



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

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**STATE OF OHIO**



**CITY OF STREETSBORO  
PORTAGE COUNTY**

**TABLE OF CONTENTS**

| <b>TITLE</b>                                                                                                                                          | <b>PAGE</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Report of Independent Accountants .....                                                                                                               | 1           |
| Combined Balance Sheet .....                                                                                                                          | 4           |
| Combined Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – All Governmental Fund Types .....                                     | 6           |
| Combined Statement of Revenues, Expenditures, and Changes in<br>Fund Balances - Budget and Actual (Budget Basis)<br>All Governmental Fund Types ..... | 8           |
| Combined Statement of Revenues, Expenses, and Changes in Fund Equity<br>Proprietary Fund Type and Nonexpendable Trust Fund .....                      | 12          |
| Combined Statement of Cash Flows - Proprietary Fund Type and<br>Nonexpendable Trust Fund .....                                                        | 13          |
| Notes to the General Purpose Financial Statements .....                                                                                               | 14          |
| Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....                                                   | 39          |
| Schedule of Findings .....                                                                                                                            | 41          |

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**REPORT OF INDEPENDENT ACCOUNTANTS**

City of Streetsboro  
Portage County  
9184 State Route 43  
Streetsboro, Ohio 44241

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of Streetsboro, Portage County, Ohio, (the City) as of and for the year ended December 31, 1999. Our report on the financial statements included an explanatory paragraph noting the City made certain changes in accounting for its deferred compensation program. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provide 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 on the City, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

As described in Note 4 to the financial statements, the City changed its method of accounting for its deposits in a deferred compensation program during 1999 to comply with the provisions of Statement No. 32 of the Governmental Accounting Standards Board.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2001 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.

**Jim Petro**  
Auditor of State

February 21, 2001

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**CITY OF STREETSBORO  
PORTAGE COUNTY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1999**

|                                                                                     | Governmental Fund Types   |                         |                         |                           | Proprietary<br>Fund Types |
|-------------------------------------------------------------------------------------|---------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
|                                                                                     | General                   | Special<br>Revenue      | Debt<br>Service         | Capital<br>Projects       | Enterprise                |
| <b>ASSETS AND OTHER DEBITS</b>                                                      |                           |                         |                         |                           |                           |
| <b>Assets:</b>                                                                      |                           |                         |                         |                           |                           |
| Equity in Pooled Cash and Investments                                               | \$1,201,559               | \$573,794               | \$240,015               | \$1,565,512               | \$526,104                 |
| Equity in Pooled Cash - Non-Expendable Trust                                        |                           |                         |                         |                           |                           |
| Receivables:                                                                        |                           |                         |                         |                           |                           |
| Taxes                                                                               | 771,581                   | 48,821                  | 215,254                 | 82,452                    |                           |
| Accounts                                                                            |                           |                         |                         | 94,568                    | 206,473                   |
| Interfund                                                                           | 118,000                   |                         |                         |                           |                           |
| Special Assessments                                                                 |                           |                         | 123,177                 |                           | 215,451                   |
| Intergovernmental                                                                   | 55,520                    | 33,616                  |                         |                           |                           |
| Material and Supplies Inventory                                                     |                           | 18,263                  |                         |                           |                           |
| Fixed Assets (Net where applicable<br>of Accumulated Depreciation)                  |                           |                         |                         |                           | 4,310,775                 |
| <b>Other Debits:</b>                                                                |                           |                         |                         |                           |                           |
| Amount Available in Debt Service Fund                                               |                           |                         |                         |                           |                           |
| Amount Available in Debt Service Fund for<br>Retirement of Special Assessment Bonds |                           |                         |                         |                           |                           |
| Amount to be Provided from<br>General Government Resources                          |                           |                         |                         |                           |                           |
| Amount to be provided from Special Assessments                                      |                           |                         |                         |                           |                           |
| <b>Total Assets and Other Debits</b>                                                | <b><u>\$2,146,660</u></b> | <b><u>\$674,494</u></b> | <b><u>\$578,446</u></b> | <b><u>\$1,742,532</u></b> | <b><u>\$5,258,803</u></b> |
| <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>                                        |                           |                         |                         |                           |                           |
| <b>Liabilities:</b>                                                                 |                           |                         |                         |                           |                           |
| Accounts Payable                                                                    | \$106,234                 | \$38,190                |                         | \$38,542                  | \$48,838                  |
| Interfund Payable                                                                   |                           |                         |                         | 118,000                   |                           |
| Accrued Wages and Benefits                                                          | 61,038                    | 10,310                  |                         |                           | 2,751                     |
| Compensated Absences Payable                                                        | 1,840                     | 2,890                   |                         |                           | 7,633                     |
| Intergovernmental Payable                                                           | 113,899                   | 47,436                  |                         |                           | 5,827                     |
| Deferred Revenue                                                                    | 218,532                   | 43,671                  | 283,463                 |                           | 215,451                   |
| Deposits Held and Due to Others                                                     |                           |                         |                         |                           |                           |
| OPWC Loans Payable                                                                  |                           |                         |                         |                           | 145,264                   |
| OWDA Loans Payable                                                                  |                           |                         |                         |                           | 368,765                   |
| Capital Leases Payable                                                              |                           |                         |                         |                           |                           |
| General Obligation Bonds Payable                                                    |                           |                         |                         |                           |                           |
| Special Assessment Debt with<br>Governmental Commitment                             |                           |                         |                         |                           |                           |
| <b>Total Liabilities</b>                                                            | <b><u>501,543</u></b>     | <b><u>142,497</u></b>   | <b><u>283,463</u></b>   | <b><u>156,542</u></b>     | <b><u>794,529</u></b>     |
| <b>Fund Equity and Other Credits:</b>                                               |                           |                         |                         |                           |                           |
| Investment in General Fixed Assets                                                  |                           |                         |                         |                           |                           |
| Contributed Capital                                                                 |                           |                         |                         |                           | 5,576,383                 |
| Retained Earnings - Unreserved                                                      |                           |                         |                         |                           | (1,112,109)               |
| Fund Balance:                                                                       |                           |                         |                         |                           |                           |
| Reserved for Encumbrances                                                           | 48,542                    | 26,909                  |                         | 127,758                   |                           |
| Reserved for Inventory                                                              |                           | 18,263                  |                         |                           |                           |
| Reserved for Debt Service                                                           |                           |                         | 294,983                 |                           |                           |
| Unreserved / Undesignated                                                           | 1,596,575                 | 486,825                 |                         | 1,458,232                 |                           |
| <b>Total Fund Equity and Other Credits</b>                                          | <b><u>1,645,117</u></b>   | <b><u>531,997</u></b>   | <b><u>294,983</u></b>   | <b><u>1,585,990</u></b>   | <b><u>4,464,274</u></b>   |
| <b>Total Liabilities, Fund Equity and Other Credits</b>                             | <b><u>\$2,146,660</u></b> | <b><u>\$674,494</u></b> | <b><u>\$578,446</u></b> | <b><u>\$1,742,532</u></b> | <b><u>\$5,258,803</u></b> |

