool**

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool comprised of the Cities of Bedford Heights, Chagrin Falls, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon and South Euclid. NORMA was formed to enable its members to obtain property and liability insurance, including vehicles, and provide for a formalized, jointly administered self-insurance fund. The members formed a not-for-profit corporation known as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of the Mayor from each of the participating members.

Each entity must remain a member for at least three years from the commencement date of October 1, 1987, with the exception of the Cities of Eastlake and Solon whose commencement date is October 1, 1989, and the City of Maple Heights, whose commencement date is October 1, 1993. After the initial three years, each City may extend its term in three-year increments.

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, generally a maximum of \$100,000 per occurrence, will come from the self-insurance pool with any excess paid from the stop-loss coverage carried by the pool. Any loss over these amounts would be the obligation of the individual member. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

In 2001, the City of Solon paid \$188,626 in premiums from the general fund, which represents 17.04 percent of total premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

**Note 17 – Jointly Governed Organization**

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 92 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the governing board from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

Solon did not contribute to NOPEC during 2001. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

**Note 18 – Segment Information**

The City's enterprise funds account for wastewater services and the operation of grantwood recreation. Key financial information as of and for the year ended December 31, 2001, for each enterprise fund is as follows:

	Water Reclamation	Grantwood Recreation	Total
Operating Revenues	\$5,417,647	\$1,398,855	\$6,816,502
Depreciation Expense	1,406,894	36,340	1,443,234
Operating Income	1,709,584	334,984	2,044,568
Interest	0	700	700
Capital Grants	1,150,000	0	1,150,000
Transfers In	294,529	20,404	314,933
Net Income	2,577,229	325,058	2,902,287
Fixed Asset Additions	602,807	64,890	667,697
Net Working Capital	7,826,050	300,349	8,126,399
Total Assets	57,060,121	1,534,807	58,594,928
Long-term Liabilities	17,243,252	750,455	17,993,707
Total Equity	39,694,418	770,733	40,465,151
Encumbrances	842,077	8,945	851,022

**Note 19 – Contractual Commitments**

At December 31, 2001, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid to Date	Amount Remaining on Contract
Install Rubber Crossings/Carter Street	\$112,000	\$103,777	\$8,223
Annual Concrete Street Repair	584,955	538,587	46,368
Annual Asphalt Street Repair	389,220	299,322	89,898
Annual Reju/Joint/Crack/Seal	147,000	129,090	17,910
West Beaver Meadow Culvert	963,780	631,425	332,355

**City of Solon, Ohio**  
*Notes to the General Purpose Financial Statements*  
*For Year Ended December 31, 2001*

Project	Contract Amount	Amount Paid to Date	Amount Remaining on Contract
Boulder Creek/Hunt Club	\$132,759	\$80,084	\$52,675
Sanitary/Storm Master Project	782,200	625,333	156,867
SOM/Solon Intersection Improvements	228,367	209,229	19,138
Preemption Signals	148,832	118,682	30,150
Cannon/Harper Intersection	973,769	873,935	99,834
Bainbridge Sidewalks	108,231	93,486	14,745
Cannon Road Sidewalk	199,618	165,256	34,362
State Route 43 Widening	231,090	162,029	69,061
State Route 422/SOM	272,773	245,580	27,193
422/Harper/Bainbridge	1,559,423	917,802	641,621
Baldwin/Glenallen	1,728,157	906,423	821,734
Aurora Liberty/Aurora Road	1,164,833	122,634	1,042,199
Aurora Road East Storm Sewer	155,000	0	155,000
Valley Forge Storm Sewers	270,564	161,873	108,691
Fire Station Construction	252,159	25,646	226,513
Community Center	3,317,425	1,886,307	1,431,118
Old City Hall Renovation	1,586,950	1,346,745	240,205
Police Department Equipment	141,880	63,175	78,705
Totals	<u>\$15,450,985</u>	<u>\$9,706,420</u>	<u>\$5,744,565</u>

**Note 20 – Municipal Solid Waste Landfill**

GASB No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" establishes standards of accounting and financial reporting for municipal solid waste landfill (MSWLF) closure and postclosure care costs that are required to be incurred by federal, state or local laws or regulations. The City of Solon is exempt from this standard since the operator of the landfill is solely responsible for all costs, expenses and fees which may arise in connection with the operation, closure and postclosure care and monitoring as required by the Ohio Environmental Protection Agency regulations and permits of the Solon Landfill as it currently exists.

**Note 21 – Subsequent Event**

On May 1, 2002, the City of Solon issued \$12,235,000 in general obligation bonds at interest rates varying from 3.00 percent to 4.60 percent for various purposes and maturing in 2015.

***Combining, Individual Fund and Account  
Group Statements and Schedules***

***General Fund***

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The General Fund accounts for resources traditionally associated with the general governmental operations of the City except those required to be accounted for in another fund.

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**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$22,544,243	\$22,543,000	\$20,759,039	(\$1,783,961)
Property Taxes	185,090	185,060	195,819	10,759
Other Local Taxes	533,892	533,892	564,931	31,039
Charges for Services	306,813	306,800	536,400	229,600
Fees, Licenses and Permits	453,929	453,900	706,203	252,303
Fines and Forfeitures	221,000	221,000	305,446	84,446
Intergovernmental	1,443,227	1,442,278	1,657,527	215,249
Investment Income	2,345,100	2,345,000	3,676,000	1,331,000
Miscellaneous	184,207	184,200	410,439	226,239
<b>Total Revenues</b>	<b>28,217,501</b>	<b>28,215,130</b>	<b>28,811,804</b>	<b>596,674</b>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police Department				
Personal Services	2,316,733	4,482,711	4,445,403	37,308
Materials and Supplies	239,683	372,695	298,034	74,661
Contractual Services	205,104	390,249	353,294	36,955
Capital Outlay	24,801	48,000	38,084	9,916
<b>Total Police Department</b>	<b>2,786,321</b>	<b>5,293,655</b>	<b>5,134,815</b>	<b>158,840</b>
Fire Department				
Personal Services	1,824,992	3,506,157	3,492,370	13,787
Materials and Supplies	119,346	203,284	171,157	32,127
Contractual Services	102,670	202,497	181,069	21,428
Capital Outlay	20,668	40,000	24,835	15,165
<b>Total Fire Department</b>	<b>2,067,676</b>	<b>3,951,938</b>	<b>3,869,431</b>	<b>82,507</b>
Judicial Department				
Personal Services	53,414	103,376	99,400	3,976
Materials and Supplies	115,274	215,852	200,075	15,777
<b>Total Judicial Department</b>	<b>168,688</b>	<b>319,228</b>	<b>299,475</b>	<b>19,753</b>
Teen Court				
Contractual Services	20,668	40,000	33,400	6,600
<b>Total Security of Persons and Property</b>	<b>\$5,043,353</b>	<b>\$9,604,821</b>	<b>\$9,337,121</b>	<b>\$267,700</b>

(continued)

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Public Health and Welfare				
Cemetery				
Personal Services	\$41,000	\$41,000	\$38,567	\$2,433
Materials and Supplies	8,000	10,738	10,738	0
Total Cemetery	49,000	51,738	49,305	2,433
County Health District				
Contractual Services	54,717	54,717	54,717	0
Total Public Health and Welfare	103,717	106,455	104,022	2,433
Community Environment				
Planning and Zoning				
Personal Services	162,144	313,811	268,471	45,340
Materials and Supplies	8,562	15,377	12,979	2,398
Contractual Services	19,028	36,645	27,969	8,676
Capital Outlay	2,842	5,500	176	5,324
Total Planning and Zoning	192,576	371,333	309,595	61,738
Development Board				
Personal Services	471	1,075	1,075	0
Materials and Supplies	2,287	4,264	2,267	1,997
Contractual Services	12,607	24,400	15,500	8,900
Total Development Board	15,365	29,739	18,842	10,897
Building Department				
Personal Services	251,863	487,267	432,490	54,777
Materials and Supplies	11,678	22,336	16,887	5,449
Contractual Services	18,486	32,990	30,551	2,439
Other	3,100	7,126	7,126	0
Total Building Department	285,127	549,719	487,054	62,665
Engineering Department				
Personal Services	369,880	715,156	542,239	172,917
Materials and Supplies	24,071	43,074	38,572	4,502
Contractual Services	166,257	272,439	198,776	73,663
Total Engineering Department	\$560,208	\$1,030,669	\$779,587	\$251,082

(continued)

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Beautification Commission				
Personal Services	\$19,406	\$37,559	\$7,739	\$29,820
Materials and Supplies	1,154	3,756	3,521	235
Contractual Services	28,746	53,763	35,673	18,090
Other	233	578	578	0
<u>Total Beautification Commission</u>	<u>49,539</u>	<u>95,656</u>	<u>47,511</u>	<u>48,145</u>
<u>Total Community Environment</u>	<u>1,102,815</u>	<u>2,077,116</u>	<u>1,642,589</u>	<u>434,527</u>
Basic Utility Services				
Storm Sewers				
Personal Services	502,985	804,568	804,568	0
Materials and Supplies	69,684	76,559	64,693	11,866
Contractual Services	60,714	63,879	7,984	55,895
Other	0	384	384	0
<u>Total Storm Sewers</u>	<u>633,383</u>	<u>945,390</u>	<u>877,629</u>	<u>67,761</u>
Trees, Leaf and Brush				
Personal Services	95,000	101,500	80,354	21,146
Materials and Supplies	1,000	1,000	0	1,000
Contractual Services	100,000	127,257	84,524	42,733
<u>Total Trees, Leaf and Brush</u>	<u>196,000</u>	<u>229,757</u>	<u>164,878</u>	<u>64,879</u>
Refuse Collection and Disposal				
Personal Services	0	0	0	0
Materials and Supplies	106,910	106,910	99,128	7,782
Contractual Services	35,500	35,500	31,133	4,367
<u>Total Refuse Collection and Disposal</u>	<u>142,410</u>	<u>142,410</u>	<u>130,261</u>	<u>12,149</u>
<u>Total Basic Utility Services</u>	<u>971,793</u>	<u>1,317,557</u>	<u>1,172,768</u>	<u>144,789</u>
Transportation				
Street Lighting				
Contractual Services	359,148	696,505	626,704	69,801
Street Department				
Personal Services	980,000	1,863,015	1,798,188	64,827
Materials and Supplies	500,000	853,548	777,305	76,243
Contractual Services	50,000	197,074	144,661	52,413
<u>Total Street Department</u>	<u>1,530,000</u>	<u>2,913,637</u>	<u>2,720,154</u>	<u>193,483</u>
<u>Total Transportation</u>	<u>\$1,889,148</u>	<u>\$3,610,142</u>	<u>\$3,346,858</u>	<u>\$263,284</u>

(continued)



**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**General Fund (continued)**  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>General Government</b>				
<b>Council</b>				
Personal Services	\$114,002	\$220,369	\$206,959	\$13,410
Materials and Supplies	6,791	13,499	12,484	1,015
Contractual Services	39,166	72,658	67,723	4,935
Capital Outlay	2,067	4,000	2,815	1,185
<b>Total Council</b>	<b>162,026</b>	<b>310,526</b>	<b>289,981</b>	<b>20,545</b>
<b>Mayor</b>				
Personal Services	92,715	178,552	169,278	9,274
Materials and Supplies	3,152	6,100	5,160	940
Contractual Services	11,109	21,500	16,754	4,746
Capital Outlay	1,033	2,000	1,687	313
<b>Total Mayor</b>	<b>108,009</b>	<b>208,152</b>	<b>192,879</b>	<b>15,273</b>
<b>Finance</b>				
Personal Services	291,914	564,966	534,659	30,307
Materials and Supplies	16,060	28,687	23,029	5,658
Contractual Services	44,748	82,446	77,372	5,074
Capital Outlay	3,936	5,096	2,121	2,975
<b>Total Finance</b>	<b>356,658</b>	<b>681,195</b>	<b>637,181</b>	<b>44,014</b>
<b>Legal Department</b>				
Personal Services	140,919	272,733	79,846	192,887
Contractual Services	99,269	191,097	169,248	21,849
<b>Total Legal Department</b>	<b>240,188</b>	<b>463,830</b>	<b>249,094</b>	<b>214,736</b>
<b>Human Resources</b>				
Personal Services	75,344	145,819	137,350	8,469
Materials and Supplies	2,340	4,529	3,320	1,209
Contractual Services	71,253	127,080	93,363	33,717
Capital Outlay	4,624	8,950	3,883	5,067
<b>Total Human Resources</b>	<b>153,561</b>	<b>286,378</b>	<b>237,916</b>	<b>48,462</b>
<b>Civil Service</b>				
Personal Services	2,077	3,500	3,356	144
Materials and Supplies	9	538	174	364
Contractual Services	16,714	29,038	25,482	3,556
<b>Total Civil Service</b>	<b>\$18,800</b>	<b>\$33,076</b>	<b>\$29,012</b>	<b>\$4,064</b>

(continued)

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**General Fund (continued)**  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
City Hall				
Personal Services	\$64,869	\$125,479	\$124,745	\$734
Materials and Supplies	1,639	3,065	2,791	274
Contractual Services	4,990	9,583	6,537	3,046
Total City Hall	<u>71,498</u>	<u>138,127</u>	<u>134,073</u>	<u>4,054</u>
Income Tax Department				
Personal Services	114,019	213,529	213,529	0
Materials and Supplies	24,122	47,799	37,063	10,736
Contractual Services	8,641	16,519	11,021	5,498
Capital Outlay	517	1,000	990	10
Other	1,094,522	1,650,320	1,650,320	0
Total Income Tax Department	<u>1,241,821</u>	<u>1,929,167</u>	<u>1,912,923</u>	<u>16,244</u>
Unclaimed Monies				
Other	3,832	4,500	0	4,500
City Administration				
Personal Services	230,220	425,105	420,926	4,179
Materials and Supplies	72,388	149,450	137,576	11,874
Contractual Services	285,215	580,117	565,753	14,364
Capital Outlay	2,931	11,418	11,070	348
Other	152,930	304,831	304,730	101
Total City Administration	<u>743,684</u>	<u>1,470,921</u>	<u>1,440,055</u>	<u>30,866</u>
Total General Government	<u>3,100,077</u>	<u>5,525,872</u>	<u>5,123,114</u>	<u>402,758</u>
<i>Total Expenditures</i>	<u>12,210,903</u>	<u>22,241,963</u>	<u>20,726,472</u>	<u>1,515,491</u>
<i>Excess of Revenues Over Expenditures</i>	16,006,598	5,973,167	8,085,332	2,112,165
<b>Other Financing Uses</b>				
Operating Transfers Out	<u>(14,690,993)</u>	<u>(14,690,993)</u>	<u>(5,283,627)</u>	<u>9,407,366</u>
<i>Excess of Revenues Over ( Under) Expenditures and Other Financing Uses</i>	1,315,605	(8,717,826)	2,801,705	11,519,531
<i>Fund Balance Beginning of Year</i>	24,315,185	24,315,185	24,315,185	0
Prior Year Encumbrances Appropriated	<u>601,062</u>	<u>601,062</u>	<u>601,062</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$26,231,852</u>	<u>\$16,198,421</u>	<u>\$27,717,952</u>	<u>\$11,519,531</u>

## ***Special Revenue Funds***

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

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**Street Construction Maintenance and Repair Fund** - to account for the portion of the State gasoline tax and motor vehicle license fees that is designated for maintenance of streets within the City.

