

**THE CITY OF PAINESVILLE  
PAINESVILLE, OHIO**

**SINGLE AUDIT REPORTS  
DECEMBER 31, 2001**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Members of City Council  
City of Painesville

We have reviewed the Independent Auditor's Report of the City of Painesville, Lake County, prepared by S.R. Snodgrass, A.C. for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

JIM PETRO  
Auditor of State

August 13, 2002

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**THE CITY OF PAINESVILLE, OHIO  
SINGLE AUDIT REPORTS**

	<u>Page Number</u>
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	4 - 5
Schedule of Findings and Questioned Costs	6
Schedule of Expenditures of Federal Awards - Cash	7
Notes to Schedule of Expenditures of Federal Awards - Cash	8
Summary Schedule of Prior Audit Findings	9

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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**

City Council  
The City of Painesville  
Painesville, Ohio

We have audited the financial statements of The City of Painesville, Ohio (the "City") as of and for the year ended December 31, 2001, and have issued our report thereon dated June 12, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 12, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 12, 2002.

This report is intended solely for the information and use of management, federal awarding agencies and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.

*S. R. Snodgrass, A.C.*

Mentor, Ohio  
June 12, 2002



**SNODGRASS**  
Certified Public Accountants and Consultants

**Independent Auditors' Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control over  
Compliance in Accordance with OMB Circular A-133**

City Council  
The City of Painesville  
Painesville, Ohio

**Compliance**

We have audited the compliance of The City of Painesville, Ohio (the "City") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, The City of Painesville, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

**Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of The City of Painesville, Ohio as of and for the year ended December 31, 2001, and have issued our report thereon dated June 12, 2002. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

*S. R. Snodgrass, A.C.* |

Mentor, Ohio  
June 12, 2002

**THE CITY OF PAINESVILLE, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

*Federal Awards*

Internal control over major programs:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No
Identification of major programs:	
<u>CFDA Numbers</u> 20.205	<u>Name of Federal Program or Cluster</u> Highway Planning and Construction
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	No

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**THE CITY OF PAINESVILLE, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH  
 FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</b>	Federal CFDA Number	Pass-Through Entity Number	Receipts	Disburse- ments
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Passed-Through State Department of Transportation: Highway Planning and Construction	20.205	PID13992	\$ 654,654	\$ 654,654
<b>U.S. DEPARTMENT OF JUSTICE</b>				
COPS Grant	16.710	95-CF-WX-3270	<u>250</u>	<u>41,663</u>
Total Expenditures of Federal Awards			<u>\$ 654,904</u>	<u>\$ 696,317</u>

See accompanying notes to Schedule of Expenditures of Federal Awards - Cash.

**THE CITY OF PAINESVILLE, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**BASIS OF PRESENTATION**

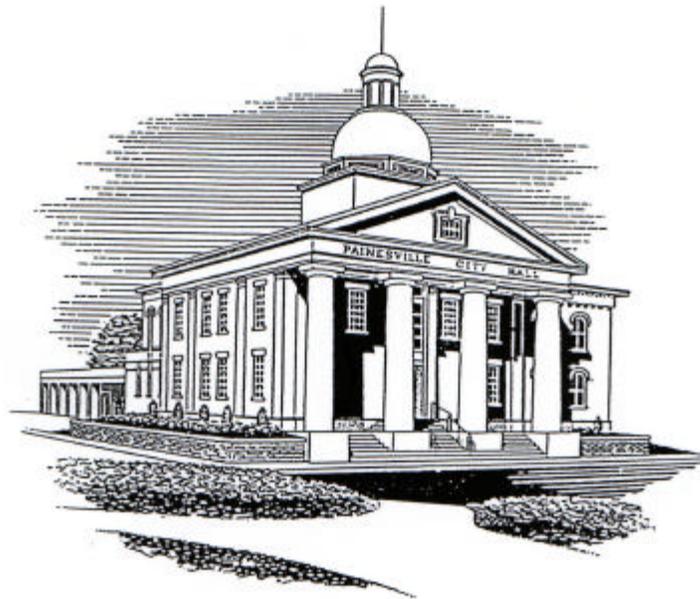
The accompanying schedule of expenditures of federal awards - cash includes the federal grant activity of the City and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments,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

**THE CITY OF PAINESVILLE, OHIO  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

None

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# ***THE CITY OF PAINESVILLE, OHIO***



***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

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

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# ***THE CITY OF PAINESVILLE, OHIO***

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LAKE COUNTY

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2001

Prepared by:  
Department of Finance

Harlita H. Robinson  
Director of Finance

Cheryl Foresi  
Administrative Analyst

Joel H. Guthleben  
Administrative Analyst

Accounting Division

Jean Anthony  
Fiscal Clerk III

Sheila Chiofolo  
Fiscal Clerk II

Sandra Paine  
Fiscal Clerk II

JoAnne Raber  
Fiscal Clerk II

# TABLE OF CONTENTS

## CITY OF PAINESVILLE, OHIO LAKE COUNTY

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### I

#### INTRODUCTORY SECTION:

<b>A</b>	Letter of Transmittal	v
<b>B</b>	List of Principal Officials	xxii
<b>C</b>	City Organizational Chart	xxiii
<b>D</b>	Certificate of Achievement	xxiv

### II

#### FINANCIAL SECTION:

<b>A</b>	INDEPENDENT AUDITOR'S REPORT	1
<b>B</b>	GENERAL PURPOSE FINANCIAL STATEMENTS	
	Combined Financial Statements - Overview	
	Combined Balance Sheet All Fund Types and Account Groups	4
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Funds	8
	Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) All Governmental Fund Types	10
	Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances All Proprietary Fund Types and Similar Trust Funds	13
	Combined Statement of Cash Flows All Proprietary Fund Types and Nonexpendable Trust Funds	14
	Notes to the General Purpose Financial Statements	16

<b>C</b>	<b>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES</b>	
	<b>General Fund</b>	
	Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)	50
	<b>Special Revenue Funds</b>	
	Combining Balance Sheet	60
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	63
	Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)	
	Street Construction, Maintenance and Repair Fund	66
	State Highway Improvement Fund	67
	Cemeteries Fund	68
	Police Pension Transfer Fund	69
	Fire Pension Transfer Fund	70
	Municipal Motor Vehicle License Tax Fund	71
	Indigent Drivers Alcohol Treatment Fund	72
	Enforcement and Education Fund	73
	City Motor Vehicle License Tax Fund	74
	Fire Levy Fund	75
	Underground Storage Tank Fund	76
	Probation Services Fund	77
	Community Oriented Policing Services (COPS) Fast Grant Fund	78
	Cleveland Foundation Grant Fund	79
	Municipal Court Security Grant Fund	80
	Skate Facility Fund	81
	<b>Debt Service Funds</b>	
	Combining Balance Sheet	84
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
	Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)	
	General Bond Retirement Fund	86
	Special Assessment Bond Retirement Fund	87
	Land Acquisition Note Retirement Fund	88

**Capital Projects Funds**

Combining Balance Sheet	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	92
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis)	
Municipal Court Improvement Fund	94
Capital Equipment Reserve Fund	95
Capital Improvement Fund	96
Shamrock Boulevard Road Project Fund	98
Jackson Street Interchange Project Fund	99
Industrial Park Project Fund	100
Municipal Court Special Projects Fund	101

**Enterprise Funds**

Combining Balance Sheet	104
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	106
Combining Statement of Cash Flows	108

**Internal Service Funds**

Combining Balance Sheet	111
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	112
Combining Statement of Cash Flows	113

**Fiduciary Fund Types**

Combining Balance Sheet	116
Expendable Trust Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances	120
Nonexpendable Trust Funds Combining Statement of Revenues, Expenses and Changes in Fund Balances	122
Nonexpendable Trust Funds Combining Statement of Cash Flows	123
Agency Funds Combining Statement of Changes in Assets and Liabilities	124

**General Fixed Assets**

Schedule of General Fixed Assets by Source	126
Schedule of General Fixed Assets by Category	127
Schedule of Changes in General Fixed Assets by Function and Activity	128

**III**

**STATISTICAL SECTION:**

General Governmental Expenditures by Function - Last Ten Years	129
General Governmental Revenues by Source - Last Ten Years	130
Property Tax Levies and Collections	
Real and Public Utility Property Only - Last Ten Years	131
Tangible Personal Property Tax Collected - Last Ten Years	132
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Years	133
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	134
Principal Taxpayers (Property Tax)	135
Special Assessment Billings and Collections - Last Ten Years	136
Ratio of Net General Obligation Bonded Debt to Assessed Value and General Obligation Bonded Debt Per Capita - Last Ten Years	137
Ratio of Annual Debt Service for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Years	138
Computation of Legal Debt Margin	139
Computation of All Direct and Overlapping General Obligation Debt	140
Revenue Bond Coverage - Water System Bonds - Last Ten Years	141
Revenue Bond Coverage - Electric System Bonds - Last Ten Years	142
Revenue Bond Coverage - Off-Street Parking Facility Bonds - Last Ten Years	143
Synopsis of Insurance	144
Demographic Statistics	145
Property Values and Construction Permits - Last Ten Years	146
Principal Employers	147
Miscellaneous Statistics	148

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## *INTRODUCTORY SECTION*

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# City of Painesville, Ohio

7 Richmond Street

Painesville, Ohio 44077

Phone (440) 392-5800

Fax (440) 639-4831

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June 12, 2002

Honorable Members of Painesville City Council and  
the Citizens of the City of Painesville, Ohio:

We are pleased to present this Comprehensive Annual Financial Report for the City of Painesville, Ohio for the fiscal year ended December 31, 2001. The report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

## INTRODUCTION

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Painesville to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

### **The Report**

This Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. *The Introductory Section* includes this letter of transmittal which presents the City's organization, operational structure and accomplishments; an organizational chart; a list of principal elected officials; and a list of principal administrative personnel.
2. *The Financial Section* contains the City's General Purpose Financial Statements and explanatory notes thereto, the combining and individual fund and account group financial statements and schedules and the Independent Auditor's Report.
3. *The Statistical Section* presents social, economic and historical data in a multi-year format which can be used to identify financial trends and data relative to the fiscal capacity of the City.

## **The Reporting Entity**

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (the "GASB") Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the City (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the City's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the City.

Based on the foregoing, the reporting entity of the City has no component units but includes the following services as authorized by its charter: public safety (police and fire), health (health department), culture and recreation (parks and recreation), community environment (planning, zoning and community development), basic utility (water, electric, sanitation, public parking and wastewater pollution control), highways and streets (street and highway maintenance), and general government.

Certain organizations, although sharing some degree of name similarity with the City, are separate and distinct entities, not only from the City, but also from each other. The City is not financially accountable for these entities. Due to their independent nature, the following organizations are not part of the City of Painesville reporting entity and are excluded from the City's financial statements:

The Painesville Local School District and Painesville Township School District (the "Districts") are distinct governmental entities, independent of the City and one another. The members of boards of the Districts are elected by the voters. The Districts each represent a body politic and corporate and the City is not financially accountable for the Districts.

Painesville Township is a separate and distinct political subdivision governed by a Board of Trustees elected by the residents of the township. The City is not financially accountable for this legally separate organization.

The City of Painesville was incorporated as a town on February 11, 1832, reclassified as an incorporated village in 1852 and became a city in 1903. The City became a home rule municipal corporation operating under the laws of the State of Ohio in 1962. The City's current Charter has been amended four times since its original adoption. The State Constitution prevails when conflicts exist between the Charter and the Constitution and in matters where the Charter is silent. The City's Charter can only be amended by a majority of the City's voters.

Painesville is located approximately 35 miles east of the City of Cleveland in northeastern Ohio. It is the county seat for Lake County and is the fourth largest city, based upon population, within the County. According to the 2000 Census, Painesville is the 97th largest city in the State. Some of the City's major transportation arteries include State Routes 2, 44, 84 and 86, U.S. Highway 20 and Interstate Highway I-90. Lake Erie College, a private four-year college with an enrollment of approximately 700, is located near the center of the City.

## **The Management**

The Council-Manager form of government is established by the Charter. The legislative power of the City is vested in a Council of seven members who are elected on a non-partisan basis for a term of four years. Four of the members are elected from wards and their current terms expire on December 31, 2003; the remaining members are elected At-Large and their current terms expire on December 31, 2005. The chief executive power of the City is vested in the City Manager who is appointed by the City Council. The Director of Finance and Law Director, as well as other administrative directors, are appointed by the City Manager, with the affirmation of City Council.

## **Services Provided**

As authorized by its Charter and codified ordinances, the City provides a full range of municipal services that include police and fire protection, street construction, maintenance and repair, recreation and cultural activities, cemeteries, municipal court, community development, public improvements, planning and general administrative services. The City does not operate hospitals or schools, nor is it responsible for public assistance programs.

The City also operates five enterprise activities: a water system, sanitary sewer system, electric system, refuse collection and off-street parking facilities. These activities are accounted for in separate enterprise funds. Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The intent of the City is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City's enterprise activities are not subject to rate review or determination by the Public Utilities Commission of Ohio or any similar regulatory body. The City's Council has the necessary authority to establish and amend appropriate user rates as required. The rates are monitored on an on-going basis to insure their adequacy. Responsibility for the frequency and amount of rate change lies solely with the City Council.

## **Bases of Accounting**

The bases of accounting used by the City are in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and are consistent with GASB Codification Section 1600, "Basis of Accounting," except for accounting used for budgetary purposes. All governmental and expendable trust funds are accounted for using a flow of current financial resources measurement focus. The modified accrual basis of accounting is utilized for the governmental, expendable trust and agency funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for the interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary and nonexpendable trust funds is on "economic resources." All assets and all liabilities associated with the operation of these funds are included on the balance sheet. The accrual basis of accounting is used for the proprietary and nonexpendable trust funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses when they are incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual, and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1.

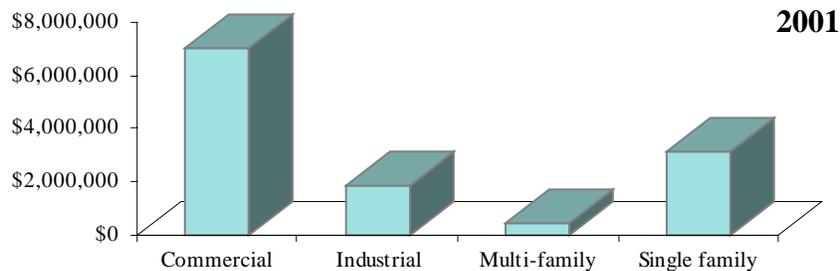
## ECONOMIC CONDITION AND OUTLOOK

### Local Economy

During 2001, the City experienced a mild upswing in the local economy. The economic effects of the tragedy of September 11th were felt by the City during 2001. The year-end totals for the General Government were influenced by a fourth quarter downturn in anticipated revenue and investment earnings, but for the other three quarters the economy was very good in the City of Painesville. Municipal income tax, the City's primary source of tax revenues, decreased slightly in 2001 when compared to 2000 collections.

The City of Painesville experienced a slight economic growth in construction activity, as indicated by the value of building permits issued. The chart below provides a summary and comparison of the value of building permits over the past five years. The increase in building permits was primarily attributable to an increase in commercial and multi-family housing. The City is anticipating a stable level of activity in commercial construction and industrial construction. The multi-family and single-family sectors are expected to increase due to the City's efforts toward community and economic development.

Category	1997	1998	1999	2000	2001
Commercial	\$1,852,158	\$6,393,106	\$10,282,310	\$4,214,398	\$7,042,788
Industrial	2,587,817	3,072,900	2,266,500	3,857,500	1,858,000
Multi-family	580,690	3,487,657	919,517	93,066	450,000
Single family	1,830,819	2,543,647	1,149,024	3,365,350	3,151,974
Totals	\$6,851,484	\$15,497,310	\$14,617,351	\$11,530,314	\$12,502,762

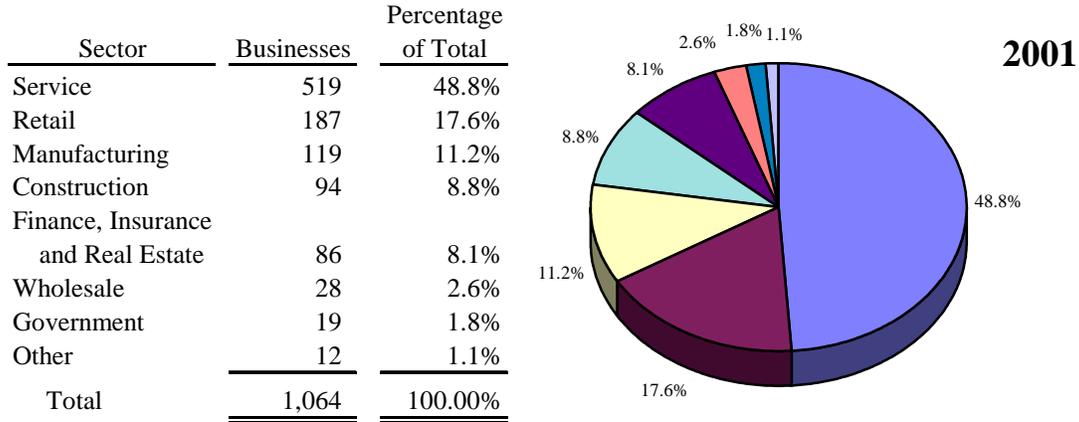


Unemployment in Lake County was comparable to state and national levels during 2001. The unemployment rate for Lake County increased by 1.5% in 2001 when compared to 2000. Listed below are the respective unemployment rates for the county, state and nation as of December 31, 2001:

Lake County	5.0%
Ohio	4.8%
United States	5.8%

**Business**

The City of Painesville has 1,064 businesses, which employ approximately 8,271 workers in all sectors of the economy. The percentage of businesses by sector breakdown is as follows:



The large number of businesses in the service sector is an outgrowth of the City's position as the county seat for Lake County. The largest sectors in terms of total businesses continue to be the service and retail sectors with 48.8% and 17.6% of the total, respectively.