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



| Fiduciary Fund<br>Types | Accounts Groups         |                                     | Totals<br>Memorandum<br>Only |
|-------------------------|-------------------------|-------------------------------------|------------------------------|
| Trust and<br>Agency     | General Fixed<br>Assets | General<br>Long-Term<br>Obligations |                              |
| \$81,039                |                         |                                     | \$4,188,023                  |
| 409                     |                         |                                     | 409                          |
|                         |                         |                                     | 1,118,108                    |
|                         |                         |                                     | 301,041                      |
|                         |                         |                                     | 118,000                      |
|                         |                         |                                     | 338,628                      |
|                         |                         |                                     | 89,136                       |
|                         |                         |                                     | 18,263                       |
|                         | 7,880,690               |                                     | 12,191,465                   |
|                         |                         | 264,750                             | 264,750                      |
|                         |                         | 30,233                              | 30,233                       |
|                         |                         | 5,115,364                           | 5,115,364                    |
|                         |                         | 159,767                             | 159,767                      |
| <u>\$81,448</u>         | <u>\$7,880,690</u>      | <u>\$5,570,114</u>                  | <u>\$23,933,187</u>          |
| \$3,299                 |                         |                                     | \$235,103                    |
|                         |                         |                                     | 118,000                      |
|                         |                         |                                     | 74,099                       |
|                         |                         | 128,319                             | 140,682                      |
|                         |                         | 21,003                              | 188,165                      |
|                         |                         |                                     | 761,117                      |
| 77,740                  |                         |                                     | 77,740                       |
|                         |                         |                                     | 145,264                      |
|                         |                         |                                     | 368,765                      |
|                         |                         | 95,792                              | 95,792                       |
|                         |                         | 5,135,000                           | 5,135,000                    |
|                         |                         | 190,000                             | 190,000                      |
| <u>81,039</u>           |                         | <u>5,570,114</u>                    | <u>7,529,727</u>             |
|                         | 7,880,690               |                                     | 7,880,690                    |
| 409                     |                         |                                     | 5,576,383                    |
|                         |                         |                                     | (1,111,700)                  |
|                         |                         |                                     | 203,209                      |
|                         |                         |                                     | 18,263                       |
|                         |                         |                                     | 294,983                      |
|                         |                         |                                     | 3,541,632                    |
| <u>409</u>              | <u>7,880,690</u>        |                                     | <u>16,403,460</u>            |
| <u>\$81,448</u>         | <u>\$7,880,690</u>      | <u>\$5,570,114</u>                  | <u>\$23,933,187</u>          |

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURE  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

|                                                                                                        | <b>Governmental Fund Types</b> |                            |                         |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------|-------------------------|-----------------------------|-----------------------------------------|
|                                                                                                        | <b>General</b>                 | <b>Special<br/>Revenue</b> | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> |                                         |
| <b>Revenues:</b>                                                                                       |                                |                            |                         |                             |                                         |
| Municipal Income Tax                                                                                   | \$3,437,119                    |                            | \$342,010               | \$520,128                   | \$4,299,257                             |
| Property and Other Taxes                                                                               | 561,924                        | 154,645                    | 210,376                 |                             | 926,945                                 |
| Charges for Services                                                                                   | 77,521                         | 81,566                     |                         | 194,441                     | 353,528                                 |
| Licenses and Permits                                                                                   | 537,172                        |                            |                         |                             | 537,172                                 |
| Fines and Forfeiture                                                                                   | 120,917                        | 10,707                     |                         |                             | 131,624                                 |
| Intergovernmental                                                                                      | 433,490                        | 523,993                    | 19,351                  | 864,951                     | 1,841,785                               |
| Special Assessments                                                                                    |                                | 61,092                     | 69,581                  |                             | 130,673                                 |
| Investment Income                                                                                      | 184,623                        | 4,635                      |                         |                             | 189,258                                 |
| Other                                                                                                  | 5,816                          | 7,541                      |                         |                             | 13,357                                  |
| <b>Total Revenue</b>                                                                                   | <b>5,358,582</b>               | <b>844,179</b>             | <b>641,318</b>          | <b>1,579,520</b>            | <b>8,423,599</b>                        |
| <b>Expenditures:</b>                                                                                   |                                |                            |                         |                             |                                         |
| Current:                                                                                               |                                |                            |                         |                             |                                         |
| General Government                                                                                     | 790,307                        | 96,819                     | 159,200                 | 13,110                      | 1,059,436                               |
| Security of Persons and Property                                                                       | 2,414,266                      | 246,464                    |                         |                             | 2,660,730                               |
| Public Health and Welfare                                                                              |                                | 28,749                     |                         |                             | 28,749                                  |
| Transportation                                                                                         |                                | 440,309                    |                         |                             | 440,309                                 |
| Community Environment                                                                                  | 333,153                        |                            |                         |                             | 333,153                                 |
| Basic Utility Services                                                                                 | 626,786                        |                            |                         |                             | 626,786                                 |
| Leisure Time Activities                                                                                | 120,874                        | 82,051                     |                         |                             | 202,925                                 |
| Other                                                                                                  |                                | 303,274                    |                         |                             | 303,274                                 |
| Capital Outlay                                                                                         | 439,222                        | 168,332                    |                         | 1,581,020                   | 2,188,574                               |
| Intergovernmental                                                                                      | 1,330                          |                            |                         |                             | 1,330                                   |
| Debt Service:                                                                                          |                                |                            |                         |                             |                                         |
| Principal Retirement                                                                                   |                                |                            | 50,000                  | 51,408                      | 101,408                                 |
| Interest and Fiscal Charges                                                                            |                                |                            | 25,163                  | 125,304                     | 150,467                                 |
| <b>Total Expenditures</b>                                                                              | <b>4,725,938</b>               | <b>1,365,998</b>           | <b>234,363</b>          | <b>1,770,842</b>            | <b>8,097,141</b>                        |
| <b>Excess of Revenues Over (Under) Expenditures</b>                                                    | <b>632,644</b>                 | <b>(521,819)</b>           | <b>406,955</b>          | <b>(191,322)</b>            | <b>326,458</b>                          |
| <b>Other Financing Sources (Uses):</b>                                                                 |                                |                            |                         |                             |                                         |
| Proceeds of Bonds                                                                                      |                                |                            | 4,290,000               | 845,000                     | 5,135,000                               |
| Sale of Fixed Assets                                                                                   | 15,643                         |                            |                         |                             | 15,643                                  |
| Inception of Capital Lease                                                                             |                                |                            |                         | 147,201                     | 147,201                                 |
| Operating Transfers - In                                                                               |                                | 249,000                    |                         | 4,632,986                   | 4,881,986                               |
| Operating Transfers - Out                                                                              | (312,000)                      |                            | (4,602,986)             |                             | (4,914,986)                             |
| <b>Total Other Sources (Uses)</b>                                                                      | <b>(296,357)</b>               | <b>249,000</b>             | <b>(312,986)</b>        | <b>5,625,187</b>            | <b>5,264,844</b>                        |
| <b>Excess of Revenues and Other<br/>Financing Sources Over (Under)<br/>Expenditures and Other Uses</b> | <b>336,287</b>                 | <b>(272,819)</b>           | <b>93,969</b>           | <b>5,433,865</b>            | <b>5,591,302</b>                        |
| <b>Fund Balances (Deficit) at Beginning of Year</b>                                                    | <b>1,308,830</b>               | <b>806,983</b>             | <b>201,014</b>          | <b>(3,847,875)</b>          | <b>(1,531,048)</b>                      |
| (Decrease) in Reserve for Inventory                                                                    |                                | (2,167)                    |                         |                             | (2,167)                                 |
| <b>Fund Balances (Deficit) at End of Year</b>                                                          | <b>\$1,645,117</b>             | <b>\$531,997</b>           | <b>\$294,983</b>        | <b>\$1,585,990</b>          | <b>\$4,058,087</b>                      |

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

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**CITY OF STREETSBORO  
PORTAGE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31 1999**