**State Highway Fund** - to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

**Police Pension Fund** – to account for property taxes levied for the payment of the current and accrued liability for police disability and pension benefits.

**Fire Pension Fund** - to account for property taxes levied for the payment of the current and accrued liability for fire disability and pension benefits.

**Cable TV Fund** - to account for the revenues received from cable franchise fees and the expenditures of the Cable Tv Commission including a distribution of fifty percent to the Solon City Schools.

**Traffic Violations Fund** – to account for the receipt of traffic code violation fines and the distribution of those fines to the City of Solon and the State of Ohio.

**Tree Planting Fund** – to account for the receipts of deposits by developers for the purpose of purchasing and planting trees in the City.

**Street Lighting Fund** - to account for special assessments collected to pay the costs of electricity for street lighting. This fund is currently inactive.

**Recreation Fund** – to account for the receipt of recreation activity fees and transfers from other funds to pay for the cost of operating the City park and recreation programs.

**Senior Services Fund** - to account for the receipt of senior services activity fees and transfers from other funds to pay the cost of operating the senior services center and related programs.

**Police Department Programs Fund** - to account for the receipt of grant money used to support the Police Department's D.A.R.E. Programs.

**Landfill Improvement Fund** – to account for a reserve set aside for the possible future re-opening of the city-owned landfill.

**Law Enforcement Trust Fund** – to account for the receipt or confiscation of money from law enforcement activities and the expenditures to support the same law enforcement activities.

**Community Improvement Fund** – to account for the revenues used for the improvement of the community.

**City of Solon, Ohio**  
*Combining Balance Sheet*  
*All Special Revenue Funds*  
*December 31, 2001*

	Street Construction Maintenance and Repair	State Highway	Police Pension
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$998,370	\$9,403	\$165,819
Receivables:			
Taxes	0	0	319,554
Accounts	0	0	0
Intergovernmental	321,755	26,088	15,085
<i>Total Assets</i>	<u>\$1,320,125</u>	<u>\$35,491</u>	<u>\$500,458</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0
Compensated Absences Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	277,037	22,462	334,639
<i>Total Liabilities</i>	<u>277,037</u>	<u>22,462</u>	<u>334,639</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	0	0	0
Unreserved, Undesignated	1,043,088	13,029	165,819
<i>Total Fund Equity</i>	<u>1,043,088</u>	<u>13,029</u>	<u>165,819</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$1,320,125</u>	<u>\$35,491</u>	<u>\$500,458</u>

<u>Fire Pension</u>	<u>Cable TV</u>	<u>Tree Planting</u>	<u>Street Lighting</u>	<u>Recreation</u>
\$111,176	\$415,585	\$183,236	\$377	\$372,292
318,605	0	0	0	0
0	48,935	0	0	0
15,085	0	0	0	0
<u>\$444,866</u>	<u>\$464,520</u>	<u>\$183,236</u>	<u>\$377</u>	<u>\$372,292</u>
\$0	\$32,523	\$0	\$0	\$22,605
0	0	0	0	7,747
0	0	0	0	3,638
0	183	0	0	6,694
333,690	0	0	0	0
<u>333,690</u>	<u>32,706</u>	<u>0</u>	<u>0</u>	<u>40,684</u>
0	2	0	0	73,223
111,176	431,812	183,236	377	258,385
<u>111,176</u>	<u>431,814</u>	<u>183,236</u>	<u>377</u>	<u>331,608</u>
<u>\$444,866</u>	<u>\$464,520</u>	<u>\$183,236</u>	<u>\$377</u>	<u>\$372,292</u>

(continued)

**City of Solon, Ohio**  
*Combining Balance Sheet*  
*All Special Revenue Funds (continued)*  
*December 31, 2001*

	Senior Services	Police Department Programs	Landfill Improvement
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$84,996	\$151,787	\$1,399,598
Receivables:			
Taxes	0	0	0
Accounts	0	0	350
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$84,996</u>	<u>\$151,787</u>	<u>\$1,399,948</u>
<b>Liabilities</b>			
Accounts Payable	\$9,486	\$0	\$0
Accrued Wages and Benefits	3,836	0	0
Compensated Absences Payable	132	0	0
Intergovernmental Payable	3,215	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>16,669</u>	<u>0</u>	<u>0</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	9,249	0	0
Unreserved, Undesignated	59,078	151,787	1,399,948
<i>Total Fund Equity</i>	<u>68,327</u>	<u>151,787</u>	<u>1,399,948</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$84,996</u>	<u>\$151,787</u>	<u>\$1,399,948</u>

<u>Law Enforcement Trust</u>	<u>Community Improvement</u>	<u>Total</u>
\$68,933	\$4,000	\$3,965,572
0	0	638,159
0	0	49,285
<u>1,175</u>	<u>0</u>	<u>379,188</u>
<u>\$70,108</u>	<u>\$4,000</u>	<u>\$5,032,204</u>
\$0	\$0	\$64,614
0	0	11,583
0	0	3,770
0	0	10,092
<u>0</u>	<u>0</u>	<u>967,828</u>
<u>0</u>	<u>0</u>	<u>1,057,887</u>
0	0	82,474
<u>70,108</u>	<u>4,000</u>	<u>3,891,843</u>
<u>70,108</u>	<u>4,000</u>	<u>3,974,317</u>
<u>\$70,108</u>	<u>\$4,000</u>	<u>\$5,032,204</u>

**City of Solon, Ohio**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Year Ended December 31, 2001*

	Street Construction Maintenance and Repair	State Highway	Police Pension
<b>Revenues</b>			
Property Taxes	\$0	\$0	\$300,469
Charges for Services	0	0	0
Fees, Licenses and Permits	0	0	0
Intergovernmental	617,938	50,104	30,170
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>617,938</u>	<u>50,104</u>	<u>330,639</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property	0	0	439,448
Leisure Time Activities	0	0	0
Basic Utility Services	0	0	0
Transportation	500,000	50,000	0
<i>Total Expenditures</i>	<u>500,000</u>	<u>50,000</u>	<u>439,448</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	117,938	104	(108,809)
<b>Other Financing Sources</b>			
Operating Transfers In	0	0	158,000
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	117,938	104	49,191
<i>Fund Balances Beginning of Year</i>	<u>925,150</u>	<u>12,925</u>	<u>116,628</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,043,088</u></u>	<u><u>\$13,029</u></u>	<u><u>\$165,819</u></u>



<u>Fire Pension</u>	<u>Cable TV</u>	<u>Tree Planting</u>	<u>Street Lighting</u>	<u>Recreation</u>
\$300,469	\$0	\$0	\$0	\$0
0	0	0	0	762,307
0	213,668	0	0	0
30,170	0	0	0	0
0	7,500	30,400	0	1,100
<u>330,639</u>	<u>221,168</u>	<u>30,400</u>	<u>0</u>	<u>763,407</u>
579,800	0	0	0	0
0	327,656	0	0	1,877,279
0	0	0	0	0
0	0	0	0	0
<u>579,800</u>	<u>327,656</u>	<u>0</u>	<u>0</u>	<u>1,877,279</u>
(249,161)	(106,488)	30,400	0	(1,113,872)
<u>215,000</u>	<u>28,643</u>	<u>0</u>	<u>0</u>	<u>1,220,000</u>
(34,161)	(77,845)	30,400	0	106,128
<u>145,337</u>	<u>509,659</u>	<u>152,836</u>	<u>377</u>	<u>225,480</u>
<u>\$111,176</u>	<u>\$431,814</u>	<u>\$183,236</u>	<u>\$377</u>	<u>\$331,608</u>

(continued)

**City of Solon, Ohio**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds (continued)  
For the Year Ended December 31, 2001*

	<u>Senior Services</u>	<u>Police Department Programs</u>	<u>Landfill Improvement</u>
<b>Revenues</b>			
Property Taxes	\$0	\$0	\$0
Charges for Services	116,438	0	0
Fees, Licenses and Permits	0	0	167,749
Intergovernmental	0	26	0
Miscellaneous	7,908	0	0
<i>Total Revenues</i>	<u>124,346</u>	<u>26</u>	<u>167,749</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property	0	13,021	0
Leisure Time Activities	538,778	0	0
Basic Utility Services	0	0	89,393
Transportation	0	0	0
<i>Total Expenditures</i>	<u>538,778</u>	<u>13,021</u>	<u>89,393</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(414,432)	(12,995)	78,356
<b>Other Financing Sources</b>			
Operating Transfers In	<u>450,000</u>	<u>0</u>	<u>72,051</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	35,568	(12,995)	150,407
<i>Fund Balances Beginning of Year</i>	<u>32,759</u>	<u>164,782</u>	<u>1,249,541</u>
<i>Fund Balances End of Year</i>	<u><u>\$68,327</u></u>	<u><u>\$151,787</u></u>	<u><u>\$1,399,948</u></u>

Law Enforcement Trust	Community Improvement	Total
\$0	\$0	\$600,938
0	0	878,745
0	4,000	385,417
15,113	0	743,521
763	0	47,671
<u>15,876</u>	<u>4,000</u>	<u>2,656,292</u>
22,691	0	1,054,960
0	0	2,743,713
0	0	89,393
0	0	550,000
<u>22,691</u>	<u>0</u>	<u>4,438,066</u>
(6,815)	4,000	(1,781,774)
<u>0</u>	<u>0</u>	<u>2,143,694</u>
(6,815)	4,000	361,920
<u>76,923</u>	<u>0</u>	<u>3,612,397</u>
<u>\$70,108</u>	<u>\$4,000</u>	<u>\$3,974,317</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Street Construction, Maintenance and Repair Fund  
 For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$623,094	\$623,094	\$618,317	(\$4,777)
<b>Expenditures</b>				
Current:				
Transportation				
Street Maintenance and Repair				
Contractual Services	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	123,094	123,094	118,317	(4,777)
<i>Fund Balance Beginning of Year</i>	<u>880,053</u>	<u>880,053</u>	<u>880,053</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,003,147</u></u>	<u><u>\$1,003,147</u></u>	<u><u>\$998,370</u></u>	<u><u>(\$4,777)</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$50,520	\$50,520	\$50,134	(\$386)
<b>Expenditures</b>				
Current:				
Transportation				
State Highway				
Contractual Services	50,000	50,000	50,000	0
<i>Excess of Revenues Over Expenditures</i>	520	520	134	(386)
<i>Fund Balance Beginning of Year</i>	9,269	9,269	9,269	0
<i>Fund Balance End of Year</i>	<u>\$9,789</u>	<u>\$9,789</u>	<u>\$9,403</u>	<u>(\$386)</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Pension Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$299,201	\$299,201	\$300,469	\$1,268
Intergovernmental	30,170	30,170	30,170	0
<i>Total Revenues</i>	329,371	329,371	330,639	1,268
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police Pension				
Personal Services	440,000	440,000	439,448	552
<i>Excess of Revenues Under Expenditures</i>	(110,629)	(110,629)	(108,809)	1,820
<b>Other Financing Sources</b>				
Operating Transfers In	200,000	200,000	158,000	(42,000)
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	89,371	89,371	49,191	(40,180)
<i>Fund Balance Beginning of Year</i>	116,628	116,628	116,628	0
<i>Fund Balance End of Year</i>	<u>\$205,999</u>	<u>\$205,999</u>	<u>\$165,819</u>	<u>(\$40,180)</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$299,201	\$299,201	\$300,469	\$1,268
Intergovernmental	30,170	30,170	30,170	0
<i>Total Revenues</i>	329,371	329,371	330,639	1,268
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police Pension				
Personal Services	580,000	580,000	579,800	200
<i>Excess of Revenues Under Expenditures</i>	(250,629)	(250,629)	(249,161)	1,468
<b>Other Financing Sources</b>				
Operating Transfers In	300,000	300,000	215,000	(85,000)
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	49,371	49,371	(34,161)	(83,532)
<i>Fund Balance Beginning of Year</i>	145,337	145,337	145,337	0
<i>Fund Balance End of Year</i>	<u>\$194,708</u>	<u>\$194,708</u>	<u>\$111,176</u>	<u>(\$83,532)</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**Cable TV Fund**  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fees, Licenses and Permits	\$160,000	\$160,000	\$164,733	\$4,733
Miscellaneous	0	0	7,500	7,500
<i>Total Revenues</i>	<u>160,000</u>	<u>160,000</u>	<u>172,233</u>	<u>12,233</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Cable TV				
Personal Services	3,051	8,639	4,988	3,651
Materials and Supplies	32,032	58,777	15,658	43,119
Contractual Services	156,994	317,819	190,111	127,708
Capital Outlay	22,716	47,387	13,714	33,673
Other	38,829	81,000	74,130	6,870
<i>Total Expenditures</i>	<u>253,622</u>	<u>513,622</u>	<u>298,601</u>	<u>215,021</u>
<i>Excess of Revenues Under Expenditures</i>	(93,622)	(353,622)	(126,368)	227,254
<b>Other Financing Sources</b>				
Operating Transfers In	0	0	28,643	28,643
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(93,622)	(353,622)	(97,725)	255,897
<i>Fund Balance Beginning of Year</i>	502,252	502,252	502,252	0
Prior Year Encumbrances Appropriated	7,407	7,407	7,407	0
<i>Fund Balance End of Year</i>	<u>\$416,037</u>	<u>\$156,037</u>	<u>\$411,934</u>	<u>\$255,897</u>



