

***CITY OF VERMILION, OHIO***

***AUDIT REPORT***

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

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





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

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**JIM PETRO, AUDITOR OF STATE**

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Columbus, Ohio 43215  
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To the Honorable Mayor and City Council  
City of Vermilion  
Vermilion, Ohio

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

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

**JIM PETRO**  
Auditor of State

August 21, 2001

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***CITY OF VERMILION, OHIO***  
**AUDIT REPORT**  
**For the Year Ended December 31, 2000**

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

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and Members of City Council  
City of Vermilion  
Vermilion, Ohio

We have audited the general purpose financial statements of the City of Vermilion, Ohio as of and for the year ended December 31, 2000 and have issued our report thereon dated July 25, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we also noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated July 25, 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 general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated July 25, 2001.**

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

*Charles E. Harris & Associates, Inc.*  
**July 25, 2001**



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

**The prior audit report, as of December 31, 1999, included no material citations or recommendations.**

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***CITY OF VERMILION, OHIO***  
***Comprehensive Annual Financial Report***  
***For the year ended December 31, 2000***

**Prepared By:**  
**Laurence Rush, Finance Director**

**CITY OF VERMILION, OHIO**  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2000

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## INTRODUCTORY SECTION

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# THE CITY OF VERMILION

5511 Liberty Avenue  
Vermilion, Ohio 44089

Jimmy L. Davis, Mayor

July 25, 2001

The Honorable Mayor Jimmy L. Davis  
and Members of City Council  
5511 Liberty Ave.  
Vermilion, OH 44089

It gives me great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Vermilion. This report has been carefully prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the City for the year ended December 31, 2000.

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

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

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

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

## **REPORTING ENTITY**

For financial purposes, the City includes all funds, account groups, agencies, boards, and commissions making up the City of Vermilion (the Primary Government) and its potential component units in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity". The primary government comprises all activities and services which are not legally separate for the City. The City provides various services including public safety (police and fire), highways and streets, parks and recreation, public improvements, community development (planning and zoning), sewers, sanitation, and general administrative and legislative services. The operation of each of these activities is directly controlled by Council through the budgetary process. Port management services are assumed by a locally controlled independent Port Authority. Although this is a separate legal entity its budget and operations are controlled by the Vermilion City Council. Thus, it is deemed to be a component unit of the City and is therefore included in the primary government.

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

## THE CITY AND THE FORM OF GOVERNMENT

### *The City*

The City is located in Erie and Lorain Counties in northeastern Ohio, approximately 40 miles west of the downtown area of the City of Cleveland. It was incorporated as a village in 1837 by a special act of the State Legislature. Vermilion became a city in 1962. In 1963, the Village of Vermilion on the Lake was merged into the City.

The portion of the City in Lorain County is in the Lorain-Elyria Primary Metropolitan Statistical Area (PMSA), which is comprised of Lorain County, and had a 1990 population of 271,126. The City was also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area (CMSA), which is the 11th most populous CMSA of 20 in the country. Effective in 1994, the PMSA was redefined to include Ashtabula and Lorain Counties. Only limited statistics are now available for the new PMSA and, unless otherwise noted, PMSA statistics are for the former PMSA.

The City's 2000 estimated population of 10,927 is currently being challenged, however, until census counts can be verified this population statistic will be deemed correct.

The City's area is approximately 15 square miles, broken down by land use as follows:

	Percent of Assessed Valuation of Real Property	
	Lorain County	Erie County
Residential	76.6	78.0
Commercial/Industrial	20.75	15.5
Public Utility	0.55	6.2
Governmental (including parks) and Other Tax Exempt	(a)	(a)
Agricultural	2.10	.3
Undeveloped	(b)	(b)

(a) Not applicable. Exempt from property taxation.

(b) Included in above categories.

Sources: City Building Department and County Auditor.

The City is served by diversified transportation facilities, including four State and U.S. highways and interstate highway I-80 and I-90. It is served by Conrail and Amtrak railroad. It is served by passenger air services at Lorain County Regional Airport located 15 miles southeast of the City. Cleveland Hopkins International Airport is located 40 miles east of the City.

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

One weekly newspaper serves the City. The City is within the broadcast area of eight television stations and 30 AM and FM radio stations. Multi-channel cable TV service, including educational, governmental and public access channels, is provided by Adelphia Cable Company.

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

City residents are served by Lorain Community Hospital, a 337 bed total care facility located in the City of Lorain eight miles east of the City, and Amherst Hospital, a 71 bed total care facility located in the City of Amherst approximately 10 miles east of the City. Tertiary care facilities are also operated by the Cleveland Clinic and located approximately five miles east of the City.

Various recreational and cultural facilities are immediately available to City residents. The City operates a park system of four parks encompassing approximately 150 acres with facilities that include public beaches, tennis courts, baseball diamonds, and basketball and volleyball courts. In addition, the City Parks and Recreation Board organizes and operates many special programs and activities for City residents. The Lorain County Metropolitan Park District also operates a park immediately adjacent to the City consisting of approximately 600 acres. The "Festival of the Fish" and the "Woolly Bear Festival" are annual festivals celebrated throughout the City for three days in June and one day in September, respectively. Activities include parades, concessions, and games, races, musical events, and arts and crafts. The City is also home to the Ritter Public Library and the Great Lakes Museum, a maritime museum containing artifacts relating to Great Lakes history, including ship models, navigational instruments, engines, a lighthouse lens and marine paintings.

The City's location on the south shore of Lake Erie and the banks of the Vermilion River, and several lagoons at the mouth of the river afford many opportunities for boating, fishing, and other maritime recreational activities. The nearby Lake Erie islands and resorts, Kelleys Island State Park, Thomas Edison Birthplace Museum and Cedar Point amusement park provide additional recreational and educational opportunities and attract many tourists and visitors to the area.

The City's close proximity to the City of Cleveland also affords the residents of the City all of the cultural, recreational, social and educational opportunities of the Cleveland metropolitan area.

#### *City Government*

The City operates under and is governed by its Charter, first adopted by the voters in 1961 and which has been and may be amended by the voters from time to time. The City is also subject to some general laws applicable to all cities. Under the Ohio Constitution the City may exercise all powers of local self-government, and police powers to the extent not in conflict with applicable general laws. The Charter provides for a Council-Mayor form of government.

Legislative authority is vested in a seven-member Council, of whom two are elected at-large and five are elected from wards, for two-year terms. The presiding officer is the President of Council, who is one of the Council members elected by Council for a two year term. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The Charter establishes certain administrative departments; the Council may establish divisions of those departments, and additional departments.

The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The Mayor appoints, subject to the approval of Council, the directors of City departments. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council officers and employees. The major appointed officials are the Directors of Public Service, Law, Finance, and Engineering.

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

## **ECONOMIC CONDITION AND OUTLOOK**

The City's economy and its largest employers remain primarily commercial and a significant portion of the City's commercial activity transpires during the summer months when its resident population normally increases by approximately 5,000 people. There has been a moderate development of smaller commercial business and increased retail service activity in recent years.

Presently two large industrial parks are in the process of development on approximately 130 acres of land within the City. Approximately 400 acres is available for possible future development. An agreement was reached with Erie Huron Rural Water District to supply water to this acreage. The City of Vermilion will handle the roads and sanitary sewer from these areas. An additional proposed trunk line sewer will extend to the east on the Vermilion Lorain border. These industrial parks are in close proximity to the Ford Motor Lorain Assembly Plant, but, will independently operate to attract both commercial and light industrial firms.

Furthermore and number of planned unit developments and other residential housing is being constructed on approximately four separate development sites. Additionally, the expansion of additional housing on Linda Lane will propose to annex this area into the City.

## **MAJOR INITIATIVES**

The City of Vermilion continues to maintain its strong financial reserves during 2000. The City's general fund unencumbered cash balance at year end was \$472,824. This represents 12.4% of general fund expenditures.

The City continued its annual street repair program at no extra cost to the residents of the streets repaired. The total spent in 2000 was \$445,990.

The City purchased one new police cruiser at a cost of \$21,320 and new service department equipment at a cost of \$63,854.

## **FINANCIAL INFORMATION**

### *Basis of Accounting*

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

### *Internal Accounting Controls*

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

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

### *Budgetary Controls*

By statute, City Council adopts a temporary appropriation measure for the City on or about the first day of January. The City Council adopts a permanent appropriation measure by the first day of April. All disbursements and transfers of cash among funds require appropriation authority from City Council. Budgets are controlled at the fund level. Purchase orders are submitted to the Finance Department by department heads and are encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriation are rejected until additional revenues are secured.

A computerized certification system allows the Finance Department to ascertain the status of the department's appropriations before authorizing additional purchases from a particular account. Additional information regarding the City's budgetary accounting can be found in Note 2 to the General Purpose Financial Statements.

### *General Government Functions - Financial Highlights*

The following schedule presents a summary of general, special revenue, debt service, and capital projects funds revenues for the year ended December 31, 2000, and the amounts and percentages of increases and decreases in relation to prior year's revenues.

Revenues:	<u>1999 Amount</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Change</u>	<u>Percent Change</u>
Taxes - 1	\$ 2,705,561	\$ 2,963,790	47.26	\$ 258,229	9.54%
Charges for Services -2	1,072,293	1,201,257	19.15	128,964	12.03
Fines, Licenses and Permits - 3	325,491	475,793	7.59	150,302	46.18
Intergovernmental - 4	1,582,495	1,423,170	22.69	(159,325)	(10.07)
Interest	163,301	126,443	2.02	(36,858)	(22.57)
Other	<u>68,626</u>	<u>80,973</u>	<u>1.29</u>	<u>12,347</u>	<u>17.99</u>
Total Revenues	<u>\$ 5,917,767</u>	<u>\$ 6,271,426</u>	<u>100.00%</u>	<u>\$ 353,659</u>	<u>5.98%</u>

1 – Taxes increased 9.54% primarily due to the increase in real estate valuations and the increase in personal income for municipal income tax collections.

2 – Charges for services increased primarily due to fee increases for rental property, and cable TV franchise fees, and the methodology used to compute fees for fire service charged to both Vermilion and Brownhelm Township.

3 – Fines licenses and permits increased due to increased enforcement, and increase in number of permits issued.

4 – Intergovernmental revenue decreased because of a reduction in grant proceeds for the year 2000.

The following schedule presents a summary of general, special revenue, debt service, and capital projects funds expenditures for the year ended December 31, 2000, and the amounts and percentages of increases and decreases in relation to prior year's expenditures.

	<u>1999</u> <u>Amount</u>	<u>2000</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
Expenditures:					
Current:					
General government - 5	\$ 1,917,199	\$ 1,361,753	22.23%	\$(555,446)	(28.97)%
Security of persons and property	1,791,768	1,824,717	29.78	32,949	1.84
Public Health	80,839	91,566	1.50	10,727	13.27
Transportation	1,205,853	1,123,941	18.34	(81,912)	(6.79)
Leisure time activities	237,481	218,977	3.57	(18,504)	(7.79)
Community environment	157,946	159,785	2.61	1,839	1.16
Basic utility services	786,325	827,648	13.51	41,323	5.26
Capital outlay - 6	129,640	422,905	6.90	293,265	100+
Debt Service:					
Principal retirement	43,000	48,000	.78	5,000	11.63
Interest and fiscal charges	<u>50,072</u>	<u>47,575</u>	<u>.78</u>	<u>(2,497)</u>	<u>(4.99)</u>
Total Expenditures	<u>\$ 6,400,123</u>	<u>\$ 6,126,867</u>	<u>100.00%</u>	<u>\$(273,256)</u>	<u>(4.27)%</u>

5 – General Government expenditures decreased primarily due to a decrease in spending for court facilities and other general government buildings. Also, defense of a lawsuit regarding sexually oriented business was successfully concluded in 1999.

6 – Capital outlay increased due to the acquisition of a new ladder truck for the fire department.

#### *General Fund Balance*

The fund balance of the General Fund increased from \$775,646 to \$1,030,860 during 2000, an increase of 32.9%. This increase is due to increased revenues and conservative spending by the City during the year.

#### *Enterprise Funds*

The Enterprise Funds operated by the City consist of the Port Authority, Water, Sewer and Storm Sewer Drainage funds. Operating revenues in these funds totaled \$1,039, \$1,263,948, \$1,185,234 and \$172,111, respectively. Depreciation expense was \$27,678, \$267,349, \$122,249 and \$2,822, respectively. Net Income/(Loss) was (\$62,273), (\$130,265), \$39,435 and \$146,368, respectively and total Fund Equity is \$402,443, \$(190,264), \$697,016 and \$463,586, respectively.

#### *Internal Service Funds*

The internal service funds operated by the City are the Insurance Rotary Trust and the Claims Rotary Trust funds. The Claims Rotary Trust Fund was created to provide a medical benefits self-insurance program for the City. The Insurance Rotary Trust Fund was created in order to provide for the payment of insurance premiums and administrative costs incurred through a third party administrator Self Funded Plans. For the year ended December 31, 2000, the funds had net incomes of \$67,770 and (\$97,214) and Fund Equity of \$68,535 and \$(30,211), respectively.

#### *Fiduciary Funds*

Fiduciary funds account for assets held by the City of Vermilion in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or funds. The fiduciary funds which the City maintains are Expendable Trust funds, Nonexpendable Trust funds and Agency funds. The City must keep the principal intact for nonexpendable trust funds, whereas, they may spend the principal of expendable trust funds in accordance with trust agreements. As of December 31, 2000, assets in expendable trust, nonexpendable trust and agency funds are \$32,291, \$31,835, and \$83,000, respectively.

## **CASH MANAGEMENT**

Cash Management is a vital component of the City's overall financial strategy. The Finance Director maintains an aggressive cash management program. Major considerations are cash flows necessary to pay City liabilities and available interest rates. As City funds become available, they are invested immediately in sweep accounts maintained at the City approved depository banks, short-term federal agencies or other securities authorized by state statutes. During 2000, \$124,772 of interest was deposited in the General Fund, \$530 in the Cemetery Fund, \$1,141 in the General Obligation Bond Retirement Fund, \$5,111 in the Water Fund and \$73,801 in the Sewer Fund in accordance with City ordinances.

## **RISK MANAGEMENT**

The City of Vermilion maintains replacement cost insurance on all buildings and their contents. Blanket building and personal property insurance is held in the amount of \$10,254,000.

The City provides employees medical, prescription and dental benefits through a self-insurance program. All funds of the City participate in the program and make payments to the medical self-insurance internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims.

## **DEBT MANAGEMENT**

In 2000, the City issued \$550,000 in bonds for the purpose of renovating park land. Also, the City entered into a loan agreement with the Ohio Water Development Authority (OWDA) for \$93,927 for the Park Drive lift station improvements repayable in equal annual installments over 10 years. The project has not been started as of July 2001 and no money has been received.

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

Under current state statutes, the total voted net debt of the City, less the same exempt debt, shall never exceed 10.5% of the total assessed property valuation. The total unvoted debt less the same exempt debt, shall never exceed 5.5% of the assessed valuation. At December 31, 2000, the total legal debt margin was \$18,084,841 with an unvoted debt margin of \$8,830,911.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a government unit, which publishes an easily readable and efficiently organized Comprehensive Annual Financial Report. The contents of this report must satisfy program standards, conform with generally accepted accounting principles and satisfy all applicable legal requirements.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. We believe this CAFR meets all GFOA requirements.

## **INDEPENDENT AUDIT**

Included in this report is an unqualified audit opinion rendered on the City's financial statements as of December 31, 2000, by our independent auditor, Charles E. Harris & Associates, Inc. Their audit was conducted in accordance with generally accepted auditing standards and *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

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

## **ACKNOWLEDGMENTS**

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

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

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

Sincerely,

Laurence Rush, C.P.A.  
Finance Director



**CITY OF VERMILION, OHIO**  
**Comprehensive Annual Financial Report**  
**December 31, 2000**

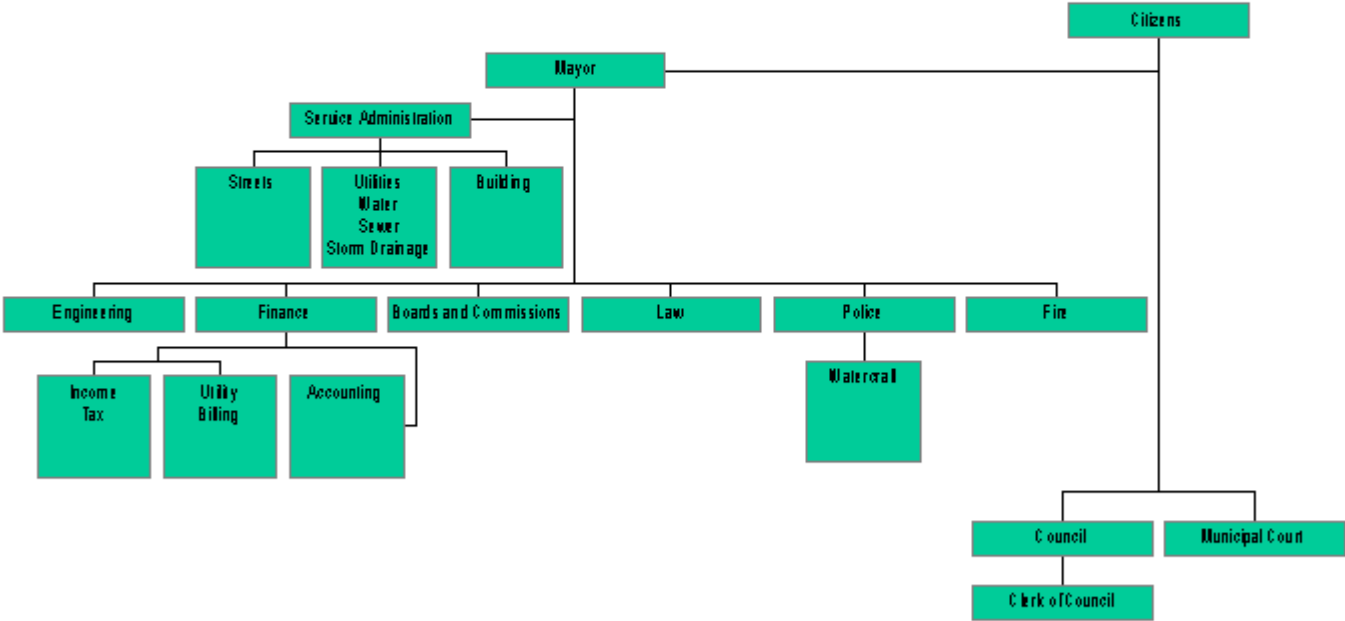
**City Officials**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term</u></b>	<b><u>Surety</u></b>	<b><u>Amount</u></b>
Jimmy L Davis	Mayor	1/1/98 – 12/31/01	A	\$255,000
Daniel Roth	President of Council	1/1/00 – 12/31/01	None	
Donald Flak	Councilman	1/1/00 – 12/31/01	None	
Joel Luby	Councilman	1/1/00 – 12/31/01	None	
Dan Phillips	Councilman	1/1/00 – 12/31/01	None	
Fred Ostrander	Councilman	1/1/00 – 12/31/01	None	
Carl Schmidt	Councilman	1/1/00 – 12/31/01	None	
Joseph Starr	Councilman	1/1/00 – 12/31/01	None	
Joseph T Ryan	Judge	1/1/00 – 6/30/00	A	\$250,000
Elizabeth Wakefield	Judge	8/14/00 – 12/31/01	A	\$250,000
Appointed: Laurence Rush	Finance Director/ Tax Administrator	1/1/98 – 12/31/01	A	\$270,000
Kenneth Stumphauzer	Law Director	1/1/98 – 12/31/00	None	
Joseph Schaller	Engineer	1/1/98 – 12/31/01	None	
Eileen Bulan	Service Director	1/1/98 – 12/31/01	None	
Robert Kish	Police Chief	1/1/98 – 12/31/01	None	
Eugene Kropf	Fire Chief	1/1/98 – 12/31/01	None	

**A = Commercial Union Insurance Company**

# City of Vermilion

Organization Chart  
December 31, 2000



## FINANCIAL SECTION

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

**REPORT OF INDEPENDENT ACCOUNTANTS**

The Honorable Mayor and City Council  
City of Vermilion  
Vermilion, Ohio

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated July 25, 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.