Listed below are new businesses which have opened or relocated to the City of Painesville during 2001. The City of Painesville has taken a very aggressive approach with its economic development program and is making a concerted effort to acquaint new businesses with the advantages of locating in the City of Painesville.

- Location Carpet
- Toes 4 U Towing
- Earthtone Interiors
- Nu-4-U
- Discoteca Mexico
- Sage/Haitek Solutions
- Nationwide Insurance
- The Wash House Coin Laundry
- Mobile Handling Systems
- Arabica on the Square
- Ceramic Hideaway
- El Amigo Restaurant
- Giffin's Auto Detailing
- Core Systems, LLC

## MAJOR INITIATIVES

### **Capital Improvements**

Over the past several years, the City of Painesville has aggressively pursued capital improvement initiatives throughout the community. That impetus slowed down slightly in 2001, as did the City's economy in general, as a number of projects initiated in 2000 had to be carried over into 2001 for completion.

Building expansion and renovation of the City Hall Complex and the relocation of several offices was completed in the first quarter of 2001. The City acquired two buildings in 2000 that were renovated for several offices to relocate to make way for the future expansion of the Municipal Court and Safety Center. The new offices were occupied in March of 2001. One building houses the administrative offices for the Department of Parks, Recreation and Public Lands. The second building houses the Departments of Engineering, Code Enforcement, the office of the Fire Chief and the Fire Inspection office.

The major project initiated during the third quarter of 2001 involved renovation of the Municipal Court, Probation and Safety Center areas at City Hall. This project will add approximately 1,050 square feet to these three departments and greatly enhance operations. The project addresses logistical problems and issues previously identified by the City. The estimated project cost of \$1,350,000 to \$1,400,000 will be distributed between the following funds, based on square footage: Capital Improvement Fund, Municipal Court Improvement Fund and Probation Services Fund. \$650,000 in notes payable were issued to partially fund this project; the balance came from unencumbered reserve balances in the funds. Projected completion date is Spring, 2002.

Two minor projects were also completed at City Hall. The painting of the City Hall building exterior was finished in 2001, as was the restoration of the dome.

A road improvement project on Casement Avenue was completed during 2001 at a cost of \$139,000. Approximately one-half of the cost was funded through a Community Development Block Grant. Work on a bridge rehabilitation project on US Route 20 continued during 2001. The City fronted the costs for the bridge project and was reimbursed 100% by the state. Curb and sidewalk repairs were made on St. Clair Street at a cost of \$28,500.

Major capital improvement activity, however, again centered around the Economic Development initiatives started in 2000. In December 1999, the City of Painesville acquired approximately 43 acres of property, which was to be used for development purposes, at a cost of \$1,225,000. Prior to the issuance of debt to fund this purchase, which was initially funded through the General Fund, the property had to be annexed into the City. Once that was accomplished the City was able to issue debt, which the Electric Fund acquired in April, 2000. The City utilized the same financing mechanism in 2001 to rollover \$685,000 of that debt for another year.

Of the 43 acres, a total of 2.5 acres was retained by the City, to be used for right-of-way purposes for construction of a roadway. The remaining property was developed as the Renaissance Industrial Park. In 2001, the City of Painesville completed the infrastructure improvements and opened to take its first tenant, Core Systems. In addition, construction was started for the second tenant, Cintas Corporation. The City is aggressively pursuing the sale of the remaining parcels in the industrial park.

In October of 2001, the City acquired approximately 47 acres of land adjacent to the south corporation line of the City. The property was acquired to expand and enhance the housing opportunities of the City. The land is being held for resale to a residential developer. The property was annexed to the City in December of 2001.

Engineering work, which began during 2000 for the construction of a major north-south roadway project, was completed in 2001. This road, which has been designated as Shamrock Boulevard, will provide access from Jackson Street to an additional 300 acres, which had been annexed into the City of Painesville several years prior. The projected cost of this project is \$4.4 million and will be funded through the issuance of debt. Preliminary work on the road construction started during 2001 with a projected completion date of 2003.

The major initiative in the Water Division involved the replacement of the Raw Well at the Water Plant at a projected cost of \$1,800,000. This project, which was completed in the Fall of 2001, was partially funded through the State Issue II program. Several water line replacement projects initiated during the previous fiscal year were also completed during 2001 at a cost of \$516,300. A hydraulics study of the water distribution system was also initiated during 2001 at a cost of \$26,500. The goal of this study is to evaluate improvements previously made to the distribution system and prioritize those additional improvements that are required over the next 10-15 years to enhance the efficiency and effectiveness of the water distribution system.

Several sanitary sewer extensions were completed in 2001 at a cost of \$26,800. An Inflow and Infiltration (I & I) study, originally initiated during 1999 to identify those areas of the City that were contributing to storm water infiltration issues, was expanded during 2001. Engineering work for tertiary screw pump replacements was completed during 2001. The project was financed by a bond anticipation note in the fourth quarter of 2001. Work on the project is to be completed during 2002. Preliminary analysis and feasibility was also started during 2001 on development of a storm-water utility.

The primary initiative for the Electric Department during 2001 involved major equipment purchases and upgrades at the Electric Plant to include: boiler #4 tube repairs; insulation of storage building at the Electric Plant; replacement of H6 cable; and parking lot improvements.

The City continued renovations of various baseball diamonds and play equipment at Recreation Park. A major renovation of Marine Park was completed during 2001 at a total cost of \$45,000, resulting in new play equipment, parking areas and a walking path.

A skate park facility was also constructed at Recreation Park under a private/public partnership arrangement. The City contributed \$25,000 toward the project and the remaining \$20,000 was received from outside private contributions.

## FINANCIAL INFORMATION

### **Internal Control Structure**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the determination of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

### **Summary of Accounting Policies and Budgetary Control**

The City's financial statements for its governmental, expendable trust and agency funds have been prepared on the modified accrual basis of accounting. Revenues on this basis are recognized when measurable and available to finance current City operations; expenditures are recognized when the liability is incurred, if measurable, except for interest on general long-term debt which is recognized when due.

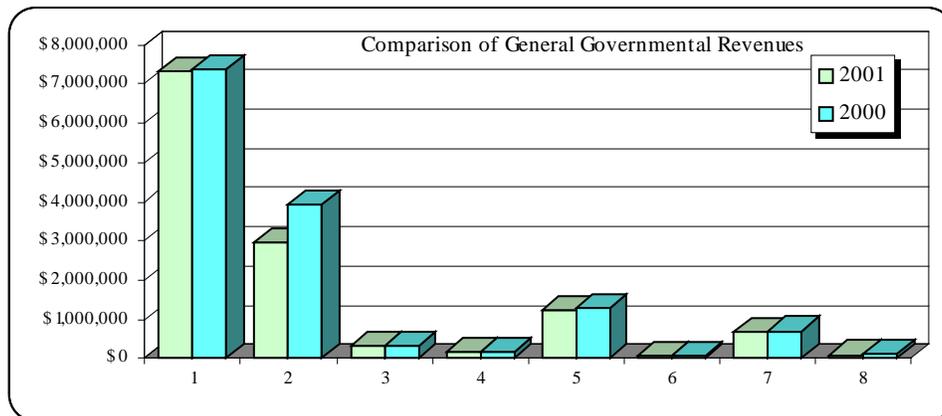
The City's proprietary and nonexpendable trust funds are accounted for on the accrual basis. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. See Note 1 to the general purpose financial statements for a summary of the City's significant accounting policies.

The City is legally required to adopt an annual budget for all funds other than agency funds; however, only governmental funds are required to be reported. Budget amendments require an ordinance of the City Council. The primary level of budgetary control is at the program level (General Government, Public Safety, Highways and Streets, Public Health and Welfare, Culture and Recreation and Community Environment) and within each program at the level of personal services, all other expenditures, capital outlay and operating transfers as established by Ohio law. Purchase order amounts are encumbered prior to the release of the order to the vendor. Open encumbrances are individually reviewed prior to year-end and a determination is made whether or not to carry them forward to the following year. These encumbrances are reported as a reservation of fund balance at December 31, 2001 for all governmental funds. Budgets are legally adopted and controlled on a cash/encumbrance basis. Unencumbered appropriations lapse at year-end.

### **General Governmental Functions**

The following schedule presents a summary of general fund, special revenue funds and debt service funds revenues for the year ended December 31, 2001 and the amount of increases and decreases in relation to prior year revenues.

Revenue Source	Total 2001 Revenues	Percent of Total	Total 2000 Revenues	Increase (Decrease) over 2000	Percent of Change
1 Taxes	\$7,301,526	57.08%	\$7,371,683	(\$70,157)	(0.95%)
2 Intergovernmental Revenues	2,948,823	23.05%	3,903,437	(954,614)	(24.46%)
3 Charges for Services	327,915	2.56%	334,241	(6,326)	(1.89%)
4 Licenses and Permits	163,558	1.28%	189,621	(26,063)	(13.74%)
5 Investment Earnings	1,219,328	9.53%	1,292,816	(73,488)	(5.68%)
6 Special Assessments	57,556	0.45%	58,482	(926)	(1.58%)
7 Fines and Forfeitures	675,402	5.28%	702,842	(27,440)	(3.90%)
8 All Other Revenues	97,257	0.77%	114,689	(17,432)	(15.20%)
<b>Total</b>	<b>\$12,791,365</b>	<b>100.00%</b>	<b>\$13,967,811</b>	<b>(\$1,176,446)</b>	



## Revenues Narrative

The overall decrease in revenues from 2000 to 2001 was primarily attributable to two major factors: a reduction in grant funding and lower interest earnings on investments.

The \$954,614 decrease in Intergovernmental Revenues resulted primarily from the City not receiving grant funding for major roadway reconstruction in 2001, which it did receive during 2000. The 13.74% reduction in Licenses and Permits revenue was the result of a decrease in permits issued, plans reviewed and inspections during 2001. Investment Earnings decreased for the first time in the last three years due to lower interest rates on the City's certificates of deposit and Federal Agency Securities. The decrease in All Other Revenues was the result of a decline in reimbursements received in the general fund.

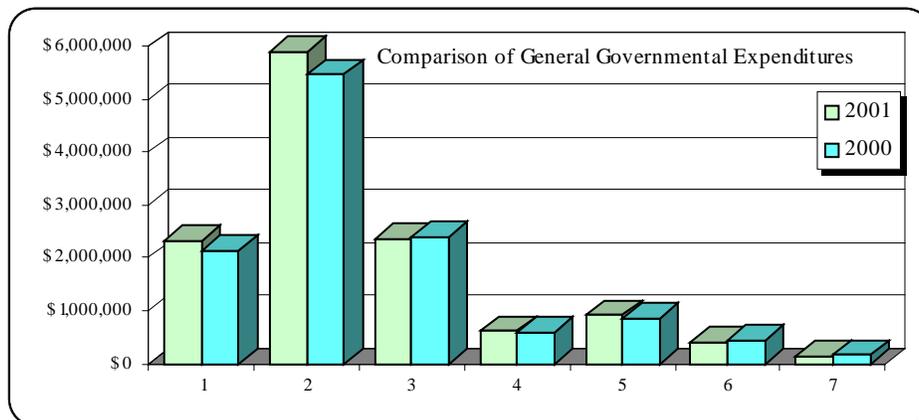
The City's income tax continues to be its primary source of governmental revenue, accounting for approximately 59.8% of the total general fund revenues. Income tax receipts for 2001 were \$68,011 lower than 2000 receipts. The small decline is representative of the healthy environment and economy in Lake County. The tax applies to all wages, salaries, commissions, and other compensation paid by employers and/or the net profits from the operation of a business, profession or other enterprise activity. Income tax rates of cities and villages within the State of Ohio are limited to a maximum of 1% unless specifically approved by a majority of the resident voters of the respective city or village. The income tax rate for the City of Painesville is 2% and has remained unchanged for eleven years. Approximately \$6.6 million of tax revenues for 2001 were attributable to income tax collection.

Property taxes in Ohio are levied and collected by its 88 counties. The counties, after collection, distribute portions of these taxes to the various political subdivisions within their geographic borders. Property taxes for the City represent a tax rate of 3.7 mills (\$3.70 per \$1000 of assessed valuation) applied to the assessed value of property located in the City. Assessed values represent approximately 35% of appraised values. The details of property tax valuations and tax rates relating to collections for the last three years are as follows:

TAX RATES (Per \$1000 of Assessed Valuation)			
Purpose	2001	2000	1999
General Fund	\$2.10	\$2.10	\$2.10
Bond Retirement	0.30	0.30	0.30
Police/Fire Pension	0.60	0.60	0.60
Fire Levy Fund	0.70	0.70	0.70
Totals	<u>\$3.70</u>	<u>\$3.70</u>	<u>\$3.70</u>
Assessed Valuations	\$212,620,607	\$189,974,374	\$185,486,930

The following schedule presents a summary of general fund, special revenue funds and debt service funds expenditures for the year ended December 31, 2001. Expenditures for general governmental purposes totaled \$12,637,362 in 2001, an increase of \$624,645 compared to 2000. Expenditures for the major functions of the City and the percentage of total for 2001 and the percentage increase/(decrease) over 2000 are shown in the following table:

Expenditures	Total 2001 Expenditures	Percent of Total	Total 2000 Expenditures	Increase (Decrease) over 2000	Percent of Change
1 General Government	\$2,321,333	18.37%	\$2,118,972	\$202,361	9.55%
2 Public Safety	5,919,145	46.83%	5,471,391	447,754	8.18%
3 Highways and Streets	2,360,440	18.68%	2,396,435	(35,995)	(1.50%)
4 Public Health and Welfare	606,275	4.80%	594,196	12,079	2.03%
5 Culture and Recreation	908,401	7.19%	841,974	66,427	7.89%
6 Community Environment	390,534	3.09%	438,083	(47,549)	(10.85%)
7 Debt Service	131,234	1.04%	151,666	(20,432)	(13.47%)
Total	<u>\$12,637,362</u>	<u>100.00%</u>	<u>\$12,012,717</u>	<u>\$624,645</u>	



## **Expenditures Narrative**

The increase in total expenditures in the general, special revenue and debt service funds from 2000 to 2001 is primarily the result of capital outlay expenditures for building renovations and equipment replacement.

The increase in General Government can be traced to the building renovation project to upgrade the Municipal Court and Safety Center. The estimated project cost totals over \$1.3 million and began in the third quarter of 2001. The increase in the Public Safety expenditures was due to an upgrade in the radio system used by both Police and Fire to communicate with the County dispatch facility. The increase in expenditures in 2001 for Culture and Recreation resulted from improvements made by the Park Department to Marine Park and the construction of a skate park. The Parks Department held several fundraisers to offset the costs to construct the skate park.

Community Environment expenditures decreased in 2001 as the City did not purchase any land, unlike 2000, when the Planning and Development Department acquired land.

The decrease in Debt Service expenditures in 2001 was the result of an adjustment in the payment schedule for a loan from the Ohio Public Works Commission (OPWC). In an effort to better control cash flows, the City no longer prepays the January 1<sup>st</sup> payment in December of the prior year. In 2000, two payments were reported on the OPWC loan, but in 2001 only one payment was reported; the semi-annual payments will resume in 2002.

## **General Fund**

Most municipalities are service-oriented organizations as is the City of Painesville. Not only is the general fund the largest governmental fund, it is also responsible for funding the major governmental services of the City, such as public safety, culture/recreation and a portion of general administration. Consequently, considerable time in the budget process is dedicated to the general fund. The budget of this fund is prepared by the City Manager, with the assistance of the Director of Finance, the City's chief fiscal officer, and is submitted to City Council for their consideration.

The budget process begins in the summer months of the preceding year. A review of citywide and departmental objectives is conducted. The various departments submit requests in the third quarter. A public budget hearing takes place early in the fourth quarter. The original budget is passed at the first meeting in December of the prior year. Final appropriations and amendments thereof are passed by Council in the form of an appropriations ordinance as required by the City Charter and state statutes.

The major revenue source is the City's municipal income tax. A great variety of other sources of income flow into the general fund, including general property taxes, licenses, fees, permits, sales taxes, court fines, penalties, investment earnings and revenues from other governments.

The fund balance of the general fund at December 31, 2001 was \$4,897,083, an increase of \$550,301 from the restated December 31, 2000 fund balance of \$4,346,782. It continues to be the goal of the City Manager and her administration to provide a sufficient fund balance in the general fund to serve as a hedge against any future unforeseen contingency. The current fund balance is indicative of the sound management principles that have been adhered to throughout 2000 and 2001.

## **Special Revenue Funds**

Special revenue funds of the City are used to account for revenues derived from specific taxes or other legally restricted revenue sources. Considerable attention by the administration has been given to compliance with regulations pertaining to public hearings and other requirements relating to grants received by the City. All special revenue funds are controlled through the same detailed budget process used for the general fund.

## **Capital Projects Funds**

The capital projects funds are used to account for transactions relating to the City's major capital improvement projects. The main sources of revenue for the capital projects funds are taxes, fines and forfeitures and transfers from other funds. The City has increased its capital improvements expenditures over the past few years, increasing the need for revenue other than transfers from other funds into the capital projects funds.

## **Proprietary Funds**

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those found in the private sector. The measurement focus is based upon determination of net income, financial position and cash flows. The following are the City's proprietary fund types:

### Enterprise Funds

Enterprise funds, which are comparable to profit-making businesses, were established to account for the City's self-supporting activities.

The Water Fund accounts for the operation of the City's water treatment and distribution system. Operating revenues increased by \$211,694 or 6.4% and the operating expenses decreased \$268,339 or 7.5%, which resulted in operating income of \$162,458. It is anticipated that growth in the developing service area to the south and recently annexed properties of the City will produce increased revenues by expanding the number of customer accounts within the next five years.

The Sewer Fund accounts for the operation of the City's water pollution control plant and the sanitary sewer collection system. The operating loss in 2001 for the Sewer Fund was \$187,639. The fund ended the year with retained earnings of \$8,312,220, which was a decrease of \$91,731 from 2000.