**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Traffic Violations Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$1,000	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	1,000	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tree Planting Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$25,000	\$25,000	\$30,400	\$5,400
<b>Expenditures</b>				
Current:				
General Government				
Tree Planting				
Contractual Services	130,000	130,000	0	130,000
<i>Excess of Revenues Over (Under) Expenditures</i>	(105,000)	(105,000)	30,400	135,400
<i>Fund Balance Beginning of Year</i>	152,836	152,836	152,836	0
<i>Fund Balance End of Year</i>	<u>\$47,836</u>	<u>\$47,836</u>	<u>\$183,236</u>	<u>\$135,400</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Street Lighting Fund  
 For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	377	377	377	0
<i>Fund Balance End of Year</i>	<u>\$377</u>	<u>\$377</u>	<u>\$377</u>	<u>\$0</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$765,000	\$765,000	\$762,307	(\$2,693)
Miscellaneous	0	0	1,100	1,100
<i>Total Revenues</i>	<u>765,000</u>	<u>765,000</u>	<u>763,407</u>	<u>(1,593)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Administration				
Personal Services	368,266	370,811	370,811	0
Materials and Supplies	87,342	89,408	66,193	23,215
Contractual Services	26,728	19,408	16,402	3,006
Capital Outlay	9,931	0	0	0
Other	13,522	9,000	9,000	0
Total Administration	<u>505,789</u>	<u>488,627</u>	<u>462,406</u>	<u>26,221</u>
Recreation Programs				
Personal Services	132,492	118,993	118,993	0
Materials and Supplies	85,710	90,126	81,934	8,192
Contractual Services	101,896	90,380	56,855	33,525
Other	17,876	18,000	15,980	2,020
Total Recreation Programs	<u>337,974</u>	<u>317,499</u>	<u>273,762</u>	<u>43,737</u>
Swimming Pools				
Personal Services	150,857	151,900	151,900	0
Materials and Supplies	17,876	18,000	17,492	508
Contractual Services	63,417	63,812	52,636	11,176
Other	1,986	2,000	1,312	688
Total Swimming Pools	<u>234,136</u>	<u>235,712</u>	<u>223,340</u>	<u>12,372</u>
Community Parks				
Personal Services	185,868	187,152	187,152	0
Materials and Supplies	118,229	131,027	126,292	4,735
Contractual Services	6,952	8,066	8,066	0
Total Community Parks	<u>\$311,049</u>	<u>\$326,245</u>	<u>\$321,510</u>	<u>\$4,735</u>

(continued)

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund (continued)*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Concession Stand				
Personal Services	\$11,546	\$11,626	\$11,626	\$0
Materials and Supplies	27,025	27,199	25,336	1,863
Total Concession Stand	<u>38,571</u>	<u>38,825</u>	<u>36,962</u>	<u>1,863</u>
Youth Recreation Programs				
Personal Services	211,553	212,177	212,177	0
Materials and Supplies	136,682	135,687	131,576	4,111
Contractual Services	248,103	295,000	270,877	24,123
Total Youth Recreation Programs	<u>596,338</u>	<u>642,864</u>	<u>614,630</u>	<u>28,234</u>
Adult Recreation Programs				
Materials and Supplies	5,463	5,500	4,293	1,207
Contractual Services	14,400	11,047	9,030	2,017
Total Adult Recreation Programs	<u>19,863</u>	<u>16,547</u>	<u>13,323</u>	<u>3,224</u>
Holiday Programs				
Materials and Supplies	17,315	8,220	6,509	1,711
Contractual Services	31,195	31,410	31,410	0
Total Holiday Programs	<u>48,510</u>	<u>39,630</u>	<u>37,919</u>	<u>1,711</u>
<i>Total Expenditures</i>	<u>2,092,230</u>	<u>2,105,949</u>	<u>1,983,852</u>	<u>122,097</u>
<i>Excess of Revenues Under Expenditures</i>	(1,327,230)	(1,340,949)	(1,220,445)	120,504
<b>Other Financing Sources</b>				
Operating Transfers In	<u>1,220,000</u>	<u>1,220,000</u>	<u>1,220,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(107,230)	(120,949)	(445)	120,504
<i>Fund Balance Beginning of Year</i>	179,455	179,455	179,455	0
Prior Year Encumbrances Appropriated	<u>107,046</u>	<u>107,046</u>	<u>107,046</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$179,271</u>	<u>\$165,552</u>	<u>\$286,056</u>	<u>\$120,504</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Senior Services Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$131,856	\$156,856	\$116,438	(\$40,418)
Miscellaneous	30,800	30,800	7,908	(22,892)
<i>Total Revenues</i>	<u>162,656</u>	<u>187,656</u>	<u>124,346</u>	<u>(63,310)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Administration				
Personal Services	262,569	262,711	262,711	0
Materials and Supplies	25,633	25,647	21,082	4,565
Contractual Services	113,332	113,392	108,709	4,683
<i>Total Administration</i>	<u>401,534</u>	<u>401,750</u>	<u>392,502</u>	<u>9,248</u>
Senior Programs				
Personal Services	1,500	1,500	114	1,386
Materials and Supplies	37,281	37,301	31,997	5,304
Contractual Services	45,957	45,980	35,052	10,928
Other	2,000	2,000	637	1,363
<i>Total Senior Programs</i>	<u>86,738</u>	<u>86,781</u>	<u>67,800</u>	<u>18,981</u>
Miscellaneous				
Materials and Supplies	33,881	33,898	22,926	10,972
Contractual Services	60,866	60,900	52,014	8,886
Capital Outlay	100	100	10	90
<i>Total Miscellaneous</i>	<u>94,847</u>	<u>94,898</u>	<u>74,950</u>	<u>19,948</u>
<i>Total Expenditures</i>	<u>583,119</u>	<u>583,429</u>	<u>535,252</u>	<u>48,177</u>
<i>Excess of Revenues Under Expenditures</i>	(420,463)	(395,773)	(410,906)	(15,133)
<b>Other Financing Sources</b>				
Operating Transfers In	420,000	455,000	450,000	(5,000)
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(463)	59,227	39,094	(20,133)
<i>Fund Balance Beginning of Year</i>	26,117	26,117	26,117	0
Prior Year Encumbrances Appropriated	8,346	8,346	8,346	0
<i>Fund Balance End of Year</i>	<u>\$34,000</u>	<u>\$93,690</u>	<u>\$73,557</u>	<u>(\$20,133)</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Department Programs Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	<u>\$16,000</u>	<u>\$16,000</u>	<u>\$14,270</u>	<u>(\$1,730)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
DARE program				
Materials and Supplies	15,000	15,000	13,021	1,979
Transfer of Prisoners				
Materials and Supplies	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
<i>Total Expenditures</i>	<u>115,000</u>	<u>115,000</u>	<u>13,021</u>	<u>101,979</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(99,000)	(99,000)	1,249	100,249
<i>Fund Balance Beginning of Year</i>	<u>150,538</u>	<u>150,538</u>	<u>150,538</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$51,538</u></u>	<u><u>\$51,538</u></u>	<u><u>\$151,787</u></u>	<u><u>\$100,249</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Landfill Improvement Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fees, Licenses and Permits	<u>\$8,000</u>	<u>\$8,000</u>	<u>\$167,399</u>	<u>\$159,399</u>
<b>Expenditures</b>				
Current:				
Basic Utility Services				
Landfill Improvement				
Materials and Supplies	89,000	99,000	88,941	10,059
Contractual Services	<u>1,000</u>	<u>1,000</u>	<u>452</u>	<u>548</u>
<i>Total Expenditures</i>	<u>90,000</u>	<u>100,000</u>	<u>89,393</u>	<u>10,607</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(82,000)	(92,000)	78,006	170,006
<b>Other Financing Sources</b>				
Operating Transfers In	<u>40,000</u>	<u>40,000</u>	<u>72,051</u>	<u>32,051</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(42,000)	(52,000)	150,057	202,057
<i>Fund Balance Beginning of Year</i>	<u>1,249,541</u>	<u>1,249,541</u>	<u>1,249,541</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,207,541</u></u>	<u><u>\$1,197,541</u></u>	<u><u>\$1,399,598</u></u>	<u><u>\$202,057</u></u>



**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Trust Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$13,000	\$13,000	\$15,778	\$2,778
Miscellaneous	0	0	763	763
<i>Total Revenues</i>	<u>13,000</u>	<u>13,000</u>	<u>16,541</u>	<u>3,541</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Drug Money				
Materials and Supplies	29,806	35,000	5,344	29,656
OMVI				
Personal Services	1,331	1,331	1,331	0
Materials and Supplies	17,404	20,669	5,598	15,071
<i>Total OMVI</i>	<u>18,735</u>	<u>22,000</u>	<u>6,929</u>	<u>15,071</u>
Immobilization				
Materials and Supplies	681	800	0	800
Miscellaneous				
Materials and Supplies	11,922	14,000	10,418	3,582
<i>Total Expenditures</i>	<u>61,144</u>	<u>71,800</u>	<u>22,691</u>	<u>49,109</u>
<i>Excess of Revenues Under Expenditures</i>	(48,144)	(58,800)	(6,150)	52,650
<i>Fund Balance Beginning of Year</i>	<u>75,083</u>	<u>75,083</u>	<u>75,083</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$26,939</u>	<u>\$16,283</u>	<u>\$68,933</u>	<u>\$52,650</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Community Improvement Corporation Fund  
 For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fees, Licenses and Permits	\$0	\$0	\$4,000	\$4,000
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	4,000	4,000
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$4,000</u></u>	<u><u>\$4,000</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$598,402	\$598,402	\$600,938	\$2,536
Charges for Services	896,856	921,856	878,745	(43,111)
Fees, Licenses and Permits	168,000	168,000	336,132	168,132
Fines and Forfeitures	1,000	0	0	0
Intergovernmental	762,954	762,954	758,839	(4,115)
Miscellaneous	55,800	55,800	47,671	(8,129)
<i>Total Revenues</i>	<u>2,483,012</u>	<u>2,507,012</u>	<u>2,622,325</u>	<u>115,313</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police Pension Fund	440,000	440,000	439,448	552
Fire Pension Fund	580,000	580,000	579,800	200
Police Department Programs Fund	115,000	115,000	13,021	101,979
Law Enforcement Trust Fund	61,144	71,800	22,691	49,109
Total Security of Persons and Property	<u>1,196,144</u>	<u>1,206,800</u>	<u>1,054,960</u>	<u>151,840</u>
Leisure Time Activities				
Cable Tv Fund	253,622	513,622	298,601	215,021
Recreation Fund	2,092,230	2,105,949	1,983,852	122,097
Senior Services Fund	583,119	583,429	535,252	48,177
Total Leisure Time Activities	<u>2,928,971</u>	<u>3,203,000</u>	<u>2,817,705</u>	<u>385,295</u>
Basic Utility Services				
Landfill Improvement Fund	90,000	100,000	89,393	10,607
Transportation				
Street Construction, Maintenance and Repair Fund	500,000	500,000	500,000	0
State Highway	50,000	50,000	50,000	0
Total Transportation	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>0</u>
General Government				
Tree Planting Fund	130,000	130,000	0	130,000
<i>Total Expenditures</i>	<u>\$4,895,115</u>	<u>\$5,189,800</u>	<u>\$4,512,058</u>	<u>\$677,742</u>

(continued)

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Special Revenue Funds (continued)  
 For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Under Expenditures</i>	(\$2,412,103)	(\$2,682,788)	(\$1,889,733)	\$793,055
<b>Other Financing Sources</b>				
Operating Transfers In	<u>2,180,000</u>	<u>2,215,000</u>	<u>2,143,694</u>	<u>(71,306)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(232,103)	(467,788)	253,961	721,749
<i>Fund Balances Beginning of Year</i>	3,487,486	3,487,486	3,487,486	0
Prior Year Encumbrances Appropriated	<u>122,799</u>	<u>122,799</u>	<u>122,799</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$3,378,182</u></u>	<u><u>\$3,142,497</u></u>	<u><u>\$3,864,246</u></u>	<u><u>\$721,749</u></u>

## ***Debt Service Fund***

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The Debt Service Fund is to account for property taxes, special assessments and other resources used for the payment of principal and interest on general long-term and short-term debt, including related costs.

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Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

## ***Capital Projects Funds***

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Capital Projects 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.)

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**Infrastructure Fund** - to account for the receipt of one-fourth of the City income tax revenues approved by the voters for the purpose of paying the costs to construct, reconstruct and maintain City-owned infrastructure.

**Service and Safety Equipment Fund** – to account for the receipt of voter approved one half mill levy for the purchase of police, fire and service department vehicles and equipment.

**Community Center Fund** – to account for transfers from other funds and the future sale of debt for paying the cost of the new Community Center.

**Street Improvement Fund** – to account for transfers from other funds and the sale of debt for the purpose of paying the cost of street improvement projects.

**Old City Hall Renovation Fund** – to account for receipt of grant money used to renovate the old Solon City Hall.

**Building Construction Fund** – to account for the transfers from other funds and the sale of debt for the purpose of paying the cost to build and construct various City buildings.

**Capital Improvements Fund** – to account for the transfers from other funds for the purpose of purchasing land, buildings, vehicles and equipment.

**City of Solon, Ohio**  
*Combining Balance Sheet*  
*All Capital Projects Funds*  
*December 31, 2001*

	<u>Infrastructure</u>	<u>Service and Safety Equipment</u>	<u>Community Center</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$13,346,354	\$603,719	\$4,579,998
Receivables:			
Taxes	939,334	463,190	0
Accounts	0	0	0
Intergovernmental	661,250	21,138	0
<b>Total Assets</b>	<u><u>\$14,946,938</u></u>	<u><u>\$1,088,047</u></u>	<u><u>\$4,579,998</u></u>
<b>Liabilities</b>			
Contracts Payable	\$447,012	\$1,423	\$191,912
Intergovernmental Payable	30,324	0	0
Deferred Revenue	912,482	484,328	0
Accrued Interest Payable	0	0	4,861
Notes Payable	0	0	5,000,000
<b>Total Liabilities</b>	<u><u>1,389,818</u></u>	<u><u>485,751</u></u>	<u><u>5,196,773</u></u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	3,323,946	29,778	1,239,206
Unreserved, Undesignated (Deficit)	10,233,174	572,518	(1,855,981)
<b>Total Fund Equity</b>	<u><u>13,557,120</u></u>	<u><u>602,296</u></u>	<u><u>(616,775)</u></u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$14,946,938</u></u>	<u><u>\$1,088,047</u></u>	<u><u>\$4,579,998</u></u>

<u>Street Improvement</u>	<u>Old City Hall Renovation</u>	<u>Building Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
\$384,383	\$232,544	\$703,824	\$5,455,584	\$25,306,406
0	0	0	0	1,402,524
0	0	0	203	203
0	298,000	0	0	980,388
<u>\$384,383</u>	<u>\$530,544</u>	<u>\$703,824</u>	<u>\$5,455,787</u>	<u>\$27,689,521</u>
\$22,948	\$354,342	\$5,261	\$39,703	\$1,062,601
0	0	0	0	30,324
0	135,374	0	0	1,532,184
0	0	0	40,083	44,944
0	0	0	2,000,000	7,000,000
<u>22,948</u>	<u>489,716</u>	<u>5,261</u>	<u>2,079,786</u>	<u>9,670,053</u>
261,645	337	225,814	112,249	5,192,975
99,790	40,491	472,749	3,263,752	12,826,493
<u>361,435</u>	<u>40,828</u>	<u>698,563</u>	<u>3,376,001</u>	<u>18,019,468</u>
<u>\$384,383</u>	<u>\$530,544</u>	<u>\$703,824</u>	<u>\$5,455,787</u>	<u>\$27,689,521</u>