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

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

*Charles E. Harris & Associates, Inc.*  
July 25, 2001

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$ 449,645	\$ 1,677,032	\$ 39,363	\$ 1,064,728
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-
Cash and Cash Equivalents with Fiscal and Escrow Agents	-	-	365	-
Receivables:				
Taxes	1,441,389	240,602	55,523	277,618
Accounts	14,499	90,149	-	-
Intergovernmental	98,142	17,403	-	-
Interfund Receivable	541,184	-	-	-
Special Assessments	-	-	124,595	-
Due from Other Funds	18,832	2,105	-	720
Materials and Supplies Inventory	-	8,939	-	-
Restricted Assets:				
Cash with Trustee	-	-	-	-
Fixed Assets				
Buildings	-	-	-	-
Equipment and Furniture	-	-	-	-
Land and Land Improvements	-	-	-	-
Vehicles	-	-	-	-
Infrastructure	-	-	-	-
Construction in Progress	-	-	-	-
Accumulated Depreciation	-	-	-	-
<u>Other Debits</u>				
Amount Available in Debt Service Fund	-	-	-	-
Amount to be Provided from General Government Resources	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,563,691</b>	<b>\$ 2,036,230</b>	<b>\$ 219,846</b>	<b>\$ 1,343,066</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 583,600	\$ 104,926	\$ 100,557	-	-	\$ 4,019,851
-	2,379	39,252	-	-	41,631
-	-	-	-	-	365
-	-	-	-	-	2,015,132
274,537	145,419	6,274	-	-	530,878
6,723	-	-	-	-	122,268
-	-	-	-	-	541,184
-	-	-	-	-	124,595
-	-	1,843	-	-	23,500
4,085	-	-	-	-	13,024
348,967	-	-	-	-	348,967
5,517,242	-	-	1,442,536	-	6,959,778
2,317,831	-	-	1,170,123	-	3,487,954
1,537,919	-	-	998,731	-	2,536,650
335,664	-	-	2,038,192	-	2,373,856
4,510,530	-	-	-	-	4,510,530
83,196	-	-	39,006	-	122,202
(6,168,974)	-	-	-	-	(6,168,974)
-	-	-	-	39,363	39,363
-	-	-	-	1,762,605	1,762,605
<u>\$ 9,351,320</u>	<u>\$ 252,724</u>	<u>\$ 147,926</u>	<u>\$ 5,688,588</u>	<u>\$ 1,801,968</u>	<u>\$ 23,405,359</u>

(continued)

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 27,134	\$ 502,341	-	\$ 39,006
Interfund Payable	-	-	-	-
Intergovernmental Payable	26,660	5,806	-	-
Accrued Wages and Benefits	41,755	22,433	-	-
Compensated Absences Payable	21,432	2,857	-	-
Pension Obligation Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue	1,415,850	240,602	\$ 180,118	277,618
Undistributed Monies	-	-	-	-
Matured Bonds Payable	-	-	365	-
Accrued Interest Payable	-	-	-	-
Notes Payable	-	-	-	-
Claims Payable	-	-	-	-
Police and Firemen Unfunded Liability	-	-	-	-
OWDA Loans Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Revenue Bonds Payable	-	-	-	-
Special Assessment Debt with Governmental Commitment	-	-	-	-
<b>Total Liabilities</b>	<b>1,532,831</b>	<b>774,039</b>	<b>180,483</b>	<b>316,624</b>
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings (Deficit):				
Unreserved	-	-	-	-
Fund Balance:				
Reserved for Encumbrances	110,257	81,023	-	596,617
Reserved for Debt Service	-	-	39,363	-
Reserved for Inventory	-	8,939	-	-
Undesignated	920,603	1,172,229	-	429,825
<b>Total Fund Equity and Other Credits</b>	<b>1,030,860</b>	<b>1,262,191</b>	<b>39,363</b>	<b>1,026,442</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>2,563,691</b>	<b>2,036,230</b>	<b>219,846</b>	<b>1,343,066</b>

See accompanying notes to the general purpose financial statements



Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 126,458	-	\$ 6,274	-	-	\$ 701,213
421,184	\$ 120,000	-	-	-	541,184
10,861	-	48,028	-	-	91,355
24,356	-	-	-	-	88,544
170,704	-	-	-	\$ 287,305	482,298
23,695	-	-	-	81,478	105,173
-	-	23,500	-	-	23,500
-	-	-	-	-	2,114,188
-	-	12,272	-	-	12,272
-	-	-	-	-	365
150,861	-	-	-	-	150,861
1,110,000	-	-	-	-	1,110,000
-	94,400	-	-	-	94,400
-	-	-	-	121,185	121,185
855,420	-	-	-	-	855,420
2,400,000	-	-	-	1,223,460	3,623,460
2,685,000	-	-	-	-	2,685,000
-	-	-	-	88,540	88,540
<u>7,978,539</u>	<u>214,400</u>	<u>90,074</u>	<u>-</u>	<u>1,801,968</u>	<u>12,888,958</u>
-	-	-	5,688,588	-	5,688,588
1,470,500	-	-	-	-	1,470,500
(97,719)	38,324	-	-	-	(59,395)
-	-	-	-	-	787,897
-	-	-	-	-	39,363
-	-	-	-	-	8,939
-	-	57,852	-	-	2,580,509
<u>1,372,781</u>	<u>38,324</u>	<u>57,852</u>	<u>5,688,588</u>	<u>-</u>	<u>10,516,401</u>
<u>9,351,320</u>	<u>252,724</u>	<u>147,926</u>	<u>5,688,588</u>	<u>1,801,968</u>	<u>23,405,359</u>

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 2,422,008	\$ 215,674	\$ 66,820	\$ 259,288
Charges for Services	220,861	973,842	-	6,554
Fines, Licenses and Permits	429,699	35,134	-	10,960
Intergovernmental	677,068	715,821	-	30,281
Interest	124,772	530	1,141	-
Other	21,396	6,379	-	1,899
<b>Total Revenues</b>	<b>3,895,804</b>	<b>1,947,380</b>	<b>67,961</b>	<b>308,982</b>
Expenditures:				
Current:				
General Government	1,361,753	-	-	-
Security of Persons and Property	1,421,262	397,181	-	-
Public Health and Welfare	-	91,566	-	-
Transportation	-	1,123,941	-	-
Community Environment	116,753	41,831	-	-
Basic Utility Services	-	827,648	-	-
Leisure Time Activities	76,533	75,726	-	66,718
Capital Outlay	-	-	-	422,905
Debt Service:				
Principal Retirement	-	-	48,000	-
Interest and Fiscal Charges	-	-	47,575	-
<b>Total Expenditures</b>	<b>2,976,301</b>	<b>2,557,893</b>	<b>95,575</b>	<b>489,623</b>
Excess of Revenues Over (Under) Expenditures	919,503	(610,513)	(27,614)	(180,641)
Other Financing Sources (Uses):				
Proceeds of Bonds	-	-	-	550,000
Refund of Prior Year Receipts	-	-	-	-
Operating Transfers - In	-	642,217	11,072	11,000
Operating Transfers - Out	(664,289)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(664,289)</b>	<b>642,217</b>	<b>11,072</b>	<b>561,000</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	255,214	31,704	(16,542)	380,359
Fund Balances at Beginning of Year	775,646	1,229,315	55,905	646,083
Increase/(Decrease) in Reserved for Inventory	-	1,172	-	-
<b>Fund Balances at End of Year</b>	<b>\$ 1,030,860</b>	<b>\$ 1,262,191</b>	<b>\$ 39,363</b>	<b>\$ 1,026,442</b>

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type		Totals (Memorandum Only)
Expendable Trust		
-	\$	2,963,790
-		1,201,257
-		475,793
-		1,423,170
-		126,443
<u>\$ 51,299</u>		<u>80,973</u>
51,299		6,271,426
-		1,361,753
6,274		1,824,717
-		91,566
-		1,123,941
1,201		159,785
-		827,648
-		218,977
-		422,905
-		48,000
<u>-</u>		<u>47,575</u>
<u>7,475</u>		<u>6,126,867</u>
<u>43,824</u>		<u>144,559</u>
-		550,000
(18,281)		(18,281)
-		664,289
<u>-</u>		<u>(664,289)</u>
(18,281)		531,719
25,543		676,278
474		2,707,423
<u>-</u>		<u>1,172</u>
<u>\$ 26,017</u>	\$	<u>3,384,873</u>

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

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 2,319,771	\$ 2,396,469	\$ 76,698
Charges for Services	62,948	127,103	64,155
Fines, Licenses and Permits	325,000	426,544	101,544
Intergovernmental	942,286	794,358	(147,928)
Interest	124,000	124,772	772
Other	74,637	21,396	(53,241)
<b>Total Revenues</b>	<b>3,848,642</b>	<b>3,890,642</b>	<b>42,000</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government	1,497,800	1,418,739	79,061
Security of Persons and Property	1,474,633	1,390,108	84,525
Public Health and Welfare	-	-	-
Transportation	-	-	-
Community Environment	151,463	117,041	34,422
Basic Utility Services	-	-	-
Leisure Time Activities	91,912	77,422	14,490
Capital Outlay	-	-	-
<b>Debt Service:</b>			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<b>3,215,808</b>	<b>3,003,310</b>	<b>212,498</b>
Excess of Revenues Over (Under) Expenditures	632,834	887,332	254,498
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	-	-	-
Refund of Prior Year Receipts	-	-	-
Advances - In	42,000	-	(42,000)
Advances - Out	(220,000)	(220,000)	-
Operating Transfers - In	79,797	-	(79,797)
Operating Transfers - Out	(664,289)	(664,289)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(762,492)</b>	<b>(884,289)</b>	<b>(121,797)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(129,658)	3,043	132,701
Fund Balances at Beginning of Year	469,781	469,781	-
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 340,123</b>	<b>\$ 472,824</b>	<b>\$ 132,701</b>

See accompanying notes to the general purpose financial statements

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 236,170	\$ 215,674	\$ (20,496)	\$ 72,500	\$ 66,820	\$ (5,680)
1,572,393	959,730	(612,663)	-	-	-
40,716	34,967	(5,749)	-	-	-
910,129	739,109	(171,020)	-	-	-
-	530	530	-	1,141	1,141
3,000	11,893	8,893	-	-	-
<u>2,762,408</u>	<u>1,961,903</u>	<u>(800,505)</u>	<u>72,500</u>	<u>67,961</u>	<u>(4,539)</u>
-	-	-	-	-	-
471,090	391,743	79,347	-	-	-
108,185	91,566	16,619	-	-	-
1,216,862	1,165,153	51,709	-	-	-
46,181	38,865	7,316	-	-	-
869,764	840,811	28,953	-	-	-
94,803	79,315	15,488	-	-	-
-	-	-	-	-	-
-	-	-	70,380	48,000	22,380
-	-	-	<u>52,708</u>	<u>47,575</u>	<u>5,133</u>
<u>2,806,885</u>	<u>2,607,453</u>	<u>199,432</u>	<u>123,088</u>	<u>95,575</u>	<u>27,513</u>
(44,477)	(645,550)	(601,073)	(50,588)	(27,614)	22,974
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,106,547	642,217	(464,330)	13,500	11,072	(2,428)
-	-	-	-	-	-
<u>1,106,547</u>	<u>642,217</u>	<u>(464,330)</u>	<u>13,500</u>	<u>11,072</u>	<u>(2,428)</u>
1,062,070	(3,333)	(1,065,403)	(37,088)	(16,542)	20,546
1,167,596	1,167,596	-	55,905	55,905	-
<u>\$ 2,229,666</u>	<u>\$ 1,164,263</u>	<u>\$ (1,065,403)</u>	<u>\$ 18,817</u>	<u>\$ 39,363</u>	<u>\$ 20,546</u>

(continued)

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

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 272,505	\$ 259,288	\$ (13,217)
Charges for Services	-	6,554	6,554
Fines, Licences and Permits	11,000	10,908	(92)
Intergovernmental	22,000	62,223	40,223
Interest	-	-	-
Other	-	1,899	1,899
Total Revenues	305,505	340,872	35,367
Expenditures:			
Current:			
General Government	14,121	-	14,121
Security of Persons and Property	-	-	-
Public Health and Welfare	-	-	-
Transportation	-	-	-
Community Environment	-	-	-
Basic Utility Services	-	-	-
Leisure Time Activities	52,604	40,294	12,310
Capital Outlay	1,150,916	983,261	167,655
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	1,217,641	1,023,555	194,086
Excess of Revenues Over (Under) Expenditures	(912,136)	(682,683)	229,453
Other Financing Sources (Uses):			
Proceeds of Bonds	769,372	550,000	(219,372)
Refund of Prior Year Receipts	-	-	-
Advances - In	-	-	-
Advances - Out	-	-	-
Operating Transfers - In	65,039	11,000	(54,039)
Operating Transfers - Out	-	-	-
Total Other Financing Sources (Uses)	834,411	561,000	(273,411)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(77,725)	(121,683)	(43,958)
Fund Balances at Beginning of Year	550,789	550,789	-
Fund Balances (Deficit) at End of Year	\$ 473,064	\$ 429,106	\$ (43,958)

See accompanying notes to the general purpose financial statements

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
-	-	-	\$ 2,900,946	\$ 2,938,251	\$ 37,305
-	-	-	1,635,341	1,093,387	(541,954)
-	-	-	376,716	472,419	95,703
-	-	-	1,874,415	1,595,690	(278,725)
-	-	-	124,000	126,443	2,443
\$ 45,625	\$ 45,025	\$ (600)	123,262	80,213	(43,049)
45,625	45,025	(600)	7,034,680	6,306,403	(728,277)
-	-	-	1,511,921	1,418,739	93,182
-	-	-	1,945,723	1,781,851	163,872
-	-	-	108,185	91,566	16,619
-	-	-	1,216,862	1,165,153	51,709
1,201	1,201	-	198,845	157,107	41,738
-	-	-	869,764	840,811	28,953
-	-	-	239,319	197,031	42,288
20,900	20,900	-	1,171,816	1,004,161	167,655
-	-	-	70,380	48,000	22,380
-	-	-	52,708	47,575	5,133
22,101	22,101	-	7,385,523	6,751,994	633,529
23,524	22,924	(600)	(350,843)	(445,591)	(94,748)
-	-	-	769,372	550,000	(219,372)
(18,281)	(18,281)	-	(18,281)	(18,281)	-
-	-	-	42,000	-	(42,000)
-	-	-	(220,000)	(220,000)	-
-	-	-	1,264,883	664,289	(600,594)
-	-	-	(664,289)	(664,289)	-
(18,281)	(18,281)	-	1,173,685	311,719	(861,966)
5,243	4,643	(600)	822,842	(133,872)	(956,714)
475	475	-	2,244,546	2,244,546	-
\$ 5,718	\$ 5,118	\$ (600)	\$ 3,067,388	\$ 2,110,674	\$ (956,714)

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

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>	
Operating Revenues:				
Charges for Services	\$ 2,618,890	\$ 524,530	-	\$ 3,143,420
Other Operating Revenues	<u>3,442</u>	<u>-</u>	<u>-</u>	<u>3,442</u>
Total Operating Revenues	2,622,332	524,530	-	3,146,862
Operating Expenses:				
Personal Services	1,172,716	-	-	1,172,716
Contractual Services	603,980	-	-	603,980
Claims	19,145	699,393	-	718,538
Materials and Supplies	150,010	-	-	150,010
Depreciation	<u>420,098</u>	<u>-</u>	<u>-</u>	<u>420,098</u>
Total Operating Expenses	<u>2,365,949</u>	<u>699,393</u>	<u>-</u>	<u>3,065,342</u>
Operating Income (Loss)	256,383	(174,863)	-	81,520
Non-Operating Revenues (Expenses):				
Interest Income	78,912	-	-	78,912
Interest and Fiscal Charges	(519,229)	-	-	(519,229)
Refund of Prior Year Receipt	(92)	-	-	(92)
Refund of Prior Year Expense	990	145,419	-	146,409
Loss on Disposal of Fixed Assets	(207)	-	-	(207)
Operating Grants	86,602	-	-	86,602
Other Nonoperating Revenues	<u>89,906</u>	<u>-</u>	<u>-</u>	<u>89,906</u>
Total Non-Operating Revenues (Expenses)	<u>(263,118)</u>	<u>145,419</u>	<u>-</u>	<u>(117,699)</u>
Net Income (Loss)	(6,735)	(29,444)	-	(36,179)
Retained Earnings at Beginning of Year	(148,146)	67,768	\$ 31,835	(48,543)
Depreciation on Fixed Assets Acquired by Contributed Capital	<u>57,162</u>	<u>-</u>	<u>-</u>	<u>57,162</u>
Retained Earnings at End of Year	(97,719)	38,324	31,835	(27,560)
Contributed Capital at Beginning of Year	1,447,783	-	-	1,447,783
Other Contributions:				
Governmental Funds	79,879	-	-	79,879
Depreciation on Fixed Assets Acquired by Contributed Capital	<u>(57,162)</u>	<u>-</u>	<u>-</u>	<u>(57,162)</u>
Contributed Capital at End of Year	<u>1,470,500</u>	<u>-</u>	<u>-</u>	<u>1,470,500</u>
Total Fund Equity at End of Year	<u>\$ 1,372,781</u>	<u>\$ 38,324</u>	<u>\$ 31,835</u>	<u>\$ 1,442,940</u>

See accompanying notes to the general purpose financial statements

**City of Vermilion, Ohio**  
 Combined Statement of Cash Flows  
 Proprietary Fund Types and Similar Trust Funds  
 For the Year Ended December 31, 2000