The Electric Fund accounts for the operation of the City's electric generating plant and distribution system. A decrease in major maintenance and repair activity resulted in operating income for 2001 of \$1,980,998.

The Refuse Fund is used to account for the collection and disposal of solid waste, which is contracted to a private operation. It had an operating loss of \$11,067 in 2001. The Off-Street Parking Fund, which is used to account for the operation of the City's downtown garage, had a 2001 operating loss of \$125,719 and retained earnings of \$1,135,042.

### Internal Service Funds

The internal service rotary funds are used to account for the purchase of materials and supplies and petroleum products that are obtained in large volumes and then made available to the various departments on a cost reimbursement basis. Items purchased by the internal service funds are typically purchased at a lower cost than would be obtainable if each department had to make provisions to purchase their own materials and supplies and petroleum products. Revenues are generated for the internal service funds from billings to the various departments for goods obtained from the central warehouse or City maintenance/refueling facilities. The Fuel and Oil Rotary Fund experienced an operating loss of \$28,268 in 2001. The Supplies Rotary Fund recorded an operations loss of \$124. Internal billing charges are adjusted when necessary to insure that sufficient fund equity is maintained within the internal service funds.

In addition to the two rotary funds discussed above, the Workers' Compensation Retrospective Fund was established to account for transactions related to the City's participation in the State of Ohio Workers' Compensation Retrospective Rating Program. The program was initiated in conjunction with various safety and loss control programs designed to reduce the incidence of risk. Under the retrospective rating program, the City agrees to pay a fraction of the premium it would normally pay while accepting the responsibility of reimbursing workers' compensation claims as they come due. The City has broadened the definition of the fund to include participation in the regular State Workers' Compensation Program. The City has the option to participate or not participate in the program based on the cost-benefit analysis performed each year to determine the most cost effective approach to the overall workers' compensation program. The City will pay current premiums to the State Workers' Compensation based upon a cost per \$100 of payroll as well as paying for actual claims filed under the terms of the retrospective program.

Previously, employee health insurance had been provided by Anthem Blue Cross and Blue Shield. In 2000, however, the City initiated a program similar in concept to the existing workers' compensation program. The Employee Health Insurance Fund was created and the City implemented self-funded employee health insurance. The City continued its program in 2001, having it administered by Medical Mutual of Ohio.

Under this program, the City operates with a third party administrator (TPA) and under stop-loss thresholds. The actual claims are passed through the City for payment. There is protection as to the amount of claims that can be passed through to the City—both specific and aggregate stop-loss protection.

Under specific stop-loss, the City pays 100% for any one individual generating claims up to the specific level. Any dollar amount over this specific level is paid by the re-insurance carrier. The City's specific level is \$40,000.

The aggregate stop-loss protects the City from having a large number of claims exceeding the expected claims level by more than 20% or 25%. Any claims over the specific level do not count toward the aggregate level. Only claims less than the specific level are applied toward the aggregate level.

## **Fiduciary Funds**

### Trust Funds

The expendable trust funds of the City are used to account for monies held by the City to insure compliance with local statutes. The expendable trust funds are accounted for and reported similarly to governmental funds.

The City also maintains nonexpendable trust funds, all of which are associated with the two cemeteries operated by the City and are used to account for principal balances from contributions and endowments where capital maintenance is of primary importance. The nonexpendable trust funds are accounted for and reported in a manner similar to proprietary funds.

### Agency Funds

Agency funds are custodial in nature and do not involve the measurement of results of operations.

## **Debt Administration**

The total general obligation bond and note debt on December 31, 2001 was \$13,272,674, which consisted of \$9,862,674 of general obligation bonds and \$3,410,000 of general obligation bond anticipation notes. In addition, the City had mortgage revenue bonds outstanding at December 31, 2001 of \$3,330,000. The City believes that the preparation of this report in the past helped the City obtain lower interest rates and maintain an A3 rating from Moody's.

## **Debt Capacity**

The City is well within statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2001 is included in the Statistical Section of this report, along with other related computations and ratios relevant to the City's note and bonded debt. The City currently has no general obligation bonded debt supported by property taxes.

## **Cash Management**

The investment and deposit of City monies is governed by the provisions of the Charter and Codified Ordinances of the City. The appropriate sections of the City Code are reviewed annually for compliance and to assure the flexibility necessary to effectively manage the City's investment portfolio.

Effective cash management is recognized as essential to good fiscal management and is a vital component in the City of Painesville's overall financial strategy. The City's investment portfolio is designed and managed in a manner responsive to the public trust and consistent with state and local statutes. Investments are made on the basis of the following list of objectives, which are listed in the order of importance:

1. Security of City funds and investments.
2. Preservation of capital and protection of principal.
3. Maintenance of sufficient liquidity to meet operating needs.
4. Diversification of investments to avoid unreasonable or avoidable risks.
5. Maximization of return on the portfolio within the above constraints.

The City is generally restricted (after quotations are obtained) to investing in certificates of deposit, savings accounts, money market accounts, the State Treasury Asset Reserve (STAR Ohio), obligations of the State of Ohio and obligations of the United States government or certain agencies thereof. There is no limitation on the maturity of the City's investments.

**Fixed Assets**

It is essential that the City maintain a complete record of assets, which it owns and for which it is responsible. Fixed assets directly involved in the revenue producing activities of the enterprise funds are accounted for within those funds, and their related costs are included in the determination of the user charge rate structure.

The General Fixed Assets Account Group includes all fixed assets of the City not used in a proprietary operation. Such assets include public safety facilities, streets and highways facilities, parks and recreation facilities, general government buildings, motor vehicles and other major general government equipment. Infrastructure (streets, highways, sidewalks, curbs, gutters and bridges), which the City owns and is responsible for are excluded from the amounts shown. The City carries sufficient insurance on all assets subject to hazard or destruction.

The cost of items recorded in the General Fixed Assets Account Group at December 31, 2001 is as follows:

Land	\$1,129,406
Buildings and Improvements	1,963,517
Improvements other than Buildings	440,668
Machinery and Equipment	5,133,081
Construction in Progress	<u>855,252</u>
Total General Fixed Assets	<u><u>\$9,521,924</u></u>

**Risk Management**

The City has taken a very proactive approach in addressing the daily operations of the municipality, which is reflected in its insurance protection package and the favorable loss experience. Deductible levels for the various policies have been selected so as not to expose the City to excessive "first dollar" loss in the case of a claim. In the property damage area, deductibles are maintained at \$1,000 or less per loss. In the professional liability areas, no deductible exceeds \$25,000. Public officials and law enforcement employees are covered under separate policies and have aggregate limits of \$1,000,000. A synopsis of insurance is presented in the Statistical Section of this report. In 1992, Painesville applied and was accepted into the States Workers' Compensation Retrospective Rating Plan. Under the terms of the plan, the City will initially pay a minimum premium (a fraction of the premium it would pay as an experience-rated risk), while accepting responsibility for reimbursing workers' compensation claims as they come due, up to an aggregate and specific stop/loss limit. The City expects to realize a reduction in workers' compensation costs through this plan. In 1993, the City established a new internal service fund to account for workers' compensation. During 1998, the City elected to reenter from the retrospective rating program rather than pay the standard workers' compensation assessment, which is calculated as a specified rate per \$100 of payroll. An analysis of the retrospective program versus the standard program yielded a greater benefit based on lower cost in the retrospective program. The City will continue to monitor the costs and benefits of both programs.

## **OTHER INFORMATION**

### **Independent Audit**

Under federal law, the City is required to have an audit performed every year. The accounting firm of S. R. Snodgrass, A. C. performed the 2001 audit. The independent auditors' unqualified report has been included in this report. The Administration plans to continue this audit procedure as required by law as part of the preparation of its CAFR. The annual audit and management letter submitted by the independent public accounting firm provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Painesville, Ohio for its Comprehensive Annual Financial Report for the year ended December 31, 2000. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement represents a significant accomplishment by a governmental unit.

A Certificate of Achievement is valid for a period of one year. Painesville has received a Certificate of Achievement for the last fourteen consecutive years, fiscal years ended 1987-2000. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

### **Public Disclosure**

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Painesville, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

### **Acknowledgments**

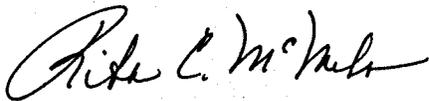
Please note that administration restructuring occurred during 2001. Mr. James Onello the City's past Finance Director was promoted to Assistant City Manager. While the search for a new director was conducted Mr. Onello still filled in that position from January 1 through July 29<sup>th</sup>. On July 16<sup>th</sup>, Ms. Harlita H. Robinson was appointed Director of Finance by the City Council of Painesville. She is responsible for the finances of the City of Painesville from July 30<sup>th</sup> through the end of the year.

We would like to thank the staff and extend special recognition to all members of the Finance Department and related departments within the City who assisted with the preparation of the Comprehensive Annual Financial Report and annual independent audit.

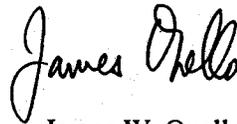
Special thanks are also due to Donald J. Schonhardt, President, Donald J. Schonhardt & Associates, Inc., Columbus, Ohio, and the members of his staff for their efforts in converting the City's budgetary basis accounting records to the generally accepted accounting principles (GAAP) basis. In addition, we would like to express appreciation to the firm of S. R. Snodgrass, A. C., as auditors, for their assistance and review during this project.

In closing, without the leadership and support of the Painesville City Council, preparation of this report would not have been possible.

Sincerely,



Rita C. McMahon  
City Manager



James W. Onello  
Assistant City Manager



Harlita H. Robinson  
Director of Finance

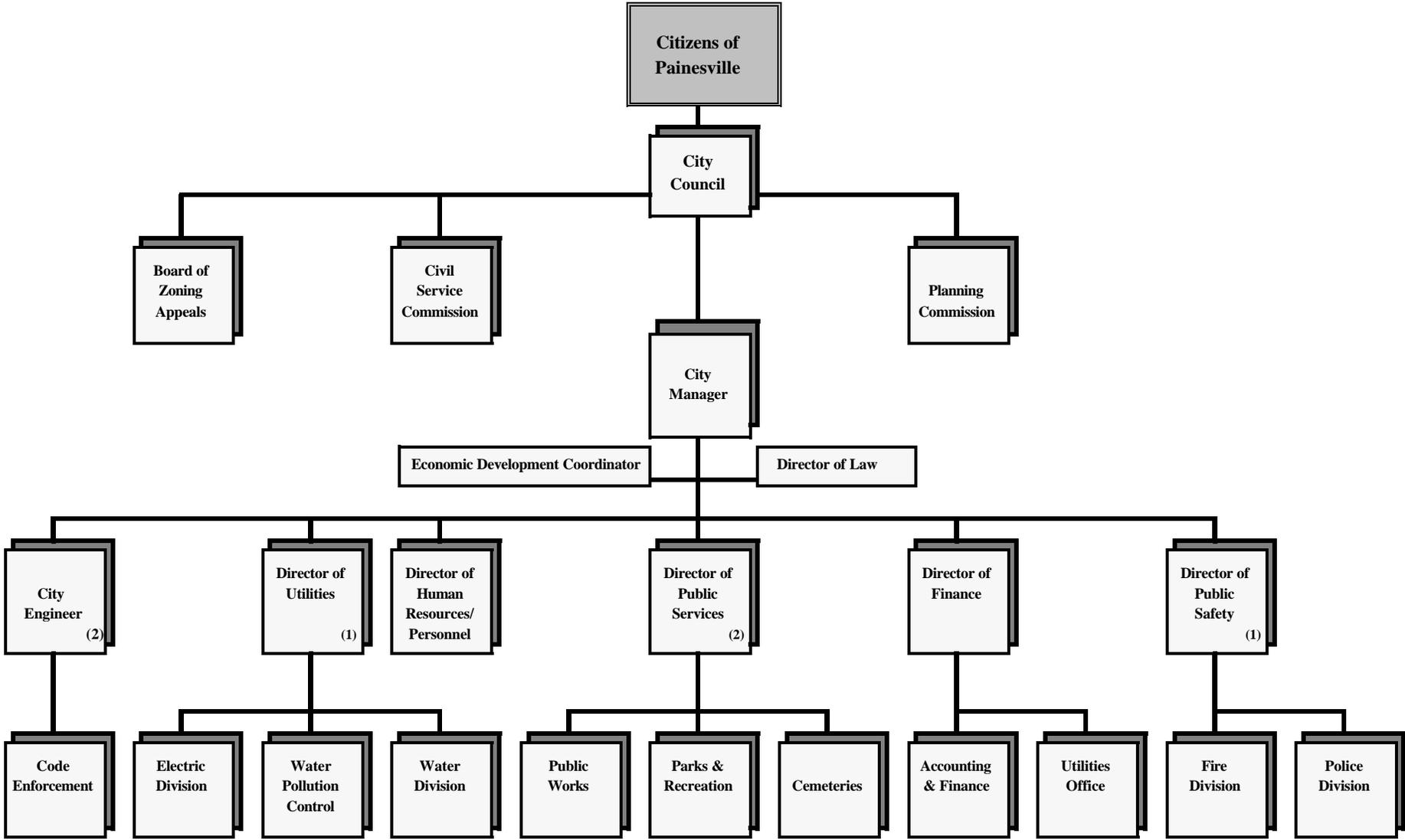
**THE CITY OF PAINESVILLE, OHIO**  
**LIST OF PRINCIPAL OFFICIALS**  
**SHOWING YEARS OF MUNICIPAL/GOVERNMENTAL SERVICE**  
**DECEMBER 31, 2001**

Name	Title	Position	Years of Municipal/Governmental Service			Total Public Service
			City	Municipal/ Governmental Service	Other	
<b>CITY COUNCIL</b>						
Abby DelaMotte	President	(at Large)	2.0	12.0	23.0	25.0 (A)
William Horvath	Vice President	(Ward 2)	2.0	6.5	0.0	6.5
Ella Shaw	Council Member	(Ward 4)	2.0	2.0	0.0	2.0
Robert Fountain	Council Member	(Ward 3)	6.0	6.0	0.0	6.0
Andrew Flock	Council Member	(Ward 1)	6.5	6.5	0.0	6.5
Joseph Hada, Jr.	Council Member	(at Large)	20.0	20.0	0.0	20.0
John F. Clair III	Council Member	(at Large)	1.0	12.8	20.5	20.5 (B)
Shirley A. Onderisin	Clerk of Council		23.0	30.0	0.0	30.0
<b>CITY ADMINISTRATION</b>						
Rita C. McMahon	City Manager		4.5	9.5	9.5	19.0
James W. Onello	Assistant City Manager		7.0	7.0	10.0	17.0
Harlita H. Robinson	Director of Finance		0.4	0.4	7.1	7.5
Joseph M. Gurley	Director of Law		14.0	20.4	14.3	24.3 (C)
<b>DEPARTMENT/DIVISION HEADS</b>						
Gary A. Paine, P.E.	City Engineer/Service Director		18.5	18.5	8.5	27.0
Thomas A. Green, P.E.	Electric Power Superintendent		23.0	23.0	0.0	23.0
Vacant	Water Pollution Control Superintendent		0.0	0.0	0.0	0.0
Francis Whittaker	Fire Chief		1.8	24.8	0.0	24.8
David R. Luhta	Chief of Police		0.3	0.3	22.9	23.2
William E. Vargyas	Water Superintendent		15.5	24.0	4.5	28.5
Robert C. Baetzel	Human Resources Director		3.5	3.5	0.0	3.5
Daniel P. Mazur	Director of Recreation and Public Lands		5.0	5.0	25.0	30.0

- (A) 11 years concurrent government service  
(B) 12.8 years concurrent government service  
(C) 7.3 years concurrent government service

# The City of Painesville, Ohio

## Organizational Chart



(1) City Manager acts as Director  
 (2) Combined Position

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Painesville,  
Ohio

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

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



*Thomas A. Erwin*  
President

*Jeffrey L. Esser*  
Executive Director

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## *FINANCIAL SECTION*

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**Independent Auditors' Report**

City Council  
The City of Painesville  
Painesville, Ohio

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain 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.

As described in Note 2 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions* as of December 31, 2001. This results in a change to the City's method of accounting for certain non-exchange revenues.

Our audit was made 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 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 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.