**City of Solon, Ohio**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Capital Projects Funds  
For the Year Ended December 31, 2001*

	Infrastructure	Service and Safety Equipment	Community Center
<b>Revenues</b>			
Municipal Income Taxes	\$6,745,578	\$0	\$0
Property Taxes	0	441,303	0
Charges for Services	0	0	0
Intergovernmental	136,759	42,276	0
Miscellaneous	17,758	16,227	0
<i>Total Revenues</i>	<u>6,900,095</u>	<u>499,806</u>	<u>0</u>
<b>Expenditures</b>			
Capital Outlay	7,997,862	1,309,741	1,446,716
Debt Service:			
Principal Retirement	30,324	0	0
Interest and Fiscal Charges	0	0	4,861
<i>Total Expenditures</i>	<u>8,028,186</u>	<u>1,309,741</u>	<u>1,451,577</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,128,091)</u>	<u>(809,935)</u>	<u>(1,451,577)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	0	0	0
Note Premium	0	0	15,300
Operating Transfers In	0	400,000	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>400,000</u>	<u>15,300</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,128,091)</u>	<u>(409,935)</u>	<u>(1,436,277)</u>
<i>Fund Balances Beginning of Year</i>	<u>14,685,211</u>	<u>1,012,231</u>	<u>819,502</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$13,557,120</u></u>	<u><u>\$602,296</u></u>	<u><u>(\$616,775)</u></u>



<u>Street Improvement</u>	<u>Old City Hall Renovation</u>	<u>Building Construction</u>	<u>Capital Improvements</u>	<u>Total</u>
\$0	\$0	\$0	\$0	\$6,745,578
0	0	0	0	441,303
0	0	0	13,420	13,420
0	162,626	0	122,370	464,031
<u>204,546</u>	<u>35,008</u>	<u>0</u>	<u>0</u>	<u>273,539</u>
<u>204,546</u>	<u>197,634</u>	<u>0</u>	<u>135,790</u>	<u>7,937,871</u>
191,091	1,248,576	48,332	1,380,489	13,622,807
2,475,000	0	0	2,000,000	4,505,324
<u>126,225</u>	<u>0</u>	<u>0</u>	<u>142,083</u>	<u>273,169</u>
<u>2,792,316</u>	<u>1,248,576</u>	<u>48,332</u>	<u>3,522,572</u>	<u>18,401,300</u>
<u>(2,587,770)</u>	<u>(1,050,942)</u>	<u>(48,332)</u>	<u>(3,386,782)</u>	<u>(10,463,429)</u>
2,300,000	0	0	0	2,300,000
0	0	0	0	15,300
200,000	200,000	520,000	2,425,000	3,745,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,920,000)</u>	<u>(2,920,000)</u>
<u>2,500,000</u>	<u>200,000</u>	<u>520,000</u>	<u>(495,000)</u>	<u>3,140,300</u>
(87,770)	(850,942)	471,668	(3,881,782)	(7,323,129)
<u>449,205</u>	<u>891,770</u>	<u>226,895</u>	<u>7,257,783</u>	<u>25,342,597</u>
<u>\$361,435</u>	<u>\$40,828</u>	<u>\$698,563</u>	<u>\$3,376,001</u>	<u>\$18,019,468</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Infrastructure Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$3,988,312	\$6,988,312	\$6,797,000	(\$191,312)
Intergovernmental	0	0	136,759	136,759
Miscellaneous	0	0	17,758	17,758
<i>Total Revenues</i>	<u>3,988,312</u>	<u>6,988,312</u>	<u>6,951,517</u>	<u>(36,795)</u>
<b>Expenditures</b>				
Capital Outlay	13,362,038	14,362,038	12,198,833	2,163,205
Debt Service:				
Principal Retirement	60,649	60,649	30,324	30,325
<i>Total Expenditures</i>	<u>13,422,687</u>	<u>14,422,687</u>	<u>12,229,157</u>	<u>2,193,530</u>
<i>Excess of Revenues Under Expenditures</i>	(9,434,375)	(7,434,375)	(5,277,640)	2,156,735
<i>Fund Balance Beginning of Year</i>	12,431,725	12,431,725	12,431,725	0
Prior Year Encumbrances Appropriated	2,422,687	2,422,687	2,422,687	0
<i>Fund Balance End of Year</i>	<u>\$5,420,037</u>	<u>\$7,420,037</u>	<u>\$9,576,772</u>	<u>\$2,156,735</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Service and Safety Equipment Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$438,904	\$438,904	\$441,303	\$2,399
Intergovernmental	42,276	42,276	42,276	0
Miscellaneous	0	0	16,227	16,227
<i>Total Revenues</i>	481,180	481,180	499,806	18,626
<b>Expenditures</b>				
Capital Outlay	1,528,231	1,528,231	1,368,890	159,341
<i>Excess of Revenues Under Expenditures</i>	(1,047,051)	(1,047,051)	(869,084)	177,967
<b>Other Financing Sources</b>				
Operating Transfers In	400,000	400,000	400,000	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(647,051)	(647,051)	(469,084)	177,967
<i>Fund Balance Beginning of Year</i>	961,794	961,794	961,794	0
Prior Year Encumbrances Appropriated	81,231	81,231	81,231	0
<i>Fund Balance End of Year</i>	<u>\$395,974</u>	<u>\$395,974</u>	<u>\$573,941</u>	<u>\$177,967</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Center Fund  
For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$5,000,000	\$5,000,000	\$0	(\$5,000,000)
<b>Expenditures</b>				
Capital Outlay	<u>15,502,945</u>	<u>15,502,945</u>	<u>2,685,922</u>	<u>12,817,023</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(10,502,945)</u>	<u>(10,502,945)</u>	<u>(2,685,922)</u>	<u>7,817,023</u>
<b>Other Financing Sources</b>				
Proceeds of Notes	0	0	5,015,300	5,015,300
Operating Transfers In	<u>10,000,000</u>	<u>10,000,000</u>	<u>0</u>	<u>(10,000,000)</u>
<i>Total Other Financing Sources</i>	<u>10,000,000</u>	<u>10,000,000</u>	<u>5,015,300</u>	<u>(4,984,700)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(502,945)	(502,945)	2,329,378	2,832,323
<i>Fund Balance Beginning of Year</i>	316,557	316,557	316,557	0
Prior Year Encumbrances Appropriated	<u>502,945</u>	<u>502,945</u>	<u>502,945</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$316,557</u></u>	<u><u>\$316,557</u></u>	<u><u>\$3,148,880</u></u>	<u><u>\$2,832,323</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**Street Improvement Fund**  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$153,000	\$253,000	\$204,546	(\$48,454)
<b>Expenditures</b>				
Capital Outlay	2,820,102	5,268,877	485,803	4,783,074
Debt Service:				
Principal Retirement	2,476,000	2,476,000	2,475,000	1,000
Interest and Fiscal Charges	124,000	126,225	126,225	0
<i>Total Expenditures</i>	<u>5,420,102</u>	<u>7,871,102</u>	<u>3,087,028</u>	<u>4,784,074</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,267,102)</u>	<u>(7,618,102)</u>	<u>(2,882,482)</u>	<u>4,735,620</u>
<b>Other Financing Sources</b>				
Proceeds of Notes	2,300,000	2,300,000	2,300,000	0
Proceeds of Bonds	2,297,000	5,480,555	0	(5,480,555)
Operating Transfers In	303,000	303,000	200,000	(103,000)
<i>Total Other Financing Sources</i>	<u>4,900,000</u>	<u>8,083,555</u>	<u>2,500,000</u>	<u>(5,583,555)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	<u>(367,102)</u>	<u>465,453</u>	<u>(382,482)</u>	<u>(847,935)</u>
<i>Fund Balance Beginning of Year</i>	215,170	215,170	215,170	0
Prior Year Encumbrances Appropriated	<u>267,102</u>	<u>267,102</u>	<u>267,102</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$115,170</u>	<u>\$947,725</u>	<u>\$99,790</u>	<u>(\$847,935)</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Old City Hall Renovation Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$298,600	\$298,600	\$0	(\$298,600)
Miscellaneous	122,845	122,845	35,008	(87,837)
<i>Total Revenues</i>	421,445	421,445	35,008	(386,437)
<b>Expenditures</b>				
Capital Outlay	900,000	1,596,000	1,217,629	378,371
<i>Excess of Revenues Under Expenditures</i>	(478,555)	(1,174,555)	(1,182,621)	(8,066)
<b>Other Financing Sources</b>				
Operating Transfers In	200,000	200,000	200,000	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(278,555)	(974,555)	(982,621)	(8,066)
<i>Fund Balance Beginning of Year</i>	974,960	974,960	974,960	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$696,405</u>	<u>\$405</u>	<u>(\$7,661)</u>	<u>(\$8,066)</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Construction Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	<u>203,312</u>	<u>723,312</u>	<u>274,146</u>	<u>449,166</u>
<i>Excess of Revenues Under Expenditures</i>	(203,312)	(723,312)	(274,146)	449,166
<b>Other Financing Sources</b>				
Operating Transfers In	<u>520,000</u>	<u>520,000</u>	<u>520,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	316,688	(203,312)	245,854	449,166
<i>Fund Balance Beginning of Year</i>	223,583	223,583	223,583	0
Prior Year Encumbrances Appropriated	<u>3,312</u>	<u>3,312</u>	<u>3,312</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$543,583</u></u>	<u><u>\$23,583</u></u>	<u><u>\$472,749</u></u>	<u><u>\$449,166</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**Capital Improvements Fund**  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$0	\$0	\$13,217	\$13,217
Intergovernmental	0	0	20,370	20,370
<i>Total Revenues</i>	0	0	33,587	33,587
<b>Expenditures</b>				
Capital Outlay	2,249,620	3,272,620	1,465,493	1,807,127
<i>Excess of Revenues Under Expenditures</i>	(2,249,620)	(3,272,620)	(1,431,906)	1,840,714
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	2,425,000	2,425,000	2,425,000	0
Operating Transfers Out	(3,023,000)	(3,023,000)	(2,920,000)	103,000
<i>Total Other Financing Sources (Uses)</i>	(598,000)	(598,000)	(495,000)	103,000
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(2,847,620)	(3,870,620)	(1,926,906)	1,943,714
<i>Fund Balance Beginning of Year</i>	6,510,621	6,510,621	6,510,621	0
Prior Year Encumbrances Appropriated	759,620	759,620	759,620	0
<i>Fund Balance End of Year</i>	<u>\$4,422,621</u>	<u>\$3,399,621</u>	<u>\$5,343,335</u>	<u>\$1,943,714</u>



**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Capital Projects Funds*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$3,988,312	\$6,988,312	\$6,797,000	(\$191,312)
Property Taxes	438,904	438,904	441,303	2,399
Charges for Services	0	0	13,217	13,217
Intergovernmental	5,340,876	5,340,876	199,405	(5,141,471)
Miscellaneous	275,845	375,845	273,539	(102,306)
<i>Total Revenues</i>	<u>10,043,937</u>	<u>13,143,937</u>	<u>7,724,464</u>	<u>(5,419,473)</u>
<b>Expenditures</b>				
Capital Outlay				
Infrastructure Fund	13,362,038	14,362,038	12,198,833	2,163,205
Service and Safety Equipment Fund	1,528,231	1,528,231	1,368,890	159,341
Community Center Fund	15,502,945	15,502,945	2,685,922	12,817,023
Street Improvement Fund	2,820,102	5,268,877	485,803	4,783,074
Old City Hall Renovation Fund	900,000	1,596,000	1,217,629	378,371
Building Construction Fund	203,312	723,312	274,146	449,166
Capital Improvements	2,249,620	3,272,620	1,465,493	1,807,127
Total Capital Outlay	<u>36,566,248</u>	<u>42,254,023</u>	<u>19,696,716</u>	<u>22,557,307</u>
Debt Service:				
Principal Retirement				
Infrastructure Fund	60,649	60,649	30,324	30,325
Street Improvement Fund	2,476,000	2,476,000	2,475,000	1,000
Total Principal Retirement	<u>2,536,649</u>	<u>2,536,649</u>	<u>2,505,324</u>	<u>31,325</u>
Interest and Fiscal Charges				
Street Improvement Fund	124,000	126,225	126,225	0
Total Debt Service	<u>2,660,649</u>	<u>2,662,874</u>	<u>2,631,549</u>	<u>31,325</u>
<i>Total Expenditures</i>	<u>39,226,897</u>	<u>44,916,897</u>	<u>22,328,265</u>	<u>22,588,632</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(29,182,960)</u>	<u>(31,772,960)</u>	<u>(14,603,801)</u>	<u>17,169,159</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds of Notes	2,300,000	2,300,000	7,315,300	5,015,300
Proceeds of Bonds	2,297,000	5,480,555	0	(5,480,555)
Operating Transfers In	13,848,000	13,848,000	3,745,000	(10,103,000)
Operating Transfers Out	(3,023,000)	(3,023,000)	(2,920,000)	103,000
<i>Total Other Financing Sources (Uses)</i>	<u>15,422,000</u>	<u>18,605,555</u>	<u>8,140,300</u>	<u>(10,465,255)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(13,760,960)</u>	<u>(13,167,405)</u>	<u>(6,463,501)</u>	<u>6,703,904</u>
<i>Fund Balances Beginning of Year</i>	21,634,410	21,634,410	21,634,410	0
Prior Year Encumbrances Appropriated	4,036,897	4,036,897	4,036,897	0
<i>Fund Balances End of Year</i>	<u>\$11,910,347</u>	<u>\$12,503,902</u>	<u>\$19,207,806</u>	<u>\$6,703,904</u>

## ***Enterprise Funds***

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Enterprise Funds are used to account for the City's water reclamation and the Grantwood Recreation operations. They are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has 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.

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**Water Reclamation Fund** – to account for the revenues and expenses of the City owned wastewater system.