|                                                                                                        | <u>General Fund</u>     |                           |                                                 |
|--------------------------------------------------------------------------------------------------------|-------------------------|---------------------------|-------------------------------------------------|
|                                                                                                        | <u>Revised Budget</u>   | <u>Actual</u>             | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
| <b>Revenues:</b>                                                                                       |                         |                           |                                                 |
| Municipal Income Tax                                                                                   | \$3,280,000             | \$3,460,532               | \$180,532                                       |
| Property and Other Taxes                                                                               | 305,000                 | 315,914                   | 10,914                                          |
| Charges for Services                                                                                   | 65,200                  | 77,721                    | 12,521                                          |
| Licenses and Permits                                                                                   | 578,500                 | 546,420                   | (32,080)                                        |
| Fines and Forfeitures                                                                                  | 101,250                 | 114,372                   | 13,122                                          |
| Intergovernmental                                                                                      | 624,427                 | 668,674                   | 44,247                                          |
| Special Assessments                                                                                    |                         |                           |                                                 |
| Investment Income                                                                                      | 150,220                 | 184,625                   | 34,405                                          |
| Other                                                                                                  | 1,500                   | 5,886                     | 4,386                                           |
| Total Revenues                                                                                         | <u>5,106,097</u>        | <u>5,374,144</u>          | <u>268,047</u>                                  |
| <b>Expenditures:</b>                                                                                   |                         |                           |                                                 |
| Current:                                                                                               |                         |                           |                                                 |
| General Government                                                                                     | 957,385                 | 819,417                   | 137,968                                         |
| Security of Persons and Property                                                                       | 2,667,925               | 2,433,052                 | 234,873                                         |
| Public Health and Welfare                                                                              |                         |                           |                                                 |
| Transportation                                                                                         |                         |                           |                                                 |
| Community Environment                                                                                  | 429,881                 | 339,772                   | 90,109                                          |
| Basic Utility Services                                                                                 | 679,250                 | 636,731                   | 42,519                                          |
| Leisure Time Activities                                                                                | 142,130                 | 124,837                   | 17,293                                          |
| Other                                                                                                  |                         |                           |                                                 |
| Capital Outlay                                                                                         | 501,780                 | 467,101                   | 34,679                                          |
| Debt Service:                                                                                          |                         |                           |                                                 |
| Principal Retirement                                                                                   |                         |                           |                                                 |
| Interest and Fiscal Charges                                                                            |                         |                           |                                                 |
| Total Expenditures                                                                                     | <u>5,378,351</u>        | <u>4,820,910</u>          | <u>557,441</u>                                  |
| Excess of Revenues Over (Under) Expenditures                                                           | <u>(272,254)</u>        | <u>553,234</u>            | <u>825,488</u>                                  |
| <b>Other Financing Sources (Uses):</b>                                                                 |                         |                           |                                                 |
| Other Financing Sources                                                                                | 74,138                  | 81,048                    | 6,910                                           |
| Other Financing Uses                                                                                   | (153,500)               | (126,767)                 | 26,733                                          |
| Proceeds of Bonds                                                                                      |                         |                           |                                                 |
| Sales of Fixed Assets                                                                                  | 14,000                  | 15,643                    | 1,643                                           |
| Operating Transfers - In                                                                               |                         |                           |                                                 |
| Operating Transfers - Out                                                                              | (313,000)               | (312,000)                 | 1,000                                           |
| Total Other Financing Sources (Uses)                                                                   | <u>(378,362)</u>        | <u>(342,076)</u>          | <u>36,286</u>                                   |
| Excess of Revenue and Other Financing Sources<br>Over (Under) Expenditures and Other Financing<br>Uses | (650,616)               | 211,158                   | 861,774                                         |
| Fund Balances at Beginning of Year                                                                     | 818,440                 | 818,440                   |                                                 |
| Prior Year Encumbrances Appropriated                                                                   | 67,989                  | 67,989                    |                                                 |
| <b>Fund Balances at End of Year</b>                                                                    | <u><b>\$235,813</b></u> | <u><b>\$1,097,587</b></u> | <u><b>\$861,774</b></u>                         |

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

**Governmental Fund Types**

| <b>Special Revenue Funds</b> |                  |                                         | <b>Debt Service Fund</b> |                    |                                         |
|------------------------------|------------------|-----------------------------------------|--------------------------|--------------------|-----------------------------------------|
| <b>Revised Budget</b>        | <b>Actual</b>    | <b>Variance Favorable (Unfavorable)</b> | <b>Revised Budget</b>    | <b>Actual</b>      | <b>Variance Favorable (Unfavorable)</b> |
|                              |                  |                                         | \$328,000                | \$343,945          | \$15,945                                |
| 149,650                      | 160,579          | 10,929                                  | 220,500                  | 231,358            | 10,858                                  |
| 102,800                      | 83,468           | (19,332)                                |                          |                    |                                         |
| 8,500                        | 9,941            | 1,441                                   |                          |                    |                                         |
| 988,180                      | 939,899          | (48,281)                                |                          |                    |                                         |
| 60,000                       | 61,092           | 1,092                                   | 64,000                   | 67,418             | 3,418                                   |
| 5,000                        | 4,635            | (365)                                   |                          |                    |                                         |
| 2,000                        | 7,541            | 5,541                                   |                          |                    |                                         |
| <u>1,316,130</u>             | <u>1,267,155</u> | <u>(48,975)</u>                         | <u>612,500</u>           | <u>642,721</u>     | <u>30,221</u>                           |
| 95,625                       | 92,682           | 2,943                                   | 168,300                  | 159,350            | 8,950                                   |
| 353,500                      | 255,197          | 98,303                                  |                          |                    |                                         |
| 33,150                       | 29,744           | 3,406                                   |                          |                    |                                         |
| 503,200                      | 477,631          | 25,569                                  |                          |                    |                                         |
| 96,616                       | 82,830           | 13,786                                  |                          |                    |                                         |
| 305,000                      | 303,274          | 1,726                                   |                          |                    |                                         |
| 761,500                      | 586,069          | 175,431                                 |                          |                    |                                         |
|                              |                  |                                         | 4,590,000                | 4,490,000          | 100,000                                 |
|                              |                  |                                         | 193,906                  | 188,149            | 5,757                                   |
| <u>2,148,591</u>             | <u>1,827,427</u> | <u>321,164</u>                          | <u>4,952,206</u>         | <u>4,837,499</u>   | <u>114,707</u>                          |
| <u>(832,461)</u>             | <u>(560,272)</u> | <u>272,189</u>                          | <u>(4,339,706)</u>       | <u>(4,194,778)</u> | <u>144,928</u>                          |
| 4,000                        | 4,943            | 943                                     |                          |                    |                                         |
| (4,500)                      | (3,312)          | 1,188                                   |                          |                    |                                         |
| 230,000                      |                  | (230,000)                               | 4,382,000                | 4,290,000          | (92,000)                                |
| 250,000                      | 249,000          | (1,000)                                 |                          |                    |                                         |
| <u>479,500</u>               | <u>250,631</u>   | <u>(228,869)</u>                        | <u>4,382,000</u>         | <u>4,290,000</u>   | <u>(92,000)</u>                         |
| (352,961)                    | (309,641)        | 43,320                                  | 42,294                   | 95,222             | 52,928                                  |
| 812,663                      | 812,663          |                                         | 142,629                  | 142,629            |                                         |
| 20,238                       | 20,238           |                                         |                          |                    |                                         |
| <u>\$479,940</u>             | <u>\$523,260</u> | <u>\$43,320</u>                         | <u>\$184,923</u>         | <u>\$237,851</u>   | <u>\$52,928</u>                         |