*S. R. Snodgrass, A.C.* |

Mentor, Ohio  
June 12, 2002



## *GENERAL PURPOSE FINANCIAL STATEMENTS*

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*THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2001 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY AND NONEXPENDABLE TRUST FUNDS FOR THE YEAR THEN ENDED.*

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2001**

	<i>Governmental Fund Types</i>			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
Cash and Cash Equivalents	\$1,600,708	\$2,234,107	\$113,345	\$2,346,589
Investments	1,377,752	0	93,894	0
Receivables (net of allowances for doubtful accounts):				
Taxes	2,278,058	260,273	69,181	0
Accounts	65,513	0	0	0
Special Assessments	0	0	431,189	0
Interest	243,980	118	395	3
Due from other Funds	0	0	0	61,250
Interfund Loan Receivable	0	0	0	0
Intergovernmental Receivables	1,138,281	482,004	3,221	10,712
Inventory of Supplies at Cost	126,615	800	0	0
Prepaid Items	43,987	1,859	0	777
Investment in Joint Venture	0	0	0	0
Land Held for Resale	1,894,390	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Investments	0	0	0	0
Deferred Charges	0	0	0	0
Fixed Assets in Service:				
Land	0	0	0	0
Buildings and Improvements	0	0	0	0
Improvements Other than Buildings	0	0	0	0
Utility Plant in Service	0	0	0	0
Machinery and Equipment	0	0	0	0
Less: Accumulated Depreciation	0	0	0	0
Net Fixed Assets	0	0	0	0
Construction in Progress	0	0	0	0
Other Debits:				
Amount Available in Debt Service Funds	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	<u>\$8,769,284</u>	<u>\$2,979,161</u>	<u>\$711,225</u>	<u>\$2,419,331</u>

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2001**

<u>Proprietary Fund Types</u>		<u>Fiduciary</u> <u>Fund Types</u>	<u>Account Groups</u>		Totals (Memorandum Only)
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$9,600,922	\$957,095	\$188,011	\$0	\$0	\$17,040,777
8,564,447	0	0	0	0	10,036,093
0	0	0	0	0	2,607,512
2,601,051	0	0	0	0	2,666,564
0	0	0	0	0	431,189
17,886	0	1,845	0	0	264,227
0	0	0	0	0	61,250
685,000	0	0	0	0	685,000
0	0	0	0	0	1,634,218
853,046	43,326	0	0	0	1,023,787
109,723	0	20	0	0	156,366
2,870,055	0	0	0	0	2,870,055
0	0	0	0	0	1,894,390
393,819	0	927,524	0	0	1,321,343
1,210,613	0	0	0	0	1,210,613
340,900	0	0	0	0	340,900
497,072	0	0	1,129,406	0	1,626,478
0	0	0	1,963,517	0	1,963,517
12,855,409	0	0	440,668	0	13,296,077
36,282,513	0	0	0	0	36,282,513
29,260,868	0	0	5,133,081	0	34,393,949
(44,466,268)	0	0	0	0	(44,466,268)
<u>34,429,594</u>	<u>0</u>	<u>0</u>	<u>8,666,672</u>	<u>0</u>	<u>43,096,266</u>
3,059,127	0	0	855,252	0	3,914,379
0	0	0	0	208,056	208,056
0	0	0	0	3,545,643	3,545,643
<u>\$64,736,183</u>	<u>\$1,000,421</u>	<u>\$1,117,400</u>	<u>\$9,521,924</u>	<u>\$3,753,699</u>	<u>\$95,008,628</u>

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2001**

	<i>Governmental Fund Types</i>			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$167,264	\$98,957	\$0	\$114,775
Accrued Wages and Benefits	494,778	46,681	0	0
Due to other Funds	61,250	0	0	0
Interfund Loan Payable	685,000	0	0	0
Intergovernmental Payables	5,766	266	0	213
Due to Others	0	0	0	0
Accrued Interest Payable	0	674	0	3,842
Customer Deposits	0	0	0	0
Deferred Revenue	2,458,143	656,681	503,169	0
General Obligation Notes Payable	0	300,000	0	1,710,000
Long-Term Notes Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
Capital Lease Payable	0	0	0	0
Claims Liability	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Bonds Payable (with governmental commitment)	0	0	0	0
Revenue Bonds Payable	0	0	0	0
Ohio Water Development Authority Loans Payable	0	0	0	0
Ohio Public Works Commission Loans Payable	0	0	0	0
Police/Firemen's Pension Accrued Liability	0	0	0	0
<b>Total Liabilities</b>	<b>3,872,201</b>	<b>1,103,259</b>	<b>503,169</b>	<b>1,828,830</b>
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Reserved for Revenue Bond Indenture	0	0	0	0
Unreserved	0	0	0	0
<b>Total Retained Earnings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fund Balance (Deficit):				
Reserved for Encumbrances	438,782	203,385	0	505,402
Reserved for Supplies Inventory	126,615	800	0	0
Reserved for Prepaid Items	43,987	1,859	0	777
Reserved for Debt Service	0	0	208,056	0
Reserved for Endowments	0	0	0	0
Unreserved	4,287,699	1,669,858	0	84,322
<b>Total Fund Balance</b>	<b>4,897,083</b>	<b>1,875,902</b>	<b>208,056</b>	<b>590,501</b>
<b>Total Equity and Other Credits</b>	<b>4,897,083</b>	<b>1,875,902</b>	<b>208,056</b>	<b>590,501</b>
<b>Total Liabilities, Equity and Other Credits</b>	<b>\$8,769,284</b>	<b>\$2,979,161</b>	<b>\$711,225</b>	<b>\$2,419,331</b>

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2001**

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$1,242,608	\$754	\$242	\$0	\$0	\$1,624,600
417,411	0	0	0	0	958,870
0	0	0	0	0	61,250
0	0	0	0	0	685,000
62,186	0	0	0	0	68,431
0	0	75,148	0	0	75,148
88,841	0	0	0	0	93,357
393,819	0	0	0	0	393,819
0	0	0	0	0	3,617,993
1,400,000	0	0	0	0	3,410,000
0	0	0	0	1,163,750	1,163,750
1,145,364	0	0	0	1,138,958	2,284,322
0	0	0	0	165,741	165,741
0	1,121,207	0	0	0	1,121,207
9,862,674	0	0	0	0	9,862,674
0	0	0	0	290,000	290,000
3,330,000	0	0	0	0	3,330,000
1,963,364	0	0	0	0	1,963,364
0	0	0	0	126,038	126,038
0	0	0	0	869,212	869,212
<u>19,906,267</u>	<u>1,121,961</u>	<u>75,390</u>	<u>0</u>	<u>3,753,699</u>	<u>32,164,776</u>
0	0	0	9,521,924	0	9,521,924
5,398,635	0	0	0	0	5,398,635
1,210,613	0	0	0	0	1,210,613
<u>38,220,668</u>	<u>(121,540)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38,099,128</u>
<u>39,431,281</u>	<u>(121,540)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,309,741</u>
0	0	0	0	0	1,147,569
0	0	0	0	0	127,415
0	0	20	0	0	46,643
0	0	0	0	0	208,056
0	0	927,524	0	0	927,524
0	0	114,466	0	0	6,156,345
<u>0</u>	<u>0</u>	<u>1,042,010</u>	<u>0</u>	<u>0</u>	<u>8,613,552</u>
<u>44,829,916</u>	<u>(121,540)</u>	<u>1,042,010</u>	<u>9,521,924</u>	<u>0</u>	<u>62,843,852</u>
<u>\$64,736,183</u>	<u>\$1,000,421</u>	<u>\$1,117,400</u>	<u>\$9,521,924</u>	<u>\$3,753,699</u>	<u>\$95,008,628</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<i>Governmental Fund Types</i>		
	General	Special Revenue	Debt Service
<u>Revenues</u>			
Taxes	\$7,029,631	\$214,458	\$57,437
Intergovernmental Revenues	1,887,757	1,055,009	6,057
Charges for Services	144,103	183,812	0
License, Permit and Inspection Fees	159,958	3,600	0
Investment Earnings	1,206,618	3,498	9,212
Special Assessments	0	0	57,556
Fines and Forfeitures	579,115	96,287	0
All Other Revenues	67,494	29,415	348
Total Revenues	<u>11,074,676</u>	<u>1,586,079</u>	<u>130,610</u>
<u>Expenditures</u>			
Current:			
General Government	2,096,750	224,583	0
Public Safety	5,726,847	192,298	0
Highways and Streets	1,518,841	841,599	0
Public Health and Welfare	83,313	522,962	0
Culture and Recreation	880,632	27,769	0
Community Environment	390,534	0	0
Other Expenditures	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	13,208	30,000
Interest and Fiscal Charges	49,000	13,126	25,900
Total Expenditures	<u>10,745,917</u>	<u>1,835,545</u>	<u>55,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	328,759	(249,466)	74,710
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	24,347	0	0
Proceeds from General Obligation Notes	1,163,750	0	0
Operating Transfers In	638,155	504,000	0
Operating Transfers Out	(1,645,000)	(114,000)	(61,100)
Operating Financing Sources - Capital Leases	18,600	199,447	0
Total Other Financing Sources (Uses)	<u>199,852</u>	<u>589,447</u>	<u>(61,100)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	528,611	339,981	13,610
Restated Fund Balance at Beginning of Year	4,346,782	1,536,295	194,446
Increase (Decrease) in Inventory Reserve	21,690	(374)	0
Fund Balance at End of Year	<u>\$4,897,083</u>	<u>\$1,875,902</u>	<u>\$208,056</u>

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

Capital Projects	<i>Fiduciary Fund Type</i> Expendable Trust	Totals (Memorandum Only)
\$0	\$0	\$7,301,526
354,000	0	3,302,823
0	11,155	339,070
0	0	163,558
1,437	35,971	1,256,736
0	0	57,556
152,394	1,357	829,153
52,083	0	149,340
559,914	48,483	13,399,762
456,982	16,000	2,794,315
75,686	812	5,995,643
11,553	0	2,371,993
0	2,346	608,621
32,220	0	940,621
72,865	37	463,436
0	1,301	1,301
1,407,232	14,715	1,421,947
0	0	43,208
65,681	0	153,707
2,122,219	35,211	14,794,792
(1,562,305)	13,272	(1,395,030)
0	0	24,347
0	0	1,163,750
936,100	10,000	2,088,255
0	(40,000)	(1,860,100)
0	0	218,047
936,100	(30,000)	1,634,299
(626,205)	(16,728)	239,269
1,216,706	131,214	7,425,443
0	0	21,316
\$590,501	\$114,486	\$7,686,028

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised		Variance:	Revised		Variance:
	Budget	Actual	(Unfavorable)	Budget	Actual	(Unfavorable)
<b>Revenues:</b>						
Taxes	\$7,809,182	\$7,404,499	(\$404,683)	\$230,946	\$213,520	(\$17,426)
Intergovernmental Revenues	2,014,450	1,913,749	(100,701)	1,933,552	1,046,633	(886,919)
Charges for Services	151,612	144,033	(7,579)	236,829	183,812	(53,017)
License, Permit and Inspection Fees	173,473	164,801	(8,672)	6,438	3,600	(2,838)
Investment Earnings	1,326,877	1,260,547	(66,330)	11,221	3,692	(7,529)
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	618,318	587,409	(30,909)	434,039	96,695	(337,344)
All Other Revenues	81,393	76,848	(4,545)	64,665	29,731	(34,934)
<b>Total Revenues</b>	<b>12,175,305</b>	<b>11,551,886</b>	<b>(623,419)</b>	<b>2,917,690</b>	<b>1,577,683</b>	<b>(1,340,007)</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	2,018,120	1,954,832	63,288	381,723	292,255	89,468
Public Safety	5,822,089	5,663,503	158,586	268,210	201,805	66,405
Highways and Streets	1,399,231	1,273,133	126,098	1,183,366	769,368	413,998
Public Health and Welfare	97,225	83,313	13,912	498,391	485,770	12,621
Culture and Recreation	962,355	868,080	94,275	27,769	27,769	0
Community Environment	471,249	377,337	93,912	0	0	0
Capital Outlay	0	0	0	0	0	0
<b>Debt Service:</b>						
Principal Retirement	0	0	0	306,416	293,208	13,208
Interest and Fiscal Charges	0	0	0	13,658	13,608	50
<b>Total Expenditures</b>	<b>10,770,269</b>	<b>10,220,198</b>	<b>550,071</b>	<b>2,679,533</b>	<b>2,083,783</b>	<b>595,750</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,405,036	1,331,688	(73,348)	238,157	(506,100)	(744,257)
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	25,628	24,347	(1,281)	0	0	0
Proceeds of General Obligation Notes	0	0	0	300,000	300,000	0
Operating Transfers In	439,244	439,244	0	504,000	504,000	0
Operating Transfers Out	(2,370,100)	(2,370,000)	100	(175,645)	(175,105)	540
Advances In	685,000	685,000	0	0	0	0
Advances Out	(1,274,000)	(1,274,000)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,494,228)</b>	<b>(2,495,409)</b>	<b>(1,181)</b>	<b>628,355</b>	<b>628,895</b>	<b>540</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,089,192)	(1,163,721)	(74,529)	866,512	122,795	(743,717)
Fund Balance at Beginning of Year	2,818,709	2,818,709	0	1,347,461	1,347,461	0
Prior Year Encumbrances	794,123	794,123	0	463,630	463,630	0
<b>Fund Balance at End of Year</b>	<b>\$2,523,640</b>	<b>\$2,449,111</b>	<b>(\$74,529)</b>	<b>\$2,677,603</b>	<b>\$1,933,886</b>	<b>(\$743,717)</b>

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

<i>Debt Service Funds</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised		Variance:	Revised		Variance:	Revised		Variance:
Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
\$61,873	\$57,195	(\$4,678)	\$0	\$0	\$0	\$8,102,001	\$7,675,214	(\$426,787)
3,006	6,057	3,051	355,982	354,000	(1,982)	4,306,990	3,320,439	(986,551)
0	0	0	0	0	0	388,441	327,845	(60,596)
0	0	0	0	0	0	179,911	168,401	(11,510)
35,502	10,221	(25,281)	1,442	1,434	(8)	1,375,042	1,275,894	(99,148)
223,080	57,556	(165,524)	0	0	0	223,080	57,556	(165,524)
0	0	0	623,121	152,304	(470,817)	1,675,478	836,408	(839,070)
173	348	175	1,271,261	213,370	(1,057,891)	1,417,492	320,297	(1,097,195)
323,634	131,377	(192,257)	2,251,806	721,108	(1,530,698)	17,668,435	13,982,054	(3,686,381)
0	0	0	774,357	772,336	2,021	3,174,200	3,019,423	154,777
0	0	0	97,050	97,049	1	6,187,349	5,962,357	224,992
0	0	0	11,553	11,553	0	2,594,150	2,054,054	540,096
0	0	0	0	0	0	595,616	569,083	26,533
0	0	0	34,217	32,220	1,997	1,024,341	928,069	96,272
0	0	0	77,985	72,865	5,120	549,234	450,202	99,032
0	0	0	1,869,451	1,848,968	20,483	1,869,451	1,848,968	20,483
380,000	380,000	0	1,113,000	1,060,000	53,000	1,799,416	1,733,208	66,208
46,663	42,000	4,663	64,500	48,760	15,740	124,821	104,368	20,453
426,663	422,000	4,663	4,042,113	3,943,751	98,362	17,918,578	16,669,732	1,248,846
(103,029)	(290,623)	(187,594)	(1,790,307)	(3,222,643)	(1,432,336)	(250,143)	(2,687,678)	(2,437,535)
0	0	0	0	0	0	25,628	24,347	(1,281)
305,000	305,000	0	1,405,000	1,405,000	0	2,010,000	2,010,000	0
0	0	0	1,104,664	875,000	(229,664)	2,047,908	1,818,244	(229,664)
0	0	0	0	0	0	(2,545,745)	(2,545,105)	640
1,274,000	1,274,000	0	0	0	0	1,959,000	1,959,000	0
(1,274,000)	(1,274,000)	0	0	0	0	(2,548,000)	(2,548,000)	0
305,000	305,000	0	2,509,664	2,280,000	(229,664)	948,791	718,486	(230,305)
201,971	14,377	(187,594)	719,357	(942,643)	(1,662,000)	698,648	(1,969,192)	(2,667,840)
192,257	192,257	0	1,760,364	1,760,364	0	6,118,791	6,118,791	0
0	0	0	915,321	915,321	0	2,173,074	2,173,074	0
\$394,228	\$206,634	(\$187,594)	\$3,395,042	\$1,733,042	(\$1,662,000)	\$8,990,513	\$6,322,673	(\$2,667,840)



**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS/FUND BALANCES**  
**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<b><u>Operating Revenues</u></b>				
Charges for Services	\$23,400,285	\$1,741,490	\$0	\$25,141,775
Other Charges for Services	223,313	0	0	223,313
Other Operating Revenues	83,343	0	0	83,343
Contributions	0	0	26,380	26,380
Total Operating Revenues	<u>23,706,941</u>	<u>1,741,490</u>	<u>26,380</u>	<u>25,474,811</u>
<b><u>Operating Expenses</u></b>				
Personal Services	8,416,458	1,736,352	0	10,152,810
Materials and Supplies	4,744,534	161,630	0	4,906,164
Contractual Services	2,969,279	330,192	0	3,299,471
Utilities	3,899,168	0	0	3,899,168
Depreciation	1,858,471	0	0	1,858,471
Other Operating Expenses	0	0	582	582
Total Operating Expenses	<u>21,887,910</u>	<u>2,228,174</u>	<u>582</u>	<u>24,116,666</u>
Operating Income (Loss)	1,819,031	(486,684)	25,798	1,358,145
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Intergovernmental Grants	723,262	0	0	723,262
Loss on Investment in Joint Venture	(197,770)	0	0	(197,770)
Investment Earnings	260,078	0	0	260,078
Interest and Fiscal Charges	(915,497)	0	0	(915,497)
Other Nonoperating Revenue	45,110	37,132	0	82,242
Other Nonoperating Expense	(2,476)	0	0	(2,476)
Gain on Disposal of Fixed Assets	23,111	0	0	23,111
Loss on Disposal of Fixed Assets	(17,099)	0	0	(17,099)
Total Nonoperating Revenues (Expenses)	<u>(81,281)</u>	<u>37,132</u>	<u>0</u>	<u>(44,149)</u>
Income (Loss) Before Operating Transfers	1,737,750	(449,552)	25,798	1,313,996
<b><u>Operating Transfers</u></b>				
Operating Transfers In	360,000	50,000	0	410,000
Operating Transfers Out	(638,155)	0	0	(638,155)
Total Operating Transfers	<u>(278,155)</u>	<u>50,000</u>	<u>0</u>	<u>(228,155)</u>
Net Income (Loss)	1,459,595	(399,552)	25,798	1,085,841
Add: Depreciation Charged to Contributed Capital	126,844	0	0	126,844
Increase (Decrease) in Retained Earnings/Fund Balance	1,586,439	(399,552)	25,798	1,212,685
Restated Retained Earnings/Fund Balance at Beginning of Year	<u>37,844,842</u>	<u>278,012</u>	<u>901,726</u>	<u>39,024,580</u>
Retained Earnings (Accumulated Deficit)/Fund Balance at End of Year	<u>\$39,431,281</u>	<u>(\$121,540)</u>	<u>\$927,524</u>	<u>\$40,237,265</u>