**Grantwood Recreation Fund** – to account for the revenues and expenses of the City owned golf course.

**City of Solon, Ohio**  
*Combining Balance Sheet*  
*All Enterprise Funds*  
*December 31, 2001*

	Water Reclamation	Grantwood Recreation	Total
<b>Assets</b>			
<b>Current Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$6,429,688	\$298,528	\$6,728,216
Receivables:			
Accounts	190,880	0	190,880
Intergovernmental	1,242,303	0	1,242,303
Materials and Supplies Inventory	85,630	15,440	101,070
<i>Total Current Assets</i>	7,948,501	313,968	8,262,469
<b>Noncurrent Assets</b>			
Fixed Assets (Net of Accumulated Depreciation)	49,111,620	1,220,839	50,332,459
<i>Total Assets</i>	<u>\$57,060,121</u>	<u>\$1,534,807</u>	<u>\$58,594,928</u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	\$77,119	\$6,035	\$83,154
Accrued Wages and Benefits	28,837	3,335	32,172
Intergovernmental Payable	16,495	4,249	20,744
<i>Total Current Liabilities</i>	122,451	13,619	136,070
<i>Long-term Liabilities</i>			
Compensated Absences Payable	367,695	151,747	519,442
Manuscript Bonds Payable	0	598,708	598,708
OWDA Loans Payable	16,875,557	0	16,875,557
<i>Total Long-term Liabilities</i>	17,243,252	750,455	17,993,707
<i>Total Liabilities</i>	17,365,703	764,074	18,129,777
<b>Fund Equity</b>			
Contributed Capital	92,792,064	1,946,793	94,738,857
Retained Earnings:			
Unreserved (Deficit)	(53,097,646)	(1,176,060)	(54,273,706)
<i>Total Fund Equity</i>	39,694,418	770,733	40,465,151
<i>Total Liabilities and Fund Equity</i>	<u>\$57,060,121</u>	<u>\$1,534,807</u>	<u>\$58,594,928</u>

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

	Water Reclamation	Grantwood Recreation	Total
<b>Operating Revenue</b>			
Charges for Services	\$4,964,773	\$1,392,684	\$6,357,457
Tap-in Fees	448,305	0	448,305
Other	4,569	6,171	10,740
<i>Total Operating Revenues</i>	<u>5,417,647</u>	<u>1,398,855</u>	<u>6,816,502</u>
<b>Operating Expenses</b>			
Personal Services	1,204,313	411,605	1,615,918
Materials and Supplies	561,325	209,792	771,117
Contractual Services	440,542	177,170	617,712
Depreciation	1,406,894	36,340	1,443,234
Other	94,989	228,964	323,953
<i>Total Operating Expenses</i>	<u>3,708,063</u>	<u>1,063,871</u>	<u>4,771,934</u>
<i>Operating Income</i>	<u>1,709,584</u>	<u>334,984</u>	<u>2,044,568</u>
<b>Non-Operating Revenue (Expenses)</b>			
Interest Income	0	700	700
Capital Grants	1,150,000	0	1,150,000
Interest and Fiscal Charges	(576,884)	(31,030)	(607,914)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>573,116</u>	<u>(30,330)</u>	<u>542,786</u>
<i>Income Before Operating Transfers</i>	2,282,700	304,654	2,587,354
Operating Transfers In	294,529	20,404	314,933
<i>Net Income</i>	2,577,229	325,058	2,902,287
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(55,674,875)</u>	<u>(1,501,118)</u>	<u>(57,175,993)</u>
<i>Retained Earnings (Deficit) End of Year</i>	(53,097,646)	(1,176,060)	(54,273,706)
<i>Contributed Capital Beginning and End of Year</i>	<u>92,792,064</u>	<u>1,946,793</u>	<u>94,738,857</u>
<i>Total Fund Equity End of Year</i>	<u>\$39,694,418</u>	<u>\$770,733</u>	<u>\$40,465,151</u>

**City of Solon, Ohio**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds*  
*For the Year Ended December 31, 2001*

	Water Reclamation	Grantwood Recreation	Total
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$4,928,523	\$1,392,684	\$6,321,207
Cash Received from Tap-in Fees	448,305	0	448,305
Cash Received from Other Sources	4,569	6,171	10,740
Cash Payments for Goods and Services	(1,097,922)	(391,422)	(1,489,344)
Cash Payments to Employees for Services and Benefits	(1,506,156)	(565,200)	(2,071,356)
Cash Payments for Other Operating Expenses	(94,989)	(234,691)	(329,680)
<i>Net Cash Provided by Operating Activities</i>	<u>2,682,330</u>	<u>207,542</u>	<u>2,889,872</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfer In	294,529	20,404	314,933
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	(602,807)	(64,890)	(667,697)
Principal Paid OWDA Loans	(1,018,122)	0	(1,018,122)
Interest Paid on OWDA Loans	(576,884)	0	(576,884)
Principal Paid on Manuscript Bonds	0	(90,734)	(90,734)
Interest Paid on Manuscript Bonds	0	(31,030)	(31,030)
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(2,197,813)</u>	<u>(186,654)</u>	<u>(2,384,467)</u>
<b>Cash Flows from Investing Activities</b>			
Interest	0	700	700
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	779,046	41,992	821,038
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>5,650,642</u>	<u>256,536</u>	<u>5,907,178</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$6,429,688</u>	<u>\$298,528</u>	<u>\$6,728,216</u>

(continued)

**City of Solon, Ohio**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds (continued)*  
*For the Year Ended December 31, 2001*

	Water Reclamation	Grantwood Recreation	Total
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
<i>Operating Income</i>	<u>\$1,709,584</u>	<u>\$334,984</u>	<u>\$2,044,568</u>
Adjustments:			
Operating Activities:			
Depreciation	1,406,894	36,340	1,443,234
(Increase)/Decrease in Assets:			
Accounts Receivable	56,053	0	56,053
Intergovernmental Receivable	(92,303)	0	(92,303)
Materials and Supplies Inventory	29,226	(6,556)	22,670
Increase/(Decrease) in Liabilities:			
Accounts Payable	(125,522)	(3,692)	(129,214)
Accrued Wages and Benefits	9,892	144	10,036
Compensated Absences Payable	(285,396)	(140,962)	(426,358)
Intergovernmental Payable	(26,098)	(12,716)	(38,814)
<i>Total Adjustments</i>	<u>972,746</u>	<u>(127,442)</u>	<u>845,304</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$2,682,330</u></u>	<u><u>\$207,542</u></u>	<u><u>\$2,889,872</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Reclamation Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$4,900,000	\$4,900,000	\$4,928,523	\$28,523
Tap-In Fees	400,000	400,000	448,305	48,305
Other	1,000	1,000	4,569	3,569
<i>Total Revenues</i>	<u>5,301,000</u>	<u>5,301,000</u>	<u>5,381,397</u>	<u>80,397</u>
<b>Expenses</b>				
Current:				
Personal Services	1,484,905	1,508,847	1,507,674	1,173
Materials and Supplies	568,762	577,700	498,974	78,726
Contractual Services	1,220,058	1,238,072	1,130,265	107,807
Other	105,793	107,500	94,989	12,511
Capital Outlay	1,356,152	1,374,809	910,922	463,887
Debt Service:				
Principal Retirement	1,018,124	1,018,124	1,018,122	2
Interest and Fiscal Charges	576,888	576,888	576,884	4
<i>Total Expenses</i>	<u>6,330,682</u>	<u>6,401,940</u>	<u>5,737,830</u>	<u>664,110</u>
<i>Excess of Revenues Under Expenses</i>	(1,029,682)	(1,100,940)	(356,433)	744,507
Operating Transfers In	200,000	200,000	294,529	94,529
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	(829,682)	(900,940)	(61,904)	839,036
<i>Fund Equity Beginning of Year</i>	6,129,000	6,129,000	6,129,000	0
Prior Year Encumbrances Appropriated	319,145	319,145	319,145	0
<i>Fund Equity End of Year</i>	<u>\$5,618,463</u>	<u>\$5,547,205</u>	<u>\$6,386,241</u>	<u>\$839,036</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Grantwood Recreation Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$1,385,466	\$1,385,466	\$1,392,684	\$7,218
Interest	5,000	5,000	700	(4,300)
Other	11,000	11,000	6,171	(4,829)
<i>Total Revenues</i>	<u>1,401,466</u>	<u>1,401,466</u>	<u>1,399,555</u>	<u>(1,911)</u>
<b>Expenses</b>				
Current:				
Personal Services	530,754	571,468	564,942	6,526
Materials and Supplies	196,963	212,004	211,115	889
Contractual Services	274,452	294,832	236,132	58,700
Other	225,385	242,654	234,921	7,733
Capital Outlay	17,435	18,772	17,780	992
Debt Service:				
Principal Retirement	90,734	90,734	90,734	0
Interest and Fiscal Charges	31,030	31,030	31,030	0
<i>Total Expenses</i>	<u>1,366,753</u>	<u>1,461,494</u>	<u>1,386,654</u>	<u>74,840</u>
<i>Excess of Revenues Over (Under) Expenses</i>	34,713	(60,028)	12,901	72,929
Operating Transfers In	5,000	5,000	20,404	15,404
<i>Excess of Revenues Over (Under) Expenses and Operating Transfers</i>	39,713	(55,028)	33,305	88,333
<i>Fund Equity Beginning of Year</i>	246,620	246,620	246,620	0
Prior Year Encumbrances Appropriated	9,916	9,916	9,916	0
<i>Fund Equity End of Year</i>	<u>\$296,249</u>	<u>\$201,508</u>	<u>\$289,841</u>	<u>\$88,333</u>



**City of Solon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Enterprise Funds*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$6,285,466	\$6,285,466	\$6,321,207	\$35,741
Tap-In Fees	400,000	400,000	448,305	48,305
Interest	5,000	5,000	700	(4,300)
Other	12,000	12,000	10,740	(1,260)
<i>Total Revenues</i>	6,702,466	6,702,466	6,780,952	78,486
<b>Expenses</b>				
Current:				
Personal Services				
Water Reclamation	1,484,905	1,508,847	1,507,674	1,173
Grantwood Recreation	530,754	571,468	564,942	6,526
Total Personal Services	2,015,659	2,080,315	2,072,616	7,699
Materials and Supplies				
Water Reclamation	568,762	577,700	498,974	78,726
Grantwood Recreation	196,963	212,004	211,115	889
Total Materials and Supplies	765,725	789,704	710,089	79,615
Contractual Services				
Water Reclamation	1,220,058	1,238,072	1,130,265	107,807
Grantwood Recreation	274,452	294,832	236,132	58,700
Total Contractual Services	1,494,510	1,532,904	1,366,397	166,507
Other				
Water Reclamation	105,793	107,500	94,989	12,511
Grantwood Recreation	225,385	242,654	234,921	7,733
Total Other	331,178	350,154	329,910	20,244
Capital Outlay				
Water Reclamation	1,356,152	1,374,809	910,922	463,887
Grantwood Recreation	17,435	18,772	17,780	992
Total Capital Outlay	1,373,587	1,393,581	928,702	464,879
Debt Service:				
Principal Retirement				
Water Reclamation	1,018,124	1,018,124	1,018,122	2
Grantwood Recreation	90,734	90,734	90,734	0
Total Principal Retirement	\$1,108,858	\$1,108,858	\$1,108,856	\$2

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**City of Solon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Enterprise Funds (continued)*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Interest and Fiscal Charges				
Water Reclamation	\$576,888	\$576,888	\$576,884	\$4
Grantwood Recreation	31,030	31,030	31,030	0
<b>Total Interest and Fiscal Charges</b>	<b>607,918</b>	<b>607,918</b>	<b>607,914</b>	<b>4</b>
<i>Total Expenses</i>	<i>7,697,435</i>	<i>7,863,434</i>	<i>7,124,484</i>	<i>738,950</i>
<i>Excess of Revenues Under Expenses</i>	<i>(994,969)</i>	<i>(1,160,968)</i>	<i>(343,532)</i>	<i>817,436</i>
Operating Transfers In	205,000	205,000	314,933	109,933
<i>Excess of Revenues Under Expenses and Operating Transfers</i>	<i>(789,969)</i>	<i>(955,968)</i>	<i>(28,599)</i>	<i>927,369</i>
<i>Fund Equity Beginning of Year</i>	<i>6,375,620</i>	<i>6,375,620</i>	<i>6,375,620</i>	<i>0</i>
Prior Year Encumbrances Appropriated	329,061	329,061	329,061	0
<b><i>Fund Equity End of Year</i></b>	<b><i>\$5,914,712</i></b>	<b><i>\$5,748,713</i></b>	<b><i>\$6,676,082</i></b>	<b><i>\$927,369</i></b>

## ***Fiduciary Funds***

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Fiduciary Funds are used to account for the assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the City's fiduciary fund types:

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### ***Expendable Trust Funds***

**Cemetery Endowment Trust Fund** – to account for money put on deposit for the purpose of paying the costs to do extra maintenance of cemetery lots.

**Donations Trust Fund** – to account for contributions from private sources whose use is restricted. Compliance accountability is maintained through fund subclassifications.

### ***Agency Funds***

**Deposits Fund** – to account for money held by the City to insure compliance with various City ordinances regarding development within the City.

**DARE Scholarship Fund** – to account for money held by the City to provide scholarships for students in the DARE program.