	Proprietary Fund Type		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 2,579,755	\$ 524,530	-	\$ 3,104,285
Cash received from other revenues	3,442	-	-	3,442
Cash received from refunds	990	-	-	990
Cash payments for employee service and benefits	(1,156,602)	-	-	(1,156,602)
Cash payments to goods and services	(792,902)	(828,243)	-	(1,621,145)
Cash payments to refunds	(92)	-	-	(92)
Other non-operating revenues	89,906	-	-	89,906
<b>Net Cash Provided by Operating Activities</b>	\$ 724,497	\$ (303,713)	-	\$ 420,784
<b>Cash Flows from Noncapital Financing Activities:</b>				
Advances in	\$ 246,184	\$ 120,000	-	\$ 366,184
<b>Net Cash Provided by Noncapital Financing Activities</b>	\$ 246,184	\$ 120,000	-	\$ 366,184
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds of notes	\$ 1,110,000	-	-	\$ 1,110,000
Grants	79,879	-	-	79,879
Payments for capital acquisition	(1,985,222)	-	-	(1,985,222)
Principal paid on notes	(125,000)	-	-	(125,000)
Principal paid on general obligation bonds	(120,000)	-	-	(120,000)
Principal paid on revenue bonds	(55,000)	-	-	(55,000)
Principal paid on OWDA loans	(39,846)	-	-	(39,846)
Interest paid on notes	(6,108)	-	-	(6,108)
Interest paid on general obligation bonds	(146,503)	-	-	(146,503)
Interest paid on revenue bonds	(196,838)	-	-	(196,838)
Interest paid on OWDA loans	(63,649)	-	-	(63,649)
<b>Net Cash Used for Capital and Related Financing Activities</b>	\$ (1,548,287)	-	-	\$ (1,548,287)
<b>Cash Flows from Investing Activities:</b>				
Interest income	\$ 73,801	-	-	\$ 73,801
<b>Net Cash Provided by Investing Activities</b>	\$ 73,801	-	-	\$ 73,801
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(503,805)	(183,713)	-	(687,518)
<b>Cash and Cash Equivalents at Beginning of Year</b>	1,436,372	291,018	31,835	1,727,390
<b>Cash and Cash Equivalents at End of Year</b>	\$ 932,567	\$ 107,305	\$ 31,835	\$ 1,039,872

(Continued)

**City of Vermilion, Ohio**  
 Combined Statement of Cash Flows  
 Proprietary Fund Types and Similar Trust Funds - Continued  
 For the Year Ended December 31, 2000

	Enterprise	Internal Service	Non-Expendable Trust	Total
<b>Reconciliation of Operating Income to</b>				
<b>Net Cash Provided by Operating Activities:</b>				
Operating Income	\$ 256,383	\$ (174,863)	-	\$ 81,520
<b>Adjustments to Reconcile Operating Income</b>				
<b>to Net Cash Provided by Operating Activities:</b>				
Depreciation	420,098	-	-	420,098
<b>Adjustments for Operating Revenues/Expenses:</b>				
Other non-operating revenues	90,896	-	-	90,896
Other non-operating expenses	(36,951)	-	-	(36,951)
<b>Total Adjustments</b>	<u>53,945</u>	<u>-</u>	<u>-</u>	<u>53,945</u>
<b>Changes in Assets and Liabilities</b>				
(Increase) Decrease in accounts receivable	\$ (39,135)	-	-	\$ (39,135)
(Increase) Decrease in inventory	(4,085)	-	-	(4,085)
Increase (Decrease) in accounts payable	(11,182)	-	-	(11,182)
Increase (Decrease) in accrued wages	8,341	-	-	8,341
Increase (Decrease) in compensated absences	14,510	-	-	14,510
Increase (Decrease) in due to other governments	2,604	-	-	2,604
Increase (Decrease) in claims payable	-	\$ (128,850)	-	(128,850)
Increase (Decrease) in accrued interest payable	36,859	-	-	36,859
Increase (Decrease) in pension obligation payable	(13,841)	-	-	(13,841)
<b>Total Adjustments</b>	<u>\$ (5,929)</u>	<u>\$ (128,850)</u>	<u>-</u>	<u>\$ (134,779)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 724,497</u>	<u>\$ (303,713)</u>	<u>-</u>	<u>\$ 420,784</u>

Reconciliation of Cash and Cash Equivalents of Fiduciary Funds to Balance Sheet:

Cash and Cash Equivalents - All Fiduciary Funds:

Cash and Cash Equivalents - Non-Expendable Trust Funds	\$ 31,835
Cash and Cash Equivalents - Expendable Trust Funds	26,017
Cash and Cash Equivalents - Agency Funds	<u>81,957</u>

Total Cash and Cash Equivalents \$ 139,809

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION**

The City of Vermilion is a charter municipal corporation operating under the laws of the State of Ohio. Vermilion was incorporated as a City in 1962. The current charter provides for a council-mayor form of government. Legislative power is vested in a seven-member council, each elected to two year terms. Five council members are elected from their ward with two elected at large. The four-year term mayor appoints department directors and public members of administrative bodies. The judge for the Vermilion Municipal Court is elected to a six year term.

**A. Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The City provides various services including police protection, fire fighting and prevention, emergency medical services, street maintenance and repairs, sanitation services, building inspection services, parks and recreation, water and sewer services, port supervision, water safety and ice breaking services, cemeteries, and a municipal court. The operation of each of these activities is directly controlled by the council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

Component units are legally separate organizations for which the City, as the primary government, is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes.

The following potential component units are not part of the reporting entity of the City of Vermilion and are excluded from the financial statements because the City is not financially accountable for these organizations nor does the City approve the budget, the levying of taxes or the issuance of debt for these organizations:

Vermilion Local School District  
Firelands Local School District  
Ritter Public Library

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

Based on the above criteria, the following organization is included in the City's financial statements as an enterprise fund.

The Vermilion Port Authority

Current state legislation provides for the Port Authority to operate as a separate body politic. The Vermilion Port Authority consists of five members appointed by the Mayor and approved by City Council. Monies are received, and disbursed by the City's Finance Director on behalf of the Port Authority as directed by the five member board. All Vermilion Port Authority expenditures are subject to Council authorized appropriations. Additionally, all debt issuances are subject to Council approval.

B. Basis of Presentation - Fund Accounting

The City's accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for within a set of self-balancing accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

An account group, on the other hand, 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, in turn, is divided into separate "fund types". The City uses the following fund types and account groups:

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The following are the City's governmental fund types:

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

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

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

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

Capital Projects Funds - 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 and trust funds).

Proprietary Fund Types

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this approach, the focus is upon the determination of net income, financial position and cash flows. The City utilizes both the enterprise and internal service fund types:

Enterprise Funds - The enterprise 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.

Internal Service Fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's fiduciary funds include expendable and nonexpendable trust funds and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Non-expendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

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 usually presented on the financial statements:

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is utilized for reporting purposes by the governmental, expendable trust and agency funds. Under this method of accounting, the City recognizes revenue and other financing sources when they become both measurable and available (i.e. collectible within the current period or within 31 days thereafter) to finance current City operations. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Accounting (Continued)

Revenues considered susceptible to accrual at the end of the year include employer withheld income taxes, interest on investments, state-levied locally shared taxes (including motor vehicle license fees, gasoline taxes, and local government assistance), and reimbursements due from federally funded projects for which corresponding expenditures have been made. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Delinquent special assessments and property taxes as well as special assessment installments not due in the current year are recorded as deferred revenue because they do not meet the availability criteria. Property taxes measurable as of December 31, 2000 but not intended to finance 2000 activities have also been recorded as deferred revenue. 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.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and non-expendable trust funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

B. Budgets

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

Tax Budget:

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



**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by October 1. As part of this certification the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

Appropriations:

A temporary appropriations ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department, and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of Council. During the year, several supplemental appropriation measures were passed. However, none were significant in amount. The budget figures which appear in the statement of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Lapsing of Appropriations:

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

Encumbrances:

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

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash and Cash Equivalents

Cash received by the City is deposited into several bank accounts. Monies for all funds, including enterprise funds, are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through the City's records. During 2000, investments were limited to U.S. Treasury Bills and Star Ohio, the State Treasurer's investment pool. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

During the year, all investment earnings were credited to the general fund, special revenue funds, and capital projects funds, on a specific identification basis.

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

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

The City has segregated bank accounts for monies held separate from the City's central bank accounts. These interest bearing deposit accounts are presented on the Combined Balance Sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City's treasury.

The City utilizes a financial institution to service bonded debt as principal and interest come due. The balances of these accounts are presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal and Escrow Agents" and represent deposits or short-term investments in certificates of deposit.

The City also utilizes a trustee to retire principal and interest of its revenue bonds. This account is presented on the combined balance sheet as restricted assets "Investments with Trustee" for those investments with an original maturity of three months or longer.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “Due from other funds/due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables” and “interfund payables.”

E. Inventory

Inventory is stated at cost for governmental funds and at the lower of cost or market for the proprietary funds on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

F. Restricted Assets

Amounts held in trust which are legally restricted for use in paying current and future debt service on revenue bonds and construction in the proprietary funds are classified as restricted assets.

G. Fixed Assets and Depreciation

General fixed assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental type funds and capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Infrastructure fixed assets such as streets, storm sewers and drains, and traffic signals and signs are not capitalized by the City and are not reported as part of the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the funds.

Fixed asset values were initially determined at December 31, 1989 by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not practicably determinable, estimated historical costs were developed. For certain fixed assets, the estimates were calculated 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 has elected not to record depreciation in the general fixed assets account group.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Fixed Assets and Depreciation - (continued)

Depreciation for the proprietary funds is determined by allocating the cost of fixed assets over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives are as follows:

Buildings	20 Years
Improvements other than Buildings	10 Years
Infrastructure	50 Years
Vehicles	3 - 5 Years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, interest costs incurred on construction projects in the proprietary funds were not material.

H. 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 available resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent they will not be paid using current available expendable financial resources. Payments made more than thirty-one days after fiscal year-end are considered not to have used current available financial resources. Bonds, capital leases and long-term loans are recognized as a liability of the general long-term obligations account group until due.

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

Under Ohio law, a debt retirement fund may be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require the allocation of the debt liability among capital projects and enterprise funds, and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the City's debt service fund has been split among the appropriate funds and account group. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination 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.

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

J. Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriations or expenditures including amounts that are legally segregated for a specific future use. Fund balances are reserved for encumbrances, debt service, inventories of supplies and prepaid items. Enterprise fund retained earnings balances may be reserved for future construction.

K. Interfund Transactions

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

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

L. Contributed Capital

Contributed capital represents donations by private sources, resources from other funds, grants restricted for capital construction, and assets whose construction was financed by special assessments. These assets are recorded at their fair market value on the date contributed and are not subject to repayment.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Memorandum Only - Total Columns

The “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 aggregation of this data.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures/expenses for all funds (budget) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund types (GAAP).
4. Short-term note proceeds and note principal retirement for governmental funds are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (continued)

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$255,214	31,704	(16,542)	380,359	25,543
Increase (Decrease):					
Accrued Revenues not included in Budget Basis	(5,162)	14,523	0	31,890	(6,274)
Accrued Expenses not included in Budget Basis	(136,752)	31,463	0	62,685	(14,626)
Encumbrances outstanding at 12/31/00	<u>(110,257)</u>	<u>(81,023)</u>	<u>0</u>	<u>(596,617)</u>	<u>0</u>
Budget Basis	<u>\$3,043</u>	<u>(3,333)</u>	<u>(16,542)</u>	<u>(121,683)</u>	<u>4,643</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

Monies held by the City are classified by State Statute into three categories.

Active monies means an amount of public monies determined to be necessary to meet current demand upon the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be invested in the following obligations provided they mature or were redeemable within two years from the date of purchase:

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

1. U.S. treasury notes, bills, bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or 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 services shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase and reverse 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) 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).

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.



**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short-selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the City's deposits is provided by the federal deposit insurance corporation (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.

During 2000, the City's investments were limited to bond reserve funds, a certificate of deposit, and STAR Ohio. During the fiscal year, all investments of the City had a maturity of two years or less. At fiscal year end, the City had \$50 in undeposited cash on hand which is included on the balance sheet of the City as part of "equity in pooled cash and cash equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

Deposits. At year-end, the carrying amount of the City's deposits, excluding change funds of \$50, was \$781,524 and the bank balance was \$587,216. \$234,944 of the bank balance was covered by federal depository insurance. \$352,272 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions trust department or agent in the City's name and all state statutory requirements for the investment of money had been followed, noncompliance with federal requirements would potentially subject the City to a successful claim by the FDIC.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Investments. GASB Statement No. 3 requires the City to categorize investments to give an indication of the level of 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 which 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. The carrying value of deposits and investments are presented in the combined balance sheet as equity in pooled cash and cash equivalents. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 2	Carrying Value	Fair Value
STAR Ohio	0	\$2,644,690	\$2,644,690
Manuscript Note	\$985,000	985,000	985,000
 Total Investments	 \$985,000	 \$3,629,690	 \$3,629,690

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash equivalents are defined as investments with original maturities of three months or less.

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$3,394,429	\$1,016,385
Cash on Hand	(50)	
Investments:		
Star Ohio	(2,644,690)	2,644,690
Certificates of Deposit	31,835	(31,835)
 GASB Statement 3	 \$781,524	 \$3,629,690

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 5 - TAXES

A. 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 semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is 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 taxes on behalf of all taxing districts in the County, including the City of Vermilion. The County Auditor periodically remits to the City its portion of the taxes collected.

The full tax rate for all City operations for the year ended December 31, 2000 was \$11.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

Real Estate - 1999	
Residential/Agricultural	\$147,484,350
Other Real Estate	20,904,500
Tangible Personal Property – 1999	
Public Utility	6,631,050
General Tangible Personal Property	<u>10,058,712</u>
Total Valuation	<u><u>\$185,078,612</u></u>

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 5 - TAXES (continued)

B. Income Taxes

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

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

Income tax proceeds are receipted to the General Fund. Fifteen percent of the proceeds collected are allocated, either directly to a project, or indirectly to other funds for the purpose of paying for capital projects.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2000 consisted of taxes, accounts (billing for user charged services), intergovernmental receivables, entitlements or shared revenues, special assessments and interest on investments. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund	
Local Government Fund	\$1,290
Local Government Assistance	2,670
Income Tax	14,923
County Share of Court Costs	79,259
Total General Fund	98,142
Special Revenue Funds	
Street Construction, Maintenance and Repair	
Motor Vehicle License Tax	4,791
Permissive Use Tax	
Permissive Use Tax	11,704
Drug Law Enforcement	
Mandatory Drug Fine	908
Total Special Revenue Funds	17,403

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 6 – RECEIVABLES (continued)

Enterprise Fund	
Sewer	
Park Drive Life Station Improvement	6,723
Total Enterprise Funds	6,723
Total Intergovernmental Receivables	122,268

NOTE 7 - FIXED ASSETS

A summary of changes in general fixed assets during 2000 follows:

	Balance January 1, 2000	Additions	Deletions	Adjustment	Transfer In	Transfer Out	Balance December 31, 2000
Land	\$718,775	0	0	0	0	0	\$718,775
Land Improvements	211,242	\$68,714	0	0	0	0	279,956
Buildings	1,435,677	6,859	0	0	\$3,529	(\$3,529)	1,442,536
Mach. And Equip.	1,024,294	115,030	(\$58,903)	(\$9,339)	230	0	1,071,312
Furn. and Fixtures	99,089	4,950	(5,859)	631	1,596	(1,596)	98,811
Vehicles	1,817,546	276,910	(56,264)	0	0	0	2,038,192
Constr. in Progress	0	39,006	0	0	0	0	39,006
Total	\$5,306,623	\$511,469	(\$121,026)	(\$8,708)	\$5,355	(\$5,125)	\$5,688,588

A summary of the enterprise funds' fixed assets at December 31, 2000 follows:

	Totals
Land	\$1,164,528
Land Improvements	373,391
Buildings	5,517,242
Machinery and Equipment	2,298,596
Furniture	19,235
Vehicles	335,664
Infrastructure	4,510,530
Construction in Progress	83,196
Total Fixed Assets	14,302,382
Less: Accumulated Depreciation	(6,168,974)
Net Fixed Assets	8,133,408

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 8 - LONG-TERM OBLIGATIONS

Changes in long-term obligations of the City during 2000 were as follows:

	<u>Outstanding 1/1/00</u>	<u>Issued</u>	<u>(Reductions)</u>	<u>Outstanding 12/31/00</u>
GENERAL LONG-TERM OBLIGATIONS:				
GENERAL OBLIGATION BONDS:				
1995 6.25% Vermilion Rd. Sewer - City portion	106,800	0	(5,340)	101,460
1997 5 3/4 % Court Facility	532,000	0	(29,000)	503,000
1997 5 3/4% Street Sweeper	78,000	0	(9,000)	69,000
2000 4.55%-5.90% Park Improvement	<u>0</u>	<u>550,000</u>	<u>0</u>	<u>550,000</u>
TOTAL GENERAL OBLIGATION BONDS	716,800	550,000	(43,340)	1,223,460
SPECIAL ASSESSMENT BONDS:				
1995 6.25% Vermilion Rd. sewer - S.A. portion	<u>93,200</u>	<u>0</u>	<u>(4,660)</u>	<u>88,540</u>
TOTAL SPECIAL ASSESSMENT BONDS	93,200	0	(4,660)	88,540
OTHER GENERAL LONG-TERM OBLIGATIONS:				
Pension Obligation Payable	103,592	81,478	103,592	81,478
Compensated Absences	265,991	21,314	0	287,305
Police Pension Liability	<u>122,716</u>	<u>0</u>	<u>1,531</u>	<u>121,185</u>
TOTAL OTHER GENERAL LONG TERM OBLIGATIONS	492,299	102,792	105,123	489,968

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 8 – LONG – TERM OBLIGATIONS (continued)

	Outstanding 1/1/00	Issued	(Reductions)	Outstanding 12/31/00
ENTERPRSE FUNDS:				
GENERAL OBLIGATION BONDS				
1995 4.40% - 6.15%				
Water Plant Improvement	830,000	0	(35,000)	795,000
1988 7.44%				
Sanitary Sewage	805,000	0	(65,000)	740,000
1999				
E. Liberty Avenue Phase 1	<u>885,000</u>	<u>0</u>	<u>(20,000)</u>	<u>865,000</u>
TOTAL GENERAL OBLIGATION BONDS	2,520,000	0	(120,000)	2,400,000
REVENUE BONDS:				
1991 4.75%				
Water System Improvements	2,740,000	0	(55,000)	2,685,000
OHIO WATER DEVELOPMENT LOANS				
1999 High Service Water Pumps	314,511	0	(15,114)	299,397
1993 West Lake Road Water Main Improvements	<u>580,725</u>	<u>0</u>	<u>(24,702)</u>	<u>556,023</u>
TOTAL ENTERPRISE FUND OBLIGATIONS	<u>6,155,236</u>	<u>0</u>	<u>(214,816)</u>	<u>5,940,420</u>
TOTALS	<u><u>7,457,535</u></u>	<u><u>652,792</u></u>	<u><u>(367,939)</u></u>	<u><u>7,742,388</u></u>

The City has entered into a loan agreement with the Ohio Water Development Authority (OWDA) for renovations to the Park Drive lift station. No money has been received in 2000 therefore, no liability has been established. General obligation bonds will be paid from the general bond retirement fund from property taxes. Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The police pension liability will be paid from taxes receipted in the police pension special revenue fund. Compensated absences reported in the "compensated absences payable" account will be paid from the fund from which the employees' salaries are paid. The enterprise related general obligation bonds, water system improvement revenue bonds and OWDA loans will be paid from water and sewer fund user charges.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 8 - LONG TERM OBLIGATIONS (Continued)

The City's overall legal debt margin was \$18,084,841 at December 31, 2000 and the voted legal debt margin was \$8,830,911.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2000 are as follows:

<u>Years</u>	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Police and Fire Pension</u>	<u>OWDA</u>	<u>Mortgage Revenue Bonds</u>
2001	416,938	10,194	6,732	96,218	252,623
2002	411,658	9,903	6,732	96,218	254,663
2003	414,496	9,611	6,732	96,218	250,308
2004	411,320	9,320	6,732	96,218	250,887
2005	412,331	9,029	6,732	96,218	250,812
2006-2010	1,573,036	45,289	33,660	480,490	1,266,625
2011-2015	1,531,164	44,561	33,660	311,925	1,262,250
2016-2020	611,290	0	33,660	0	1,263,775
2021-2025	0	0	33,660	0	18,331
2026-2030	0	0	33,660	0	0
2031-2035	0	0	33,660	0	0
Totals	<u>5,782,233</u>	<u>137,907</u>	<u>235,620</u>	<u>1,273,505</u>	<u>5,070,274</u>

Water Revenue Bonds. On December 31, 1991, the City issued \$3,085,000 in thirty year water system revenue bonds to pay a portion of the cost of improving the wastewater treatment facility. The bonds are payable with revenues from the water fund.