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

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<b><u>Cash Flows from Operating Activities:</u></b>				
Cash Received from Customers	\$24,290,138	\$0	\$0	\$24,290,138
Cash Receipts from Quasi-External				
Operating Transactions with Other Funds	0	1,741,490	0	1,741,490
Cash Payments for Quasi-External				
Operating Transactions with Other Fund	(804,000)	0	0	(804,000)
Cash Received from Interfund Charges	0	37,132	0	37,132
Cash Received from Contributions	0	0	26,380	26,380
Cash Payments for Goods and Services	(12,123,159)	(502,707)	(582)	(12,626,448)
Cash Payments to Employees	(7,577,902)	(119,793)	0	(7,697,695)
Cash Payments for Employee Medical Claims	0	(1,376,490)	0	(1,376,490)
Net Cash Provided (Used) by Operating Activities	<u>3,785,077</u>	<u>(220,368)</u>	<u>25,798</u>	<u>3,590,507</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>				
Operating Grants Received	214,381	0	0	214,381
Transfers In from Other Funds	360,000	50,000	0	410,000
Transfers Out to Other Funds	(638,155)	0	0	(638,155)
Advances In from Other Funds	1,274,000	0	0	1,274,000
Advances Out to Other Funds	(685,000)	0	0	(685,000)
Net Cash Provided by Noncapital Financing Activities	<u>525,226</u>	<u>50,000</u>	<u>0</u>	<u>575,226</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>				
Proceeds of General Obligation Notes	1,400,000	0	0	1,400,000
Principal Paid on General Obligation Notes	(950,000)	0	0	(950,000)
Proceeds from Sales of Fixed Assets	23,111	0	0	23,111
Acquisition and Construction of Assets	(2,595,734)	0	0	(2,595,734)
Principal Paid on Revenue Bonds	(535,000)	0	0	(535,000)
Principal Paid on General Obligation Bonds	(500,251)	0	0	(500,251)
Principal Paid on Ohio Water Development Authority Loans	(276,683)	0	0	(276,683)
Interest Paid on All Debt	(903,303)	0	0	(903,303)
Net Cash Used for Capital and Related Financing Activities	<u>(4,337,860)</u>	<u>0</u>	<u>0</u>	<u>(4,337,860)</u>
<b><u>Cash Flows from Investing Activities:</u></b>				
Receipts of Principal and Interest on Investments	242,804	0	0	242,804
Sale of Investments	8,062,620	0	0	8,062,620
Purchase of Investments	(160,218)	0	0	(160,218)
Net Cash Provided by Investing Activities	<u>8,145,206</u>	<u>0</u>	<u>0</u>	<u>8,145,206</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,117,649	(170,368)	25,798	7,973,079
Cash and Cash Equivalents at Beginning of Year	<u>1,877,092</u>	<u>1,127,463</u>	<u>901,726</u>	<u>3,906,281</u>
Cash and Cash Equivalents at End of Year	<u>\$9,994,741</u>	<u>\$957,095</u>	<u>\$927,524</u>	<u>\$11,879,360</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds	
<u>Reconciliation of Cash and Cash Equivalents per the Balance Sheet</u>				
Cash and Cash Equivalents	\$9,600,922	\$957,095	\$188,011	\$10,746,028
Restricted Cash and Cash Equivalents	393,819	0	927,524	1,321,343
Less: Cash in Expendable Trust and Agency Funds	0	0	(188,011)	(188,011)
Cash and Cash Equivalents at End of Year	<u>\$9,994,741</u>	<u>\$957,095</u>	<u>\$927,524</u>	<u>\$11,879,360</u>

Reconciliation of Operating Income (Loss) to Net Cash  
Provided (Used) by Operating Activities:

Operating Income (Loss)	\$1,819,031	(\$486,684)	\$25,798	\$1,358,145
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	1,858,471	0	0	1,858,471
Miscellaneous Nonoperating Revenues	100,139	37,132	0	137,271
Miscellaneous Nonoperating Expenses	(75,499)	0	0	(75,499)
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	465,346	0	0	465,346
Decrease in Intergovernmental Receivable	17,701	0	0	17,701
(Increase) Decrease in Inventory	159,659	(2,800)	0	156,859
Increase in Prepaid Items	(7,399)	0	0	(7,399)
Decrease in Accounts Payable	(391,030)	(8,085)	0	(399,115)
Increase in Accrued Wages and Benefits	61,585	0	0	61,585
Decrease in Intergovernmental Payable	(197,906)	0	0	(197,906)
Decrease in Compensated Absences Payable	(25,021)	0	0	(25,021)
Increase in Claims Liability	0	240,069	0	240,069
Total Adjustments	<u>1,966,046</u>	<u>266,316</u>	<u>0</u>	<u>2,232,362</u>
Net Cash Provided (Used) by Operating Activities	<u>\$3,785,077</u>	<u>(\$220,368)</u>	<u>\$25,798</u>	<u>\$3,590,507</u>

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2001 the Water, Sewer, and Electric Funds had outstanding liabilities of \$111,606, \$31,827, and \$54,528 respectively for the purchase of certain capital assets. During 2001 the fair value of investments decreased by \$15,780, \$4,700, and \$15,295 in the Water, Sewer, and Electric Funds, respectively, and increased by \$573 in the Off-Street Parking Fund.

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

**THE CITY OF PAINESVILLE, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Painesville, Ohio (the City), is a home-rule municipal corporation created under the laws of the State of Ohio. The City operates under its own Charter. The current Charter, which provides for a Council/Manager form of government, was adopted on November 6, 1962 and has been amended four times (1963, 1973, 1983 and 1989).

The accompanying general purpose financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which includes the following services: public safety (police and fire), health (health department), culture and recreation (parks and recreation), community environment (planning, zoning and community development), basic utility (water, electric, sanitation, public parking and wastewater pollution control), highways and streets (street and highway maintenance), and general government (administrative services including the municipal court).

*Joint Venture with Equity Interest* – The City is a participant with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2). The Omega JV-2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economics of the participants' respective municipal electric utility systems. The Omega JV-2 is managed by AMP-Ohio, which acts as the joint venture's agent. See Note 18, "Joint Venture."

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

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses).

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The various funds are grouped into generic fund types and three broad fund categories for financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise and internal service funds. Fiduciary funds include trust and agency funds. Account groups are established to maintain accountability over fixed assets not related to a specific fund and long-term obligations that are not a specific liability of a proprietary or trust fund. The following fund types and account groups are used by the City:

***Governmental Funds*** - Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's governmental fund types:

General Fund - This fund is used to account for all financial resources except those 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 and the provisions of the City Charter.

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

Debt Service Funds - These funds are used 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 funds).

***Proprietary Funds*** - All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are presented as assets and liabilities of the funds to which they relate. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body 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. The City maintains separate enterprise funds for its water, sewer, electricity, refuse and off-street parking services.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

***Fiduciary Funds***

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains expendable trust funds, nonexpendable trust funds and agency funds. Expendable trust funds are accounted for and reported similarly to governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

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

**C. Basis of Accounting**

The basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and 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 followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is considered to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, fines and forfeitures, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Special assessment installments, including related accrued interest, which are measurable but not available at December 31 are recorded as deferred revenue. Property taxes which are measurable at December 31, 2001, but which are not intended to finance 2001 operations or are not expected to be received within sixty (60) days after year end, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by all proprietary funds and nonexpendable trust funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in the proprietary funds.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

**D. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the annual tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process** (Continued)

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported in the combined financial statements. The primary level of budgetary control is at the program level (general government, public safety, highways and streets, public health and welfare, culture and recreation and community environment) and within each program at the level of personal services, certain other expenditures, capital outlay and operating transfers as required by Ohio law. The City Manager is authorized to transfer appropriations between objects of expenditure budgeted within the same program, so long as total appropriations for each program do not exceed the amount approved by Council. Budgetary modifications, other than those noted previously, may only be made by ordinance of the City Council.

1. Tax Budget

By July 15, the City Manager submits an annual tax 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 20th of each year, for the period January 1 to December 31 of the following year.

2. 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 Budget Commission then certifies its actions to the City by September 1st of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by 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 any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The estimated revenue amounts reported on the accompanying budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued for 2001.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process** (Continued)

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. By Charter, the City Manager must submit an annual appropriation ordinance (for the period January 1 through December 31) to City Council by March 31 of each year. The appropriation ordinance establishes spending controls at the fund, program (General Government, Public Safety, Highways and Streets, Public Health and Welfare, Culture and Recreation and Community Environment) and object level (personal services, all other expenditures, capital outlay, and operating transfers). The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. During the year, several supplemental appropriations were necessary. The budgetary figures which appear in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types are presented on the budgetary basis to provide a comparison of actual results with the final budget, including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year end, however, are reported as reservations of fund balances for subsequent year expenditures in the accompanying combined balance sheet.

5. Lapsing of Appropriations

At the close of each fiscal 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 subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for the City's transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. Encumbrances are recorded as the equivalent of expenditures on the budgetary basis as opposed to reservation of fund balance on the GAAP basis. On the budgetary basis investment earnings are recognized when realized, whereas on a GAAP basis unrealized gains and losses are recognized when investments are adjusted to fair value.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Process (Continued)**

**6. Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
GAAP Basis (as reported)	\$528,611	\$339,981	\$13,610	(\$626,205)
Increase (Decrease):				
Accrued Revenues at December 31, 2001 received during 2002	(1,267,689)	(85,714)	(817)	(71,965)
Accrued Revenues at December 31, 2000 received during 2001	1,735,891	77,318	1,242	171,909
Accrued Expenditures at December 31, 2001 paid during 2002	1,352,808	146,578	0	118,830
Accrued Expenditures at December 31, 2000 paid during 2001	(1,831,190)	(74,710)	0	(222,975)
2000 Prepays for 2001	37,050	1,422	0	2,087
2001 Prepays for 2002	(43,987)	(1,859)	0	(777)
Note Proceeds	(1,163,750)	300,000	0	1,710,000
Note Retirements	0	(280,000)	0	(1,410,000)
2001 Adjustment to Fair Value	(8,876)	0	(605)	0
2000 Adjustment to Fair Value	17,884	0	947	0
Outstanding Encumbrances	(520,473)	(300,221)	0	(613,547)
Budget Basis	<u>(\$1,163,721)</u>	<u>\$122,795</u>	<u>\$14,377</u>	<u>(\$942,643)</u>

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio), repurchase agreements and short-term certificates of deposit with original maturities of three months or less. The STAR Ohio is considered an investment for purposes of GASB Statement No. 3, but it is reported as a cash equivalent in the general purpose financial statements because it is a highly liquid instrument which is readily convertible to cash.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash, including the investment instrument described above, represents the balance on hand as if each fund maintained its own cash and investments account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be a cash equivalent. See Note 4 "Cash, Cash Equivalents and Investments."

**F. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code, and the City Charter. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit and repurchase agreements) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices.

The City has invested funds in the STAR Ohio during 2001. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2001. See Note 4, "Cash, Cash Equivalents and Investments."

**G. Accounts Receivable**

Receivables consist primarily of taxes in the governmental funds and accounts (billings for user charged services, including unbilled amounts) in the proprietary funds.

**H. Inventory**

Inventories are stated at cost (first-in, first-out) in the governmental funds, and at the lower of cost (first-in, first-out) or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. The reservations for inventory in the balance sheet of the governmental fund types indicate that a portion of the fund balance is not available for future expenditures.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Fixed Assets and Depreciation**

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

**1. Property, Plant and Equipment - General Governmental Purposes**

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the stewardship for such capital expenditures can be satisfied without recording these assets.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

**2. Property, Plant and Equipment - Proprietary Fund Types**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost for assets not purchased in recent years), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings and Improvements	40 - 60
Utility Plant in Service	20 - 60
Improvements Other Than Buildings	20
Machinery, Equipment, Furniture and Fixtures	5 - 15

**J. Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets, and service debt. The accompanying combined financial statements generally reflect such transactions as operating transfers. To the extent that certain transactions between funds have not been paid or received as of year end, interfund receivables or payables have been recorded.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered, to rights that vest or accumulate, and where payment of the obligation is probable and can be reasonably determined. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "compensated absences payable". The remaining portion of the liability is reported in the General Long-Term Obligations Account Group.

Employees of the City earn vacation leave at various rates within limits specified under collective bargaining agreements or under statute. At termination or retirement, employees are paid at their full rate for 100% of their unused vacation leave.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

**L. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Water Fund, Electric Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Ohio Public Works Commission Loan	Street Construction, Maintenance and Repair Fund
Ohio Water Development Authority (OWDA) Loans	Water Fund Sewer Fund
Mortgage Revenue Bonds	Electric Fund Off-Street Parking Fund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**L. Long-Term Obligations** (Continued)

Obligation	Fund
Police and Fire Pension Accrued Liability	General Fund
Workers' Compensation Liability	Workers' Compensation Retrospective Fund
Capital Leases	General Fund Street Construction, Maintenance and Repair Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Cemeteries Fund Water Fund Sewer Fund Electric Fund Off-Street Parking Fund
Long-Term Notes Payable	General Fund

**M. Issuance Costs**

In governmental fund types, issuance costs are recognized in the current period. Issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges.

**N. Contributed Capital**

Depreciation recognized on assets acquired or constructed through capital grants or contributions is closed to the appropriate contributed capital account. Net income or loss adjusted by the amount of depreciation on fixed assets acquired through contributed capital is closed to retained earnings. Capital contributions received after December 31, 2000 are recorded as revenue in the proprietary funds.

**O. Reservations of Fund Balances**

Fund balances are reserved for inventories of supplies, prepaid items and encumbered amounts that have not been accrued at year end. The fund balances in the debt service funds are reserved for the retirement of debt principal and interest.

**P. Total Columns on Combined Financial Statements - Overview**

Total columns on the "Combined Financial Statements - Overview" are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE / RETAINED EARNINGS**

**A. Prior Period Adjustment**

During 2001, certain adjustments were made to the beginning retained earnings balance of the enterprise funds due to an accounting error in the reporting of the Ohio Water Development Authority (OWDA) loans payable. This resulted in the following change to the beginning retained earnings balance in the enterprise funds:

Fund Name	Retained Earnings as Reported 12/31/00	Restate OWDA Loans Payable	Retained Earnings as Restated 12/31/00
Enterprise Funds	\$38,039,729	(\$194,887)	\$37,844,842

In addition to the above noted changes to retained earnings, the prior period adjustment had the following effect on prior year net income:

Fund Name	Net Income as Reported 12/31/2000	Restate OWDA Loans Payable	Net Loss as Restated 12/31/2000
Enterprise Funds	\$72,395	(\$194,887)	(\$122,492)

**B. Changes in Accounting Principles**

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

Fund Name	Fund Balance as Reported 12/31/00	GASB 33 & 36 Implementation	Fund Balance as Restated 12/31/00
General Fund	\$3,988,764	\$358,018	\$4,346,782
Special Revenue Funds	1,479,264	57,031	1,536,295

**NOTE 2 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCE / RETAINED EARNINGS (Continued)**

**B. Changes in Accounting Principles (Continued)**

In addition to the above noted change to fund balance the restatement of fund balances had the following effect on prior year excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses:

<u>Fund Name</u>	<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Reported 12/31/00</u>	<u>GASB 33 &amp; 36 Implementation</u>	<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses as Restated 12/31/00</u>
General Fund	\$85,193	\$358,018	\$443,211
Special Revenue Funds	898,530	57,031	955,561

**NOTE 3 - COMPLIANCE AND ACCOUNTABILITY**

The deficits at December 31, 2001 of \$137,653 in the Fire Levy Fund (special revenue fund) and \$789,107 in the Industrial Park Project Fund (capital projects fund) arose from the recognition of general obligation notes payable under the modified accrual basis. Under the budgetary basis of accounting, proceeds from the sale of notes are recognized as revenue and expenditures are recognized when paid, therefore, a deficit does not exist. The deficit of \$255,399 in the Employee Health Insurance Fund (internal service fund) is the result of recognizing expenses on the accrual basis, which results in expenses greater than those on the cash basis. A deficit does not exist on a cash basis. The General Fund provides operating transfers, upon City Council's approval, when cash is required, not when accruals occur.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of a majority of individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents."

The investment and deposit of City monies is governed by the provisions of the Charter and Codified Ordinances of the City as well as the Ohio Revised Code. Accordingly, only financial institutions approved by City Council are eligible to hold the City's cash deposits. In addition, investments may only be purchased, after competitive quotations are obtained, through financial institutions located within Ohio or through "primary securities dealers" as designated by the Federal Reserve Bank.

Ohio law requires the classification of funds held by the City into three categories. Category 1 consists of "active" funds - those funds required to be kept in a "cash" or "cash equivalent" status for immediate use by the City. Such funds must be maintained either as cash in the City treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3 *"Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,"* collateral held in single financial collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Governmental Accounting Standards Board Statement Number 3 (GASB No. 3) has established risk categories for deposits and investments as follows:

*Deposits:*

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized as defined by the GASB (securities pledged with the pledging financial institution's trust department or agent, but not in the City's name).

*Investments:*

- Category 1 Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

**A. Deposits**

At December 31, 2001, the carrying amount of the City's deposits was \$6,373,145 and the bank balance was \$6,732,372. Federal depository insurance covered \$400,102 of the bank balance. The remaining deposits of \$6,332,270 were classified as Category 3, uncollateralized, as defined by GASB (securities are pledged with the pledging financial institution's trust department or agent, but not in the City's name).

**B. Investments**

The City's investments at December 31, 2001 are categorized below to give an indication of the level of risk assumed by the City at year end.