**City of Solon, Ohio**  
*Combining Balance Sheet*  
*All Trust and Agency Funds*  
*December 31, 2001*

	<u>Expendable Trust Funds</u>			<u>Totals</u>
	<u>Cemetery Endowment Trust</u>	<u>Donations Trust</u>	<u>Agency Funds</u>	
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$5,122</u>	<u>\$78,967</u>	<u>\$979,060</u>	<u>\$1,063,149</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$2,225	\$0	\$2,225
Deposits Held and Due to Others	<u>0</u>	<u>0</u>	<u>979,060</u>	<u>979,060</u>
<i>Total Liabilities</i>	0	2,225	979,060	981,285
<b>Fund Equity</b>				
Fund Balances:				
Unreserved, Undesignated	<u>5,122</u>	<u>76,742</u>	<u>0</u>	<u>81,864</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$5,122</u>	<u>\$78,967</u>	<u>\$979,060</u>	<u>\$1,063,149</u>

**City of Solon, Ohio**  
*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Expendable Trust Funds  
For the Year Ended December 31, 2001*

	Cemetery Endowment Trust	Donations Trust	Totals
<b>Revenues</b>			
Miscellaneous	\$0	\$214,534	\$214,534
<b>Expenditures</b>			
Current:			
Security of Persons and Property	0	6,334	6,334
Leisure Time Activities	0	12,065	12,065
Community Environment	0	193,452	193,452
<i>Total Expenditures</i>	0	211,851	211,851
<i>Excess of Revenues Over Expenditures</i>	0	2,683	2,683
<i>Fund Balances Beginning of Year</i>	5,122	74,059	79,181
<i>Fund Balances End of Year</i>	\$5,122	\$76,742	\$81,864

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Cemetery Endowment Trust Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
Intergovernmental				
<b>Expenditures</b>				
Current:				
General Government				
Cemetery Endowment				
Contractual Services	4,258	5,000	0	5,000
<i>Excess of Revenues Under Expenditures</i>	(4,258)	(5,000)	0	5,000
<i>Fund Balance Beginning of Year</i>	5,122	5,122	5,122	0
<i>Fund Balance End of Year</i>	<u>\$864</u>	<u>\$122</u>	<u>\$5,122</u>	<u>\$5,000</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Donations Trust Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	<u>\$221,500</u>	<u>\$221,500</u>	<u>\$214,534</u>	<u>(\$6,966)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police and Fire Department Donations				
Materials and Supplies	<u>8,560</u>	<u>9,688</u>	<u>6,334</u>	<u>3,354</u>
Leisure Time Activities				
Senior Services Donations				
Other	<u>8,516</u>	<u>10,000</u>	<u>7,855</u>	<u>2,145</u>
Community Park Donations				
Other	<u>8,516</u>	<u>10,000</u>	<u>6,435</u>	<u>3,565</u>
Total Leisure Time Activities	<u>17,032</u>	<u>20,000</u>	<u>14,290</u>	<u>5,710</u>
Community Environment				
Blue Herron Donations				
Other	<u>170,316</u>	<u>200,000</u>	<u>184,710</u>	<u>15,290</u>
Beautification Donations				
Other	<u>5,791</u>	<u>6,800</u>	<u>6,517</u>	<u>283</u>
Total Community Environment	<u>176,107</u>	<u>206,800</u>	<u>191,227</u>	<u>15,573</u>
General Government				
Special Donations				
Other	<u>2,981</u>	<u>3,500</u>	<u>0</u>	<u>3,500</u>
<b>Total Expenditures</b>	<u>204,680</u>	<u>239,988</u>	<u>211,851</u>	<u>28,137</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>16,820</u>	<u>(18,488)</u>	<u>2,683</u>	<u>21,171</u>
<b>Fund Balance Beginning of Year</b>	<u>71,971</u>	<u>71,971</u>	<u>71,971</u>	<u>0</u>
<b>Prior Year Encumbrances Appropriated</b>	<u>2,088</u>	<u>2,088</u>	<u>2,088</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$90,879</u></u>	<u><u>\$55,571</u></u>	<u><u>\$76,742</u></u>	<u><u>\$21,171</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget (Non-GAAP Basis) and Actual  
 All Expendable Trust Funds  
 For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	<u>\$221,500</u>	<u>\$221,500</u>	<u>\$214,534</u>	<u>(\$6,966)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Donations Trust	<u>8,560</u>	<u>9,688</u>	<u>6,334</u>	<u>3,354</u>
Leisure Time Activities				
Donations Trust	<u>17,032</u>	<u>20,000</u>	<u>14,290</u>	<u>5,710</u>
Community Environment				
Donations Trust	<u>176,107</u>	<u>206,800</u>	<u>191,227</u>	<u>15,573</u>
General Government				
Cemetery Endowment Trust Fund	<u>4,258</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Donations Trust Fund	<u>2,981</u>	<u>3,500</u>	<u>0</u>	<u>3,500</u>
Total General Government	<u>7,239</u>	<u>8,500</u>	<u>0</u>	<u>8,500</u>
<i>Total Expenditures</i>	<u>208,938</u>	<u>244,988</u>	<u>211,851</u>	<u>33,137</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>12,562</u>	<u>(23,488)</u>	<u>2,683</u>	<u>26,171</u>
<i>Fund Balances Beginning of Year</i>	<u>77,093</u>	<u>77,093</u>	<u>77,093</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>2,088</u>	<u>2,088</u>	<u>2,088</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$91,743</u>	<u>\$55,693</u>	<u>\$81,864</u>	<u>\$26,171</u>



**City of Solon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Year Ended December 31, 2001*

	Balance 12/31/00	Additions	Reductions	Balance 12/31/01
<b>Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$864,330</u>	<u>\$331,441</u>	<u>\$218,278</u>	<u>\$977,493</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$864,330</u>	<u>\$331,441</u>	<u>\$218,278</u>	<u>\$977,493</u>
<b>Dare Scholarship</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>	<u>\$1,728</u>	<u>\$161</u>	<u>\$1,567</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$0</u>	<u>\$1,728</u>	<u>\$161</u>	<u>\$1,567</u>
<b>Total All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$864,330</u>	<u>\$333,169</u>	<u>\$218,439</u>	<u>\$979,060</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$864,330</u>	<u>\$333,169</u>	<u>\$218,439</u>	<u>\$979,060</u>

## ***General Fixed Assets Account Group***

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The general fixed assets account group is used to account for long lived assets not used in the operations of the proprietary funds.

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**City of Solon, Ohio**  
*Schedule of General Fixed Assets*  
*by Source*  
*December 31, 2001*

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<b>General Fixed Assets</b>	
Land	\$6,605,290
Land Improvements	733,318
Buildings	29,028,865
Furniture, Fixtures and Equipment	3,114,439
Vehicles	6,937,635
Construction in Progress	<u>2,881,687</u>
 <i>Total General Fixed Assets</i>	 <u><u>\$49,301,234</u></u>
 <b>Investments in General Fixed Assets from:</b>	
General Fund	\$256,327
Capital Projects Funds	48,846,812
Donations	<u>198,095</u>
 <i>Total Investment in General Fixed Assets</i>	 <u><u>\$49,301,234</u></u>

**City of Solon, Ohio**  
*Schedule of General Fixed Assets*  
*by Function and Type*  
*December 31, 2001*

	<u>Total</u>	<u>Land</u>	<u>Land Improvements</u>
Security of Persons and Property			
Police	\$9,413,178	\$0	\$43,301
Fire	5,314,599	515,277	25,072
<i>Total Security of Persons and Property</i>	<u>14,727,777</u>	<u>515,277</u>	<u>68,373</u>
Leisure Time Activities			
Parks and Recreation	5,514,732	502,000	439,285
Seniors	65,117	0	0
<i>Total Leisure Time Activities</i>	<u>5,579,849</u>	<u>502,000</u>	<u>439,285</u>
Community Environment			
Planning	23,474	0	0
Building	111,304	0	0
Engineering	190,288	0	0
Service	12,742,275	0	4,931
<i>Total Community Environment</i>	<u>13,067,341</u>	<u>0</u>	<u>4,931</u>
General Government			
Finance	92,676	0	0
Income Tax	15,864	0	0
City Council	35,216	0	0
Mayor	30,775	0	0
Other - Unclassified	11,806,944	5,581,513	209,623
Library	3,944,792	6,500	11,106
<i>Total General Government</i>	<u>15,926,267</u>	<u>5,588,013</u>	<u>220,729</u>
<i>Total General Fixed Assets by Function</i>	<u><u>\$49,301,234</u></u>	<u><u>\$6,605,290</u></u>	<u><u>\$733,318</u></u>

<u>Buildings</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Vehicles</u>	<u>Construction In Progress</u>
\$8,159,486	\$602,761	\$607,630	\$0
<u>2,051,400</u>	<u>663,040</u>	<u>2,059,810</u>	<u>0</u>
10,210,886	1,265,801	2,667,440	0
1,272,635	278,076	141,049	2,881,687
<u>0</u>	<u>35,025</u>	<u>30,092</u>	<u>0</u>
<u>1,272,635</u>	<u>313,101</u>	<u>171,141</u>	<u>2,881,687</u>
0	23,474	0	0
0	23,950	87,354	0
0	56,789	133,499	0
<u>7,934,616</u>	<u>954,887</u>	<u>3,847,841</u>	<u>0</u>
<u>7,934,616</u>	<u>1,059,100</u>	<u>4,068,694</u>	<u>0</u>
0	92,676	0	0
0	2,764	13,100	0
0	35,216	0	0
0	13,515	17,260	0
5,699,152	316,656	0	0
<u>3,911,576</u>	<u>15,610</u>	<u>0</u>	<u>0</u>
<u>9,610,728</u>	<u>476,437</u>	<u>30,360</u>	<u>0</u>
<u><u>\$29,028,865</u></u>	<u><u>\$3,114,439</u></u>	<u><u>\$6,937,635</u></u>	<u><u>\$2,881,687</u></u>

**City of Solon, Ohio**  
*Schedule of Changes in General Fixed Assets*  
*by Function and Activity*  
*For the Year Ended December 31, 2001*

	General Fixed Assets 01/01/01	Additions	Deductions	General Fixed Assets 12/31/01
Security of Persons and Property				
Police	\$9,282,709	\$263,150	\$132,681	\$9,413,178
Fire	4,679,309	735,360	100,070	5,314,599
<i>Total Security of Persons and Property</i>	<u>13,962,018</u>	<u>998,510</u>	<u>232,751</u>	<u>14,727,777</u>
Leisure Time Activities				
Parks and Recreation	2,033,296	3,481,436	0	5,514,732
Seniors	28,234	48,883	12,000	65,117
<i>Total Leisure Time Activities</i>	<u>2,061,530</u>	<u>3,530,319</u>	<u>12,000</u>	<u>5,579,849</u>
Community Environment				
Planning	23,474	0	0	23,474
Building	101,125	52,051	41,872	111,304
Engineering	185,126	5,162	0	190,288
Service	11,876,287	904,146	38,158	12,742,275
<i>Total Community Environment</i>	<u>12,186,012</u>	<u>961,359</u>	<u>80,030</u>	<u>13,067,341</u>
General Government				
Finance	90,950	1,726	0	92,676
Income Tax	15,864	0	0	15,864
City Council	35,216	0	0	35,216
Mayor	29,088	1,687	0	30,775
Other - Unclassified	11,024,463	782,481	0	11,806,944
Library	3,938,292	6,500	0	3,944,792
<i>Total General Government</i>	<u>15,133,873</u>	<u>792,394</u>	<u>0</u>	<u>15,926,267</u>
<i>Total General Fixed Assets</i>	<u>\$43,343,433</u>	<u>\$6,282,582</u>	<u>\$324,781</u>	<u>\$49,301,234</u>

**City of Solon, Ohio**  
*General Governmental Expenditures by Function (1)*  
 Last Ten Years

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Security of Persons and Property	\$10,200,788	\$8,595,528	\$8,763,352	\$8,104,363	\$7,899,219	\$7,177,950	\$6,686,589	\$6,174,925	\$5,912,339	\$6,313,190
Public Health and Welfare	104,022	94,139	51,024	86,095	65,684	84,872	79,673	66,350	72,878	60,512
Leisure Time Activities	2,743,713	2,320,317	2,097,835	1,928,041	1,885,838	1,682,124	1,739,239	1,519,132	1,385,406	1,275,852
Community Environment	1,613,073	1,763,591	899,354	776,957	1,059,817	691,742	759,014	656,608	622,181	731,753
Basic Utility Services	1,314,350	1,286,482	1,398,880	1,731,731	2,002,968	2,920,778	971,010	2,084,221	1,391,192	1,004,031
Transportation	3,682,611	3,257,355	3,959,277	2,990,029	3,966,886	4,773,687	3,577,090	3,353,955	3,269,688	3,575,453
General Government	4,807,963	4,365,173	6,001,325	4,967,094	4,719,791	4,694,209	4,026,278	4,486,752	4,469,139	4,832,880
Capital Outlay	13,622,807	10,336,925	7,188,569	6,044,446	8,244,986	4,142,936	11,869,733	9,350,641	4,928,733	3,765,528
Debt Service	9,532,154	11,509,894	3,298,487	3,097,684	3,127,795	2,815,457	2,835,261	3,183,582	2,676,896	2,455,442
<b>Total</b>	<b>\$47,621,481</b>	<b>\$43,529,404</b>	<b>\$33,658,103</b>	<b>\$29,726,440</b>	<b>\$32,972,984</b>	<b>\$28,983,755</b>	<b>\$32,543,887</b>	<b>\$30,876,166</b>	<b>\$24,728,452</b>	<b>\$24,014,641</b>

(1) Includes general, special revenue, debt service and capital projects funds.

Source: City of Solon records

**City of Solon, Ohio**  
**General Governmental Revenues by Source (1)**  
**Last Ten Years**

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Municipal Income Taxes	\$27,350,350	\$28,948,547	\$26,143,337	\$24,999,541	\$23,408,703	\$22,718,834	\$21,371,321	\$19,812,066	\$19,139,184	\$17,886,308
Property Taxes	3,842,118	3,864,543	5,538,206	2,802,463	3,770,759	4,005,215	3,354,993	2,768,236	3,128,261	2,550,619
Other Local Taxes	569,811	422,268	211,927	231,958	171,476	0	0	0	0	0
Charges for Services	1,440,499	1,119,423	1,048,265	845,203	811,834	1,242,321	1,081,066	683,287	711,949	460,924
Fees, Licenses and Permits	1,184,015	670,334	757,324	657,766	543,291	205,324	276,380	294,869	320,188	277,991
Fines and Forfeitures	325,416	347,191	304,039	388,465	291,555	229,765	287,504	251,888	236,727	267,529
Intergovernmental	2,964,830	3,059,750	1,762,816	1,748,824	1,758,064	2,909,185	1,550,350	2,350,761	2,974,073	1,557,444
Special Assessments	707,859	958,092	830,806	421,000	1,360,000	1,035,551	1,068,341	989,150	843,600	773,847
Investment Income	3,820,232	3,808,423	2,146,285	2,366,471	2,044,588	1,905,410	1,801,877	1,034,113	575,518	477,218
Other	595,535	622,888	322,814	1,375,367	603,313	614,060	273,653	414,628	560,384	477,856
<b>Total</b>	<b>\$42,800,665</b>	<b>\$43,821,459</b>	<b>\$39,065,819</b>	<b>\$35,837,058</b>	<b>\$34,763,583</b>	<b>\$34,865,665</b>	<b>\$31,065,485</b>	<b>\$28,598,998</b>	<b>\$28,489,884</b>	<b>\$24,729,736</b>

(1) Includes general, special revenue, debt service and capital projects funds.

Property Taxes and Other Local Taxes revenue is shown in total for years 1992 through 1996.