*continued*

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

|                                                                                                                 | <u>Capital Projects Funds</u> |                           |                                                 |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|-------------------------------------------------|
|                                                                                                                 | <u>Revised<br/>Budget</u>     | <u>Actual</u>             | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
| <b>Revenues:</b>                                                                                                |                               |                           |                                                 |
| Municipal Income Tax                                                                                            | \$492,000                     | \$515,918                 | \$23,918                                        |
| Property and Other Taxes                                                                                        |                               |                           |                                                 |
| Charges for Services                                                                                            | 200,000                       | 177,691                   | (22,309)                                        |
| Licenses and Permits                                                                                            |                               |                           |                                                 |
| Fines and Forfeitures                                                                                           |                               |                           |                                                 |
| Intergovernmental                                                                                               | 75,000                        | 75,000                    |                                                 |
| Special Assessments                                                                                             |                               |                           |                                                 |
| Investment Income                                                                                               |                               |                           |                                                 |
| Other                                                                                                           |                               |                           |                                                 |
| <b>Total Revenues</b>                                                                                           | <u>767,000</u>                | <u>768,609</u>            | <u>1,609</u>                                    |
| <b>Expenditures:</b>                                                                                            |                               |                           |                                                 |
| Current:                                                                                                        |                               |                           |                                                 |
| General Government                                                                                              | 18,500                        | 13,077                    | 5,423                                           |
| Security of Persons and Property                                                                                |                               |                           |                                                 |
| Public Health and Welfare                                                                                       |                               |                           |                                                 |
| Transportation                                                                                                  |                               |                           |                                                 |
| Community Environment                                                                                           |                               |                           |                                                 |
| Basic Utility Services                                                                                          |                               |                           |                                                 |
| Leisure Time Activities                                                                                         |                               |                           |                                                 |
| Other                                                                                                           |                               |                           |                                                 |
| Capital Outlay                                                                                                  | 1,124,750                     | 937,396                   | 187,354                                         |
| Debt Service:                                                                                                   |                               |                           |                                                 |
| Principal Retirement                                                                                            | 100,000                       | 100,000                   |                                                 |
| Interest and Fiscal Charges                                                                                     |                               |                           |                                                 |
| <b>Total Expenditures</b>                                                                                       | <u>1,243,250</u>              | <u>1,050,473</u>          | <u>192,777</u>                                  |
| <b>Excess of Revenues Over (Under) Expenditures</b>                                                             | <u>(476,250)</u>              | <u>(281,864)</u>          | <u>194,386</u>                                  |
| <b>Other Financing Sources (Uses):</b>                                                                          |                               |                           |                                                 |
| Other Financing Sources                                                                                         |                               |                           |                                                 |
| Other Financing Uses                                                                                            | (36,300)                      | (13,103)                  | 23,197                                          |
| Proceeds of Bonds                                                                                               | 595,000                       | 845,000                   | 250,000                                         |
| Sales of Fixed Assets                                                                                           |                               |                           |                                                 |
| Operating Transfers - In                                                                                        | 60,000                        | 30,000                    | (30,000)                                        |
| Operating Transfers - Out                                                                                       |                               |                           |                                                 |
| <b>Total Other Financing Sources (Uses)</b>                                                                     | <u>618,700</u>                | <u>861,897</u>            | <u>243,197</u>                                  |
| <b>Excess of Revenue and Other Financing Sources<br/>Over (Under) Expenditures and Other Financing<br/>Uses</b> | 142,450                       | 580,033                   | 437,583                                         |
| <b>Fund Balances at Beginning of Year</b>                                                                       | 587,095                       | 587,095                   |                                                 |
| <b>Prior Year Encumbrances Appropriated</b>                                                                     | 234,920                       | 234,920                   |                                                 |
| <b>Fund Balances at End of Year</b>                                                                             | <u><u>\$964,465</u></u>       | <u><u>\$1,402,048</u></u> | <u><u>\$437,583</u></u>                         |

| <b>Totals (Memorandum Only)</b> |                           |                                         |
|---------------------------------|---------------------------|-----------------------------------------|
| <b>Revised Budget</b>           | <b>Actual</b>             | <b>Variance Favorable (Unfavorable)</b> |
| \$4,100,000                     | \$4,320,395               | \$220,395                               |
| 675,150                         | 707,851                   | 32,701                                  |
| 368,000                         | 338,880                   | (29,120)                                |
| 578,500                         | 546,420                   | (32,080)                                |
| 109,750                         | 124,313                   | 14,563                                  |
| 1,687,607                       | 1,683,573                 | (4,034)                                 |
| 124,000                         | 128,510                   | 4,510                                   |
| 155,220                         | 189,260                   | 34,040                                  |
| 3,500                           | 13,427                    | 9,927                                   |
| <u>7,801,727</u>                | <u>8,052,629</u>          | <u>250,902</u>                          |
| 1,239,810                       | 1,084,526                 | 155,284                                 |
| 3,021,425                       | 2,688,249                 | 333,176                                 |
| 33,150                          | 29,744                    | 3,406                                   |
| 503,200                         | 477,631                   | 25,569                                  |
| 429,881                         | 339,772                   | 90,109                                  |
| 679,250                         | 636,731                   | 42,519                                  |
| 238,746                         | 207,667                   | 31,079                                  |
| 305,000                         | 303,274                   | 1,726                                   |
| 2,388,030                       | 1,990,566                 | 397,464                                 |
| 4,690,000                       | 4,590,000                 | 100,000                                 |
| 193,906                         | 188,149                   | 5,757                                   |
| <u>13,722,398</u>               | <u>12,536,309</u>         | <u>1,186,089</u>                        |
| <u>(5,920,671)</u>              | <u>(4,483,680)</u>        | <u>1,436,991</u>                        |
| 78,138                          | 85,991                    | 7,853                                   |
| (194,300)                       | (143,182)                 | 51,118                                  |
| 5,207,000                       | 5,135,000                 | (72,000)                                |
| 14,000                          | 15,643                    | 1,643                                   |
| 310,000                         | 279,000                   | (31,000)                                |
| (313,000)                       | (312,000)                 | 1,000                                   |
| <u>5,101,838</u>                | <u>5,060,452</u>          | <u>(41,386)</u>                         |
| (818,833)                       | 576,772                   | 1,395,605                               |
| 2,360,827                       | 2,360,827                 |                                         |
| 323,147                         | 323,147                   |                                         |
| <u><b>\$1,865,141</b></u>       | <u><b>\$3,260,746</b></u> | <u><b>\$1,395,605</b></u>               |

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITY  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

|                                           | <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary Fund<br/>Type</u>  | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|-------------------------------------------|----------------------------------|---------------------------------|-----------------------------------------|
|                                           | <u>Enterprise</u>                | <u>Non-Expendable<br/>Trust</u> |                                         |
| <b>Operating Revenues:</b>                |                                  |                                 |                                         |
| Charges for Services                      | \$1,161,064                      |                                 | \$1,161,064                             |
| Total Operating Revenues                  | <u>1,161,064</u>                 |                                 | <u>1,161,064</u>                        |
| <b>Operating Expenses:</b>                |                                  |                                 |                                         |
| Personal Services                         | 182,760                          |                                 | 182,760                                 |
| Contractual Services                      | 684,755                          |                                 | 684,755                                 |
| Material and Supplies                     | 93,058                           |                                 | 93,058                                  |
| Depreciation                              | 216,647                          |                                 | 216,647                                 |
| Total Operating Expenses                  | <u>1,177,220</u>                 |                                 | <u>1,177,220</u>                        |
| Operating (Loss)                          | <u>(16,156)</u>                  |                                 | <u>(16,156)</u>                         |
| <b>Non-Operating Revenues (Expenses):</b> |                                  |                                 |                                         |
| Special Assessments                       | 51,405                           |                                 | 51,405                                  |
| Interest and Fiscal Charges               | (36,192)                         |                                 | (36,192)                                |
| Other Non-Operating Expenses              | (2,006)                          |                                 | (2,006)                                 |
| Total Non-Operating Revenues              | <u>13,207</u>                    |                                 | <u>13,207</u>                           |
| (Loss) Before Operating Transfers         | <u>(2,949)</u>                   |                                 | <u>(2,949)</u>                          |
| Operating Transfers - In                  | 253,000                          |                                 | 253,000                                 |
| Operating Transfers - Out                 | (220,000)                        |                                 | (220,000)                               |
| Net Income                                | <u>30,051</u>                    |                                 | <u>30,051</u>                           |
| Retained Earnings at Beginning of Year    | (1,142,160)                      | 409                             | (1,141,751)                             |
| Retained Earnings at End of Year          | <u>(1,112,109)</u>               | <u>409</u>                      | <u>(1,111,700)</u>                      |
| Contributed Capital of Beginning of Year  | 5,479,087                        |                                 | 5,479,087                               |
| Other Contributions:                      |                                  |                                 |                                         |
| Other                                     | 97,296                           |                                 | 97,296                                  |
| Contributed Capital at End of Year        | <u>5,576,383</u>                 |                                 | <u>5,576,383</u>                        |
| <b>Total Fund Equity at End of Year</b>   | <b><u>\$4,464,274</u></b>        | <b><u>\$409</u></b>             | <b><u>\$4,464,683</u></b>               |