The term bonds maturing on December 1, 2021 are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount in each of the years and in the aggregate principal amount shown below opposite each year.

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2004	\$70,000	2012	\$125,000
2005	75,000	2013	135,000
2006	85,000	2014	145,000
2007	90,000	2015	165,000
2008	95,000	2016	180,000
2009	100,000	2017	190,000
2010	110,000	2018	205,000
2011	115,000	2019	220,000



**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 8 - LONG TERM OBLIGATIONS (Continued)

The Series 1991 bonds maturing on August 15, 2002 are subject to redemption, by and at the option of the City, either in whole on any date or in part on any interest payment date on or after August 15, 2001, in inverse order of maturity and in the amount of \$5,000 at redemption prices equal to the following percentages of the principal amount redeemed plus accrued interest to the date filed for redemption.

Redemption Dates	Redemption Prices
August 15, 2001 through August 14, 2002	102%
August 15, 2002 through August 14, 2003	101
August 15, 2003 and thereafter	100

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

Restricted assets held by Trustee	
Revenue Bond Current and Future Debt Service	\$348,967

NOTE 9- NOTE DEBT

The City has \$125,000 in short-term notes outstanding on December 31, 2000. The amounts outstanding, interest rates, and the funds in which the note liability is reported are as follows:

	Outstanding 1/1/00	Issued	(Retired)	Outstanding 12/31/00
Enterprise Funds:				
5.5% McGarvey Restaurant Property	0	\$985,000	0	\$985,000
4.9% Highbridge Road Sewer	\$125,000	0	(\$125,000)	0
5.06% Highbridge Road Sewer	<u>0</u>	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total Enterprise Funds	<u>125,000</u>	<u>125,000</u>	<u>(125,000)</u>	<u>125,000</u>
Total Notes	<u>\$125,000</u>	<u>\$1,110,000</u>	<u>(\$125,000)</u>	<u>\$1,110,000</u>

All of the notes are backed by the full faith and credit of the City of Vermilion and mature within one year. The note liability is reflected in the fund that received the proceeds.

The notes are generally issued in anticipation of long-term bond financing and are refinanced until such bonds are issued.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Employees earn vacation and sick leave at different rates which is also affected by length of service. Vacation cannot be carried over for use in the following year. Sick leave accrual is continuous, without limit. Overtime worked is always paid to employees on the paycheck for the period in which it was worked.

Upon retirement or death, employees with seven years of continuous service can be paid a maximum of 720 hours of sick leave, except police department employees who can receive a maximum of 840 hours. Upon retirement, accrued vacation is paid for the time the employees have earned but not used.

The current portion of unpaid compensated absences, for governmental funds, is recorded as a current liability in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability. As of December 31, 2000 the liability for unpaid compensated absences was \$482,298 for the entire City.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System (PERS)

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

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 10.84 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$251,980, \$316,586 and \$285,761 respectively. The full amount has been contributed for 1999 and 1998. 79.8 percent has been contributed for 2000 with the remainder being reported as a liability in the General Long-Term Obligations Account Group and the Enterprise fund.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 11 - DEFINED BENEFIT PENSION PLANS – (continued)

B. Police and Firemen's Disability and Pension

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations, while the City is required to contribute 12.5 percent for police to fund pension obligations. During 2000, the City did not have paid firefighters. Contributions are authorized by State statute. The City's contributions to the PFDPF for police were \$156,674 for the year ended December 31, 2000, \$148,954 for 1999 and \$144,315 for 1998. The full amount has been contributed for 1999 and 1998. 73.8 percent respectively, have been contributed for 2000 with the remainder being reported as a liability within the General Long-Term Obligations Account Group.

NOTE 12 – POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System (PERS)

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service employees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employee's contribution to PERS is set aside for the funding of postretirement health care based on the authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll for employees; 4.3 percent was the portion that was used to fund health care.

PERS changed to the advanced funded on an actuarially determined basis during 2000. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health and Medicare, along with investments income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. As of December 31, 2000, the unaudited estimated net assets available for future OPEB payments were \$10,805,500,000. At December 31, 2000, the total number of active contributing participants eligible for OPEB through PERS was 401,339. The City's actual contributions for 2000 which were used to fund OPEB were \$99,960.

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 12 – POSTEMPLOYMENT BENEFITS – (continued)

A. Public Employees Retirement System (PERS) – (continued)

The Retirement Board enacted a temporary contribution rate rollback for the calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for regular employees and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.2% to 4.3% at the beginning of the year to improve health care financing. The proportion dedicated to funding OPEB increased during the year for those reasons.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (the "OP&F") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate.

Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.25 percent of covered payroll is applied to the postemployment health care program during 2000. The allocation is 7.50% for 2001. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2000 that were used to fund postemployment benefits were \$58,283 for police. The number of participants eligible to receive health care benefits as of December 31, 1999 (the latest information available) was 12,467 for police and 9,807 for firefighters. The Fund's total health care expenses for the year ending December 31, 1999 (the latest information available) was \$95,004,633, which was net of member contributions of \$5,518,098.

NOTE 13 - INTERFUND RECEIVABLES/PAYABLES

Interfund Receivables/Payables

	Receivable	Payable
General	\$541,184	0
Enterprise	0	\$421,184
Internal Service	0	120,000
	0	120,000
Total	\$541,184	\$541,184

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

NOTE 13 – INTERFUND RECEIVABLES/PAYABLES – (continued)

Due from Other Funds/Due to Other Funds:

	Due from	Due to
General	\$18,832	0
Special Revenue Funds	2,105	0
Capital Project Funds	720	0
Agency Funds	1,843	23,500
Total	23,500	23,500

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains four enterprise funds which are intended to be self-supporting through user fees charged for services to the public. The City provides sewer services, water distribution, port supervision and storm water drainage. Segment information for these operations for the year ended December 31, 2000 was as follows:

	Water Fund	Sewer Fund	Vermilion Port Authority	Storm Drainage	Total
Operating Revenues	\$1,263,948	\$1,185,234	\$1,039	\$172,111	\$2,622,332
Operating Expenses					
Before Depreciation	805,443	1,027,908	89,535	22,965	1,945,851
Depreciation	267,349	122,249	27,678	2,822	420,098
Operating Income	191,156	35,077	116,174	146,324	488,731
Net Nonoperating Revenues	5,111	160,403	90,760	136	256,410
Net Nonoperating Expenses	(326,325)	(156,045)	(36,859)	(92)	(519,321)
Net Income (Loss)	(130,265)	39,435	(62,273)	146,368	(6,735)
Plant, Property and Equipment Additions	33,239	968,521	996,497	161,347	2,159,604
Net Working Capital	559,725	(379,427)	71,108	209,091	460,497
Total Assets	4,339,119	3,025,148	1,445,341	541,712	9,351,320
Long-Term Liabilities	4,335,420	1,605,000	985,000	0	6,925,420
Total Equity	(190,264)	697,016	402,443	463,586	1,372,781
Encumbrances Outstanding on December 31, 2000	77,284	1,287,950	10,593	137,792	1,513,619

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 15 - RISK MANAGEMENT

The City of Vermilion is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. During 2000, the City contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Deductible
Commercial Union	General Liability	\$1,000 contents
	Property and Crime	\$1,000 buildings
	Automobile Liability	Various
Hartford	Boiler Coverage	\$1,000
National Casualty	Public Officials Errors and Omissions	\$10,000
	Police Liability	\$3,500
Landmark American	Umbrella Coverage	\$10,000
Great American	Yacht Liability	\$2,000

Settled claims have not exceeded commercial coverage in any of the past three years. Also, the City did not significantly reduce its limits of liability during the 2000.

All employees of the City are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

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

The City provides employees medical, prescription, and dental benefits through a self-insurance program. All funds of the City participate in the program and make payments to the medical self insurance internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The medical self-insurance fund provides coverage for up to a maximum of \$27,500 for each individual. The City utilizes a third party administrator, Self Funded Plans, Inc., to review all claims which are then paid by the City. The cost to the City for the third party administrator is \$5,677 annually. The City purchases stop-loss coverage from Seaboard Life Insurance Company at a cost of \$72,470 annually. Stop-loss coverage provides a maximum of \$1,000,000 per individual for their lifetime. During 1998, a total of \$373,296 was paid in benefits and administrative costs. Changes in the internal service fund's claim liability amount in 1999 and 2000 were as follows:

**CITY OF VERMILION, OHIO**  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 15 - RISK MANAGEMENT (continued)

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
1999	\$58,895	436,921	(272,566)	\$223,250
2000	\$223,250	570,543	(699,393)	\$ 94,400

NOTE 16 - CONTINGENCIES

The City of Vermilion is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The City management is of the opinion that ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 17 - RESTATEMENT OF PRIOR YEAR FUND EQUITY

Misstatements of prior year and a reclassification of a fund caused the following restatements of the prior year fund equities:

	<u>Water Fund</u>	<u>State Highway Patrol Transfer Fund</u>
Fund Equity, as stated 12/31/99	(\$611,117)	(\$31,134)
Adjustments:	<u>(79,809)</u>	<u>31,134</u>
Fund balance, as restated 1/1/00	<u><u>(\$690,926)</u></u>	<u><u>\$0</u></u>

NOTE 18 – ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund Balances

The Claims Rotary Trust Internal Service Fund had a deficit fund balance of \$30,211. Also, the Water fund had a deficit of \$190,264. These deficits are the result of the conversion to generally accepted accounting principles.

***CITY OF VERMILION, OHIO***  
Notes to the General Purpose Financial Statements  
For the Year Ended December 31, 2000

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NOTE 18 – ACCOUNTABILITY AND COMPLIANCE (continued)

B. Noncompliance

Section 5705.36, Revised Code, requires the City to obtain a reduced amended certificate of estimated resources when it is known that estimated receipts will exceed actual receipts. Many funds of the City were found to have estimated receipts higher than actual receipts.



COMBINING,  
INDIVIDUAL FUND  
AND  
ACCOUNT GROUP  
STATEMENTS AND SCHEDULES

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## **General Fund**

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The general fund is used to account for financial resources traditionally associated with general operations, which are not required for by another fund. The following is the “Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budget Basis),” as required by law for the level of appropriations as budgeted by the City.

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**City of Vermilion, Ohio**

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

For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 2,319,771	\$ 2,396,469	\$ 76,698
Charges for Services	62,948	127,103	64,155
Fines, Licences and Permits	325,000	426,544	101,544
Intergovernmental	942,286	794,358	(147,928)
Interest	124,000	124,772	772
Other	74,637	21,396	(53,241)
<b>Total Revenues</b>	<u>3,848,642</u>	<u>3,890,642</u>	<u>42,000</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Safety Administration	3,382	2,878	504
Police	1,471,251	1,387,230	84,021
<b>Total Security of Persons and Property</b>	<u>1,474,633</u>	<u>1,390,108</u>	<u>84,525</u>
Leisure Time Activities			
Park Maintenance	91,912	77,422	14,490
<b>Total Leisure Time Activities</b>	<u>91,912</u>	<u>77,422</u>	<u>14,490</u>
Community Environment			
Building Department	151,463	117,041	34,422
<b>Total Community Environment</b>	<u>151,463</u>	<u>117,041</u>	<u>34,422</u>
General Government			
Council and Clerk	93,166	86,505	6,661
Mayor	85,444	79,970	5,474
Law Director	54,535	52,060	2,475
Finance Director	232,649	221,799	10,850
Municipal Court	366,644	358,455	8,189
General Government	397,986	388,183	9,803
Income Tax	60,035	45,446	14,589
Boards and Commission	54,391	45,116	9,275
Service Administration	125,563	115,231	10,332
Engineering	27,387	25,974	1,413
<b>Total General Government</b>	<u>1,497,800</u>	<u>1,418,739</u>	<u>79,061</u>
<b>Total Expenditures</b>	<u>3,215,808</u>	<u>3,003,310</u>	<u>212,498</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	632,834	887,332	254,498

**City of Vermilion, Ohio**

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

For the Year Ended on December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Other Financing Sources (Uses):</b>			
Advances - In	42,000	-	(42,000)
Advances - Out	(220,000)	(220,000)	-
Operating Transfers - In	79,797	-	(79,797)
Operating Transfers - Out	<u>(664,289)</u>	<u>(664,289)</u>	<u>-</u>
<b>Total Other Sources (Uses)</b>	(762,492)	(884,289)	(121,797)
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	(129,658)	3,043	132,701
Fund Balances (Deficit) at Beginning of Year	469,781	469,781	-
Fund Balances (Deficit) at End of Year	\$ <u><u>340,123</u></u>	\$ <u><u>472,824</u></u>	\$ <u><u>132,701</u></u>

## Special Revenue Funds

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

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***Street Maintenance Fund*** - to account for that portion of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

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

***Permissive Motor Vehicle License Fund*** - to account for the additional motor vehicle registrations fees designated for maintenance and repair of streets within the City.

***Recreation Fund*** - to account for the operation and maintenance of the City's recreation programs and the operation of the City's public pool.

***Fire Operating Fund*** - to accumulate property taxes levied for the payment of salaries and operating expenses of the City's fire department.

***Police Pension Fund*** - to accumulate property taxes levied for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

***Watercraft Safety Fund*** - to account for the revenues obtained from Ohio Department of Natural Resources and general fund for the operation of a police patrol boat on the Vermilion River and near shore of Lake Erie.

***Cemetery Operating Fund*** - to account for the operation and maintenance of two public cemeteries.

***Cable TV Fund*** - to account for that portion of the monies received from cable franchise contract used for the payment of the local programmer and acquisition of additional local cable department equipment.

***Drug Law Enforcement Fund*** - to account for monies seized from criminals by law enforcement officials in the course of their work and restricted, by State statute, for expenditures that would enhance the police department.

***Contraband Forfeiture Fund*** - to account for the resources obtained from confiscated monies from criminal offenses and designated, by State statute, for expenditures that would enhance the police department.

***Indigent Alcohol Treatment Fund*** - to account for court fees obtained from D.U.I. cases and restricted by State statute for expenditures that would provide alcohol treatment for those persons deemed indigent by the court

***Enforcement and Education Fund*** - to account for court fees obtained from D.U.I. cases and restricted by State statute for expenditures that would enhance D.U.I. education.

(continued)

## Special Revenue Funds (continued)

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***Court Computer Fund*** - to account for fines levied by the Court for the payment and enhancement of its law library and computerized court system.

***Sanitation Fund*** - to account for monies received and expended for the administration of the City's trash hauling contract

**City of Vermilion, Ohio**

Combining Balance Sheet - Special Revenue Funds

December 31, 2000

	<u>Street Maintenance and Repair</u>	<u>State Highway Improvement</u>	<u>Permissive Motor Vehicle License</u>	<u>Recreation</u>
<b>Assets and Other Debits:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 156,710	\$ 5,176	\$ 410,482	\$ 21,150
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	-
Accounts	-	-	-	-
Intergovernmental	4,791	-	11,704	-
Due from Other Funds	-	-	-	-
Materials and Supplies Inventory	8,939	-	-	-
<b>Total Assets and Other Debits</b>	<u>170,440</u>	<u>5,176</u>	<u>422,186</u>	<u>21,150</u>
 <b>Liabilities:</b>				
Accounts Payable	46,622	-	385,230	-
Accrued Wages	9,747	-	-	303
Compensated Absences Payable	2,857	-	-	-
Intergovernmental Payable	4,161	-	-	484
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<u>63,387</u>	<u>-</u>	<u>385,230</u>	<u>787</u>
 <b>Fund Equity and Other Credits:</b>				
Fund Balance:				
Reserved for Encumbrances	23,739	-	24,348	4,126
Reserved for Inventory	8,939	-	-	-
Unreserved-undesignated	74,375	5,176	12,608	16,237
<b>Total Fund Equity and Other Credits</b>	<u>107,053</u>	<u>5,176</u>	<u>36,956</u>	<u>20,363</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$ 170,440</u>	<u>\$ 5,176</u>	<u>\$ 422,186</u>	<u>\$ 21,150</u>



<u>Fire Operating</u>	<u>Police Pension</u>	<u>Watercraft Safety</u>	<u>Cemetery</u>	<u>Cable TV</u>	<u>Drug Law Enforcement</u>	<u>Contraband Foreitures</u>
\$ 695,602	\$ 61,825	\$ 11,423	\$ 30,966	\$ 11,491	\$ 27,264	\$ 3,181
185,079	55,523	-	-	-	-	-
3,975	-	-	-	9,666	-	-
-	-	-	-	-	908	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>884,656</u>	<u>117,348</u>	<u>11,423</u>	<u>30,966</u>	<u>21,157</u>	<u>28,172</u>	<u>3,181</u>
-	-	-	-	9,026	-	-
11,461	-	-	-	-	922	-
-	-	-	-	-	-	-
1,035	-	113	-	-	13	-
185,079	55,523	-	-	-	-	-
<u>197,575</u>	<u>55,523</u>	<u>113</u>	<u>-</u>	<u>9,026</u>	<u>935</u>	<u>-</u>
8,408	-	85	-	-	-	-
-	-	-	-	-	-	-
678,673	61,825	11,225	30,966	12,131	27,237	3,181
<u>687,081</u>	<u>61,825</u>	<u>11,310</u>	<u>30,966</u>	<u>12,131</u>	<u>27,237</u>	<u>3,181</u>
<u>\$ 884,656</u>	<u>\$ 117,348</u>	<u>\$ 11,423</u>	<u>\$ 30,966</u>	<u>\$ 21,157</u>	<u>\$ 28,172</u>	<u>\$ 3,181</u>

(Continued)

**City of Vermilion, Ohio**

Combining Balance Sheet - Special Revenue Funds - (continued)

December 31, 2000

	<u>Indigent Alcohol Treatment</u>	<u>Enforcement and Education</u>	<u>Court Computer</u>	<u>Sanitation</u>	<u>Totals</u>
<b>Assets and Other Debits:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 66,191	\$ 26,399	\$ 47,574	\$ 101,598	\$ 1,677,032
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	-	-	240,602
Accounts	-	-	-	76,508	90,149
Intergovernmental	-	-	-	-	17,403
Due from Other Funds	332	312	1,461	-	2,105
Materials and Supplies Inventory	-	-	-	-	8,939
<b>Total Assets and Other Debits</b>	<u>66,523</u>	<u>26,711</u>	<u>49,035</u>	<u>178,106</u>	<u>2,036,230</u>
<b>Liabilities:</b>					
Accounts Payable	-	-	-	61,463	502,341
Accrued Wages	-	-	-	-	22,433
Compensated Absences Payable	-	-	-	-	2,857
Intergovernmental Payable	-	-	-	-	5,806
Deferred Revenue	-	-	-	-	240,602
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,463</u>	<u>774,039</u>
<b>Fund Equity and Other Credits:</b>					
Fund Balance:					
Reserved for Encumbrances	-	-	1,071	19,246	81,023
Reserved for Inventory	-	-	-	-	8,939
Unreserved-undesignated	66,523	26,711	47,964	97,397	1,172,229
<b>Total Fund Equity and Other Credits</b>	<u>66,523</u>	<u>26,711</u>	<u>49,035</u>	<u>116,643</u>	<u>1,262,191</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$ 66,523</u>	<u>\$ 26,711</u>	<u>\$ 49,035</u>	<u>\$ 178,106</u>	<u>\$ 2,036,230</u>