Source: City of Solon records



**City of Solon, Ohio**  
*Property Tax Levies and Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
2001	\$3,778,018	\$3,516,284	\$90,066	\$3,606,350	95.46%	\$148,750	3.94%
2000	3,396,993	3,225,956	65,456	3,291,412	96.89	89,355	2.63
1999	3,298,240	3,122,809	62,446	3,185,255	96.57	99,317	3.01
1998	3,199,928	3,002,501	37,918	3,040,419	95.02	84,409	2.64
1997	2,992,692	2,819,274	32,391	2,851,665	95.29	84,326	2.82
1996	2,619,324	2,486,435	30,768	2,517,203	96.10	77,114	2.94
1995	2,530,721	2,432,928	29,222	2,462,150	97.29	63,602	2.51
1994	2,289,042	2,167,747	38,367	2,206,114	96.38	61,781	2.70
1993	2,261,948	2,109,628	45,598	2,155,226	95.28	82,881	3.66
1992	2,185,720	2,038,998	38,996	2,077,994	95.07	86,073	3.94

Source: Cuyahoga County Auditor

**City of Solon, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2001	\$865,497,080	\$2,472,848,800	\$24,380,670	\$27,705,307	\$222,037,724	\$888,150,896	\$1,111,915,474	\$3,388,705,003
2000	751,604,370	2,147,441,057	25,373,790	28,833,852	203,829,922	815,319,688	980,808,082	2,991,594,597
1999	720,557,060	2,058,734,457	27,275,100	30,994,432	204,302,253	817,209,012	952,134,413	2,906,937,901
1998	692,723,010	1,979,208,600	27,362,250	31,093,466	201,276,279	805,105,116	921,361,539	2,815,407,182
1997	652,304,010	1,863,725,743	28,619,720	32,522,409	189,671,684	758,686,736	870,595,414	2,654,934,888
1996	637,201,530	1,820,575,800	28,789,390	32,715,216	197,807,661	791,230,644	863,798,581	2,644,521,660
1995	616,390,820	1,761,116,629	30,235,110	34,358,080	186,410,818	745,643,272	833,036,748	2,541,117,981
1994	546,884,860	1,562,528,171	29,651,420	33,694,795	189,804,338	759,217,352	766,340,618	2,355,440,318
1993	531,767,190	1,519,334,829	29,710,990	33,762,489	197,873,546	791,494,184	759,351,726	2,344,591,502
1992	511,468,290	1,461,337,971	28,334,980	32,198,841	200,476,874	801,907,496	740,280,144	2,295,444,308

(1) This amount is calculated for 2001 based on the following percentages:  
Real estate is assessed at 35 percent of actual value.  
Public utility personal is assessed at 88 percent of actual value.  
Tangible personal property is assessed at 25 percent of actual value.

Source: Cuyahoga County Auditor

**City of Solon, Ohio**  
*Assessed Value of Real Property by Class*  
*Last Ten Years*

<u>Year</u>	<u>Agricultural/ Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Public Utility Real (1)</u>	<u>Total Real Property</u>
2001	\$569,650,190	\$190,528,780	\$105,253,280	\$64,830	\$865,497,080
2000	503,714,390	144,924,120	102,788,310	177,550	751,604,370
1999	489,347,810	125,826,460	105,214,400	168,390	720,557,060
1998	474,047,150	116,946,770	101,560,100	168,990	692,723,010
1997	437,774,000	110,836,130	103,525,540	168,340	652,304,010
1996	424,616,120	108,679,300	103,743,180	162,930	637,201,530
1995	410,661,710	104,200,390	101,367,460	161,260	616,390,820
1994	348,252,840	95,644,510	102,893,780	93,730	546,884,860
1993	332,078,790	95,894,180	103,604,890	189,330	531,767,190
1992	318,069,130	89,590,950	103,621,150	187,060	511,468,290

Source: Cuyahoga County Auditor

(1) Railroads are now the only values included in this class.

**City of Solon, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

City of Solon

Year	City of Solon			Service and Safety Equipment Fund		Total	Library and School District (1)	Cuyahoga County	Total
	General Fund	Police Pension Fund	Fire Pension Fund	Bond Retirement Fund	Service and Safety Equipment Fund				
2001	\$0.50	\$0.30	\$0.30	\$2.60	\$0.50	\$4.20	\$63.00	\$16.20	\$83.40
2000	0.50	0.30	0.30	2.70	0.50	4.30	63.10	15.30	82.70
1999	0.50	0.30	0.30	2.70	0.50	4.30	63.10	15.30	82.70
1998	0.45	0.30	0.30	2.75	0.50	4.30	62.60	16.80	83.70
1997	0.45	0.30	0.30	2.75	0.50	4.30	62.80	16.80	83.90
1996	0.42	0.30	0.30	2.48	0.50	4.00	55.20	16.80	76.00
1995	0.42	0.30	0.30	2.48	0.50	4.00	55.10	16.80	75.90
1994	0.42	0.30	0.30	2.48	0.50	4.00	55.20	16.80	76.00
1993	0.27	0.30	0.30	2.63	0.50	4.00	49.30	16.80	70.10
1992	1.10	0.30	0.30	1.80	0.50	4.00	49.40	16.80	70.20

(1) Solon City School District

Source: Cuyahoga County Auditor

**City of Solon, Ohio**  
*Principal Real Property Taxpayers*  
 December 31, 2001

Taxpayer	Assessed Valuation	Percent of Total Assessed Value of Real Property	Percent of Total Assessed Value
Duke Realty LTD Partnership	\$13,769,690	1.59%	1.24%
Cleveland Electric Illuminating Company	13,554,830	1.57	1.22
Stouffer Corporation	12,912,550	1.49	1.16
Crawford Fitting Company	8,334,710	0.96	0.75
Hallwood 95, L.P.	7,734,410	0.89	0.70
Ohio Bell Telephone Company	5,079,130	0.59	0.46
Midamco	4,966,010	0.57	0.45
Permatex, Incorporated	4,403,070	0.51	0.40
Wolis, Incorporated	4,396,220	0.51	0.40
DDR Ohio Opportunity III LLC	4,209,840	0.49	0.38
<b>Total</b>	<b>\$79,360,460</b>	<b>9.17%</b>	<b>7.14%</b>
<b>Total Assessed Value of Real Property</b>	<b>\$865,497,080</b>	<b>100.00%</b>	<b>77.84%</b>
<b>Total Assessed Value</b>	<b>\$1,111,915,474</b>		<b>100.00%</b>

Source: Cuyahoga County

**City of Solon, Ohio**  
*Principal Personal Property Taxpayers*  
 December 31, 2001

Taxpayer	Assessed Valuation	Percent of Total Assessed Value of Personal Property	Percent of Total Assessed Value
Swagelok Company	\$34,699,410	15.63%	3.12%
Nestle USA Food Group, Incorporated	14,484,480	6.52	1.30
Matrix Essentials, Incorporated	9,861,820	4.44	0.89
Jefferson Smurfit, Corporation	6,523,340	2.94	0.59
Keithley Instruments, Incorporated	5,008,280	2.26	0.45
Pioneer Standard Electronics	4,912,150	2.21	0.44
Erico Holding Company	4,746,340	2.14	0.43
Permatex, Incorporated	4,361,030	1.96	0.39
Kennametal, Incorporated	3,948,050	1.78	0.36
Mannsmann Demag Corporation	3,717,600	1.67	0.33
Total	<u>\$92,262,500</u>	<u>41.55%</u>	<u>8.30%</u>
Total Assessed Value of Personal Property	<u>\$222,037,724</u>	<u>100.00%</u>	<u>19.97%</u>
Total Assessed Value	<u>\$1,111,915,474</u>		<u>100.00%</u>

Source: Cuyahoga County

**City of Solon, Ohio**  
*Ten Largest City Income Tax Withholding Accounts*  
*December 31, 2001*

	Employee Withholding	Percentage of Total
Nestle' Beverage Services	\$1,483,158	7.01%
Swagelok Company	844,000	4.00
Keithley Instruments, Incorporated	821,798	3.89
Solon Board of Education	608,153	2.88
Pioneer Standard Electronics	588,186	2.78
Erico Products	504,884	2.39
Kennametal, Incorporated	401,741	1.90
Loreal USA Products, Incorporated	375,479	1.78
City of Solon	288,702	1.37
Venture Lighting, Incorporated	280,445	1.33
Total	6,196,546	29.33
Other Withholding Accounts	14,928,473	70.67
Total Withholding Collected	<u>\$21,125,019</u>	<u>100.00%</u>

Source: City of Solon

**City of Solon, Ohio**  
*Special Assessments Billed and Collected*  
*Last Ten Years*

Year	Special Assessment Billed	Special Assessment Collected	Percent Collected	Outstanding Delinquents (1)
2001	\$738,045	\$707,859	95.91%	\$30,186
2000	718,733	702,142	97.69	16,591
1999	846,595	821,492	97.03	25,103
1998	1,074,497	958,697	89.22	115,800
1997	1,014,276	925,688	91.27	88,588
1996	1,063,440	1,036,351	97.45	27,089
1995	1,090,930	1,068,699	97.96	22,231
1994	855,551	830,774	97.10	24,777
1993	927,007	843,881	91.03	83,126
1992	821,656	755,778	91.98	65,878

(1) Includes accrued interest and are shown net of abatements.

Source: Cuyahoga County Auditor



**City of Solon, Ohio**  
*Computation of Legal Debt Margin*  
*December 31, 2001*

<b>Assessed Valuation</b>	<u><u>\$1,111,915,474</u></u>
Overall Debt Limitation 10.5% of Assessed Valuation	\$116,751,125
Gross Indebtedness	
General Obligation Bonds	\$12,185,000
Special Assessment Bonds	4,131,604
OWDA Loans	19,769,230
OPWC Loans	805,716
Manuscript Bonds	598,708
Notes	<u>9,300,000</u>
<b>Total Gross Indebtedness</b>	<u><b>46,790,258</b></u>
Exemptions:	
Special Assessment Bonds	4,131,604
Manuscript Bonds	598,708
OWDA Loans	<u>16,875,557</u>
<b>Total Exemptions</b>	<u><b>21,605,869</b></u>
Debt Within 10.5% Limitation	25,184,389
Less: Amount Available in Debt Service Fund	<u>2,989,743</u>
<b>Net Debt Within 10.5% Limitation</b>	<u><b>22,194,646</b></u>
<b>Legal Debt Margin Within 10.5% Limitation</b>	<u><u><b>\$94,556,479</b></u></u>
<hr/>	
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$61,155,351
Gross indebtedness authorized by Council	\$46,790,258
Less Debt Outside Limitation:	
Special Assessment Bonds	4,131,604
Manuscript Bonds	598,708
OWDA Loans	<u>16,875,557</u>
<b>Total Debt Outside Limitation</b>	<u><b>21,605,869</b></u>
Debt Within 5.5% Limitation	25,184,389
Less: Amount Available in Debt Service Fund	<u>2,989,743</u>
<b>Net Debt Within 5.5% Limitation</b>	<u><b>22,194,646</b></u>
<b>Legal Debt Margin Within 5.5% Limitation</b>	<u><u><b>\$38,960,705</b></u></u>

Source: City of Solon

Calculation of Statutory (direct) Legal Debt Margin is based on Chapter 133 of the Ohio Revised Code.

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

Year	Population (2)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2001	21,802 (b)	\$1,111,915,474	\$12,185,000	\$2,989,743	\$9,195,257	0.83%	\$421.76
2000	21,802 (b)	980,808,082	13,325,000	3,097,125	10,227,875	1.04	469.13
1999	18,548 (a)	952,134,413	14,420,000	2,349,700	12,070,300	1.27	650.76
1998	18,548 (a)	921,361,539	15,495,000	1,810,818	13,684,182	1.49	737.77
1997	18,548 (a)	870,595,414	16,515,000	1,251,974	15,263,026	1.75	822.89
1996	18,548 (a)	863,798,581	17,475,000	959,254	16,515,746	1.91	890.43
1995	18,548 (a)	833,036,748	14,680,000	486,240	14,193,760	1.70	765.24
1994	18,548 (a)	766,340,618	12,725,000	67,561	12,657,439	1.65	682.42
1993	18,548 (a)	759,351,726	13,340,000	309,448	13,030,552	1.72	702.53
1992	18,548 (a)	740,280,144	6,380,000	58,630	6,321,370	0.85	340.81

(1) Source: U.S. Bureau of Census, Census of Population  
(a) 2000 Federal Census  
(b) 1990 Federal Census

(2) Source: Cuyahoga County Auditor

(3) Includes all general obligation bonds

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

Year	Principal (1)	Interest and Fiscal Charges (1)	Total Debt Service	General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2001	\$1,140,000	\$725,825	\$1,865,825	\$47,621,481	3.92%
2000	1,095,000	789,918	1,884,918	43,529,404	4.33
1999	1,075,000	864,481	1,939,481	33,658,103	5.76
1998	1,020,000	931,022	1,951,022	29,729,440	6.56
1997	960,000	994,270	1,954,270	32,972,984	5.93
1996	905,000	843,728	1,748,728	28,983,755	6.03
1995	4,740,000 (3)	841,638	5,581,638	32,543,887	17.15
1994	695,197	996,986	1,692,183	30,876,166	5.48
1993	390,000	546,141	936,141	24,728,452	3.79
1992	380,000	582,691	962,691	24,014,641	4.01

(1) Only general obligation bond principal and interest

(2) Includes general, special revenue, debt service and capital projects funds.

(3) Includes \$3,605,000 in advance refunding debt payment

Source: City of Solon

**City of Solon, Ohio**  
*Computation of Direct and Overlapping Debt*  
*December 31, 2001*

Jurisdiction	General Tax Supported Debt	Percentage Applicable to City	Amount Applicable to City
Direct			
City of Solon (1)	<u>\$21,485,000</u>	100.00%	<u>\$21,485,000</u>
Overlapping			
Solon City School District	26,269,962	100.00	26,269,962
Cuyahoga County	216,544,636	3.90	8,445,241
Greater Cleveland Regional Transit Authority	<u>123,915,000</u>	3.90	<u>4,832,685</u>
Total Overlapping	<u>366,729,598</u>		<u>39,547,888</u>
Total	<u><u>\$388,214,598</u></u>		<u><u>\$61,032,888</u></u>

(1) The debt outstanding includes general obligation bonded and note debt.

(2) The special taxing districts' debt (which includes the Cleveland Metropolitan Park District, Cuyahoga County Community College, and the Cleveland-Cuyahoga Port Authority) is included in the County total.

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

Source: Cuyahoga County Auditor

**City of Solon, Ohio**  
**Revenue Coverage of OWDA Loans**  
*Last Ten Years*

Year	Gross Revenues (1)	Direct Operating Expenditures (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2001	\$5,381,397	\$4,142,824	\$1,238,573	\$1,018,122	\$576,884	\$1,595,006	0.78
2000	4,710,354	2,787,929	1,922,425	969,464	625,542	1,595,006	1.21
1999	5,199,841	2,609,974	2,589,867	1,090,504	809,240	1,899,744	1.36
1998	5,009,339	2,782,466	2,226,873	1,085,095	846,374	1,931,469	1.15
1997	4,335,108	3,373,995	961,113	1,019,303	881,183	1,900,486	0.51
1996	3,572,731	3,135,089	437,642	923,799	835,335	1,759,134	0.25
1995	2,961,117	2,360,856	600,261	235,177	493,044	728,221	0.82
1994	3,088,601	2,313,118	775,483	122,839	169,691	292,530	2.65
1993	2,860,011	2,349,152	510,859	5,860	23,220	29,080	17.57
1992	2,590,303	2,567,006	23,297	11,032	23,910	34,942	0.67

(1) Gross revenues are on a cash basis. They represent all operating and non-operating revenues in the water reclamation operating fund with the exception of debt instrument proceeds.