<u>Categorized Investments</u>	Category 1	Category 2	Fair Value
Federal Home Loan Bank	\$2,062,712	\$0	\$2,062,712
Federal National Mortgage Association	4,013,558	0	4,013,558
U.S. Treasury Bills	0	210,032	210,032
U.S. Treasury Notes	0	1,000,581	1,000,581
Repurchase Agreements	0	85,000	85,000
Total Categorized Investments	6,076,270	1,295,613	7,371,883
<u>Non-Categorized Investments</u>			
STAR Ohio	N/A	N/A	15,863,798
Total Investments	\$6,076,270	\$1,295,613	\$23,235,681

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)****C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined balance sheet and the classifications per this GASB Statement No. 3 disclosure is as follows:

	Cash and Cash Equivalents	Investments
Per Combined Balance Sheet	\$18,362,120	\$11,246,706
Certificates of Deposit (with maturities of more than 3 months)	3,959,823	(3,959,823)
Investments:		
Repurchase Agreements	(85,000)	85,000
STAR Ohio	(15,863,798)	15,863,798
Per GASB Statement No. 3	<u>\$6,373,145</u>	<u>\$23,235,681</u>

**NOTE 5 - PROPERTY TAX**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2000 and the equalization adjustment was made in 1997. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder is 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% of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually. The first payment is due April 30; the remainder is payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

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 second year preceding the tax collection year, the lien date. Public utility tangible personal property is currently assessed at 100% of its true value and real property is assessed at 35% of its true (market) value. Public utility property taxes are payable on the same dates as real property taxes described previously.

**NOTE 5 - PROPERTY TAX (Continued)**

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Painesville. 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, 2001 was \$3.70 per \$1,000 of assessed value. The assessed value upon which the 2001 collection was based was \$212,620,607. This amount constitutes \$170,066,980 in real property assessed value, \$6,495,280 in public utility assessed value and \$36,058,347 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Property taxes recorded as revenue in 2000 were based on a tax rate equal to .370% (3.70 mills) of assessed value.

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at December 31, 2001 consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Due from other Funds</u>	<u>Due to other Funds</u>
General Fund	\$0	\$61,250
Capital Projects Fund:		
Capital Improvement Fund	61,250	0
Totals	<u>\$61,250</u>	<u>\$61,250</u>

<u>Fund</u>	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$0	\$685,000
Enterprise Fund:		
Electric Fund	685,000	0
Totals	<u>\$685,000</u>	<u>\$685,000</u>

The interfund loan balances result from the General Fund's issuance of a note payable during 2001 to fund the City's purchase of land to be held for resale. The Electric Fund acquired the \$685,000 note payable at this time. The note payable bears an interest rate of 4.00% and matures on March 15, 2002.

**NOTE 7 – LAND HELD FOR RESALE**

In December 1999, the City purchased 43.1 acres of land with the intent of resale as part of the City’s economic development strategy. Additional land was purchased during 2001 for the same purpose. This land is instrumental in the development of commercial or industrial facilities to create and preserve jobs. At December 31, 2001, the City’s Land Held for Resale balance was \$1,894,390.

**NOTE 8 - OPERATING TRANSFERS**

Following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfers In	Transfers Out
General Fund	\$638,155	\$1,645,000
Special Revenue Funds:		
Street Construction, Maintenance and Repair Fund	114,000	0
Cemeteries Fund	365,000	0
Municipal Motor Vehicle License Tax Fund	0	40,000
City Motor Vehicle License Tax Fund	0	74,000
Skate Facility Fund	25,000	0
Total Special Revenue Funds	504,000	114,000
Debt Service Fund:		
General Bond Retirement Fund	0	61,100
Capital Projects Funds:		
Capital Equipment Reserve Fund	200,000	0
Capital Improvement Fund	461,100	0
Shamrock Boulevard Road Project Fund	200,000	0
Industrial Park Project Fund	75,000	0
Total Capital Projects Funds	936,100	0
Expendable Trust Funds:		
Cemetery Trust Operations Fund	0	25,000
Special Endowment Operations Fund	5,000	15,000
Law Enforcement Trust Fund	5,000	0
Total Expendable Trust Funds	10,000	40,000
Enterprise Funds:		
Water Fund	110,000	198,911
Electric Fund	0	439,244
Refuse Fund	25,000	0
Off-Street Parking Fund	225,000	0
Total Enterprise Funds	360,000	638,155
Internal Service Fund:		
Fuel and Oil Rotary Fund	50,000	0
Total All Funds	<u>\$2,498,255</u>	<u>\$2,498,255</u>

**NOTE 9 - FIXED ASSETS**

Changes in general fixed assets during the year ended December 31, 2001 are as follows:

Category	December 31, 2000	Additions	Deletions	December 31, 2001
Land	\$986,386	\$143,020	\$0	\$1,129,406
Buildings and Improvements	1,739,012	224,505	0	1,963,517
Improvements Other than Buildings	429,168	11,500	0	440,668
Machinery and Equipment	4,899,353	366,880	(133,152)	5,133,081
Construction in Progress	14,900	855,252	(14,900)	855,252
<b>Totals</b>	<b>\$8,068,819</b>	<b>\$1,601,157</b>	<b>(\$148,052)</b>	<b>\$9,521,924</b>

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

All of the City’s full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

**A. Public Employees Retirement System (the “PERS of Ohio”)**

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2001 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.25% to fund the pension and 4.3% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2001, 2000 and 1999 were \$1,325,700, \$1,059,305 and \$1,271,710, respectively, which were equal to the required contributions for each year.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**A. Public Employees Retirement System (the “PERS of Ohio”) (Continued)**

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.3% of covered payroll which amounted to \$420,702.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2000 is \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

**B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)**

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)**

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2001, 2000 and 1999 were \$395,021, \$352,021 and \$336,864 for police and \$395,428, \$357,519 and \$352,909 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2001 covered payroll that was used to fund postemployment health care benefits was \$151,931 representing 7.5% of covered payroll for police and \$123,571 representing 7.5% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. 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. As of December 31, 2000, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,853 for police and 10,037 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2000 were \$106,160,054, which was net of member contributions of \$5,657,431.

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**NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

A summary of long-term obligation activity for the year ended December 31, 2001 follows:

		Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
<b>Enterprise Funds:</b>				
Mortgage Revenue Bonds:				
7.700%	Off-Street Parking Facility	1973	\$170,000	\$0
2.900 - 6.000%	Electric System	1992	3,695,000	(535,000)
	Total Mortgage Revenue Bonds		3,865,000	(535,000)
				3,330,000
General Obligation Bonds:				
2.900 - 6.400%	Waterworks	1992	2,515,000	(150,000)
3.250 - 4.600%	Waterworks	1998	4,500,000	(250,000)
4.600 - 4.750%	Joint Venture Agreement	2001	0	3,347,925
				(100,251)
	Total General Obligation Bonds		7,015,000	2,847,674
				9,862,674
Ohio Water Development Authority Loans (OWDA):				
7.490%	Water Pollution Control Plant (Original)	1979	726,990	(225,053)
7.820%	Water Pollution Control Plant (1st Supplement)	1980	28,211	(8,737)
4.618%	Safe Drinking Water	1998	1,484,846	(42,893)
	Total OWDA Loans		2,240,047	(276,683)
	Total Enterprise Funds		\$13,120,047	\$2,035,991
				\$15,156,038
<b>Internal Service Fund:</b>				
	Workers' Compensation Retrospective Fund - Workers' Compensation Liability		\$669,531	(\$8,363)
				\$661,168
<b>General Long-Term Obligations Account Group:</b>				
Special Assessment Debt (with governmental commitment)				
8.000 - 8.125%	Chicago/Forest/Roosevelt Street Improvements	1988	\$320,000	(\$30,000)
	Total Special Assessment Debt (with governmental commitment)		320,000	(30,000)
				290,000
Ohio Public Works Commission Loans (OPWC):				
	Skinner Avenue Rehabilitation Loan	1994	49,246	(8,208)
	East Walnut Avenue Improvements Loan	2000	90,000	(5,000)
	Total OPWC Loans		139,246	(13,208)
				126,038
Long-Term Notes Payable:				
5.000%	Land Purchase	2001	0	1,163,750
	Total Long-Term Notes Payable		0	1,163,750
				1,163,750
Other Long-Term Obligations:				
	Compensated Absences		1,106,790	32,168
	Capital Lease Payable		2,359	218,047
				(54,665)
	Police/Firemen's Pension Accrued Liability		880,822	(11,610)
	Total Other Long-Term Obligations		1,989,971	183,940
	Total General Long-Term Debt and Other Long-Term Obligations		\$2,449,217	\$1,304,482
				\$3,753,699

**NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**A. Defeased Debt**

In December 1985, the City defeased \$4,540,000 of Electric Plant First Mortgage Revenue Bonds dated July 1, 1972 and August 1, 1974 and \$3,400,000 of Special Obligation Electric System Refunding Bonds dated December 1, 1985 through the issuance of Electric System Mortgage Revenue Bonds (the "1985 Bonds"). In December 1992, the City defeased \$5,090,000 of the 1985 Bonds through the issuance of \$6,000,000 of Electric System Mortgage Revenue Refunding Bonds (the "1992 Bonds"). The net proceeds of both the 1985 and 1992 Bonds have been invested in U.S. Treasury obligations and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$4,015,000 at December 31, 2001, are not included in the City's outstanding debt since the City has satisfied its obligations through the advanced refunding.

**B. Compensated Absences**

City management staff and employees in each bargaining unit earn sick leave credit. Employees with at least 10 years of service are paid for one-third of their accumulated sick leave credit upon termination of employment, which may not exceed 120 days. This obligation amounted to \$1,197,019 for the City as of December 31, 2001.

In addition, management staff and personnel in each bargaining unit earn vacation at different rates based upon length of service. Vacation carried forward to the current year may not exceed one year's leave balance. In case of death, termination or retirement, an employee (or his estate) is paid for unused vacation up to a maximum of one year credit and two week accrual. The total obligation for accrued vacation for the City as a whole at December 31, 2001 amounted to \$1,087,303.

**C. Police and Firemen's Pension Accrued Liability**

The City's liability for past service costs related to the Police and Fire Pension Fund at December 31, 2001 was \$1,636,698 in principal and scheduled interest payments through the year 2035. Only the principal portion of the payments due are included in the General Long-Term Obligations Account Group.

**NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**D. Capital Lease**

The City leases an automobile and a sewer cleaner under capital leases. The costs of these assets are included in the General Fixed Assets Account Group and the related liability included in the General Long-Term Obligations Account Group.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2001:

<u>Year Ending December 31,</u>	<u>Capital Lease</u>
2002	\$56,368
2003	44,659
2004	44,659
2005	<u>44,659</u>
Minimum Lease Payments	190,345
Less: amount representing interest at the City's incremental borrowing rate of interest	<u>(24,604)</u>
Present value of minimum lease payments	<u><u>\$165,741</u></u>

**E. Special Assessments with Governmental Commitment**

The principal amount of the City's special assessment debt outstanding at December 31, 2001, \$290,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$203,375 in the Special Assessment Bond Retirement Fund at December 31, 2001 is reserved for the retirement of outstanding special assessment bonds.

**F. Ohio Water Development Authority Loan**

In 1998, the City entered into an agreement with the Ohio Water Development Authority to receive loans from the Water Supply Revolving Loan Account and the Freshwater Loan Agreement in the amounts of \$1,644,613. The interest rate on the loan is 4.618% per annum. This loan is payable from water service charges. The loan can only be received by the City in increments as the project is completed. As of December 31, 2001 the City had received \$1,524,401. The City began repaying the loan in semiannual payments in 1999 based on a loan amount of \$1,664,613 to be paid through 2019. As of December 31, 2001, the loan had an outstanding balance of \$1,441,953.

**NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**G. Principal and Interest Requirements**

The principal and interest requirements to retire long-term debt and Police and Fire Pension Liability obligations at December 31, 2001, are as follows:

Years	General Obligation Bonds		Special Assessment Bonds		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$519,577	\$490,500	\$30,000	\$23,200	\$735,000	\$193,615
2003	529,240	467,873	35,000	20,800	590,000	153,340
2004	543,903	444,278	40,000	18,000	630,000	120,300
2005	558,899	419,411	40,000	14,800	665,000	82,500
2006	574,228	392,431	45,000	11,600	710,000	42,600
2007-2011	3,193,391	1,493,203	100,000	12,000	0	0
2012-2016	2,492,216	682,956	0	0	0	0
2017-2020	1,451,220	150,256	0	0	0	0
Totals	<u>\$9,862,674</u>	<u>\$4,540,908</u>	<u>\$290,000</u>	<u>\$100,400</u>	<u>\$3,330,000</u>	<u>\$592,355</u>

Years	OWDA Loans		OPWC Loans		Police/Firemen's Pension Accrued Liability	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$304,478	\$104,875	\$26,415	\$0	\$12,108	\$36,814
2003	325,645	83,709	26,415	0	12,628	36,294
2004	58,094	60,811	18,208	0	13,171	35,752
2005	60,747	58,158	10,000	0	13,736	35,186
2006	63,529	55,376	10,000	0	14,326	34,596
2007-2011	364,334	230,193	35,000	0	81,408	163,204
2012-2016	457,291	137,235	0	0	100,459	144,154
2017-2021	329,246	27,470	0	0	123,968	120,645
2022-2035	0	0	0	0	497,408	160,841
Totals	<u>\$1,963,364</u>	<u>\$757,827</u>	<u>\$126,038</u>	<u>\$0</u>	<u>\$869,212</u>	<u>\$767,486</u>

Years	Long-Term Notes Payable	
	Principal	Interest
2002	\$0	\$58,188
2003	1,163,750	58,188
Totals	<u>\$1,163,750</u>	<u>\$116,376</u>

The repayment of the mortgage revenue bonds is secured by the revenues and a first mortgage on the property of the related utility operation. All other bonds, notes and the police and fire pension accrued liability are backed by the full faith and credit of the City. The Ohio Water Development Authority construction loans are secured by the revenues of the City's wastewater treatment operations. The loans require, among other things, that the City charge sufficient rates and fees for wastewater treatment services to enable the revenues to service the loan principal and provide resources for the payment of the necessary operating and maintenance expenses of the facility. The City was not required to pledge the general resources or general credit of the City to secure the repayment of the loans.

**NOTE 12 - NOTES PAYABLE**

The Ohio Revised Code provides that notes and renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than the principal maturities required if the bonds had been issued at the expiration of the initial five year period. Below is a summary of notes payable activity during 2001:

	Balance January 1, 2001	Issued (Retired)	Balance December 31, 2001
<b>Special Revenue Funds:</b>			
<b>Fire Levy Fund:</b>			
4.86% Motorized Equipment Acquisition	\$280,000	(\$280,000)	
2.00% Motorized Equipment Acquisition		200,000	\$200,000
<b>Probation Services Fund:</b>			
2.00% Municipal Court/Safety Center Renovation	0	100,000	100,000
Total Special Revenue	<u>280,000</u>	<u>20,000</u>	<u>300,000</u>
<b>Capital Projects Funds:</b>			
<b>Municipal Court Improvement Fund:</b>			
2.00% Municipal Court/Safety Center Renovation	0	550,000	550,000
<b>Capital Improvement Fund:</b>			
4.60% City Office Building Improvements	350,000	(350,000)	
2.00% City Office Building Improvements		305,000	305,000
<b>Industrial Park Project Fund:</b>			
4.60% Renaissance Parkway Improvements	1,060,000	(1,060,000)	
2.00% Renaissance Parkway Improvements		855,000	855,000
Total Capital Projects	<u>1,410,000</u>	<u>300,000</u>	<u>1,710,000</u>
<b>Enterprise Funds:</b>			
<b>Water Fund:</b>			
4.60% Water Treatment Plant Improvements	950,000	(950,000)	
2.00% Water Treatment Plant Improvements		950,000	950,000
<b>Sewer Fund:</b>			
2.00% Wasterwater Treatment Plant Improvements	0	450,000	450,000
Total Enterprise	<u>950,000</u>	<u>450,000</u>	<u>1,400,000</u>
Total Notes Payable	<u>\$2,640,000</u>	<u>\$770,000</u>	<u>\$3,410,000</u>

**NOTE 13 - CONTRIBUTED CAPITAL**

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets resulting from capital contributions is charged to contributed capital. Contributed capital in the Water and Sewer Enterprise Fund primarily results from capital grants. Contributed capital in the Water Enterprise Fund also results from assets contributed from private sources through special assessments. Contributed capital in the Electric Enterprise Fund results from the contribution of a coal feeder from private sources and from special assessments.

A schedule of changes in contributed capital is presented below:

	Water Fund	Sewer Fund	Electric Fund	Total
Balance at Beginning of Year	\$2,919,306	\$2,588,918	\$17,255	\$5,525,479
Less: Depreciation on Contributed Capital	(5,257)	(116,609)	(4,978)	(126,844)
Balance at End of Year	<u>\$2,914,049</u>	<u>\$2,472,309</u>	<u>\$12,277</u>	<u>\$5,398,635</u>

**NOTE 14 - CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued Industrial Revenue Bonds and Economic Development Revenue Bonds to provide financial assistance to private and public sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private or public sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2001, there was one series of Industrial Revenue Bonds outstanding with an aggregate principal amount payable of \$5,000,000. In addition, there was one series of Economic Development Revenue Bonds with an aggregate principal amount payable of \$904,875.

**NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

Included in the services provided by the City financed primarily by user charges are water, sewer, electric, refuse and parking. The key financial information as of and for the year ended December 31, 2001 for these enterprise activities is as follows:

For the Year Ended December 31, 2001	Water	Sewer	Electric
Operating Revenues	\$3,496,565	\$2,979,786	\$17,139,245
Depreciation Expense	521,696	392,532	915,264
Operating Income (Loss)	162,458	(187,639)	1,980,998
Operating Transfers In	110,000	0	0
Operating Transfers Out	198,911	0	439,244
Operating Grants	68,607	0	654,655
Net Income (Loss)	(263,778)	(208,340)	1,827,195
Property, Plant and Equipment:			
Additions	2,234,359	89,920	306,577
Deletions	0	27,395	46,300

As of December 31, 2001

Total Assets	17,786,027	12,204,139	33,373,981
Net Working Capital	1,447,259	2,876,844	14,674,453
Bonds and Loans Payable	8,056,953	521,411	6,407,674
Total Equity	8,066,199	10,784,529	24,800,213

For the Year Ended December 31, 2001	Refuse	Off-Street Parking	Total
Operating Revenues	\$5,196	\$86,149	\$23,706,941
Depreciation Expense	0	28,979	1,858,471
Operating Income (Loss)	(11,067)	(125,719)	1,819,031
Operating Transfers In	25,000	225,000	360,000
Operating Transfers Out	0	0	638,155
Operating Grants	0	0	723,262
Net Income (Loss)	13,933	90,585	1,459,595
Property, Plant and Equipment:			
Additions	0	0	2,630,856
Deletions	0	0	73,695

As of December 31, 2001

Total Assets	44,343	1,327,693	64,736,183
Net Working Capital	43,933	178,540	19,221,029
Bonds and Loans Payable	0	170,000	15,156,038
Total Equity	43,933	1,135,042	44,829,916

**NOTE 16 - RISK MANAGEMENT**

The City purchases insurance policies in varying amounts providing coverage for general liability, vehicle liability, property damage, employee and public officials liability, professional liability and errors and omissions liability. The City also pays unemployment claims to the State of Ohio as incurred.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During 2001 the City contracted with several different insurance providers for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Zurich U.S.	Law Enforcement Professional Liability	\$10,000
Zurich U.S.	Public Officials Liability	10,000
Cincinnati Insurance Company	Public Employee Dishonesty/Forgery	0
Cincinnati Insurance Company	Comprehensive General Liability	0
Cincinnati Insurance Company	Property	1,000
Cincinnati Insurance Company	Ohio Employers Intentional Tort Liability	0
Cincinnati Insurance Company	Commercial Umbrella Liability	0
Cincinnati Insurance Company	Boiler and Machinery	Varies
Cincinnati Insurance Company	Automobile	250
AAIC	Emergency Service Management Liability	0
AAIC	Commercial General Liability (Fire)	0
AAIC	Commercial Umbrella	0

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

In 1993, the Workers' Compensation Retrospective Rating Fund was established to account for the funding of the City's workers' compensation plan. Under the plan, the City is charged by the State of Ohio for administrative fees, claims paid and premiums for individual and aggregate claim limits. All City funds are charged a premium per employee covered by the Workers' Compensation Retrospective Rating Fund based on claims experience. The City has a claims limit of \$250,000 per individual and a maximum yearly amount for all claims which varies each policy year. The claims liability of \$661,168 reported in the fund at December 31, 2001 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past two years are as follows:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2000	\$428,100	\$261,799	(\$20,368)	\$669,531
2001	669,531	111,430	(119,793)	661,168

**NOTE 16 - RISK MANAGEMENT (Continued)**

In 2000, the Employee Health Insurance Fund was created to account for the City’s self-funded employee health insurance. Under this program, the City operates with a third party administrator and under stop-loss thresholds. The actual claims are passed through the City for payment. There is protection as to the amount of claims that can be passed through to the City—both specific and aggregate stop-loss protection. Under specific stop-loss, the City pays 100% for any one individual generating claims up to the specific level of \$40,000. Any dollar amount over this specific level is paid by the re-insurance carrier. The aggregate stop-loss protects the City from having a large number of claims exceeding the expected claims level by more than 20% or 25%. Any claims over the specific level do not count toward the aggregate level. Only claims less than the specific level are applied toward the aggregate level. The claims liability of \$460,039 reported in the fund at December 31, 2001 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past year are as follows:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2000	\$0	\$1,307,065	(\$1,095,458)	\$211,607
2001	211,607	1,624,922	(1,376,490)	460,039

**NOTE 17 - CONSTRUCTION COMMITMENTS**

As of December 31, 2001, the City had the following contracts with respect to capital improvements:

Project	Remaining Construction Commitment	Expected Date of Completion
Municipal Court/Safety Center Renovation Project	\$532,644	05/01/02
Fire Alarm System	4,983	05/01/02
Security System	43,184	05/01/02
Raw Well Project	68,195	05/30/02
Belmont/Ardmore/Hartshorn Waterline Improvement	37,708	05/30/02
Concord/Hambden Road Waterline Replacement	6,858	06/30/02
Shamrock Boulevard Utility Borings and Conduit System	271,394	08/01/02
Wastewater Plant Improvements	437,740	12/31/02
City-wide Signalization Upgrade	407,149	12/31/02
Total	<u>\$1,809,855</u>	

**NOTE 18 - JOINT VENTURE**

The City is a participant with thirty-five other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 2 (Omega JV-2). The Omega JV-2 was created to provide additional sources of reliable, reasonably priced electric power and energy when prices are high or during times of generation shortages or transmission constraints, and to improve the reliability and economics of the participants' respective municipal electric utility systems. On dissolution of the joint venture, the net assets of Omega JV-2 will be shared by the participants on a percentage basis. The Omega JV-2 is managed by AMP-Ohio, which acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture. During 2001, AMP-Ohio issued \$50,260,000 of 20 year fixed rate bonds on behalf of the financing participants of Omega JV-2. The net proceeds of the bond issue of \$45,904,712 were contributed to Omega JV-2. The City's obligation for these bonds at December 31, 2001 was \$3,247,674. In accordance with the joint venture agreement, the City remitted \$371,720 to the joint venture for 2001. The City's net investment and its share of the operating results of Omega JV-2 are reported in the City's electric fund (an enterprise fund). The City's equity interest in Omega JV-2 was \$2,870,055 at December 31, 2001. Complete financial statements for Omega JV-2 can be obtained from AMP-Ohio or from the City's Finance Director.

The thirty-six participating subdivisions and their respective ownership shares at December 31, 2001 are:

<u>Municipality</u>	Percent Project Ownership and Entitlement	<u>Municipality</u>	Percent Project Ownership and Entitlement	
Hamilton	23.87 %	Grafton	0.79 %	
Bowling Green	14.32	Brewster	0.75	
Niles	11.49	Monroeville	0.57	
Cuyahoga Falls	7.46	Milan	0.55	
Wadsworth	5.81	Oak Harbor	0.55	
Painesville	5.22	Elmore	0.27	
Dover	5.22	Jackson Center	0.22	
Galion	4.29	Napoleon	0.20	
Amherst	3.73	Lodi	0.16	
St. Marys	2.98	Genoa	0.15	
Montpelier	2.98	Pemberville	0.15	
Shelby	1.89	Lucas	0.12	
Versailles	1.24	South Vienna	0.09	
Edgerton	1.09	Bradner	0.09	
Yellow Springs	1.05	Woodville	0.06	
Oberlin	0.91	Haskins	0.04	
Pioneer	0.86	Arcanum	0.03	
Seville	0.80	Custar	0.00	
Subtotal	<u>95.21 %</u>	Subtotal	<u>4.79 %</u>	Total
				<u>100.00 %</u>

**NOTE 19 - CONTINGENCIES**

**A. Environmental Matters**

The City owns land and operates a wastewater pollution control facility on a portion of an area which has been declared by the United States Environmental Protection Agency (USEPA) as a "Superfund Site" under the Comprehensive Environmental Response, Compensation and Liabilities Act. Under this Act, the City could be held liable for a portion of the cost of the clean-up of the site. A liability has not been recorded in the accompanying combined financial statements for this matter because the extent and cost of the possible required corrective action as well as the City's share is unknown at this time.

**B. Litigation**

There are several lawsuits pending in which the City is involved. The City's management believes that the ultimate outcome of these matters will not significantly impact the City's financial position or operations.



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

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*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE THE  
GENERAL FUND, SPECIAL REVENUE FUNDS, DEBT SERVICE FUNDS,  
CAPITAL PROJECTS FUNDS, ENTERPRISE FUNDS, INTERNAL SERVICE  
FUNDS, FIDUCIARY FUNDS AND THE GENERAL FIXED ASSETS ACCOUNT  
GROUP.*

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## ***GENERAL FUND***

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The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes:			
Property Taxes:			
Real Estate and Public Utility	\$352,017	\$326,681	(\$25,336)
Tangible Personal	81,092	75,255	(5,837)
Total Property Taxes	433,109	401,936	(31,173)
Municipal Income Tax	7,376,073	7,002,563	(373,510)
Total Taxes	7,809,182	7,404,499	(404,683)
Intergovernmental Revenues:			
Local	34,266	32,553	(1,713)
Local Government Fund - County	1,442,370	1,370,267	(72,103)
Local Government Fund - State	148,609	141,180	(7,429)
Inheritance Tax	174,207	165,498	(8,709)
Property Tax Allocation	44,633	42,402	(2,231)
Miscellaneous Tax	170,365	161,849	(8,516)
Total Intergovernmental Revenues	2,014,450	1,913,749	(100,701)
Charges for Services:			
General Government	1,222	1,161	(61)
Public Safety	8,105	7,700	(405)
Highways and Streets	49,975	47,477	(2,498)
Culture and Recreation	88,695	84,261	(4,434)
Miscellaneous	3,615	3,434	(181)
Total Charges for Services	151,612	144,033	(7,579)
License, Permit and Inspection Fees:			
License Fees	6,726	6,390	(336)
Permit Fees	68,636	65,205	(3,431)
Inspection Fees	15,274	14,510	(764)
Zoning Appeal Fees	9,536	9,059	(477)
Other Fees	73,301	69,637	(3,664)
Total License, Permit and Inspection Fees	173,473	164,801	(8,672)
Investment Earnings	1,326,877	1,260,547	(66,330)
Fines and Forfeitures	618,318	587,409	(30,909)
All Other Revenues	81,393	76,848	(4,545)
Total Revenues	12,175,305	11,551,886	(623,419)

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL FUND**

<u>Expenditures</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
General Government:			
Legislative:			
Council:			
Personal Services	13,013	12,670	343
All Other Expenditures	3,334	1,896	1,438
Clerk of Council:			
Personal Services	8,101	7,976	125
All Other Expenditures	3,833	3,033	800
Judicial - Municipal Court:			
Judicial Activities:			
Personal Services	143,602	141,452	2,150
All Other Expenditures	8,172	7,346	826
Clerk of Court:			
Personal Services	539,093	531,142	7,951
All Other Expenditures	89,037	82,920	6,117
Probation:			
Personal Services	197,863	195,511	2,352
Executive:			
City Manager:			
Personal Services	60,192	58,828	1,364
All Other Expenditures	42,137	40,394	1,743
Communications, Promotions and Public Relations Activities:			
Personal Services	7,689	7,076	613
All Other Expenditures	9,724	8,468	1,256
Human Resources:			
Personal Services	39,521	39,019	502
All Other Expenditures	10,361	9,055	1,306
Finance:			
Administration:			
Personal Services	32,525	30,675	1,850
All Other Expenditures	33,393	30,921	2,472
Accounting:			
Personal Services	35,203	32,260	2,943
All Other Expenditures	34,474	30,901	3,573

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
General Government: (Continued)			
Purchasing/Warehousing:			
Personal Services	21,967	21,389	578
All Other Expenditures	3,353	1,807	1,546
Income Tax Collection:			
All Other Expenditures	57,112	57,112	0
Law:			
Administration:			
Personal Services	53,865	53,033	832
All Other Expenditures	8,927	6,915	2,012
Engineering:			
Administration:			
Personal Services	123,342	121,656	1,686
All Other Expenditures	19,743	14,274	5,469
Capital Outlay	9,217	7,163	2,054
Public Lands and Buildings:			
Building Operations Maintenance and Repair:			
Personal Services	48,572	46,473	2,099
All Other Expenditures	302,722	297,184	5,538
Boards and Commissions:			
Civil Service Commission:			
Personal Services	579	410	169
All Other Expenditures	19,967	18,864	1,103
Miscellaneous:			
Insurance:			
All Other Expenditures	23,710	23,309	401
Tax Settlement Deductions:			
All Other Expenditures	10,177	10,175	2
Other Miscellaneous:			
All Other Expenditures	3,600	3,525	75
Total General Government	2,018,120	1,954,832	63,288
			(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Public Safety:			
Police:			
Law Enforcement - Sworn Officers:			
Personal Services	2,476,608	2,451,514	25,094
Law Enforcement - Other:			
Personal Services	280,562	276,686	3,876
All Other Expenditures	225,237	221,577	3,660
Capital Outlay	79,435	78,440	995
Fire:			
Fire Fighting, Prevention and Inspection:			
Personal Services	2,080,188	2,032,702	47,486
All Other Expenditures	181,010	176,645	4,365
Fire Service - Other:			
Personal Services	46,369	45,732	637
Police and Fire Communications:			
Control Center:			
Personal Services	20	0	20
All Other Expenditures	452,660	380,207	72,453
Total Public Safety	5,822,089	5,663,503	158,586
Highways and Streets:			
Public Works:			
Administration:			
Personal Services	166,036	161,316	4,720
All Other Expenditures	78,923	72,801	6,122
Capital Outlay	2,600	2,572	28
Street Maintenance and Repair:			
Personal Services	331,525	331,187	338
All Other Expenditures	55,845	29,649	26,196
Sidewalks:			
Personal Services	2,710	2,710	0
All Other Expenditures	31,744	31,293	451

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Highways and Streets: (Continued)			
Street Cleaning:			
Personal Services	14,914	14,914	0
All Other Expenditures	10,577	7,430	3,147
Storm Sewers and Drains:			
All Other Expenditures	30,977	25,477	5,500
Building Maintenance:			
Personal Services	27,569	24,430	3,139
All Other Expenditures	66,717	44,018	22,699
Equipment Maintenance:			
Personal Services	95,636	92,724	2,912
All Other Expenditures	47,802	46,176	1,626
Employee Benefits:			
Personal Services	132,866	130,822	2,044
Sidewalks - Snow Removal:			
Personal Services	1,172	1,108	64
All Other Expenditures	1,552	1,551	1
Leaf/Yard Waste Removal:			
Personal Services	43,234	14,565	28,669
All Other Expenditures	22,016	11,209	10,807
Parking:			
Parking Meters:			
Personal Services	61,917	61,088	829
All Other Expenditures	6,259	4,507	1,752
Capital Outlay	5,500	5,452	48
Parking Lots:			
All Other Expenditures	18,948	18,860	88
Traffic Signs, Markings:			
Traffic Signs, Markings, Signals:			
Personal Services	89,188	85,841	3,347
All Other Expenditures	50,431	48,861	1,570
Capital Outlay	2,573	2,572	1
Total Highways and Streets	1,399,231	1,273,133	126,098

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Public Health and Welfare:			
Support of Prisoners:			
Prisoner Expense:			
All Other Expenditures	4,075	0	4,075
Payments to County Health Board:			
County Health District Assessments:			
All Other Expenditures	91,250	81,413	9,837
Assistance to Needy/Aged:			
Poor Relief:			
All Other Expenditures	1,900	1,900	0
Total Public Health and Welfare	97,225	83,313	13,912
Culture and Recreation:			
Parks:			
Administration:			
Personal Services	109,117	107,111	2,006
All Other Expenditures	2,817	1,511	1,306
Parks System:			
Personal Services	173,133	170,969	2,164
All Other Expenditures	98,108	86,198	11,910
Capital Outlay	58,606	53,845	4,761
Building Maintenance:			
All Other Expenditures	11,309	11,222	87
Morse Avenue Community Center:			
Personal Services	34,923	34,439	484
All Other Expenditures	17,681	15,283	2,398
Recreation Activities:			
Personal Services	196,632	193,826	2,806
All Other Expenditures	166,481	125,871	40,610
Other Leisure Time Activities:			
Senior Citizens Center:			
All Other Expenditures	25,000	0	25,000
Community Functions:			
All Other Expenditures	68,548	67,805	743
Total Culture and Recreation	962,355	868,080	94,275

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Community Environment:			
Community Planning and Zoning:			
Planning Commission:			
Personal Services	1,363	1,344	19
All Other Expenditures	4,235	1,770	2,465
Demolition:			
All Other Expenditures	10,225	5,940	4,285
Planning and Development:			
Personal Services	25,869	17,860	8,009
All Other Expenditures	38,776	24,431	14,345
Capital Outlay	38,500	0	38,500
Housing and Building Code Enforcement:			
Personal Services	267,550	262,291	5,259
All Other Expenditures	57,482	45,789	11,693
Capital Outlay	5,244	0	5,244
Tree Care and Weed Control:			
Tree Care:			
All Other Expenditures	6,193	5,000	1,193
Weed Control:			
Personal Services	1,440	1,122	318
All Other Expenditures	14,372	11,790	2,582
Total Community Environment	471,249	377,337	93,912
Total Expenditures	10,770,269	10,220,198	550,071
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	1,405,036	1,331,688	(73,348)

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	25,628	24,347	(1,281)
Operating Transfers In	439,244	439,244	0
Operating Transfers Out	(2,370,100)	(2,370,000)	100
Advances In	685,000	685,000	0
Advances Out	(1,274,000)	(1,274,000)	0
Total Other Financing Sources (Uses)	(2,494,228)	(2,495,409)	(1,181)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,089,192)	(1,163,721)	(74,529)
Fund Balance at Beginning of Year	2,818,709	2,818,709	0
Prior Year Encumbrances	794,123	794,123	0
Fund Balance at End of Year	<u>\$2,523,640</u>	<u>\$2,449,111</u>	<u>(\$74,529)</u>

## ***SPECIAL REVENUE FUNDS***

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

### **Street Construction, Maintenance and Repair Fund**

Required by the Ohio Revised Code to account for 92.5% of the state gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

### **State Highway Improvement Fund**

Required by the Ohio Revised Code to account for 7.5% of the state gasoline tax and motor vehicle registration fees designated for maintenance of state highways within the City.

### **Cemeteries Fund**

To account for revenue received from the operation of the City's two municipal cemeteries.

### **Police Pension Transfer Fund**

To accumulate property taxes levied for the partial payment of the current and accrued liability for police disability and pension.

### **Fire Pension Transfer Fund**

To accumulate property taxes levied for the partial payment of the current and accrued liability for fire disability and pension.

### **Municipal Motor Vehicle License Tax Fund**

To account for County-levied motor vehicle registration fees designated for street construction, maintenance and repair.

### **Indigent Drivers Alcohol Treatment Fund**

To account for funds received pursuant to Ohio Revised Code Section 4511.191 (M) to be used for the incarceration and/or treatment of alcohol abuse by individuals that are determined by the courts to be indigent.