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



**CITY OF STREETSBORO  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

|                                                                                           | <u>Proprietary<br/>Fund Type</u> | <u>Fiduciary Fund<br/>Type</u>  | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|-------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|-----------------------------------------|
|                                                                                           | <u>Enterprise</u>                | <u>Non-Expendable<br/>Trust</u> |                                         |
| <b>Cash Flows from Operating Activities:</b>                                              |                                  |                                 |                                         |
| Cash Received from Customers                                                              | \$1,100,891                      |                                 | \$1,100,891                             |
| Cash Payments to Suppliers for Goods and Services                                         | (774,375)                        |                                 | (774,375)                               |
| Cash Payments to Employees for Services and Benefits                                      | (176,004)                        |                                 | (176,004)                               |
| Net Cash Provided by Operating Activities                                                 | <u>150,512</u>                   |                                 | <u>150,512</u>                          |
| <b>Cash Flows from Noncapital Financing Activities:</b>                                   |                                  |                                 |                                         |
| Operating Transfers In                                                                    | 253,000                          |                                 | 253,000                                 |
| Operating Transfers Out                                                                   | (220,000)                        |                                 | (220,000)                               |
| Other Nonoperating Expenses                                                               | (2,006)                          |                                 | (2,006)                                 |
| Net Cash Provided by Noncapital Financing Activities                                      | <u>30,994</u>                    |                                 | <u>30,994</u>                           |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                          |                                  |                                 |                                         |
| Proceeds from Loans                                                                       | 152,910                          |                                 | 152,910                                 |
| Acquisition of Capital Assets                                                             | (337,252)                        |                                 | (337,252)                               |
| Principal Payments                                                                        | (51,695)                         |                                 | (51,695)                                |
| Interest payments                                                                         | (36,192)                         |                                 | (36,192)                                |
| Special Assessments                                                                       | 51,405                           |                                 | 51,405                                  |
| Net Cash Provided by Capital and Related Financing Activities                             | <u>(220,824)</u>                 |                                 | <u>(220,824)</u>                        |
| Net Increase in Cash and Cash Equivalents                                                 | (39,318)                         |                                 | (39,318)                                |
| Cash and Cash Equivalents at Beginning of Year                                            | 565,422                          | 409                             | 565,831                                 |
| <b>Cash and Cash Equivalents at End of Year</b>                                           | <b><u>\$526,104</u></b>          | <b><u>\$409</u></b>             | <b><u>\$526,513</u></b>                 |
| <b>Reconciliation of Operating Loss to Net Cash<br/>Provided by Operating Activities:</b> |                                  |                                 |                                         |
| Operating Loss                                                                            | (\$16,156)                       |                                 | (\$16,156)                              |
| Adjustments to Reconcile Operating Loss to Net Cash<br>Provided by Operating Activities:  |                                  |                                 |                                         |
| Depreciation                                                                              | 216,647                          |                                 | 216,647                                 |
| Changes in Assets and Liabilities:                                                        |                                  |                                 |                                         |
| (Increase)/Decrease in Accounts Receivable                                                | (59,733)                         |                                 | (59,733)                                |
| Increase/(Decrease) in Accounts Payable                                                   | 2,818                            |                                 | 2,818                                   |
| Increase/(Decrease) in Accrued Wages                                                      | 982                              |                                 | 982                                     |
| Increase/(Decrease) in Compensated Absences Payable                                       | 1,023                            |                                 | 1,023                                   |
| Increase/(Decrease) in Intergovernmental Payable                                          | 4,931                            |                                 | 4,931                                   |
| Total Adjustments                                                                         | <u>166,668</u>                   |                                 | <u>166,668</u>                          |
| <b>Net Cash Provided by Operating Activities</b>                                          | <b><u>\$150,512</u></b>          |                                 | <b><u>\$150,512</u></b>                 |

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

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999**

**1. REPORTING ENTITY AND BASIS OF PRESENTATION**

**A. Description of the Entity**

The City of Streetsboro, Ohio (the City) was incorporated in 1969 and chartered in 1971 under the laws of the State of Ohio. The City operates under the Mayor-Council form of government.

For financial reporting purposes, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions and departments for which the City is financially accountable. Financial accountability, as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the City. The City may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The city also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's general purpose financial statements to be misleading or incomplete.

The City provides various services and consists of many different activities and smaller accounting entities. These include police and fire fighting forces, a street maintenance department, a parks and recreation system, planning and zoning, and a staff to provide the necessary support to these service providers. These service departments are included as part of the primary reporting entity.

**B. Basis of Presentation - Fund Accounting**

The City uses funds and account groups to report 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 of specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is then divided into various fund types. The following are the fund types and account groups utilized by the City:

**1. Governmental Fund Types**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances fo 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.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999**

**(Continued)**

**1. REPORTING ENTITY AND BASIS OF PRESENTATION - (Continued)**

**General Fund** - This fund is used to account for all financial resources of the City 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 used to account for proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

**Debt Service Funds** - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs 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 and trust funds).

**2. Proprietary Fund Type**

The 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** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where 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.

**3. Fiduciary Fund Types**

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

**Nonexpendable Trust Fund** - This fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

**Agency Fund** - This fund is purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**4. 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 STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**1. REPORTING ENTITY AND BASIS OF PRESENTATION - (Continued)**

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

**General Long-Term Obligation Account Group** - This account group is used to account for all long-term obligations of the City; except those accounted for in the proprietary funds.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed in the preparation of these general purpose financial statements are summarized. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The City applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989 to proprietary activity provided they do not conflict with Governmental Accounting Standards Board Statements and Interpretations.

**A. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Combined 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 operations of these funds are included on the Combined Balance Sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

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

The modified accrual basis of accounting is followed for reporting purposes by all governmental fund types and the agency fund. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is considered to be 60 days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: federal, state and county grants and other distributions, charges for current services, fines and forfeitures and income tax withheld by employers. Major revenue sources not susceptible to accrual include licenses and permits which are not considered measurable until received.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The City reports deferred revenue on its Combined Balance Sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes measurable as of December 31, 1999 and delinquent property taxes, whose availability is indeterminable and which are not intended to finance the current year operations, have been recorded as deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments are due outside of the available period, the entire amount has been deferred.

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

Proprietary funds and the non-expendable trust fund are reported using the accrual basis of accounting. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. Unbilled services charges receivable are recognized as revenue at year end.

**B. 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 Annual Appropriation Measure, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Annual Appropriation Measure are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, legally are required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each fund, program, and department. Budgetary modifications may only be made by resolution of the City Council.

**Tax Budget**

A budget of estimated revenue and expenditures 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. The budget includes proposed expenditures and the means of financing all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. 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 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 Measure. On or about January 1, the Certificate of Estimated Resources is amended to include any unencumbered balances from the preceding year. The Certificate may be amended further during the year if it is determined by the City, and the Budget Commission agrees, that an estimate needs either to be increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official Certificate of Estimated Resources issued during 1999.

**Appropriations**

A temporary appropriation measure to control expenditures may be passed on or around January 1 of each year for the period January 1 to March 31. The Annual Appropriation Measure must be passed by April 1 of each year for the period January 1 to December 31. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriations at any level of control. Any revisions that alter the appropriations at the legal level of budgetary control must first be approved by City Council. Council may pass supplemental fluid appropriations so long as the total appropriations by fluid does not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

Formal budgetary integration is employed as a management control device during the year for all fluids consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by City Council, throughout the year by supplemental appropriations which either reallocate or increase the original appropriated amounts. During the year, supplemental appropriations measures were legally enacted; however, none of these amendments were significant. The budgetary figures which appear in the statement of budgetary comparisons represents the final appropriation amounts, including all amendments and modifications.

**Encumbrances**

As part of the formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are encumbered and 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 object level within each department. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and are reported in the notes to the general purpose financial statements for proprietary funds.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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 need not be reappropriated.

**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 year 1999, investments were limited to STAR Ohio and overnight repurchase agreements.

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

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the year 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 1999.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the year 1999 amounted to \$184,623, which includes \$134,054 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 original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents.

**C. Inventory of Supplies**

Inventories of governmental funds are stated at cost. 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 type when used. Reported 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.

**E. Short-Term Interfund Assets/Liabilities**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "Interfund Receivable/Payable".

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**F. Property, Plant, Equipment and Depreciation**

**1. General Fixed Assets Account Group**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost

Assets in the general fixed assets account group are not depreciated.

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. Improvements which extend the useful life or increase the capacity or operating efficiency of the asset are capitalized at cost in the general fixed assets account group.

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

**2. Proprietary Fund Fixed Assets**

Property, plant, and equipment reflected in the enterprise funds are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

| <u>Description</u> | <u>Estimated Lives</u> |
|--------------------|------------------------|
| Equipment          | 5 to 30 years          |
| Underground Piping | 30 years               |

**3. Valuation**

The City's fixed asset values were determined using original acquisition costs when such information was available. In cases when original costs were not practicably determinable, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated. The City maintains a capitalization threshold of five hundred dollars.