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**City of Vermilion, Ohio**

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

For the Year Ended December 31, 2000

	<u>Street Maintenance and Repair</u>	<u>State Highway Improvement</u>	<u>Permissive Motor Vehicle License</u>	<u>Recreation</u>
<b>Revenues:</b>				
Taxes	-	-	-	-
Intergovernmental	\$ 298,319	\$ 23,974	\$ 173,439	-
Interest	-	-	-	-
Charges for Services	1,200	-	450	\$ 53,063
Fines and Forfeitures	-	-	-	-
Other	2,074	-	-	-
<b>Total Revenues</b>	<u>301,593</u>	<u>23,974</u>	<u>173,889</u>	<u>53,063</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	-	-	-	-
Public Health and Welfare	-	-	-	-
Community Environment	-	-	-	-
Transportation	704,999	-	418,942	-
Leisure Time Activities	-	-	-	75,726
Basic Utility Services	-	-	-	-
<b>Total Expenditures</b>	<u>704,999</u>	<u>-</u>	<u>418,942</u>	<u>75,726</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(403,406)</u>	<u>23,974</u>	<u>(245,053)</u>	<u>(22,663)</u>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	300,746	-	165,711	40,000
<b>Total Other Financing Sources (Uses)</b>	<u>300,746</u>	<u>-</u>	<u>165,711</u>	<u>40,000</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(102,660)</u>	<u>23,974</u>	<u>(79,342)</u>	<u>17,337</u>
Fund Balance (Deficit) at Beginning of Year	208,541	(18,798)	116,298	3,026
Increase (Decrease) in Reserve for Inventory	1,172	-	-	-
<b>Fund balance at the end of year</b>	\$ <u><u>107,053</u></u>	\$ <u><u>5,176</u></u>	\$ <u><u>36,956</u></u>	\$ <u><u>20,363</u></u>

<u>Fire Operating</u>	<u>Police Pension</u>	<u>Watercraft Safety</u>	<u>Cemetery</u>	<u>Cable TV</u>	<u>Drug Law Enforcement</u>	<u>Contraband Foreitures</u>
\$ 165,703	\$ 49,971	-	-	-	-	-
88,649	6,260	\$ 10,547	-	-	\$ 27,158	-
-	-	-	\$ 530	-	-	-
-	-	-	86,938	\$ 50,533	-	-
-	-	-	-	-	1,890	\$ 492
3,795	-	500	-	-	10	-
<u>258,147</u>	<u>56,231</u>	<u>11,047</u>	<u>87,468</u>	<u>50,533</u>	<u>29,058</u>	<u>492</u>
154,517	160,415	19,314	-	-	51,840	-
-	-	-	91,566	-	-	-
-	-	-	-	41,831	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>154,517</u>	<u>160,415</u>	<u>19,314</u>	<u>91,566</u>	<u>41,831</u>	<u>51,840</u>	<u>-</u>
103,630	(104,184)	(8,267)	(4,098)	8,702	(22,782)	492
-	106,760	14,000	-	-	15,000	-
<u>-</u>	<u>106,760</u>	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
103,630	2,576	5,733	(4,098)	8,702	(7,782)	492
583,451	59,249	5,577	35,064	3,429	35,019	2,689
-	-	-	-	-	-	-
<u>\$ 687,081</u>	<u>\$ 61,825</u>	<u>\$ 11,310</u>	<u>\$ 30,966</u>	<u>\$ 12,131</u>	<u>\$ 27,237</u>	<u>\$ 3,181</u>

(Continued)

**City of Vermilion, Ohio**

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

For the Year Ended December 31, 2000

	<u>Indigent Alcohol Treatment</u>	<u>Enforcement and Education</u>	<u>Court Computer</u>	<u>Sanitation</u>	<u>Totals</u>
<b>Revenues:</b>					
Taxes	-	-	-	-	\$ 215,674
Intergovernmental	\$ 2,475	-	-	\$ 85,000	715,821
Interest	-	-	-	-	530
Charges for Services	-	-	-	781,658	973,842
Fines and Forfeitures	6,423	\$ 3,868	\$ 22,461	-	35,134
Other	-	-	-	-	6,379
<b>Total Revenues</b>	<u>8,898</u>	<u>3,868</u>	<u>22,461</u>	<u>866,658</u>	<u>1,947,380</u>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	-	-	11,095	-	397,181
Public Health and Welfare	-	-	-	-	91,566
Community Environment	-	-	-	-	41,831
Transportation	-	-	-	-	1,123,941
Leisure Time Activities	-	-	-	-	75,726
Basic Utility Services	-	-	-	827,648	827,648
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>11,095</u>	<u>827,648</u>	<u>2,557,893</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>8,898</u>	<u>3,868</u>	<u>11,366</u>	<u>39,010</u>	<u>(610,513)</u>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	-	-	-	-	642,217
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>642,217</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>8,898</u>	<u>3,868</u>	<u>11,366</u>	<u>39,010</u>	<u>31,704</u>
Fund Balance (Deficit) at Beginning of Year	57,625	22,843	37,669	77,633	1,229,315
Increase (Decrease) in Reserve for Inventory	-	-	-	-	1,172
<b>Fund balance at the end of year</b>	\$ <u>66,523</u>	\$ <u>26,711</u>	\$ <u>49,035</u>	\$ <u>116,643</u>	\$ <u>1,262,191</u>

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**City of Vermilion, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Budget Basis) -  
Special Revenue Funds

For the Year Ended December 31, 2000

	Street Maintenance & Repair		
	Revised Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	-	-	-
Charges for Services	-	\$ 1,200	\$ 1,200
Fines, Licenses and Permits	-	-	-
Intergovernmental	\$ 481,944	310,665	(171,279)
Interest	-	-	-
Other	2,000	2,074	74
<b>Total Revenues</b>	483,944	313,939	(170,005)
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	-	-	-
Public Health and Welfare	-	-	-
Transportation	754,651	703,942	50,709
Community Environment	-	-	-
Basic Utility Services	-	-	-
Leisure Time Activities	-	-	-
<b>Total Expenditures</b>	754,651	703,942	50,709
<b>Excess of Revenues Over (Under) Expenditures</b>	(270,707)	(390,003)	(119,296)
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	300,746	300,746	-
<b>Total Other Financing Sources (Uses)</b>	300,746	300,746	-
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	30,039	(89,257)	(119,296)
Fund Balances (Deficit) at Beginning of Year	175,711	175,711	-
<b>Fund Balances (Deficit) at End of Year</b>	\$ 205,750	\$ 86,454	\$ (119,296)



State Highway			Permissive Motor Vehicle License		
Revised Budget	Actual	Variance	Revised Budget	Actual	Variance
-	-	-	-	-	-
-	-	-	\$ 104	\$ 450	\$ 346
-	-	-	-	-	-
\$ 25,000	\$ 25,189	\$ 189	173,000	173,335	335
-	-	-	-	-	-
-	-	-	-	-	-
<u>25,000</u>	<u>25,189</u>	<u>189</u>	<u>173,104</u>	<u>173,785</u>	<u>681</u>
-	-	-	-	-	-
-	-	-	-	-	-
28,000	27,824	176	434,211	433,387	824
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>28,000</u>	<u>27,824</u>	<u>176</u>	<u>434,211</u>	<u>433,387</u>	<u>824</u>
(3,000)	(2,635)	365	(261,107)	(259,602)	1,505
-	-	-	611,586	165,711	(445,875)
-	-	-	<u>611,586</u>	<u>165,711</u>	<u>(445,875)</u>
(3,000)	(2,635)	365	350,479	(93,891)	(444,370)
7,811	7,811	-	94,795	94,795	-
<u>\$ 4,811</u>	<u>\$ 5,176</u>	<u>\$ 365</u>	<u>\$ 445,274</u>	<u>\$ 904</u>	<u>\$ (444,370)</u>

(continued)

**City of Vermilion, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Budget Basis) -  
Special Revenue Funds - (continued)

For the Year Ended December 31, 2000

	Recreation		
	Revised Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	-	-	-
Charges for Services	\$ 66,049	\$ 53,063	\$ (12,986)
Fines, Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>66,049</u>	<u>53,063</u>	<u>(12,986)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	-	-	-
Public Health and Welfare	-	-	-
Transportation	-	-	-
Community Environment	-	-	-
Basic Utility Services	-	-	-
Leisure Time Activities	94,803	79,315	15,488
<b>Total Expenditures</b>	<u>94,803</u>	<u>79,315</u>	<u>15,488</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(28,754)</u>	<u>(26,252)</u>	<u>2,502</u>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	31,420	40,000	8,580
<b>Total Other Financing Sources (Uses)</b>	<u>31,420</u>	<u>40,000</u>	<u>8,580</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>2,666</u>	<u>13,748</u>	<u>11,082</u>
Fund Balances (Deficit) at Beginning of Year	3,276	3,276	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 5,942</u>	<u>\$ 17,024</u>	<u>\$ 11,082</u>

Fire Operating			Police Pension		
Revised Budget	Actual	Variance	Revised Budget	Actual	Variance
\$ 181,670	\$ 165,703	\$ (15,967)	\$ 54,500	\$ 49,971	\$ (4,529)
-	94	94	-	-	-
-	-	-	-	-	-
67,000	88,649	21,649	-	6,260	6,260
-	-	-	-	-	-
-	9,309	9,309	-	-	-
<u>248,670</u>	<u>263,755</u>	<u>15,085</u>	<u>54,500</u>	<u>56,231</u>	<u>1,731</u>
190,213	148,101	42,112	160,415	160,415	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>190,213</u>	<u>148,101</u>	<u>42,112</u>	<u>160,415</u>	<u>160,415</u>	<u>-</u>
58,457	115,654	57,197	(105,915)	(104,184)	1,731
-	-	-	132,326	106,760	(25,566)
<u>-</u>	<u>-</u>	<u>-</u>	<u>132,326</u>	<u>106,760</u>	<u>(25,566)</u>
58,457	115,654	57,197	26,411	2,576	(23,835)
571,540	571,540	-	59,249	59,249	-
<u>\$ 629,997</u>	<u>\$ 687,194</u>	<u>\$ 57,197</u>	<u>\$ 85,660</u>	<u>\$ 61,825</u>	<u>\$ (23,835)</u>

(continued)

**City of Vermilion, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Budget Basis) -  
Special Revenue Funds - (continued)

For the Year Ended December 31, 2000

	Watercraft Safety		
	Revised Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	-	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	-	-	-
Intergovernmental	\$ 14,000	\$ 10,547	\$ (3,453)
Interest	-	-	-
Other	1,000	500	(500)
<b>Total Revenues</b>	<u>15,000</u>	<u>11,047</u>	<u>(3,953)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	24,473	19,246	5,227
Public Health and Welfare	-	-	-
Transportation	-	-	-
Community Environment	-	-	-
Basic Utility Services	-	-	-
Leisure Time Activities	-	-	-
<b>Total Expenditures</b>	<u>24,473</u>	<u>19,246</u>	<u>5,227</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(9,473)</u>	<u>(8,199)</u>	<u>1,274</u>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	15,469	14,000	(1,469)
<b>Total Other Financing Sources (Uses)</b>	<u>15,469</u>	<u>14,000</u>	<u>(1,469)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>5,996</u>	<u>5,801</u>	<u>(195)</u>
Fund Balances (Deficit) at Beginning of Year	5,537	5,537	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 11,533</u>	<u>\$ 11,338</u>	<u>\$ (195)</u>

Cemetery Operating			Cable T.V.		
Revised Budget	Actual	Variance	Revised Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 113,421	\$ 86,938	\$ (26,483)	\$ 48,000	\$ 40,867	\$ (7,133)
-	-	-	-	-	-
-	530	530	-	-	-
-	-	-	-	-	-
<u>113,421</u>	<u>87,468</u>	<u>(25,953)</u>	<u>48,000</u>	<u>40,867</u>	<u>(7,133)</u>
-	-	-	-	-	-
106,105	91,566	14,539	-	-	-
-	-	-	-	-	-
-	-	-	46,181	38,865	7,316
-	-	-	-	-	-
-	-	-	-	-	-
<u>106,105</u>	<u>91,566</u>	<u>14,539</u>	<u>46,181</u>	<u>38,865</u>	<u>7,316</u>
7,316	(4,098)	(11,414)	1,819	2,002	183
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,316	(4,098)	(11,414)	1,819	2,002	183
35,064	35,064	-	9,489	9,489	-
<u>\$ 42,380</u>	<u>\$ 30,966</u>	<u>\$ (11,414)</u>	<u>\$ 11,308</u>	<u>\$ 11,491</u>	<u>\$ 183</u>

(continued)

**City of Vermilion, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Budget Basis) -  
Special Revenue Funds - (continued)

For the Year Ended December 31, 2000

	Drug Law Enforcement		
	Revised Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	-		-
Charges for Services	-		-
Fines, Licenses and Permits	-	\$ 1,990	\$ 1,990
Intergovernmental	\$ 64,185	36,989	(27,196)
Interest	-	-	-
Other	-	10	10
<b>Total Revenues</b>	<u>64,185</u>	<u>38,989</u>	<u>(25,196)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	61,719	51,921	9,798
Public Health and Welfare	-	-	-
Transportation	-	-	-
Community Environment	-	-	-
Basic Utility Services	-	-	-
Leisure Time Activities	-	-	-
<b>Total Expenditures</b>	<u>61,719</u>	<u>51,921</u>	<u>9,798</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>2,466</u>	<u>(12,932)</u>	<u>(15,398)</u>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	15,000	15,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>17,466</u>	<u>2,068</u>	<u>(15,398)</u>
Fund Balances (Deficit) at Beginning of Year	25,196	25,196	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 42,662</u>	<u>\$ 27,264</u>	<u>\$ (15,398)</u>

Contraband Forfeiture			Indigent Alcohol Treatment		
Revised Budget	Actual	Variance	Revised Budget	Actual	Variance
-	-	-	-	-	-
-	-	-	-	-	-
\$ 2,000	\$ 492	\$ (1,508)	\$ 12,248	\$ 6,370	\$ (5,878)
-	-	-	-	2,475	2,475
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,000</u>	<u>492</u>	<u>(1,508)</u>	<u>12,248</u>	<u>8,845</u>	<u>(3,403)</u>
1,930	-	1,930	-	-	-
-	-	-	2,080	-	2,080
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,930</u>	<u>-</u>	<u>1,930</u>	<u>2,080</u>	<u>-</u>	<u>2,080</u>
70	492	422	10,168	8,845	(1,323)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
70	492	422	10,168	8,845	(1,323)
2,689	2,689	-	57,346	57,346	-
\$ <u><u>2,759</u></u>	\$ <u><u>3,181</u></u>	\$ <u><u>422</u></u>	\$ <u><u>67,514</u></u>	\$ <u><u>66,191</u></u>	\$ <u><u>(1,323)</u></u>

(continued)

**City of Vermilion, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Budget Basis) -  
Special Revenue Funds - (continued)

For the Year Ended December 31, 2000

	Enforcement and Education		
	Revised Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	-	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	\$ 2,000	\$ 3,773	\$ 1,773
Intergovernmental	-	-	-
Interest	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>2,000</u>	<u>3,773</u>	<u>1,773</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	2,451	-	2,451
Public Health and Welfare	-	-	-
Transportation	-	-	-
Community Environment	-	-	-
Basic Utility Services	-	-	-
Leisure Time Activities	-	-	-
<b>Total Expenditures</b>	<u>2,451</u>	<u>-</u>	<u>2,451</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(451)</u>	<u>3,773</u>	<u>4,224</u>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>(451)</u>	<u>3,773</u>	<u>4,224</u>
Fund Balances (Deficit) at Beginning of Year	22,626	22,626	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 22,175</u>	<u>\$ 26,399</u>	<u>\$ 4,224</u>



Court Computer			Sanitation		
Revised Budget	Actual	Variance	Revised Budget	Actual	Variance
-	-	-	-	-	-
\$ 24,468	\$ 22,342	\$ (2,126)	\$ 1,344,819	\$ 777,118	\$ (567,701)
-	-	-	85,000	85,000	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>24,468</u>	<u>22,342</u>	<u>(2,126)</u>	<u>1,429,819</u>	<u>862,118</u>	<u>(567,701)</u>
29,889	12,060	17,829	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	869,764	840,811	28,953
-	-	-	-	-	-
<u>29,889</u>	<u>12,060</u>	<u>17,829</u>	<u>869,764</u>	<u>840,811</u>	<u>28,953</u>
(5,421)	10,282	15,703	560,055	21,307	(538,748)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(5,421)	10,282	15,703	560,055	21,307	(538,748)
36,221	36,221	-	61,046	61,046	-
<u>\$ 30,800</u>	<u>\$ 46,503</u>	<u>\$ 15,703</u>	<u>\$ 621,101</u>	<u>\$ 82,353</u>	<u>\$ (538,748)</u>

(continued)

**City of Vermilion, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Budget Basis) -  
Special Revenue Funds - (continued)

For the Year Ended December 31, 2000

	Totals		
	Revised Budget	Actual	Variance
<b>Revenues:</b>			
Taxes	\$ 236,170	\$ 215,674	\$ (20,496)
Charges for Services	1,572,393	959,730	(612,663)
Fines, Licenses and Permits	40,716	34,967	(5,749)
Intergovernmental	910,129	739,109	(171,020)
Interest	-	530	530
Other	3,000	11,893	8,893
<b>Total Revenues</b>	<u>2,762,408</u>	<u>1,961,903</u>	<u>(800,505)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	471,090	391,743	79,347
Public Health and Welfare	108,185	91,566	16,619
Transportation	1,216,862	1,165,153	51,709
Community Environment	46,181	38,865	7,316
Basic Utility Services	869,764	840,811	28,953
Leisure Time Activities	94,803	79,315	15,488
<b>Total Expenditures</b>	<u>2,806,885</u>	<u>2,607,453</u>	<u>199,432</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(44,477)</u>	<u>(645,550)</u>	<u>(601,073)</u>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	1,106,547	642,217	(464,330)
<b>Total Other Financing Sources (Uses)</b>	<u>1,106,547</u>	<u>642,217</u>	<u>(464,330)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>1,062,070</u>	<u>(3,333)</u>	<u>(1,065,403)</u>
Fund Balances (Deficit) at Beginning of Year	1,167,596	1,167,596	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 2,229,666</u>	<u>\$ 1,164,263</u>	<u>\$ (1,065,403)</u>

## Debt Service Funds

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

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***General Obligation Bond Retirement Fund*** - to account for resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