(2) Direct operating expenditures are on a cash basis. They include expenses for wages, benefits, contract services, utilities and capital items.

Source: City of Solon

**City of Solon, Ohio**  
*Outstanding Principal of Total Debt*  
*Last Ten Years*

	2001	2000	1999
<b>Indebtedness:</b>			
<b>General Obligation Bonds</b>			
Sewer Plant Construction	\$0	\$0	\$0
Service Department	0	0	0
Grantwood Park Improvements	55,000	110,000	165,000
Central Wastewater	150,000	300,000	450,000
Sewer System Improvements	0	0	0
Land Acquisition	0	0	0
New City Hall Construction	5,205,000	5,510,000	5,805,000
LTGO Refunding	3,585,000	4,090,000	4,570,000
Library Building	3,190,000	3,315,000	3,430,000
<b>Special Assesment Bonds</b>			
SOM Harper Sanitary Sewer	0	0	0
Cochran/Solon Road	0	0	0
Cheswick 1 and 2	0	0	0
Ambina Drive	0	0	0
Davis Drive	0	0	0
Cannon Spring Sanitary (CBS)	0	0	17,000
Bruce Industrial Parkway	0	0	40,000
Sherbrook Drive	420,000	525,000	630,000
Parkland Westview Improvements	0	0	0
Various Street Improvements	0	0	0
County Issued Miles Sewer	791,604	791,604	876,500
Various Purpose Improvements	2,920,000	3,110,000	3,290,000
<b>Loans from State Agencies</b>			
<i>Enterprise Fund Loans</i>			
OWDA 190SRF - WWTP Expansion	14,024,397	14,853,402	16,050,942
OWDA 181SRF - N. E. Pump Station	2,304,666	2,457,043	2,673,790
OWDA 896032 - WWTP (1970)	235,421	254,459	280,809
OWDA 190SRFS - WWTP Expansion	311,073	328,774	354,189
<i>General Long-Term Debt Loans</i>			
OWDA 181SRF - Creekside Pump Station	1,676,101	1,786,443	1,943,398
OPWC CA514 - Solon/Baldwin/Huntington Sanitary Sewers	642,799	666,606	714,221
OWDA 332SRF - Aurora/Liberty Sanitary Sewer	1,217,572	1,246,608	1,330,213
OPWC - Solon/Cochran Intersection	162,917	169,434	182,467
<b>Capital Leases</b>	0	0	548
<b>General Obligation Bond Anticipation Notes</b>			
Creekside Trail	0	0	0
Sanitary Sewer Improvement	0	0	0
Kruse Drive	2,300,000	2,475,000	2,425,000
Municipal Service Center Improvement	2,000,000	4,000,000	6,000,000
Community Center	5,000,000	0	0
<b>Total</b>	<b>\$46,191,550</b>	<b>\$45,989,373</b>	<b>\$51,229,077</b>

1998	1997	1996	1995	1994	1993	1992
\$0	\$0	\$0	\$35,000	\$70,000	\$105,000	\$140,000
0	0	0	0	0	0	20,000
220,000	275,000	330,000	385,000	440,000	495,000	550,000
600,000	750,000	900,000	1,050,000	1,200,000	1,350,000	1,500,000
0	0	0	0	3,605,000	3,690,000	3,770,000
0	0	0	0	300,000	350,000	400,000
6,085,000	6,355,000	6,615,000	6,865,000	7,110,000	7,350,000	0
5,050,000	5,495,000	5,930,000	6,345,000	0	0	0
3,540,000	3,640,000	3,700,000	0	0	0	0
0	0	0	0	0	0	3,000
0	0	0	0	9,000	18,000	27,000
0	0	0	11,000	22,000	33,000	44,000
0	0	35,000	70,000	105,000	140,000	175,000
35,000	70,000	105,000	140,000	175,000	210,000	245,000
34,000	51,000	68,000	85,000	102,000	119,000	136,000
80,000	120,000	160,000	200,000	240,000	280,000	320,000
735,000	840,000	945,000	1,050,000	1,155,000	1,260,000	1,365,000
0	0	0	0	2,180,000	2,255,000	2,325,000
0	0	0	0	3,060,000	3,165,000	3,265,000
876,500	915,506	952,217	986,635	1,021,053	1,083,004	0
3,460,000	3,625,000	3,790,000	3,940,000	4,085,000	4,230,000	4,370,000
16,819,717	17,565,644	18,289,248	18,991,492	7,423,667	0	0
2,810,792	2,942,087	3,067,914	3,188,149	3,304,064	3,414,814	0
297,177	312,582	327,081	340,728	353,571	365,660	371,520
370,404	416,995	432,500	0	0	0	0
2,042,606	2,137,682	2,228,798	2,316,470	2,399,803	2,480,000	0
761,836	809,451	857,066	928,490	0	0	0
1,383,149	1,433,950	1,482,702	0	0	0	0
195,500	0	0	0	0	0	0
13,699	36,943	37,423	33,579	3,677	62,591	24,865
0	0	0	0	0	0	2,480,000
0	0	0	0	0	0	1,335,000
2,285,000	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$47,695,380</u>	<u>\$47,791,840</u>	<u>\$50,252,949</u>	<u>\$46,961,543</u>	<u>\$38,363,835</u>	<u>\$32,456,069</u>	<u>\$22,866,385</u>

**City of Solon, Ohio**  
*Ratio of Debt to Total Population, Assessed Value of  
 Real and Personal Property, and Per Capita Income  
 Last Seven Years*

Year	Total Debt	Debt per Capita (1)	Percent of Assessed Valuation	Debt per Capita as a Percent of Personal Income per Capita (2)
2001	\$46,191,550	\$2,118.68	4.15%	6.27%
2000	46,567,840	2,135.94	4.75	9.49
1999	51,229,077	2,761.97	5.38	12.27
1998	47,695,380	2,571.46	5.18	11.42
1997	47,791,840	2,576.66	5.49	11.44
1996	50,252,949	2,709.35	5.82	12.03
1995	46,961,543	2,531.89	5.64	11.25

(1) Calculated using the population from the 1990 census for years 1995 through 1999, 2000 census data is used thereafter.

(2) Calculated using the per capita income from the 1990 census for years 1995 through 1999, 2000 census data is used thereafter.



**City of Solon, Ohio**  
*Demographic Statistics*  
*December 31, 2001*

Population Data

<u>Year</u>	<u>Population</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>	<u>County Population</u>	<u>State Population</u>
1930	1,027			1,201,455	6,646,697
1940	1,508	481	46.84%	1,217,250	6,907,612
1950	2,570	1,062	70.42	1,389,532	7,946,627
1960	6,333	3,763	146.42	1,647,895	9,706,397
1970	11,519	5,186	81.89	1,721,300	10,652,017
1980	14,341	2,822	24.50	1,498,400	10,797,630
1990	18,548	4,207	29.34	1,412,140	10,847,115
2000	21,802	3,254	17.54	1,393,978	11,353,140

2000 Population Distribution by Age

Miscellaneous Population Information

<u>Age</u>	<u>Number</u>	<u>Percent of Total</u>	<u>Data</u>	<u>Amount</u>	<u>Percentage</u>
Under 5	1,290	5.92%	19 and Under	7,082	32.48%
5 - 9	1,891	8.67			
10 - 14	2,199	10.09	65 and Over	2,319	10.64
15 - 19	1,702	7.81			
20 - 24	647	2.97	Males	10,687	49.02
25 - 34	1,668	7.65			
35 - 44	4,000	18.35	Females	11,115	50.98
45 - 54	4,127	18.93			
55 - 59	1,141	5.23	25 and Over (1990 Data)		
60 - 64	818	3.75			
65 - 74	1,302	5.97	High school graduate or higher		88.60
75 - 44	824	3.78			
85 & over	193	0.89	Bachelor's degree or higher		38.00
Total	<u>21,802</u>	<u>100.00%</u>			

(continued)

**City of Solon, Ohio**  
*Demographic Statistics (continued)*  
 December 31, 2001

Distribution of Household by Income - 1989		
Income in 1989 (in dollars)	Number	Percent Change
Less than 5,000	93	1.46%
5,000 - 9,999	226	3.54
10,000 - 14,999	193	3.02
15,000 - 24,999	624	9.77
25,000 - 34,999	678	10.61
35,000 - 49,999	1,027	16.07
50,000 - 74,999	1,662	26.01
75,000 - 99,999	1,038	16.25
100,000 - 149,999	518	8.11
150,000 or more	330	5.17
<b>Total Households</b>	<b>6,389</b>	<b>100.00%</b>

Median household income   \$54,005  
 Per capita income       \$22,514

Household Type	1990	2000
Total Housing Units	6,601	7,801
Total Household (units occupied)	6,341	7,554
One Person Households	914	1,197
Two or more Person Household	5,427	6,357
Married couples family	4,722	5,427
Male householder (no wife) family	135	179
Female house holder (no husband) family	434	562
Nonfamily	136	189
Marital Status - Persons 15 years old & older		
Never married	3,051	n/a
Now married, except separated	9,652	n/a
Separated	95	n/a
Widowed	750	n/a
Divorced	692	n/a
Persons per household	2.92	2.89

Source:  
 U.S. Department of Commerce, Bureau of the Census, 2000 Census.  
 Historical data prepared by: Office of Strategic Research, Ohio  
 Department of Development, 3/01.  
[www.odod.state.oh.us/osr/people.htm](http://www.odod.state.oh.us/osr/people.htm)

U.S. Census Bureau, American FactFinder web site:  
<http://factfinder.census.gov/serlet/BasicFactsServlet>.

**City of Solon, Ohio**  
*Property Values, Bank Deposits, and Construction*  
*Last Ten Years*

Year	Assessed Value Real and Personal Property (1)	Building Permits Issued (2)		Bank Deposits (in thousands)
		Number	Value	
2001	\$1,111,915,474	773	\$97,746,307	\$63,893,769
2000	980,808,082	748	61,396,638	61,943,764
1999	952,134,413	767	75,119,573	57,816,942
1998	921,361,539	782	76,795,425	58,904,596
1997	870,595,414	812	75,019,941	53,941,971 (a)
1996	863,798,581	689	66,661,787	27,068,211
1995	833,036,748	638	52,635,320	22,694,304
1994	766,340,618	780	68,880,856	20,885,453
1993	759,351,726	949	61,198,380	21,900,421
1992	740,280,144	816	58,494,103	19,379,280

(a) Large increase in deposits due to Key Bank becoming a single charter in 1997.

- Sources:
- (1) Cuyahoga County Auditor
  - (2) City of Solon Building Department
  - (3) Federal Reserve Bank of Cleveland, Ohio

**City of Solon, Ohio**  
*Miscellaneous Statistical Data*  
 December 31, 2001

Government:	Charter	Mayor and Council (adopted 1954)
	Founded	1820
	Township	1825
	Village	1938
	City	December 5, 1960
Population:	Census 2000	21,802
Area:	19.2 square miles (12,300 acres)	1,232 acres undeveloped as of 12/31/99
Altitude:	Max. 1,246.1 feet -- Min. 886.1 feet	City Hall is at 1,033 feet
Climate (General Region):	Average rainfall	36.5 inches
	Average summer temperature	70.1 degrees Fahrenheit
	Average winter temperature	35.4 degrees Fahrenheit
Highways:	U.S. Routes -- 422	5.8 miles
	(divided highway, direct link to I-271 & I-480)	
	State Routes -- 43, 91, and 175	12.4 miles
	County Roads (9)	28.2 miles
Police:	Stations	1
	Equipment (pieces)	28 (includes 4 bicycles and 1 trailer)
	Officers	44
	School guards	5
	Auxiliary	19
	Dispatchers	6 full-time, 5 part-time
	Administrative personnel	8 full-time, 3 part-time
	Corrections personnel	11
	Humane officers	1
Fire:	Stations	2 (with an additional one in planning stage)
	Line personnel	48
	Fire prevention inspectors	4
	Administrative staff	3
	Equipment (pieces)	18 (includes a boat on a trailer)
Assessed Valuation:	\$1,111,915,474	2001
Number of Dwellings:	Total units (including multi-family)	8,146 (Solon Planning Department)
	Single family home average value	\$193,800 (County Auditor)
Banks:	Branches	12
Churches:	Total	11
Buildings:	Permits issued in 2001	773
	Valuation	\$97,746,307
Industry:	Number of business units	383 retail/commercial
	(Solon Planning Department)	410 industrial
Railroads:	Wheeling and Lake Erie	1
	Norfolk Southern	1
Bus Lines:	RTA (Regional Transit Authority)	3 routes
Medical:	Hospitals within 12 miles	20
	Emergency Care facility in Solon	1

(continued)

**City of Solon, Ohio**  
*Miscellaneous Statistical Data (continued)*  
 December 31, 2001

Education:	Total school enrollment	5,070 (January 2001)
	Average SAT score - Verbal	534 (1999-2000)
	Average SAT score - Math	556 (1999-2000)
	Parochial schools within 20 miles	25 (1998)
	Private schools within 20 miles	8 (1998)
	Major Colleges and Universities within 50 miles	15 (2000)
	Technical and Vocational Schools in the region	39 (2000)
Libraries:	Public Libraries	1
	Volumes available	80,773
	Audio/Visual	17,374
	Magazines	9,171
Newspapers:	Daily	1 - Cleveland Plain Dealer
	Weekly	2 - Solon Times and Solon Herald Sun
Lodging:	Hotel/Motel	4 (1 additional proposed)
Shopping Centers:		4
Airport:	20 miles to Cleveland Hopkins International Airport	
Recreation Facilities: (city owned and maintained)	Parks	4 (estimated 121 total acres)
	Swimming pools	1 (6 lane -- 50 meter)
	Lighted tennis courts	8
	Baseball fields	10 (plus one leased)
	Playgrounds	5
	Basketball courts	3 1/2
	Sand volleyball courts	3
	Pavilions	2 (adding 1 in 2002)
	Lake within park	1 (approximately 5 acres for fishing)
	Golf course (Grantwood)	1 (18 holes - 363 acres)
Other Recreation:	Cleveland Metro Parks area	379 acres within Solon
	Amusement park (Six Flags)	2 miles from City limits
	Golf courses (private)	2 (18 holes each)
Sewerage System: (city owned and maintained)	Miles of sanitary sewers	150
	Number of treatment plants	1
	Number of lift/pump stations	22
	Number of service connections	6,760 residential; 286 commercial
	Daily average treatment	4,060,000 gallons
	Maximum daily capacity of plant	5,800,000 gallons
Public Meetings:	Solon City Council	1st and 3rd Monday of each month
	Planning Commission	2nd and 4th Tuesday of each month
	Other Committees and Commissions meet monthly on varying dates.	

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**CITY OF SOLON**  
**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 23, 2002**