**G. Compensated Absences**

Governmental Accounting Standards Board Statement No.16, "Accounting for Compensated Absences", specifies the methods used to accrue liabilities for leave benefits. Vacation leave 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 employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.



**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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 recorded in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**H. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, shared revenues and entitlements are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants, entitlements, or shared revenues received for proprietary fund operating purposes are recognized as nonoperating revenues in the accounting period in which they are earned and become measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

**I. Accrued Liabilities and Long-term Obligations**

in general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from government 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 resources. In general, payments made more than sixty days after year end are considered not to have been made with current available financial resources. Special assessment debt is recognized as a liability of the general long-term obligations account group until due.

Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

**J. Contributed Capital**

Contributed capital represents resources from other funds, other governments, and private sources provided to enterprise funds that are not subject to repayment. These private sources are recorded at their fair market value on the date contributed.

**K. Reserves of Fund Equity**

The City records reservations for portions of fund balances which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriations for expenditures. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, inventory and debt service principal payments.

**L. Interfund Transactions**

During the course of normal operations the City makes numerous transactions between funds. The most significant include operating transfers and reimbursements.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

1. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.

**M. Estimates**

The preparation of general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the general purpose 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.

**3. BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is founded on accounting for certain transactions on a basis of cash receipts, disbursements, appropriations, and encumbrances.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual (Budget Basis), All Governmental Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Advances are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**3. BUDGETARY BASIS OF ACCOUNTING - (Continued)**

Adjustments necessary to reconcile the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

| <b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under)<br/>Expenditures and Other Financing (Uses)<br/>All Governmental Fund Types and Expendable Trust Fund</b> |                  |                            |                         |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------|-------------------------|-----------------------------|
|                                                                                                                                                                                       | <u>General</u>   | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> |
| GAAP Basis                                                                                                                                                                            | \$336,287        | (\$272,819)                | \$93,969                | \$5,433,865                 |
| Net Adjustment for Revenue<br>Accruals                                                                                                                                                | 96,610           | 10,135                     | 1,403                   | (4,548,946)                 |
| Net Adjustment for Expenditure<br>Accruals                                                                                                                                            | (117,623)        | 3,576                      | (150)                   | (141,422)                   |
| Encumbrances                                                                                                                                                                          | <u>(104,116)</u> | <u>(50,533)</u>            | <u>0</u>                | <u>(163,464)</u>            |
| Budget Basis                                                                                                                                                                          | <u>\$211,158</u> | <u>(\$309,641)</u>         | <u>\$95,222</u>         | <u>\$580,033</u>            |

**4. CHANGE IN ACCOUNTING PRINCIPLES**

For 1999, the City has implemented GASB Statement No.32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" for its deferred compensation plan through Aetna Life Insurance and Annuity Company. On January 1, 1999, Aetna Life Insurance and Annuity Company created a trust for the assets of the plan for which the City has no fiduciary responsibility. Therefore, the balance of the Aetna Life Insurance and Annuity Company deferred compensation plan of \$243,839 was shown as a reduction in the deferred compensation agency fund.

**5. ACCOUNTABILITY AND COMPLIANCE**

Fund Deficits:

The following funds had deficit fund balances/retained earnings caused by the recognition of expenditures/expenses and/or non-recognition of revenues on the modified accrual basis of accounting and the accrual basis of accounting which substantially differ from those recognized on the cash basis of accounting:

| <u>Fund</u>          | <u>Deficit</u> |
|----------------------|----------------|
| Special Revenue Fund |                |
| Police Grant         | \$ 8,961       |
| Capital Project Fund |                |
| Park Improvement     | 85,592         |

**6. DEPOSITS AND INVESTMENTS**

Deposits and investments are restricted by provisions of the Ohio Revised Code.

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

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**6. DEPOSITS AND INVESTMENTS - (Continued)**

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 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 (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies are permitted to be deposited or invested in the following securities:

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

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**6. DEPOSITS AND INVESTMENTS (continued)**

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

**Deposits** - At year end, the carrying amount of the City's deposits was \$300,866 and the bank balance was \$156,568. Federal depository insurance covered \$153,108 of the bank balance. \$3,460 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**Investments** - The City's investments are required to be categorized to give an indication of the level of custodial credit risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio is unclassified since it is not evidenced by securities that exist in physical or book entry form.

At year end, the City's investment balances were as follows:

|                                 | Category |          |             |                    |
|---------------------------------|----------|----------|-------------|--------------------|
| <u>Category</u>                 | <u>1</u> | <u>2</u> | <u>3</u>    | <u>Fair Value</u>  |
| Overnight Repurchase Agreements | \$0      | \$0      | \$1,515,000 | \$1,515,000        |
| Star Ohio                       |          |          |             | <u>2,974,298</u>   |
| Total Investments               |          |          |             | <u>\$4,489,298</u> |

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

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**6. DEPOSITS AND INVESTMENTS (continued)**

|                                                                        | <u>Cash and Cash<br/>Equivalent/Deposits</u> | <u>Investments</u> |
|------------------------------------------------------------------------|----------------------------------------------|--------------------|
| GASB Statement No. 9                                                   | \$4,188,432                                  | \$0                |
| Investments of Cash Management Pool:<br>Overnight Repurchase Agreement | (1,515,000)                                  | 1,515,000          |
| STAR Ohio                                                              | <u>(2,974,298)</u>                           | <u>2,974,298</u>   |
| GASB Statement No. 3                                                   | <u>(\$300,866)</u>                           | <u>\$4,489,298</u> |

**7. PROPERTY TAXES**

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

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

Public utility, real, and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31, of the year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable as of December 31, 1999. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, 1999, and are not intended to finance 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**7. PROPERTY TAXES (continued)**

The full tax rate for all County operations for the year ended December 31, 1999, was \$2.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

| Category                              | <u>Total Assessed Value</u> | <u>%</u>       |
|---------------------------------------|-----------------------------|----------------|
| Real Property Valuations:             |                             |                |
| Residential/Agriculture               | \$104,512,170               | 52.03%         |
| Commercial/Industrial/Mineral         | 54,080,460                  | 26.92%         |
| Public Utilities                      | 11,600                      | 0.01%          |
| Mobile Home                           | 3,775,231                   | 1.88%          |
| Tangible Personal Property Valuation: |                             |                |
| General                               | 27,339,262                  | 13.61%         |
| Public Utilities                      | <u>11,157,830</u>           | <u>5.55%</u>   |
| Total Valuation                       | <u>\$200,876,553</u>        | <u>100.00%</u> |

**8. INCOME TAX**

The City levies and collects an income tax of 1.0% on all income earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows no credit for the tax paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly.

Corporations and other individual taxpayers are also required to pay their estimated taxes at least quarterly and to file a final return annually.

Income tax revenues are distributed to the general, capital improvement and police station bond retirement funds.

**9. INTERGOVERNMENTAL RECEIVABLES**

Receivables at December 31, 1999, consisted of taxes, interfund, special assessments, accounts (which include billed and unbilled charged for services), and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**9. INTERGOVERNMENTAL RECEIVABLES - (continued)**

A summary of the items of intergovernmental receivables follows:

| Fund                      | Amount          |
|---------------------------|-----------------|
| General Fund              | <u>\$55,520</u> |
| Special Revenue Funds:    |                 |
| Street Construction       | \$24,593        |
| State Highway             | 1,994           |
| Permissive                | 6,055           |
| Education and Enforcement | <u>974</u>      |
| Total Special Revenue     | <u>33,616</u>   |
| Grand Total               | <u>\$89,136</u> |

**10. SPECIAL ASSESSMENTS**

Special assessments include annually assessed service assessments. Service type special assessments are levied against all property owners which benefit from the provided service. Special assessments are payable by the time and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's special assessments include street improvements and water lines which are billed by the County Auditor and collected by the County Treasurer. The County Auditor periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year.