***Special Assessment Bond Retirement Fund*** - to account for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

**City of Vermilion, Ohio**

Combining Balance Sheet - Debt Service Funds

December 31, 2000

	<u>General Obligation Bond</u>	<u>Special Assessment</u>	<u>Total</u>
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 399	\$ 38,964	\$ 39,363
Cash and Cash Equivalents: With Fiscal Agents	365	-	365
Receivables			
Taxes	55,523	-	55,523
Special Assessment	-	124,595	124,595
<b>Total Assets</b>	<u><u>56,287</u></u>	<u><u>163,559</u></u>	<u><u>219,846</u></u>
 <b>Liabilities:</b>			
Deferred Revenue	55,523	124,595	180,118
Matured Bonds Payable	365	-	365
<b>Total Liabilities</b>	<u>55,888</u>	<u>124,595</u>	<u>180,483</u>
 <b>Fund Equity:</b>			
Reserved for Debt Service	399	38,964	39,363
<b>Total Fund Equity and Other Credits</b>	<u>399</u>	<u>38,964</u>	<u>39,363</u>
<b>Total Liabilities and Fund Equity</b>	\$ <u><u>56,287</u></u>	\$ <u><u>163,559</u></u>	\$ <u><u>219,846</u></u>

**City of Vermilion, Ohio**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Debt Service Funds

For the Year Ended December 31, 2000

	General Obligation Bond	Special Assessment	Totals
<b>Revenues:</b>			
Taxes	\$ 56,031	\$ 10,789	\$ 66,820
Interest	1,141	-	1,141
<b>Total Revenues</b>	<b>57,172</b>	<b>10,789</b>	<b>67,961</b>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	43,340	4,660	48,000
Interest and Fiscal Charges	41,325	6,250	47,575
<b>Total Expenditures</b>	<b>84,665</b>	<b>10,910</b>	<b>95,575</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(27,493)</b>	<b>(121)</b>	<b>(27,614)</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	11,072	-	11,072
<b>Total Other Financing Sources (Uses)</b>	<b>11,072</b>	<b>-</b>	<b>11,072</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(16,421)</b>	<b>(121)</b>	<b>(16,542)</b>
Fund Balance (Deficit) at Beginning of Year	16,820	39,085	55,905
<b>Fund Balance at the End of Year</b>	<b>\$ 399</b>	<b>\$ 38,964</b>	<b>\$ 39,363</b>

**City of Vermilion, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Budget Basis) -  
Debt Service Funds

For the Year Ended December 31, 2000

	General Obligation Bond		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 54,500	\$ 56,031	\$ 1,531
Interest	-	1,141	1,141
<b>Total Revenues</b>	<u>54,500</u>	<u>57,172</u>	<u>2,672</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	43,340	43,340	-
Interest and Fiscal Charges	41,750	41,325	425
<b>Total Expenditures</b>	<u>85,090</u>	<u>84,665</u>	<u>425</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(30,590)</u>	<u>(27,493)</u>	<u>3,097</u>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	13,500	11,072	(2,428)
<b>Total Other Financing Sources (Uses)</b>	<u>13,500</u>	<u>11,072</u>	<u>(2,428)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>(17,090)</u>	<u>(16,421)</u>	<u>669</u>
Fund Balance (Deficit) at Beginning of Year	16,820	16,820	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ (270)</u>	<u>\$ 399</u>	<u>\$ 669</u>

Special Assessment Bond			Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 18,000	\$ 10,789	\$ (7,211)	\$ 72,500	\$ 66,820	\$ (5,680)
-	-	-	-	1,141	1,141
<u>18,000</u>	<u>10,789</u>	<u>(7,211)</u>	<u>72,500</u>	<u>67,961</u>	<u>(4,539)</u>
27,040	4,660	22,380	70,380	48,000	22,380
10,958	6,250	4,708	52,708	47,575	5,133
<u>37,998</u>	<u>10,910</u>	<u>27,088</u>	<u>123,088</u>	<u>95,575</u>	<u>27,513</u>
(19,998)	(121)	19,877	(50,588)	(27,614)	22,974
-	-	-	13,500	11,072	(2,428)
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,500</u>	<u>11,072</u>	<u>(2,428)</u>
(19,998)	(121)	19,877	(37,088)	(16,542)	20,546
39,085	39,085	-	55,905	55,905	-
<u>\$ 19,087</u>	<u>\$ 38,964</u>	<u>\$ 19,877</u>	<u>\$ 18,817</u>	<u>\$ 39,363</u>	<u>\$ 20,546</u>

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## Capital Projects Funds

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

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***Park Levy Fund*** - to accumulate property taxes used for the acquisition of equipment which has a useful life of five years or greater.

***Fire Apparatus Fund*** - to accumulate property taxes levied for the payment of equipment used by the City's fire department

***Property Purchase Improvement Fund*** – to account for that portion of the City's income tax used for acquisition of new equipment and building improvements.

***Computer Purchase Fund*** – to account for that portion of the City's income tax used for acquisition of new computer equipment.

***Street Maintenance and Repair Fund*** – to account for the cost of construction of new roads.

***Water Assessment Fund*** – to account for the cost of constructing water lines within the City that will be paid for by the users who will directly benefit from same.

***Bridge Repair Capital Fund*** – to account for the monies received from Norfolk and Southern Railroad to be used toward the replacement of a bridge, or any other project the City deems appropriate.

***Industrial Development Fund*** - to account for monies received from the General Fund to promote industrial growth in the City.

***Street Road Bridge Capital Fund*** - to account for monies used primarily in the construction of new bridges and other major street repair items.

***Court Building Fund*** – to account for the cost of renovating the court building.

**City of Vermilion, Ohio**

Combining Balance Sheet - Capital Projects Funds

December 31, 2000

	<u>Park Levy</u>	<u>Fire Apparatus</u>	<u>Property Purchase/ Improvement</u>	<u>Computer Purchase</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 708,756	\$ 301,209	\$ 12,040	\$ 38
Receivables:				
Taxes	92,539	185,079	-	-
Due from Other Funds	-	-	-	-
<b>Total Assets</b>	<u>801,295</u>	<u>486,288</u>	<u>12,040</u>	<u>38</u>
<b>Liabilities:</b>				
Accounts Payable	39,006	-	-	-
Deferred Revenue	92,539	185,079	-	-
<b>Total Liabilities</b>	<u>131,545</u>	<u>185,079</u>	<u>-</u>	<u>-</u>
<b>Fund Equity:</b>				
Fund Balance:				
Reserved for Encumbrances	595,917	700	-	-
Unreserved-undesignated	73,833	300,509	12,040	38
<b>Total Fund Equity</b>	<u>669,750</u>	<u>301,209</u>	<u>12,040</u>	<u>38</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 801,295</u>	<u>\$ 486,288</u>	<u>\$ 12,040</u>	<u>\$ 38</u>

<u>Street Maintenance and Repair</u>	<u>Water Assessment</u>	<u>Bridge Repair Capital</u>	<u>Industrial Development</u>	<u>Street-Road- Bridge Capital</u>	<u>Court Building</u>	<u>Total</u>
\$ 19	-	\$ 6,666	\$ 955	\$ 740	\$ 34,305	\$ 1,064,728
-	-	-	-	-	-	277,618
-	-	-	-	-	720	720
<u>19</u>	<u>-</u>	<u>6,666</u>	<u>955</u>	<u>740</u>	<u>35,025</u>	<u>1,343,066</u>
-	-	-	-	-	-	39,006
-	-	-	-	-	-	277,618
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316,624</u>
-	-	-	-	-	-	596,617
19	-	6,666	955	740	35,025	429,825
<u>19</u>	<u>-</u>	<u>6,666</u>	<u>955</u>	<u>740</u>	<u>35,025</u>	<u>1,026,442</u>
<u>\$ 19</u>	<u>-</u>	<u>\$ 6,666</u>	<u>\$ 955</u>	<u>\$ 740</u>	<u>\$ 35,025</u>	<u>\$ 1,343,066</u>

**City of Vermilion, Ohio**

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

For the Year Ended December 31, 2000

	<u>Park Levy</u>	<u>Fire Apparatus</u>	<u>Property Purchase/ Improvement</u>	<u>Computer Purchase</u>
<b>Revenues:</b>				
Taxes	\$ 93,385	\$ 165,903	-	-
Intergovernmental	9,414	20,867	-	-
Charges for Services	6,554	-	-	-
Fine, Licences and Permits	-	-	-	-
Other	1,899	-	-	-
<b>Total Revenues</b>	<u>111,252</u>	<u>186,770</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Leisure Time Activities	66,718	-	-	-
Capital Outlay	141,005	242,990	-	\$ 4,485
<b>Total Expenditures</b>	<u>207,723</u>	<u>242,990</u>	<u>-</u>	<u>4,485</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(96,471)	(56,220)	-	(4,485)
<b>Other Financing Sources (Uses):</b>				
Proceeds of Bonds	550,000	-	-	-
Operating Transfers In	-	-	\$ 6,500	4,500
<b>Total Other Financing Sources (Uses)</b>	<u>550,000</u>	<u>-</u>	<u>6,500</u>	<u>4,500</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>453,529</u>	<u>(56,220)</u>	<u>6,500</u>	<u>15</u>
Fund Balance (Deficit) at Beginning of Year	216,221	357,429	5,540	23
<b>Fund Balance at End of Year</b>	<u>\$ 669,750</u>	<u>\$ 301,209</u>	<u>\$ 12,040</u>	<u>\$ 38</u>

<u>Street Maintenance and Repair</u>	<u>Water Assessment</u>	<u>Bridge Repair Capital</u>	<u>Industrial Development</u>	<u>Street-Road- Bridge Capital</u>	<u>Court Building</u>	<u>Total</u>
-	-	-	-	-	-	\$ 259,288
-	-	-	-	-	-	30,281
-	-	-	-	-	-	6,554
-	-	-	-	-	\$ 10,960	10,960
-	-	-	-	-	-	1,899
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	10,960	308,982
-	-	-	-	-	-	66,718
-	\$ 32,882	-	-	-	1,543	422,905
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	32,882	-	-	-	1,543	489,623
-	(32,882)	-	-	-	9,417	(180,641)
-	-	-	-	-	-	550,000
-	-	-	-	-	-	11,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-	-	-	561,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	(32,882)	-	-	-	9,417	380,359
\$ 19	32,882	\$ 6,666	\$ 955	\$ 740	25,608	646,083
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 6,666</u>	<u>\$ 955</u>	<u>\$ 740</u>	<u>\$ 35,025</u>	<u>\$ 1,026,442</u>

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

For the Year Ended December 31, 2000

	Park Levy		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 90,835	\$ 93,385	\$ 2,550
Charges for Services	-	6,554	6,554
Fines, Licenses and Permits	-	-	-
Intergovernmental	-	41,356	41,356
Other	-	1,899	1,899
<b>Total Revenues</b>	<u>90,835</u>	<u>143,194</u>	<u>52,359</u>
<b>Expenditures:</b>			
Current:			
General Government	-	-	-
Leisure Time Activities	52,604	40,294	12,310
Capital Outlay	731,786	701,731	30,055
<b>Total Expenditures</b>	<u>784,390</u>	<u>742,025</u>	<u>42,365</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(693,555)</u>	<u>(598,831)</u>	<u>94,724</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	769,372	550,000	(219,372)
Operating Transfers - In	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>769,372</u>	<u>550,000</u>	<u>(219,372)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>75,817</u>	<u>(48,831)</u>	<u>(124,648)</u>
Fund Balances (Deficit) at Beginning of Year	122,664	122,664	-
<b>Fund Balances (Deficit) at End of Year</b>	<u><u>\$ 198,481</u></u>	<u><u>\$ 73,833</u></u>	<u><u>\$ (124,648)</u></u>

Fire Apparatus			Property Purchase Improvement		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 181,670	\$ 165,903	\$ (15,767)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,000	20,867	(1,133)	-	-	-
-	-	-	-	-	-
<u>203,670</u>	<u>186,770</u>	<u>(16,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	\$ 6,500	-	\$ 6,500
-	-	-	-	-	-
350,000	243,690	106,310	-	-	-
<u>350,000</u>	<u>243,690</u>	<u>106,310</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>
(146,330)	(56,920)	89,410	(6,500)	-	6,500
-	-	-	-	-	-
-	-	-	12,039	\$ 6,500	(5,539)
<u>-</u>	<u>-</u>	<u>-</u>	<u>12,039</u>	<u>6,500</u>	<u>(5,539)</u>
(146,330)	(56,920)	89,410	5,539	6,500	961
357,430	357,430	-	5,540	5,540	-
<u>\$ 211,100</u>	<u>\$ 300,510</u>	<u>\$ 89,410</u>	<u>\$ 11,079</u>	<u>\$ 12,040</u>	<u>\$ 961</u>

(continued)

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

For the Year Ended December 31, 2000

	Computer Purchase		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	-	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
General Government	-	-	-
Leisure Time Activities	-	-	-
Capital Outlay	\$ 4,500	\$ 4,485	\$ 15
<b>Total Expenditures</b>	<u>4,500</u>	<u>4,485</u>	<u>15</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(4,500)</u>	<u>(4,485)</u>	<u>15</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	-	-	-
Operating Transfers - In	5,000	4,500	(500)
<b>Total Other Financing Sources (Uses)</b>	<u>5,000</u>	<u>4,500</u>	<u>(500)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>500</u>	<u>15</u>	<u>(485)</u>
Fund Balances (Deficit) at Beginning of Year	23	23	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 523</u>	<u>\$ 38</u>	<u>\$ (485)</u>





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

For the Year Ended December 31, 2000

	Bridge Repair Capital		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	-	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	-	-	-
Intergovernmental	-	-	-
Other	-	-	-
	-	-	-
Total Revenues	-	-	-
<b>Expenditures:</b>			
Current:			
General Government	\$ 6,666	-	\$ 6,666
Leisure Time Activities	-	-	-
Capital Outlay	-	-	-
	6,666	-	6,666
<b>Total Expenditures</b>	6,666	-	6,666
	(6,666)	-	6,666
<b>Excess of Revenues Over     (Under) Expenditures</b>	(6,666)	-	6,666
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	-	-	-
Operating Transfers - In	-	-	-
	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-
	(6,666)	-	6,666
<b>Excess of Revenues and Other     Financing Sources Over (Under)     Expenditures and Other Uses</b>	(6,666)	-	6,666
Fund Balances (Deficit) at Beginning of Year	6,666	\$ 6,666	-
<b>Fund Balances (Deficit) at End of Year</b>	\$ -	\$ 6,666	\$ 6,666

Industrial Development			Street, Road, Bridge Capital		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 955	-	\$ 955	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>955</u>	<u>-</u>	<u>955</u>	<u>-</u>	<u>-</u>	<u>-</u>
(955)	-	955	-	-	-
-	-	-	-	-	-
48,000	-	(48,000)	-	-	-
<u>48,000</u>	<u>-</u>	<u>(48,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
47,045	-	(47,045)	-	-	-
955	\$ 955	-	\$ 740	\$ 740	-
<u>\$ 48,000</u>	<u>\$ 955</u>	<u>\$ (47,045)</u>	<u>\$ 740</u>	<u>\$ 740</u>	<u>\$ -</u>

(continued)

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

For the Year Ended December 31, 2000

	Court Building		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	-	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	\$ 11,000	\$ 10,908	\$ (92)
Intergovernmental	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<u>11,000</u>	<u>10,908</u>	<u>(92)</u>
<b>Expenditures:</b>			
Current:			
General Government	-	-	-
Leisure Time Activities	-	-	-
Capital Outlay	31,748	473	31,275
<b>Total Expenditures</b>	<u>31,748</u>	<u>473</u>	<u>31,275</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(20,748)</u>	<u>10,435</u>	<u>31,183</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds of Bonds	-	-	-
Operating Transfers - In	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	<u>(20,748)</u>	<u>10,435</u>	<u>31,183</u>
Fund Balances (Deficit) at Beginning of Year	23,870	23,870	-
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ 3,122</u>	<u>\$ 34,305</u>	<u>\$ 31,183</u>

Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 272,505	\$ 259,288	\$ (13,217)
-	6,554	6,554
11,000	10,908	(92)
22,000	62,223	40,223
-	1,899	1,899
305,505	340,872	35,367
14,121	-	14,121
52,604	40,294	12,310
1,150,916	983,261	167,655
1,217,641	1,023,555	194,086
(912,136)	(682,683)	229,453
769,372	550,000	(219,372)
65,039	11,000	(54,039)
834,411	561,000	(273,411)
(77,725)	(121,683)	(43,958)
550,789	550,789	-
\$ 473,064	\$ 429,106	\$ (43,958)

## Enterprise Funds

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The enterprise funds are used to account for the City's water, sewer, storm water drainage and port authority operations. They are financed and operated in a manner similar to private sector business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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*Port Authority Fund* - to account for the operation of the Vermilion Port Authority.

*Water Fund* - to account for the revenues and expenses of the City owned water system.

*Sewer Fund* - to account for the revenues and expenses of the City owned sewer system.

*Storm Water Drainage Fund* - to account for the revenues and expenses of the City owned storm drainage system.