**11. FIXED ASSETS**

A summary of the changes in general fixed assets during 1999 follows:

|                       | <u>Balance<br/>01/01/99</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance<br/>12/31/99</u> |
|-----------------------|-----------------------------|------------------|------------------|-----------------------------|
| Land and Improvements | \$477,646                   | \$22,603         | \$0              | \$500,249                   |
| Buildings             | 3,694,257                   | 320,243          | 0                | 4,014,500                   |
| Equipment             | 1,148,334                   | 349,544          | 1,000            | 1,496,878                   |
| Vehicles              | <u>1,732,024</u>            | <u>185,409</u>   | <u>48,370</u>    | <u>1,869,063</u>            |
| Total                 | <u>\$7,052,261</u>          | <u>\$877,799</u> | <u>\$49,370</u>  | <u>\$7,880,690</u>          |

A summary of the enterprise funds' fixed assets at December 31, 1999 follows:

|                                |                    |
|--------------------------------|--------------------|
| Equipment                      | \$ 54,031          |
| Vehicles                       | 24,225             |
| Underground Piping             | <u>6,068,879</u>   |
|                                | 6,147,135          |
| Less: Accumulated Depreciation | <u>(1,836,360)</u> |
| Net Fixed Assets               | \$ 4,310,775       |



**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**12. DEFINED BENEFIT PENSION PLANS**

**1. Public Employees Retirement System**

All employees of the City, with the exclusion of City police officers and firefighters, participate in the Public Employees Retirement System of Ohio ("PERS"), a cost-sharing, multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. The PERS provides retirement benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established and may be amended by Chapter 145 of the Ohio Revised Code. The PERS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for THE plan. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

Plan members are required to contribute 8.5% of their annual covered salary and the City is required to contribute 13.55%. Contributions are authorized by state statute. The contribution rates are determine actuarially. The City's contributions for pension obligations to the PERS for the years ending December 31, 1999, 1998 and 1997 were \$189,615, \$169,126 and \$205,911 respectively. The full amount has been contributed for 1998 and 1997. 72.4% has been contributed for 1999 with the remainder being reported as a liability within the respective funds.

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

All City police officers and firefighters are required to be members of the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by its Board of Trustees. The OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available stand-alone financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions for pension obligations to the OP&F for the years ending December 31, 1999, 1998 and 1997 were \$125,636, \$133,348 and \$133,840 respectively. The full amount has been contributed for 1998 and 1997. 71.3% has been contributed for 1999 with the remainder being reported as a liability within the respective funds.

**13. 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 retirants with ten or more years of qualifying Ohio service credit and primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care for the year 1999.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**13. POSTEMPLOYMENT BENEFITS - (Continued)**

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to the PERS.

OPEB are financed through employer contributions and investment earnings there on. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipient's eligible statewide for OPEB at December 31, 1999 was 118,062. The City's actual contributions for 1999 which were used to fund postemployment benefits were \$85,175.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

**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 received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school 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 that health care cost paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll. The City's actual contributions for 1999 which were used to fund postemployment benefits were \$68,245.

The Ohio Revised Code provides the statutory authority allowing the OP&F's Board of Trustees to provide health care coverage to all eligible individuals.

Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. the Board defined allocation was 6.5% and 7.0% of covered payroll in 1998 and 1999, respectively. the allocation is 7.25% in 2000. 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 number of participants eligible to receive health care benefits as of December 31, 1998, the date of the last actuarial valuation available. 11,424 for police officers and 9,186 for firefighters. The OP&F's total health care expense for the year ending December 31, 1998, the date of the last actuarial valuation available was \$78,596,790, which was net of member contributions of \$5,331,515.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**14. CAPITAL LEASES**

During the year ended December 31, 1999, the City entered into a lease agreement for seven (7) police cars. This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for leases". Accordingly, this lease has been recorded at the present value of their future minimum lease payments, as of the inception date, in the general fixed assets account group and the general long-term obligations account group.

The following is a schedule of the future minimum lease payments and the present value of the minimum lease payments as of December 31, 1999:

| Fiscal Year Ending<br><u>December 31</u>    | <u>Lease Payments</u> |
|---------------------------------------------|-----------------------|
| 2000                                        | \$51,408              |
| 2001                                        | <u>51,408</u>         |
| Total minimum lease payments                | 102,816               |
| Less: Amount representing interest          | <u>(7,024)</u>        |
| Present value of net minimum lease payments | <u>\$95,792</u>       |

**15. COMPENSATED ABSENCES**

City employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has acquired at least one year of service with the City. Accumulated, unused sick leave is paid to a retiring employee or, upon the death of the employee, to the employee's estate, up to a maximum of nine hundred sixty hours, provided the employee has ten or more years service with the City prior to the date of retirement or death. As of December 31, 1999, the liability for compensated absences was \$140,682 for the entire City.

**16. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk.

Claims have not exceeded the coverage in any of the past three years and there has been no significant reduction in commercial coverage in any of the past three years.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**17. DEBT OBLIGATIONS**

Long-term debt outstanding at December 31 1999, consisted of the following issues:

|                                                                                                                          | <u>Balance</u><br><u>1/1/99</u> | <u>Additions</u>    | <u>Retirements</u>  | <u>Balance</u><br><u>12/31/99</u> |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------|---------------------|-----------------------------------|
| <u>ENTERPRISE FUNDS</u>                                                                                                  |                                 |                     |                     |                                   |
| 8.97% OWDA Loan Due through 2005                                                                                         | \$ 349,394                      | \$ 0                | \$ (38,011)         | \$ 311,383                        |
| 7.65% OWDA Loan Due through 2006                                                                                         | 63,420                          | 0                   | (6,038)             | 57,382                            |
| 0% OWPC Loan Due through 2009                                                                                            | <u>0</u>                        | <u>152,910</u>      | <u>(7,646)</u>      | <u>145,264</u>                    |
| Total Enterprise Debt                                                                                                    | \$ <u>412,814</u>               | \$ <u>152,910</u>   | \$ <u>(51,695)</u>  | \$ <u>514,029</u>                 |
| <br>                                                                                                                     |                                 |                     |                     |                                   |
| <u>GENERAL LONG-TERM<br/>OBLIGATIONS ACCOUNT GROUP</u>                                                                   |                                 |                     |                     |                                   |
| 9.5% State Route 14, Superior<br>Avenue, Mr. Vernon Drive<br>Special Assessments Bonds<br>Due through 2000               | 30,000                          | 0                   | (15,000)            | 15,000                            |
| 9.125%, 1985 Ethan Avenue<br>Special Assessments Bonds<br>Due through 2005                                               | 30,000                          | 0                   | (5,000)             | 25,000                            |
| 10.875%, Frost waterline, State Road<br>Waterline, Ranch Road Waterline<br>Special Assessments Bonds<br>Due through 2004 | <u>180,000</u>                  | <u>0</u>            | <u>(30,000)</u>     | <u>150,000</u>                    |
| Total Special Assessments Bonds                                                                                          | <u>240,000</u>                  | <u>0</u>            | <u>(50,000)</u>     | <u>190,000</u>                    |
| 3.90% to 5.55%, 1999 Various<br>Purpose General Obligations Bonds<br>Due through 2019                                    | 0                               | 5,135,000           | 0                   | 5,135,000                         |
| Capital Leases                                                                                                           | <u>0</u>                        | <u>147,200</u>      | <u>(51,408)</u>     | <u>95,792</u>                     |
| TOTAL ALL LONG-TERM DEBT                                                                                                 | \$ <u>652,814</u>               | \$ <u>5,435,110</u> | \$ <u>(153,103)</u> | \$ <u>5,934,821</u>               |

Enterprise loans are with the Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC). The loans are for the construction, maintenance and operation of various water projects. The loans are backed by the full faith and credit of the City.

All special assessments bonds outstanding at December 31, 1999 are for road and waterline improvements. The bonds are backed by the full faith and credit of the City. However, it is the City's policy to meet debt service requirements on the bonds from special assessments revenues.

The general obligation bonds outstanding at December 31, 1999 are for various improvements. The bonds are backed by the full faith and credit of the City and are payable from taxes levied on all taxable property in the City.

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**17. DEBT OBLIGATIONS - (Continued)**

The annual requirements to amortize all bonded debt outstanding as of December 31, 1999, including interest payments of \$58,120 for the special assessments bonds, \$123,575 for the enterprise loans and \$2,986,288 for the general obligation bonds, are as follows:

| Year Ended<br>December 31 | Special<br>Assessment<br>Bonds | Enterprise<br>Loans | General<br>Obligation<br>Bonds | Total               |
|---------------------------|--------------------------------|---------------------|--------------------------------|---------------------|
| 2000                      | \$ 70,019                      | \$ 95,532           | \$ 456,847                     | \$ 622,398          |
| 2001                      | 48,875                         | 95,533              | 458,200                        | 602,608             |
| 2002                      | 45,248                         | 95,533              | 454,485                        | 595,266             |
| 2003                      | 41,620                         | 95,532              | 460,240                        | 597,392             |
| 2004                      | 37,993                         | 95,533              | 460,120                        | 593,646             |
| Thereafter                | 4,365                          | 159,941             | 5,831,396                      | 5,995,702           |
| Total                     | <u>\$ 248,120</u>              | <u>\$ 637,604</u>   | <u>\$ 8,121,288</u>            | <u>\$ 9,007,012</u> |

During the year ended December 31, 1999, the following changes occurred in liabilities reported in the general long-term obligations account group.

|                                                       | Balance<br>01/01/99 | Additions           | Reductions/<br>Retirements | Balance<br>12/31/99 |
|-------------------------------------------------------|---------------------|---------------------|----------------------------|---------------------|
| Compensated Absences                                  | \$ 165,967          | \$ 13,985           | \$ (51,633)                | \$ 128,319          |
| Intergovernmental Payable                             | 21,477              | 21,003              | (21,477)                   | 21,003              |
| Special Assessment Debt with<br>Government Commitment | 240,000             | 0                   | (50,000)                   | 190,000             |
| General Obligation Bonds Payable                      | 0                   | 5,135,000           | 0                          | 5,135,000           |
| Capital Leases                                        | 0                   | 147,200             | (51,408)                   | 95,792              |
| Total                                                 | <u>\$ 427,444</u>   | <u>\$ 5,317,188</u> | <u>\$ (174,518)</u>        | <u>\$ 5,570,114</u> |

**18. NOTES PAYABLE**

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

|                                             | Balance<br>01/01/99 | Additions | Reductions    | Balance<br>12/31/99 |
|---------------------------------------------|---------------------|-----------|---------------|---------------------|
| Bond Anticipation Notes,<br>3.6%, Due 10/99 | \$4,540,000         | \$0       | \$(4,540,000) | \$0                 |

**19. INTERFUND TRANSACTIONS**

A summary of GAAP operating transfers by fund type follows:

| Transfer From      | Transfer To           | Amount              |
|--------------------|-----------------------|---------------------|
| General Fund       | Special Revenue Funds | \$ 249,000          |
| General Fund       | Capital Project Fund  | 30,000              |
| General Fund       | Enterprise Fund       | 33,000              |
| Debt Service Funds | Capital Project Fund  | 4,602,986           |
| Enterprise Fund    | Enterprise Fund       | 220,000             |
| Total              |                       | <u>\$ 5,134,986</u> |

**CITY OF STREETSBORO  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 1999  
(Continued)**

**20. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The City maintains three enterprise funds which are intended to be self-supported through user fees charged for services provided to consumers. Financial information as of and for the year ended December 31, 1999, is as follows:

|                                         | Water<br>Operating | OWDA<br>Loan | Water<br>Reserve | Totals       |
|-----------------------------------------|--------------------|--------------|------------------|--------------|
| Operating Revenue                       | \$ 1,161,064       | \$ 0         | \$ 0             | \$ 1,161,064 |
| Operating Expenses Before Depreciation  | (959,476)          | (1,097)      | 0                | (960,573)    |
| Depreciation Expense                    | (216,647)          | 0            | 0                | (216,647)    |
| Net Non-Operating Revenues (Expenses)   | (2,006)            | 15,213       | 0                | 13,207       |
| Net Operating Transfers - In (Out)      | (220,000)          | 33,000       | 220,000          | 33,000       |
| Net Income (Loss)                       | (237,065)          | 47,116       | 220,000          | 30,051       |
| Property, Plant and Equipment Additions | 250,206            | 0            | 184,342          | 434,548      |
| Net Working Capital                     | 623,790            | 3,092        | 40,646           | 667,528      |
| Total Assets                            | 4,815,272          | 218,543      | 224,988          | 5,258,803    |
| Total Equity                            | 4,604,959          | (365,673)    | 224,988          | 4,464,274    |
| Encumbrances at December 31, 1999       | \$ 9,137           | \$ 0         | \$ 0             | \$ 9,137     |

**21. CONTINGENT LIABILITIES**

Several claims and lawsuits are pending against the City. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the general purpose financial statements.

Also, the City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, City management believes such disallowance, if any, will be immaterial.



STATE OF OHIO  
OFFICE OF THE AUDITOR

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

City of Streetsboro  
Portage County  
9184 State Route 43  
Streetsboro, Ohio 44241

To City Council:

We have audited the financial statements of the City of Streetsboro, Portage County, Ohio (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated February 21, 2001. Our report on the financial statements included an explanatory paragraph noting the City made certain changes in accounting for its deferred compensation program. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-21167-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated February 21, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 1999-21167-002.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness. We also 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 February 21, 2001.

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

**Jim Petro**  
Auditor of State

February 21, 2001



**CITY OF STREETSBORO  
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999**

|                                                                                                             |
|-------------------------------------------------------------------------------------------------------------|
| <b>1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|-------------------------------------------------------------------------------------------------------------|

|                       |                       |
|-----------------------|-----------------------|
| <b>Finding Number</b> | <b>1999-21167-001</b> |
|-----------------------|-----------------------|

1. **Ohio Revised Code § 149.43 (B)** provides that all public records shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. Upon request, a person responsible for public records shall make copies available at cost, within a reasonable period of time. In order to facilitate broader access to public records, governmental units shall maintain public records in a manner that they can be made available for inspection in accordance with this division.
2. **Ohio Revised Code § 715.18** states that contracts made by the legislative authority of a municipal government for material and labor which exceed \$15,000 are subject to competitive bidding procedures.
3. **Ohio Revised Code § 731.14** requires that a contract be entered into in writing with the lowest and best bidder after an advertisement of the proposal for bids for not less than two nor more than four consecutive weeks in a newspaper of general circulation within the municipality.

The City of Streetsboro could not produce four of 10 contracts or bid specifications when requested. The City had to acquire the information from the contractors or various City Departments.

We recommend the City's Finance Director maintain documentation supporting all contracts. The Finance Director should maintain a folder for each contract and all documentation concerning that contract should be filed in that folder. This would encompass bid specifications, bid bond information, contracts, change orders, etc. The Finance Director stated they are in the process of setting up procedures to ensure all contract information is maintained.

|                       |                       |
|-----------------------|-----------------------|
| <b>Finding Number</b> | <b>1999-21167-002</b> |
|-----------------------|-----------------------|

**1. Fixed Asset Listing \***

The City of Streetsboro should maintain a fixed asset accounting system that will incorporate sufficient information to enable the City to prepare its financial statements in accordance with Generally Accepted Accounting Principles. This fixed asset accounting system, supplemented by other existing systems, should allow the City to maintain adequate control over reporting and accounting for fixed assets. This system should also provide that each "tagged" item should be distinguishable from other similar assets.

The current City Property Management System does not appear to have a complete listing of all assets meeting the capitalization rate. An updated master fixed asset inventory listing is not generated each year. The last complete listing was prepared prior to 1997 and additions are pulled from vouchers and deletions are made from auctions or disposal lists. A complete physical inventory was not taken. Partial physical inventory lists that are being generated by departments, are not always compared to the master fixed asset listing.

Failure to maintain a up to date fixed asset listing may result in errors in reporting and may lead to the wrong amount of insurance coverage for the City's assets. Failure to maintain control over tagging fixed asset acquisitions may result in errors in reporting and may possibly lead to irregularities by employees who know the assets are not being tracked regularly.

We recommend a complete physical inventory of fixed asset items should be undertaken by the City in order to properly update the listing. The physical inventory lists should be compared to the fixed asset master listing to ensure that all items are properly accounted for.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**CITY OF STREETSBORO**

**PORTAGE 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  
APRIL 3, 2001**