**City of Vermilion, Ohio**

Combining Balance Sheet - Enterprise Funds

December 31, 2000

	<u>Port Authority</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Water Drainage</u>	<u>Total</u>
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 129,006	\$ 195,697	\$ -	\$ 258,897	\$ 583,600
Receivables					
Accounts	-	115,129	\$ 131,088	28,320	274,537
Intergovernmental	-	-	6,723	-	6,723
Materials and Supplies Inventory	-	3,485	600	-	4,085
Restricted cash with Trustee	-	348,967	-	-	348,967
Fixed Assets					
Buildings	85,496	3,666,602	1,765,144	-	5,517,242
Equipment and Furniture	32,602	715,224	1,569,616	389	2,317,831
Land and Land Improvements	1,389,030	89,954	58,935	-	1,537,919
Lines	-	2,101,039	2,226,129	-	4,327,168
Vehicles	-	109,275	226,389	-	335,664
Storm Water Drainage	-	-	-	183,362	183,362
Accumulated Depreciation	(190,793)	(3,006,253)	(2,968,137)	(3,791)	(6,168,974)
Construction in Progress	-	-	8,661	74,535	83,196
<b>Total Assets</b>	<u>1,445,341</u>	<u>4,339,119</u>	<u>3,025,148</u>	<u>541,712</u>	<u>9,351,320</u>
<b>Liabilities:</b>					
Accounts Payable	20,823	6,616	20,893	78,126	126,458
Accrued Wages	113	12,583	11,660	-	24,356
Compensated Absences Payable	-	90,410	80,294	-	170,704
Pension obligation payable	101	11,464	12,130	-	23,695
Interfund Payable	-	-	421,184	-	421,184
Intergovernmental Payable	2	5,219	5,640	-	10,861
General Obligation Bonds Payable	-	795,000	1,605,000	-	2,400,000
Accrued Interest Payable	36,859	67,671	46,331	-	150,861
Notes Payable	985,000	-	125,000	-	1,110,000
OWDA Loans Payable	-	855,420	-	-	855,420
Revenue Bonds Payable	-	2,685,000	-	-	2,685,000
<b>Total Liabilities</b>	<u>1,042,898</u>	<u>4,529,383</u>	<u>2,328,132</u>	<u>78,126</u>	<u>7,978,539</u>
<b>Fund Equity:</b>					
Contributed Capital	900	602,790	781,606	85,204	1,470,500
Retained Earnings (Deficit): Unreserved	401,543	(793,054)	(84,590)	378,382	(97,719)
<b>Total Fund Equity</b>	<u>402,443</u>	<u>(190,264)</u>	<u>697,016</u>	<u>463,586</u>	<u>1,372,781</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 1,445,341</u>	<u>\$ 4,339,119</u>	<u>\$ 3,025,148</u>	<u>\$ 541,712</u>	<u>\$ 9,351,320</u>

**City of Vermilion, Ohio**

Combining Statement of Revenues, Expenditures, and  
Changes in Fund Equity - Enterprise Funds

For the Year Ended December 31, 2000

	Port Authority	Water	Sewer	Storm Water Drainage	Total
<b>Operating Revenues:</b>					
Charges for Services	\$ 63	\$ 1,263,948	\$ 1,182,768	\$ 172,111	\$ 2,618,890
Other Operating Revenues	976	-	2,466	-	3,442
<b>Total Operating Revenue</b>	<u>1,039</u>	<u>1,263,948</u>	<u>1,185,234</u>	<u>172,111</u>	<u>2,622,332</u>
<b>Operating Expenses:</b>					
Personal services	5,249	563,335	604,132	-	1,172,716
Contractual services	71,223	132,554	392,103	8,100	603,980
Materials and Supplies	537	103,680	30,928	14,865	150,010
Claims and Judgements	12,526	5,874	745	-	19,145
Depreciation	27,678	267,349	122,249	2,822	420,098
<b>Total Operating Expenses</b>	<u>117,213</u>	<u>1,072,792</u>	<u>1,150,157</u>	<u>25,787</u>	<u>2,365,949</u>
<b>Operating Income (Loss)</b>	<u>(116,174)</u>	<u>191,156</u>	<u>35,077</u>	<u>146,324</u>	<u>256,383</u>
<b>Non-Operating Revenues (Expenses):</b>					
Other nonoperating revenues	89,906	-	-	-	89,906
Operating Grants	-	-	86,602	-	86,602
Refund of Prior Year Expense	854	-	-	136	990
Refund of Prior Year Revenue	-	-	-	(92)	(92)
Interest	-	5,111	73,801	-	78,912
Loss on Disposal of Fixed Assets	-	(207)	-	-	(207)
Interest and Fiscal Charges	(36,859)	(326,325)	(156,045)	-	(519,229)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>53,901</u>	<u>(321,421)</u>	<u>4,358</u>	<u>44</u>	<u>(263,118)</u>
<b>Net Income (Loss)</b>	<u>(62,273)</u>	<u>(130,265)</u>	<u>39,435</u>	<u>146,368</u>	<u>(6,735)</u>
Retained Earnings/Fund Balance (Deficit) at Beginning of Year	463,216	(690,926)	(150,694)	230,258	(148,146)
Depreciation on Fixed Assets Acquired by Contributed Capital	<u>600</u>	<u>28,137</u>	<u>26,669</u>	<u>1,756</u>	<u>57,162</u>
Retained Earnings/Fund Balance (Deficit) at End of Year	401,543	(793,054)	(84,590)	378,382	(97,719)
Contributed Capital at Beginning of Year	1,500	630,927	728,396	86,960	1,447,783
Contributions During the Year from:					
Governmental Funds	-	-	79,879	-	79,879
Depreciation on Fixed Assets Acquired by Contributed Capital	<u>(600)</u>	<u>(28,137)</u>	<u>(26,669)</u>	<u>(1,756)</u>	<u>(57,162)</u>
Contributed Capital at End of Year	900	602,790	781,606	85,204	1,470,500
<b>Total Fund Equity at End of Year</b>	<u>\$ 402,443</u>	<u>\$ (190,264)</u>	<u>\$ 697,016</u>	<u>\$ 463,586</u>	<u>\$ 1,372,781</u>



**City of Vermilion, Ohio**  
Combining Statement of Cash Flows  
All Enterprise Funds

For the Year Ended December 31, 2000

	Port Authority	Water	Sewer	Strom Water Drainage	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>					
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 63	\$ 1,237,112	\$ 1,172,548	\$ 170,032	\$ 2,579,755
Cash received from other revenues	976	-	2,466	-	3,442
Cash received from refunds	854	-	-	136	990
Cash payments for employee service and benefits	(5,114)	(555,482)	(596,006)	-	(1,156,602)
Cash payments to goods and services	(63,463)	(252,418)	(457,647)	(19,374)	(792,902)
Cash payments to refunds	-	-	-	(92)	(92)
Other non-operating revenues	89,906	-	-	-	89,906
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 23,222</b>	<b>\$ 429,212</b>	<b>\$ 121,361</b>	<b>\$ 150,702</b>	<b>\$ 724,497</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Advances in	-	-	\$ 246,184	-	\$ 246,184
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>\$ 246,184</b>	<b>-</b>	<b>\$ 246,184</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds of notes	\$ 985,000	-	\$ 125,000	-	\$ 1,110,000
Grants	-	-	79,879	-	79,879
Payments for capital acquisition	(996,497)	\$ (33,239)	(868,674)	\$ (86,812)	(1,985,222)
Principal paid on notes	-	-	(125,000)	-	(125,000)
Principal paid on general obligation bonds	-	(35,000)	(85,000)	-	(120,000)
Principal paid on revenue bonds	-	(55,000)	-	-	(55,000)
Principal paid on OWDA loans	-	(39,846)	-	-	(39,846)
Interest paid on notes	-	-	(6,108)	-	(6,108)
Interest paid on general obligation bonds	-	(24,350)	(122,153)	-	(146,503)
Interest paid on revenue bonds	-	(196,838)	-	-	(196,838)
Interest paid on OWDA loans	-	(63,649)	-	-	(63,649)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>\$ (11,497)</b>	<b>\$ (447,922)</b>	<b>\$ (1,002,056)</b>	<b>\$ (86,812)</b>	<b>\$ (1,548,287)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest income	-	-	\$ 73,801	-	\$ 73,801
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>\$ 73,801</b>	<b>-</b>	<b>\$ 73,801</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>11,725</b>	<b>(18,710)</b>	<b>(560,710)</b>	<b>63,890</b>	<b>(503,805)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>117,281</b>	<b>563,374</b>	<b>560,710</b>	<b>195,007</b>	<b>1,436,372</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 129,006</b>	<b>\$ 544,664</b>	<b>\$ -</b>	<b>\$ 258,897</b>	<b>\$ 932,567</b>

(Continued)

**City of Vermilion, Ohio**  
Combining Statement of Cash Flows  
All Enterprise Funds - Continued

For the Year Ended December 31, 2000

	Port Authority	Water	Sewer	Strom Water Drainage	Total
<b>Reconciliation of Operating Income to</b>					
<b>Net Cash Provided by Operating Activities:</b>					
Operating Income	\$ (116,174)	\$ 191,156	\$ 35,077	\$ 146,324	\$ 256,383
<b>Adjustments to Reconcile Operating Income</b>					
<b>to Net Cash Provided by Operating Activities:</b>					
Depreciation	27,678	267,349	122,249	2,822	420,098
<b>Adjustments for Operating Revenues/Expenses:</b>					
Other non-operating revenues	90,760	-	-	136	90,896
Other non-operating expenses	(36,859)	-	-	(92)	(36,951)
<b>Total Adjustments</b>	<u>53,901</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>53,945</u>
<b>Changes in Assets and Liabilities</b>					
(Increase) Decrease in accounts receivable	-	\$ (26,836)	\$ (10,220)	\$ (2,079)	\$ (39,135)
(Increase) Decrease in inventory	-	(3,485)	(600)	-	(4,085)
Increase (Decrease) in accounts payable	\$ 20,823	(6,825)	(28,771)	3,591	(11,182)
Increase (Decrease) in accrued wages	113	4,113	4,115	-	8,341
Increase (Decrease) in compensated absences	20	6,977	7,513	-	14,510
Increase (Decrease) in due to other governments	2	3,227	(625)	-	2,604
Increase (Decrease) in accrued interest payable	36,859	-	-	-	36,859
Increase (Decrease) in pension obligation payable	-	(6,464)	(7,377)	-	(13,841)
<b>Total Adjustments</b>	<u>\$ 57,817</u>	<u>\$ (29,293)</u>	<u>\$ (35,965)</u>	<u>\$ 1,512</u>	<u>\$ (5,929)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 23,222</u>	<u>429,212</u>	<u>\$ 121,361</u>	<u>\$ 150,702</u>	<u>\$ 724,497</u>

## Internal Service Fund

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The internal service fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

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***Insurance Rotary Trust Fund*** - to account for the operation and administration of the City's self insurance program for employee health benefits.

***Claims Rotary Trust Fund*** - to account for the payment of health benefits claims from the City's self insurance program.

**City of Vermilion, Ohio**

Combining Balance Sheet - Internal Service Funds

December 31, 2000

	Insurance Rotary Trust	Claims Rotary Trust	Total
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 68,535	\$ 36,391	\$ 104,926
Cash and Cash Equivalents: In Segregated Accounts	-	2,379	2,379
Receivables Accounts	-	145,419	145,419
<b>Total Assets</b>	<b>68,535</b>	<b>184,189</b>	<b>252,724</b>
 <b>Liabilities:</b>			
Interfund Payable	-	120,000	120,000
Claims Payable	-	94,400	94,400
<b>Total Liabilities</b>	<b>-</b>	<b>214,400</b>	<b>214,400</b>
 <b>Fund Equity:</b>			
Retained Earnings (Deficit): Unreserved	68,535	(30,211)	38,324
<b>Total Fund Equity</b>	<b>68,535</b>	<b>(30,211)</b>	<b>38,324</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 68,535</b>	<b>\$ 184,189</b>	<b>\$ 252,724</b>

**City of Vermilion, Ohio**

Combining Statement of Revenues, Expenses  
and Changes in Fund Equity - All Internal Service Funds

For the Year Ended December 31, 2000

	Insurance Rotary Trust	Claims Rotary Trust	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 176,527	\$ 348,003	\$ 524,530
<b>Total Operating Revenues</b>	<u>176,527</u>	<u>348,003</u>	<u>524,530</u>
<b>Operating Expenses:</b>			
Claims and Judgements	108,757	590,636	699,393
<b>Total Operating Expenses</b>	<u>108,757</u>	<u>590,636</u>	<u>699,393</u>
<b>Operating Income (Loss)</b>	67,770	(242,633)	(174,863)
<b>Non-Operating Revenues (Expenses):</b>			
Refund of Prior Year Expense	-	145,419	145,419
<b>Total Non-Operating Revenues (Expenses)</b>	<u>-</u>	<u>145,419</u>	<u>145,419</u>
<b>Net Income (Loss)</b>	67,770	(97,214)	(29,444)
Retained Earnings/Fund Balance (Deficit) at Beginning of Year	765	67,003	67,768
<b>Total Fund Equity at End of Year</b>	<u>\$ 68,535</u>	<u>\$ (30,211)</u>	<u>\$ 38,324</u>

**City of Vermilion, Ohio**  
Combining Statement of Cash Flows  
All Internal Service Funds

For the Year Ended December 31, 2000

	<u>Insurance Rotary</u>	<u>Insurance Claim</u>	<u>Total</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 176,527	\$ 348,003	\$ 524,530
Cash payments to goods and services	<u>(108,757)</u>	<u>(719,486)</u>	<u>(828,243)</u>
<b>Net Cash Provided by Operating Activities</b>	\$ 67,770	\$ (371,483)	\$ (303,713)
<b>Cash Flows from Noncapital Financing Activities:</b>			
Advances in	<u>-</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	-	\$ 120,000	\$ 120,000
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	67,770	(251,483)	(183,713)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>765</u>	<u>290,253</u>	<u>291,018</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 68,535</u>	<u>\$ 38,770</u>	<u>\$ 107,305</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income	\$ 67,770	\$ (242,633)	\$ (174,863)
<b>Changes in Assets and Liabilities</b>			
Increase (Decrease) in claim payable	<u>-</u>	<u>\$ (128,850)</u>	<u>\$ (128,850)</u>
<b>Total Adjustments</b>	<u>-</u>	<u>\$ (128,850)</u>	<u>\$ (128,850)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 67,770</u>	<u>\$ (371,483)</u>	<u>\$ (303,713)</u>

## Fiduciary Funds

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

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### **Expendable Trust Fund**

*Miscellaneous Trust Fund* - to account for contributions from private sources whose use is restricted. Compliance accountability is maintained through fund sub classifications.

### **Nonexpendable Trust Fund**

*Cemetery Endowment Fund* – to account for the monies held by the City as an investment whose earnings can be used to purchase maintenance items for the City's cemetery.

### **Agency Funds**

*Municipal Court Fund* – To account for the activity of the City's municipal court.

*Commercial Building Fund* - the City serves as collecting and disbursing agent for all projects constructed under the rules governing Ohio Basic Building Code requirements within the City.

*Street Openings Fund* - to account for money held by the City to insure compliance with various City ordinances regarding street cuts within the City.

*State Highway Patrol Fund* – to account for fines collected by the Court and held for the benefit of the Ohio State Highway Patrol.

**City of Vermilion, Ohio**

Combining Balance Sheet - Fiduciary funds

December 31, 2000

	Expendable Trust	Nonexpendable Trust
	<u>Miscellaneous Trust</u>	<u>Cemetery Endowment</u>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 26,017	31,835
Cash and Cash Equivalents in segregates accounts	-	-
Receivables:		
Accounts	6,274	-
Due From Other Funds	-	-
<b>Total Assets</b>	\$ <u>32,291</u>	<u>31,835</u>
<b>Liabilities:</b>		
Accounts Payable	6,274	-
Due to Other Funds	-	-
Intergovernmental Payable	-	-
Undistributed Monies	-	-
<b>Total Liabilities</b>	<u>6,274</u>	<u>-</u>
<b>Fund Equity and Other Credits</b>		
Fund Balance:		
Undesignated	26,017	31,835
<b>Total Fund Equity and Other Credits</b>	<u>26,017</u>	<u>31,835</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	\$ <u>32,291</u>	<u>31,835</u>



Agency Funds				
<u>Municipal Court</u>	<u>Commercial Building</u>	<u>Street Openings</u>	<u>State Highway Patrol</u>	<u>Totals</u>
-	136	14,526	28,043	100,557
\$ 39,252	-	-	-	39,252
-	-	-	-	6,274
-	-	-	1,843	1,843
<u>\$ 39,252</u>	<u>136</u>	<u>14,526</u>	<u>29,886</u>	<u>147,926</u>
-	-	-	-	6,274
23,500	-	-	-	23,500
3,480	136	14,526	29,886	48,028
12,272	-	-	-	12,272
<u>39,252</u>	<u>136</u>	<u>14,526</u>	<u>29,886</u>	<u>90,074</u>
-	-	-	-	57,852
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,852</u>
<u>\$ 39,252</u>	<u>136</u>	<u>14,526</u>	<u>29,886</u>	<u>147,926</u>

**City of Vermilion, Ohio**

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances - Fiduciary Funds

For the Year Ended December 31, 2000

	Expendable Trust	Nonexpendable Trust	
	<u>Miscellaneous Trust</u>	<u>Cemetery Trust</u>	<u>Totals</u>
<b>Revenues:</b>			
Other	\$ 51,299	-	\$ 51,299
<b>Total Revenues</b>	51,299	-	51,299
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	6,274	-	6,274
Community Environment	1,201	-	1,201
<b>Total Expenditures</b>	<u>7,475</u>	<u>-</u>	<u>7,475</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>43,824</u>	<u>-</u>	<u>43,824</u>
<b>Other Financing Sources (Uses):</b>			
Refund of Prior Year Receipts	(18,281)	-	(18,281)
<b>Total Other Financing Sources (Uses)</b>	<u>(18,281)</u>	<u>-</u>	<u>(18,281)</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	25,543	-	25,543
Fund Balances at Beginning of Year	474	\$ 31,835	32,309
<b>Fund Balances at End of Year</b>	<u>\$ 26,017</u>	<u>\$ 31,835</u>	<u>\$ 57,852</u>

**City of Vermilion, Ohio**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Budget Basis) -  
Expendable Trust Fund

For the Year Ended December 31, 2000

	Miscellaneous Trust Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Other	\$ 45,625	\$ 45,025	(600)
<b>Total Revenues</b>	45,625	45,025	(600)
<b>Expenditures:</b>			
Current:			
Community Environment	1,201	1,201	-
Capital Outlay	20,900	20,900	-
<b>Total Expenditures</b>	22,101	22,101	-
<b>Excess of Revenues Over (Under) Expenditures</b>	23,524	22,924	(600)
<b>Other Financing Sources (Uses):</b>			
Refund of Prior Year Receipts	(18,281)	(18,281)	-
<b>Total Other Financing Sources (Uses)</b>	(18,281)	(18,281)	-
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	5,243	4,643	(600)
Fund Balance (Deficit) at Beginning of Year	475	475	-
<b>Fund Balances (Deficit) at End of Year</b>	\$ 5,718	\$ 5,118	(600)

**City of Vermilion, Ohio**

Combining Schedule of Change in Assets and  
Liabilities - Agency Funds

For the Year Ended December 31, 2000

	<u>Balance January 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2000</u>
<b>Municipal Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents:				
In Segregated Accounts	\$ 27,416	719,404	707,568	\$ 39,252
Due from Other Funds	2,441	-	2,441	-
<b>Total Assets</b>	<u>\$ 29,857</u>	<u>719,404</u>	<u>710,009</u>	<u>\$ 39,252</u>
<b>Liabilities</b>				
Due to Other Funds	\$ 20,724	351,391	348,615	\$ 23,500
Intergovernmental Payable	3,172	359,261	358,953	3,480
Undistributed Monies	5,961	12,272	5,961	12,272
<b>Total Liabilities</b>	<u>\$ 29,857</u>	<u>722,924</u>	<u>713,529</u>	<u>\$ 39,252</u>
 <b>Commercial Building</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 168	520	552	\$ 136
<b>Total Assets</b>	<u>\$ 168</u>	<u>520</u>	<u>552</u>	<u>\$ 136</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$ 168	520	552	\$ 136
<b>Total Liabilities</b>	<u>\$ 168</u>	<u>520</u>	<u>552</u>	<u>\$ 136</u>

(Continued)

**City of Vermilion, Ohio**

Combining Schedule of Change in Assets and  
Liabilities - Agency Funds - continued

For the Year Ended December 31, 2000

	<u>Balance January 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2000</u>
<b>Street Openings</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 16,276	16,250	18,000	\$ 14,526
<b>Total Assets</b>	\$ <u>16,276</u>	<u>16,250</u>	<u>18,000</u>	\$ <u>14,526</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$ 16,276	16,250	18,000	14,526
<b>Total Liabilities</b>	\$ <u>16,276</u>	<u>16,250</u>	<u>18,000</u>	\$ <u>14,526</u>
<b>State Highway Patrol Transfer</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 31,134	28,044	31,135	\$ 28,043
Due from Other Funds	-	1,843	-	1,843
<b>Total Assets</b>	\$ <u>31,134</u>	<u>29,887</u>	<u>31,135</u>	\$ <u>29,886</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$ 31,134	29,887	31,135	\$ 29,886
<b>Total Liabilities</b>	\$ <u>31,134</u>	<u>29,887</u>	<u>31,135</u>	\$ <u>29,886</u>
<b>Totals</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 47,578	44,814	49,687	\$ 42,705
Cash in Segregated Accounts	27,416	719,404	707,568	39,252
Due from Other Funds	2,441	1,843	2,441	1,843
<b>Total Assets</b>	\$ <u>77,435</u>	<u>766,061</u>	<u>759,696</u>	\$ <u>83,800</u>
<b>Liabilities</b>				
Due to Other Funds	\$ 20,724	351,391	348,615	\$ 23,500
Intergovernmental Payable	50,750	405,918	408,640	48,028
Undistributed Monies	5,961	12,272	5,961	12,272
<b>Total Liabilities</b>	\$ <u>77,435</u>	<u>769,581</u>	<u>763,216</u>	\$ <u>83,800</u>

## **General Fixed Asset Account Group**

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

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*City of Vermilion, Ohio*

Schedule of General Fixed Assets by Sources

December 31, 2000

<b>General fixed assets</b>	
Buildings	\$1,442,536
Equipment and Furniture	1,170,123
Land and Land Improvements	998,731
Vehicles	2,038,192
Construction in Progress	<u>39,006</u>
<b>Total general fixed assets</b>	<u>\$5,688,588</u>
<b>Investment in general fixed assets</b>	
General fund	\$5,649,582
Capital project fund	<u>39,006</u>
<b>Total investment in general fixed assets</b>	<u><u>\$5,688,588</u></u>

*City of Vermilion, Ohio*

Schedule of Changes in General Fixed Assets by  
Function and Activity

December 31, 2000

	Buildings	Equipment and Furniture	Land and Land Improvements	Vehicles	Construction in Progress	Total
General Government	\$585,723	\$443,723	\$151,761	\$28,118	-	\$1,209,325
Community Environment	-	14,134	-	12,090	-	26,224
Security of Persons and Property	658,186	294,496	104,030	1,438,005	-	2,494,717
Leisure Time Activity	44,545	137,567	650,290	24,721	\$39,006	896,129
Transportation	154,082	280,203	92,265	535,258	-	1,062,193
Total general fixed assets	<u>\$1,442,536</u>	<u>\$1,170,123</u>	<u>\$998,731</u>	<u>\$2,038,192</u>	<u>\$39,006</u>	<u>\$5,688,588</u>



*City of Vermilion, Ohio*

Schedule of Changes in General Fixed Assets by  
Function and Activity

For the Year Ended December 31, 2000

	Balance January 1, 2000	Additions	Disposals	Adjustment	Transfer In	Transfer Out	Balance December 31, 2000
General							
Government	\$1,211,797	\$30,932	(\$28,684)	(\$8,708)	\$5,118	(\$1,130)	\$1,209,325
Community							
Environment	27,988	2,788	(1,023)	-	-	(3,529)	26,224
Security of Persons and Property	2,286,516	298,872	(90,442)	-	237	(466)	2,494,717
Leisure Time Activity	786,935	110,071	(877)	-	-	-	896,129
Transportation	993,387	68,806	-	-	-	-	1,062,193
 Total general fixed assets	 \$5,306,623	 \$511,469	 (\$121,026)	 (\$8,708)	 \$5,355	 (\$5,125)	 \$5,688,588

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## STATISTICAL SECTION

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*City of Vermilion, Ohio*

General Government Expenditures by Function (1)

Last Eight Fiscal Years (3)

<u>Year</u>	<u>Security of Persons and Property</u>	<u>Public Health and Welfare</u>	<u>Leisure Time Activities</u>	<u>Community Environment</u>	<u>Basic Utility Services</u>	<u>Transportation</u>
1993	\$1,446,648	\$60,323	\$95,136	\$79,489	\$609,772	\$606,493
1994	1,456,322	53,107	97,536	83,720	613,140	577,767
1995	1,514,657	142,742	102,374	89,289	624,882	529,908
1996	1,660,126	97,348	146,356	124,321	689,073	650,450
1997	1,649,169	67,191	237,373	154,294	677,502	1,628,913
1998	1,719,430	24,096	203,940	173,351	702,984	624,965
1999	1,791,768	80,839	237,481	156,070	786,325	1,205,853
2000	1,818,443	91,566	218,977	158,584	827,648	1,123,941

General Government	Capital Outlay	(2) Debt Service	Total
\$795,771	\$420,173	\$56,721	\$4,170,526
951,934	440,376	63,769	4,337,671
1,052,466	470,807	741,797	5,268,922
1,182,360	169,569	65,176	4,784,779
1,223,182	906,609	55,545	6,599,778
1,336,900	91,218	116,695	4,993,579
1,917,199	129,640	93,072	6,398,247
1,361,753	422,905	95,575	6,119,392

- (1) Includes all governmental fund type expenditures.
- (2) Represents all interest paid on bonds and notes in addition to payments made to reduce the principal or the actual amount borrowed. Does not include the gross effect of note rollovers.
- (3) Information prior to fiscal year 1993 is not available.

*City of Vermilion, Ohio*

General Government Revenue by Source (1)

Last Eight Fiscal Years (2)

<u>Year</u>	<u>Local Taxes</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Fees, Licenses, Fines &amp; Forfeitures</u>
1993	\$2,428,357	\$828,326	\$788,822	\$224,108
1994	2,602,259	761,320	783,879	245,343
1995	2,188,375	1,302,041	922,926	250,516
1996	2,436,513	1,203,464	857,705	342,824
1997	2,400,063	1,271,399	1,000,228	383,514
1998	2,788,751	1,288,446	1,100,700	432,788
1999	2,705,561	1,582,495	1,072,293	325,491
2000	2,963,790	1,423,170	1,201,257	475,793



<u>Special Assessment</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
-	\$59,435	\$67,550	\$4,396,598
\$19,934	85,901	83,637	4,582,273
132,664	170,744	66,413	5,033,679
40,461	156,724	63,414	5,101,105
36,501	131,781	38,382	5,261,868
25,513	148,879	127,985	5,913,062
-	163,301	37,432	5,886,573
-	126,443	80,973	6,271,426

(1) Includes all governmental fund type revenues.

(2) Information prior to fiscal year 1993 is not available.

*City of Vermilion, Ohio*

Property Tax Levies and Collections

Last Six Fiscal Years (2)

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>(1) Current Tax Collections</u>	<u>Percent Levy Collected</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes To Current Tax Levy</u>
1995	\$1,346,079	\$1,306,566	97.1%	\$39,513	2.9%
1996	1,489,516	1,449,496	97.3	40,020	2.7
1997	1,562,396	1,499,081	95.9	63,315	4.1
1998	1,782,649	1,722,333	96.6	60,316	3.4
1999	1,839,190	1,782,495	96.9	56,695	3.1
2000	1,869,087	1,781,086	95.3	88,001	4.7

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

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

Source: Lorain County Auditor and Erie County Auditor

**City of Vermilion, Ohio**

Assessed and Estimated Value of All Taxable Property (1)

Last Ten Fiscal Years

Collection Year	Real Property		Public Utility Tangible Property		Tangible Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value	Assessed Value	Estimated Value	
1991	\$89,936,230	\$256,960,651	\$6,073,770	\$6,902,010	\$5,567,647	\$22,270,588	\$101,577,647	\$286,133,249	35.50%
1992	106,014,760	302,899,307	6,401,650	7,274,602	5,853,008	23,412,032	118,269,418	333,585,941	35.45
1993	108,249,470	309,284,193	6,475,930	7,359,001	5,520,371	22,081,484	120,245,771	338,724,678	35.50
1994	115,530,120	316,657,486	6,499,780	7,386,113	5,785,640	23,142,560	123,815,540	349,186,159	35.46
1995	127,361,520	383,690,049	7,185,180	8,164,977	6,247,764	24,991,056	140,794,464	397,046,082	35.46
1996	137,408,880	392,596,797	6,700,800	7,614,545	6,789,108	27,156,432	150,898,788	427,367,774	35.31
1997	140,452,580	401,293,083	6,529,950	7,420,398	9,417,683	37,670,722	156,400,213	446,384,203	35.04
1998	161,718,040	462,222,966	6,744,830	7,664,580	10,360,562	41,442,248	178,823,432	511,329,794	34.97
1999	165,693,780	473,410,799	6,497,530	7,383,557	9,478,247	37,913,988	181,669,557	518,708,344	35.02
2000	168,603,910	481,725,499	6,416,590	7,290,895	10,058,712	40,234,850	185,079,212	529,251,194	34.97

- (1) The assessed valuation is computed at approximately the following percentage of estimated actual value:
- a) real property – 35%
  - b) public utility tangible property – 88%
  - c) tangible personal property – 1991-2000 – 25%

Source: Lorain County Auditor and Erie County Auditor

**City of Vermilion, Ohio**

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

**Last Nine Fiscal Years (1)**

Tax Year	Collection Year	City	Lorain County and Special Taxing Districts	Erie County and Special Taxing Districts	Vermilion Township	Brownhelm Township	Firelands School District	Vermilion School District	Lorain County JVS for Firelands LSD	EHOVE JVS For Vermilion LSD	Total
1991	1992	11.75	11.74	6.20	0.45	1.15	45.60	53.05	2.45	3.95	136.34
1992	1993	11.75	11.39	7.00	0.45	1.15	45.60	60.25	2.45	3.95	143.99
1993	1994	11.75	11.49	7.00	0.45	1.15	51.55	60.35	2.45	3.95	150.14
1994	1995	11.75	11.49	7.00	0.45	1.15	50.70	60.35	2.45	3.95	149.29
1995	1996	11.75	12.69	6.80	0.45	1.15	50.60	64.30	2.45	3.95	154.14
1996	1997	11.75	12.69	7.30	0.45	1.15	56.35	60.35	2.45	3.95	156.44
1997	1998	11.75	10.79	7.30	0.45	1.15	53.10	59.55	2.45	3.95	150.49
1998	1999	11.75	10.79	7.30	0.45	1.15	53.10	59.55	2.45	3.95	150.49
1999	2000	11.75	10.79	7.30	0.45	1.15	52.70	67.54	2.45	3.95	158.08

(1) Information prior to fiscal year 1991 is not available.

Source: Lorain County Auditor and Erie County Auditor

*City of Vermilion, Ohio*

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

Last Nine Fiscal Years (1)

<u>Tax Year/ Collection Year</u>	<u>General Fund</u>	<u>Recreation Purposes</u>	<u>Fire Equipment</u>	<u>Bond Retirement</u>	<u>Police Pension</u>	<u>ECHEALTH</u>	<u>Fire Protection</u>	<u>Total City Millage</u>
1991/1992	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75
1992/1993	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75
1993/1994	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75
1994/1995	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75
1995/1996	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75
1996/1997	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75
1997/1998	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75
1998/1999	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75
1999/2000	7.65	0.05	1.00	0.30	0.30	1.00	1.00	11.75

(1) Information prior to fiscal year 1991 is not available.

Source: Lorain County Auditor and Erie County Auditor

*City of Vermilion, Ohio*

Special Assessment Billings and Collections

Last Ten Fiscal Years

<u>Collection Year</u>	<u>Amount Billed</u>	<u>(1) Amount Collected</u>	<u>Percent Collected</u>
1991	\$57,369	\$33,955	59.19%
1992	57,310	35,703	62.30
1993	54,680	32,596	59.61
1994	55,461	31,027	55.94
1995	46,975	35,153	74.83
1996	50,477	41,729	82.67
1997	46,114	37,078	80.41
1998	41,324	30,337	73.41
1999	40,791	16,951	41.56
2000	42,450	16,191	38.14

(1) Collection made by County Auditors only.

Source: Lorain County Auditor and Erie County Auditor

*City of Vermilion, Ohio*

Computation of Legal Debt Margin – Statutory Debt Limitations

December 31, 2000

**Statutory (direct) debt limitation**

Overall debt limitation 10-1/2% of assessed valuation \$19,433,317

Gross indebtedness \$7,252,420

Less: debt not subject to limitation 3,540,420

Debt within 10-1/2% limitation 3,712,000

Less: amount available in debt service fund 39,363 3,672,637

**Legal debt margin within 10-1/2% limitation \$15,760,680**

Unvoted debt limitation 5-1/2% of assessed valuation \$10,179,357

Gross indebtedness \$7,252,420

Less: debt not subject to limitation 3,540,420

Debt within 5-1/2% limitation 3,712,000

Less: amount available in debt service fund 39,363 3,672,637

**Legal debt margin within 5-1/2% limitation \$6,506,720**

*City of Vermilion, Ohio*

Computation of Legal Debt Margin – Constitutional Debt Limitations

December 31, 2000

**Constitutional (indirect) debt limitation**

Overall debt limitation authorized by Charter

**8.7500 mills**

Encumbered millage as of December 31, 2000

**2.0267 mills**

Available millage as of December 31, 2000

**6.7233 mills**

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



*City of Vermilion, Ohio*

Computation of Direct and Overlapping Debt

December 31, 2000

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City of Vermilion, Ohio</u>	<u>Amount Applicable to City of Vermilion, Ohio</u>
City of Vermilion	\$7,252,420	100.00%	\$7,252,420
Erie County	9,425,800	6.07	572,146
Lorain County	<u>(1)</u>	(1)	<u>(1)</u>
Total Overlapping Debt	\$16,678,220		\$7,824,566

(1) Information is not available from Lorain County Auditor.

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

*City of Vermilion, Ohio*

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

Last Eight Fiscal Years (1)

Fiscal Year	Population	Assessed Value	Gross Debt	Special Assessment Debt	General Obligation Debt
1993	11,127	\$120,245,771	\$4,637,833	\$94,764	\$1,308,000
1994	11,127	123,815,540	4,956,005	72,382	1,204,000
1995	11,127	140,794,464	3,294,745	152,520	2,168,480
1996	11,127	150,898,788	5,732,347	130,190	2,047,810
1997	11,127	156,400,213	6,193,135	112,860	2,613,050
1998	11,127	178,823,423	6,283,206	95,530	2,482,470
1999	11,127	181,669,557	6,946,348	93,200	3,236,800
2000	10,927	185,079,212	7,252,420	88,540	3,623,460

General Obligation Debt Service Money Available	(2) Net General Obligation Debt	(2) Ratio of Net Debt to Assessed Valuation	(2) Net General Obligation Debt Per Capital
\$35,588	\$1,272,412	1.06	114
33,743	1,170,257	0.95	105
51,260	2,117,220	1.50	190
74,743	1,973,067	1.31	177
102,744	2,510,306	1.61	226
78,366	2,404,104	1.34	216
55,906	3,180,894	1.75	286
39,363	3,584,097	1.94	328

(1) Information prior to fiscal year 1993 is not available.

(2) Does not include special assessment debt.

**City of Vermilion, Ohio**

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

Last Seven Fiscal Years (3)

Year	(1) General Obligation Principal	General Obligation Interest	(2) General Obligation Debt Service	Total General Fund Operating Expenditures	Ratio of General Obligation Debt Service to General Fund Operating Expenditures
1994	\$104,000	\$93,724	\$197,724	\$2,253,734	8.77
1995	103,000	87,410	190,410	2,379,489	8.00
1996	120,670	143,384	264,054	2,692,471	9.81
1997	120,670	135,633	256,303	2,727,334	9.40
1998	130,670	167,750	298,420	2,894,793	10.31
1999	130,670	159,827	290,497	2,947,527	9.86
2000	163,340	217,603	380,943	2,976,301	12.80

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

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

(3) Information prior to fiscal year 1994 is not available.

*City of Vermilion, Ohio*

Demographic Statistics

Last Ten Fiscal Years

Year	(1) Population	(2) Vermilion Local School District	(2) Firelands Local School District	(3) Lorain County Unemployment Rate	(3) Erie County Unemployment Rate
1991	11,127	2,127	2,235	7.3%	8.7%
1992	11,127	2,322	2,632	8.0	9.0
1993	11,127	2,273	2,742	6.5	6.8
1994	11,127	2,252	2,701	5.2	5.9
1995	11,127	2,176	2,732	4.9	6.4
1996	11,127	2,212	2,770	5.2	6.4
1997	11,127	2,153	2,721	5.1	5.8
1998	11,127	2,214	2,626	4.9	5.0
1999	11,127	2,071	2,296	4.3	4.8
2000	10,927	2,118	2,472	4.4	5.1

(1) 1999 and 2000 Census Statistics

(2) Records are not kept for each City by the Schools. School population is for district taken as a whole.

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

**City of Vermilion, Ohio**

Construction, Bank Deposits and Assessed Property Values

Last Ten Fiscal Years

Year	(1) Resident & Commercial Construction Value	(1) Residential & Commercial Construction Units	(2) County Bank Deposits (In Thousands)	(3 and 4) Total Assessed Property Values
1991	(5)	(5)	(6)	\$101,577,647
1992	(5)	(5)	(6)	118,269,418
1993	(5)	(5)	(6)	120,245,771
1994	(5)	(5)	(6)	123,815,540
1995	(5)	(5)	(6)	140,794,464
1996	(5)	(5)	(6)	150,898,788
1997	(5)	(5)	(6)	156,400,213
1998	(5)	(5)	(6)	178,823,423
1999	\$4,625,000	25	\$703,697	181,669,557
2000	4,625,000	25	750,780	185,079,212

(1) City of Vermilion Building Department.

(2) Federal Reserve Bank of Cleveland (total demand, time and saving deposits in Lorain and Erie County).

(3) Lorain and Erie County Auditors' Office.

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

(5) Records were only available for 1999 and 2000. Full-time local building department just initiated in 1999.

(6) Records not available prior to fiscal year 1999.

*City of Vermilion, Ohio*

Principal Taxpayers – Real Property (1)

December 31, 2000

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
National Service Industries, Inc.	\$ 1,900,480	1.03%
Parnassos LP	599,500	0.24
Freeman Eckley Inc	240,930	0.13
Dick Baker Dodge	235,200	0.13
Martin & Son Inc	226,060	0.12
Duckwall-Alco Inc	201,200	0.11
Geyers Markets Inc	99,040	0.05
Consumer ACQ Inc	74,700	0.04
Hull Builder Supply Inc	71,400	0.04
Speedway SuperAmerica LLC	<u>68,780</u>	<u>0.04</u>
	\$ <u>3,717,370</u>	<u>2.01</u>
Total assessed valuation	\$ <u>185,079,212</u>	

(1) Only include Erie County. Information from Lorain County is not available at the time.

*City of Vermilion, Ohio*

Principal Taxpayers – Personal Property (1)

December 31, 2000

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Arnold Trust LLC	\$ 1,192,060	0.64%
Elden Properties	853,150	0.46
Century Telephone Co	837,320	0.45
Crystal Share Apts	762,290	0.41
Columbia Gas of Ohio	705,540	0.38
Ohio Edison	683,160	0.37
Lumber Lands LTD	408,870	0.22
Norfolk Western Railroad	404,650	0.22
Howley, Jo Ann	390,440	0.21
Vermilion Yacht Club	<u>381,390</u>	<u>0.21</u>
	\$ <u>6,618,870</u>	<u>3.58</u>
Total assessed valuation	\$ <u>185,079,212</u>	

(1) Only include Erie County. Information from Lorain County is not available at the time.



*City of Vermilion, Ohio*

Miscellaneous Statistics

December 31, 2000

Date of incorporation	1961
Form of government	Mayor-Council
Area	15 Square miles
Miles of streets	51
Number of street lights	420
Fire protection:	
Number of stations	2
Number of volunteer firemen and officers	42
Police protection:	
Number of stations	1
Number of full-time policemen and officers	19
Sewers:	
Sanitary sewers	47 miles
Water:	
Water mains	60 miles
Fire hydrants	37
Building permits issued:	
Residential	127
Nonresidential	12
Recreation:	
Number of parks	5
Employees:	
Full-time (classified)	63
Part-time	75

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**CITY OF VERMILION**

**ERIE 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  
AUGUST 28, 2001**