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## ***SPECIAL REVENUE FUNDS***

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### **Enforcement and Education Fund**

To account for funds received pursuant to Ohio Revised Code Section 4511.99 (A) to be used by the Painesville Police to pay the costs of educating the public about laws governing operation of a motor vehicle while under the influence of alcohol.

### **City Motor Vehicle License Tax Fund**

To account for City-levied motor vehicle registration fees designated for street construction, maintenance and repair.

### **Fire Levy Fund**

To account for property tax revenues derived from a voted tax levy for the purchase of fire fighting apparatus.

### **Underground Storage Tank Fund**

To account for monies to pay for the deductible amount of costs of third party damages and corrective actions necessary to clean up a petroleum release from an underground storage tank.

### **Probation Services Fund**

To account for monies received pursuant to Ohio Revised Code Section 2951.021 to be used for operating expenses of the Probation Department.

### **Community Oriented Policing Services (COPS) Fast Grant Fund**

To account for federal grant monies designated for the cost of additional police officers.

### **Cleveland Foundation Grant Fund**

To account for grant monies designated for the cost of a Legal Case Manager.

### **Municipal Court Security Grant Fund**

To account for grant monies received from the Ohio Supreme Court Security Grant Fund to enhance security measures in the Painesville Municipal Court operations.

### **Skate Facility Fund**

To account for monies designated for the costs to construct and maintain a skate facility.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2001**

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemeteries	Police Pension Transfer	Fire Pension Transfer
<u>Assets:</u>					
Cash and Cash Equivalents	\$1,517,966	\$72,153	\$112,765	\$530	\$530
Receivable (net of allowance for doubtful accounts):					
Taxes	0	0	0	69,181	69,181
Interest	0	0	0	0	0
Intergovernmental Receivables	406,041	13,613	0	3,221	3,221
Inventory of Supplies at Cost	0	0	800	0	0
Prepaid Items	0	0	1,816	0	0
Total Assets	<u>\$1,924,007</u>	<u>\$85,766</u>	<u>\$115,381</u>	<u>\$72,932</u>	<u>\$72,932</u>
<u>Liabilities and Fund Equity:</u>					
<i>Liabilities:</i>					
Accounts Payable	\$51,081	\$0	\$2,740	\$0	\$0
Accrued Wages and Benefits	21,564	0	21,258	0	0
Intergovernmental Payables	0	0	266	0	0
Accrued Interest Payable	0	0	0	0	0
Deferred Revenue	348,045	8,911	0	71,980	71,980
General Obligation Notes Payable	0	0	0	0	0
Total Liabilities	<u>420,690</u>	<u>8,911</u>	<u>24,264</u>	<u>71,980</u>	<u>71,980</u>
<i>Fund Equity:</i>					
Reserved for Encumbrances	89,503	13,409	9,503	0	0
Reserved for Supplies Inventory	0	0	800	0	0
Reserved for Prepaid Items	0	0	1,816	0	0
Unreserved	1,413,814	63,446	78,998	952	952
Total Fund Equity	<u>1,503,317</u>	<u>76,855</u>	<u>91,117</u>	<u>952</u>	<u>952</u>
Total Liabilities and Fund Equity	<u>\$1,924,007</u>	<u>\$85,766</u>	<u>\$115,381</u>	<u>\$72,932</u>	<u>\$72,932</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2001**

Municipal Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Enforcement and Education	City Motor Vehicle License Tax	Fire Levy	Underground Storage Tank	Probation Services
\$9,277	\$116,243	\$35,709	\$1,325	\$71,011	\$8,563	\$174,108
0	0	0	0	121,911	0	0
0	0	0	0	118	0	0
14,917	703	148	29,837	5,281	0	5,022
0	0	0	0	0	0	0
0	0	0	0	43	0	0
<u>\$24,194</u>	<u>\$116,946</u>	<u>\$35,857</u>	<u>\$31,162</u>	<u>\$198,364</u>	<u>\$8,563</u>	<u>\$179,130</u>
\$0	\$0	\$0	\$0	\$9,110	\$0	\$12,111
0	0	0	0	0	0	1,855
0	0	0	0	0	0	0
0	0	0	0	449	0	225
9,768	0	0	19,539	126,458	0	0
0	0	0	0	200,000	0	100,000
<u>9,768</u>	<u>0</u>	<u>0</u>	<u>19,539</u>	<u>336,017</u>	<u>0</u>	<u>114,191</u>
0	14,765	0	0	6,511	0	54,167
0	0	0	0	0	0	0
0	0	0	0	43	0	0
14,426	102,181	35,857	11,623	(144,207)	8,563	10,772
14,426	116,946	35,857	11,623	(137,653)	8,563	64,939
<u>\$24,194</u>	<u>\$116,946</u>	<u>\$35,857</u>	<u>\$31,162</u>	<u>\$198,364</u>	<u>\$8,563</u>	<u>\$179,130</u>

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2001**

	COPS Fast Grant	Cleveland Foundation Grant	Municipal Court Security Grant	Skate Facility	Totals
<u>Assets:</u>					
Cash and Cash Equivalents	\$70,744	\$2,374	\$585	\$40,224	\$2,234,107
Receivable (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	260,273
Interest	0	0	0	0	118
Intergovernmental Receivables	0	0	0	0	482,004
Inventory of Supplies at Cost	0	0	0	0	800
Prepaid Items	0	0	0	0	1,859
Total Assets	<u>\$70,744</u>	<u>\$2,374</u>	<u>\$585</u>	<u>\$40,224</u>	<u>\$2,979,161</u>
<u>Liabilities and Fund Equity:</u>					
<i>Liabilities:</i>					
Accounts Payable	\$0	\$0	\$0	\$23,915	\$98,957
Accrued Wages and Benefits	2,004	0	0	0	46,681
Intergovernmental Payables	0	0	0	0	266
Accrued Interest Payable	0	0	0	0	674
Deferred Revenue	0	0	0	0	656,681
General Obligation Notes Payable	0	0	0	0	300,000
Total Liabilities	<u>2,004</u>	<u>0</u>	<u>0</u>	<u>23,915</u>	<u>1,103,259</u>
<i>Fund Equity:</i>					
Reserved for Encumbrances	15,527	0	0	0	203,385
Reserved for Supplies Inventory	0	0	0	0	800
Reserved for Prepaid Items	0	0	0	0	1,859
Unreserved	53,213	2,374	585	16,309	1,669,858
Total Fund Equity	<u>68,740</u>	<u>2,374</u>	<u>585</u>	<u>16,309</u>	<u>1,875,902</u>
Total Liabilities and Fund Equity	<u>\$70,744</u>	<u>\$2,374</u>	<u>\$585</u>	<u>\$40,224</u>	<u>\$2,979,161</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Street Construction, Maintenance and Repair	State Highway Improvement	Cemeteries	Police Pension Transfer	Fire Pension Transfer
<b>Revenues</b>					
Taxes	\$0	\$0	\$0	\$57,437	\$57,437
Intergovernmental Revenues	884,679	36,034	0	6,057	6,057
Charges for Services	0	0	183,812	0	0
License, Permit and Inspection Fees	3,600	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenues	0	0	112	0	0
Total Revenues	888,279	36,034	183,924	63,494	63,494
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Public Safety	0	0	0	62,722	62,722
Highways and Streets	786,895	52,267	0	0	0
Public Health and Welfare	0	0	522,962	0	0
Culture and Recreation	0	0	0	0	0
Debt Service:					
Principal Retirement	13,208	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	800,103	52,267	522,962	62,722	62,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,176	(16,233)	(339,038)	772	772
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	114,000	0	365,000	0	0
Operating Transfers Out	0	0	0	0	0
Operating Financing Sources - Capital Leases	199,447	0	0	0	0
Total Other Financing Sources (Uses)	313,447	0	365,000	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	401,623	(16,233)	25,962	772	772
Restated Fund Balance (Deficit)					
at Beginning of Year	1,101,694	93,088	65,529	180	180
Decrease in Inventory Reserve	0	0	(374)	0	0
Fund Balance (Deficit) at End of Year	\$1,503,317	\$76,855	\$91,117	\$952	\$952

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Municipal Motor Vehicle License Tax	Indigent Drivers Alcohol Treatment	Enforcement and Education	City Motor Vehicle License Tax	Fire Levy
<b>Revenues</b>					
Taxes	\$0	\$0	\$0	\$0	\$99,584
Intergovernmental Revenues	37,398	0	0	74,795	9,739
Charges for Services	0	0	0	0	0
License, Permit and Inspection Fees	0	0	0	0	0
Investment Earnings	0	0	0	0	3,498
Fines and Forfeitures	0	28,656	1,728	0	0
All Other Revenues	0	0	0	0	10,225
<b>Total Revenues</b>	<b>37,398</b>	<b>28,656</b>	<b>1,728</b>	<b>74,795</b>	<b>123,046</b>
<b>Expenditures</b>					
<b>Current:</b>					
General Government	0	16,723	0	0	0
Public Safety	0	0	0	0	24,619
Highways and Streets	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Culture and Recreation	0	0	0	0	0
<b>Debt Service:</b>					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	12,901
<b>Total Expenditures</b>	<b>0</b>	<b>16,723</b>	<b>0</b>	<b>0</b>	<b>37,520</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,398	11,933	1,728	74,795	85,526
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	0	0	0	0	0
Operating Transfers Out	(40,000)	0	0	(74,000)	0
Operating Financing Sources - Capital Leases	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(40,000)</b>	<b>0</b>	<b>0</b>	<b>(74,000)</b>	<b>0</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,602)	11,933	1,728	795	85,526
Restated Fund Balance (Deficit) at Beginning of Year	17,028	105,013	34,129	10,828	(223,179)
Decrease in Inventory Reserve	0	0	0	0	0
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$14,426</b>	<b>\$116,946</b>	<b>\$35,857</b>	<b>\$11,623</b>	<b>(\$137,653)</b>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

Underground Storage Tank	Probation Services	COPS Fast Grant	Cleveland Foundation Grant	Municipal Court Security Grant	Skate Facility	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$214,458
0	0	250	0	0	0	1,055,009
0	0	0	0	0	0	183,812
0	0	0	0	0	0	3,600
0	0	0	0	0	0	3,498
0	65,903	0	0	0	0	96,287
0	0	0	0	0	19,078	29,415
0	65,903	250	0	0	19,078	1,586,079
0	207,860	0	0	0	0	224,583
0	0	42,235	0	0	0	192,298
2,437	0	0	0	0	0	841,599
0	0	0	0	0	0	522,962
0	0	0	0	0	27,769	27,769
0	0	0	0	0	0	13,208
0	225	0	0	0	0	13,126
2,437	208,085	42,235	0	0	27,769	1,835,545
(2,437)	(142,182)	(41,985)	0	0	(8,691)	(249,466)
0	0	0	0	0	25,000	504,000
0	0	0	0	0	0	(114,000)
0	0	0	0	0	0	199,447
0	0	0	0	0	25,000	589,447
(2,437)	(142,182)	(41,985)	0	0	16,309	339,981
11,000	207,121	110,725	2,374	585	0	1,536,295
0	0	0	0	0	0	(374)
<u>\$8,563</u>	<u>\$64,939</u>	<u>\$68,740</u>	<u>\$2,374</u>	<u>\$585</u>	<u>\$16,309</u>	<u>\$1,875,902</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND**

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$1,568,814	\$877,198	(\$691,616)
License, Permit and Inspection Fees	6,438	3,600	(2,838)
Total Revenues	<u>1,575,252</u>	<u>880,798</u>	<u>(694,454)</u>
<u>Expenditures</u>			
Highways and Streets:			
Public Works:			
Street Construction and Reconstruction:			
Capital Outlay	547,632	236,681	310,951
Street Maintenance and Repair:			
Personal Services	10,235	2,000	8,235
All Other Expenditures	58,418	48,175	10,243
Capital Outlay	206,793	173,409	33,384
Snow and Ice Removal:			
Personal Services	78,277	50,639	27,638
All Other Expenditures	144,117	134,508	9,609
Storm Sewers and Drains:			
Personal Services	44,769	37,233	7,536
All Other Expenditures	24,961	18,610	6,351
Debt Service:			
Principal Retirement	26,416	13,208	13,208
Interest and Fiscal Charges	50	0	50
Total Expenditures	<u>1,141,668</u>	<u>714,463</u>	<u>427,205</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	433,584	166,335	(267,249)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	114,000	114,000	0
Total Other Financing Sources (Uses)	<u>114,000</u>	<u>114,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	547,584	280,335	(267,249)
Fund Balance at Beginning of Year	694,823	694,823	0
Prior Year Encumbrances	402,656	402,656	0
Fund Balance at End of Year	<u>\$1,645,063</u>	<u>\$1,377,814</u>	<u>(\$267,249)</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**STATE HIGHWAY IMPROVEMENT FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$97,066	\$35,428	(\$61,638)
Total Revenues	97,066	35,428	(61,638)
<u>Expenditures</u>			
Highways and Streets:			
Public Works:			
State Highway Maintenance:			
All Other Expenditures	65,724	65,676	48
Total Expenditures	65,724	65,676	48
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	31,342	(30,248)	(61,590)
Fund Balance at Beginning of Year	61,668	61,668	0
Prior Year Encumbrances	27,324	27,324	0
Fund Balance at End of Year	\$120,334	\$58,744	(\$61,590)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**CEMETERIES FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$236,829	\$183,812	(\$53,017)
All Other Revenues	551	428	(123)
Total Revenues	237,380	184,240	(53,140)
<u>Expenditures</u>			
Public Health and Welfare:			
Cemeteries:			
Administration:			
Personal Services	150,195	148,135	2,060
All Other Expenditures	14,060	11,745	2,315
Evergreen/Riverside Cemeteries:			
Personal Services	249,907	248,241	1,666
All Other Expenditures	53,978	48,298	5,680
Capital Outlay	17,609	17,270	339
Building Maintenance:			
All Other Expenditures	12,642	12,081	561
Total Expenditures	498,391	485,770	12,621
Excess (Deficiency) of Revenues Over (Under) Expenditures	(261,011)	(301,530)	(40,519)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	365,000	365,000	0
Operating Transfers Out	(44,000)	(44,000)	0
Total Other Financing Sources (Uses)	321,000	321,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	59,989	19,470	(40,519)
Fund Balance at Beginning of Year	61,432	61,432	0
Prior Year Encumbrances	19,975	19,975	0
Fund Balance at End of Year	\$141,396	\$100,877	(\$40,519)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**POLICE PENSION TRANSFER FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$61,873	\$57,195	(\$4,678)
Intergovernmental Revenues	1,379	6,057	4,678
Total Revenues	<u>63,252</u>	<u>63,252</u>	<u>0</u>
<u>Expenditures</u>			
Public Safety:			
Police:			
Law Enforcement-Sworn Officers:			
Personal Services	<u>62,722</u>	<u>62,722</u>	<u>0</u>
Total Expenditures	<u>62,722</u>	<u>62,722</u>	<u>0</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	530	530	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$530</u></u>	<u><u>\$530</u></u>	<u><u>\$0</u></u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**FIRE PENSION TRANSFER FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$61,873	\$57,195	(\$4,678)
Intergovernmental Revenues	1,379	6,057	4,678
Total Revenues	63,252	63,252	0
<u>Expenditures</u>			
Public Safety:			
Fire:			
Fire Fighting, Prevention, Inspection:			
Personal Services	62,722	62,722	0
Total Expenditures	62,722	62,722	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	530	530	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$530	\$530	\$0

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**MUNICIPAL MOTOR VEHICLE LICENSE TAX FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$49,277	\$37,301	(\$11,976)
Total Revenues	<u>49,277</u>	<u>37,301</u>	<u>(11,976)</u>
<u>Expenditures</u>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,277	37,301	(11,976)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	9,277	(2,699)	(11,976)
Fund Balance at Beginning of Year	<u>11,976</u>	<u>11,976</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$21,253</u></u>	<u><u>\$9,277</u></u>	<u><u>(\$11,976)</u></u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**INDIGENT DRIVERS ALCOHOL TREATMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$131,478	\$28,798	(\$102,680)
Total Revenues	131,478	28,798	(102,680)
<u>Expenditures</u>			
General Government:			
All Other Expenditures	62,768	32,768	30,000
Total Expenditures	62,768	32,768	30,000
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	68,710	(3,970)	(72,680)
Fund Balance at Beginning of Year	102,680	102,680	0
Prior Year Encumbrances	2,768	2,768	0
Fund Balance at End of Year	\$174,158	\$101,478	(\$72,680)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**ENFORCEMENT AND EDUCATION FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$35,709	\$1,580	(\$34,129)
Total Revenues	35,709	1,580	(34,129)
<u>Expenditures</u>			
General Government:			
All Other Expenditures	3,000	0	3,000
Total Expenditures	3,000	0	3,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,709	1,580	(31,129)
Fund Balance at Beginning of Year	34,129	34,129	0
Fund Balance at End of Year	\$66,838	\$35,709	(\$31,129)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**CITY MOTOR VEHICLE LICENSE TAX FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$75,325	\$74,603	(\$722)
Total Revenues	75,325	74,603	(722)
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,325	74,603	(722)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(74,000)	(74,000)	0
Total Other Financing Sources (Uses)	(74,000)	(74,000)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,325	603	(722)
Fund Balance at Beginning of Year	722	722	0
Fund Balance at End of Year	\$2,047	\$1,325	(\$722)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**FIRE LEVY FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$107,200	\$99,130	(\$8,070)
Intergovernmental Revenues	29,600	9,739	(19,861)
Investment Earnings	11,221	3,692	(7,529)
All Other Revenues	31,077	10,225	(20,852)
Total Revenues	179,098	122,786	(56,312)
<u>Expenditures</u>			
Public Safety:			
Fire Fighting, Prevention, Inspection:			
All Other Expenditures	22,592	10,383	12,209
Capital Outlay	28,410	20,488	7,922
Debt Service:			
Principal Retirement	280,000	280,000	0
Interest and Fiscal Charges	13,608	13,608	0
Total Expenditures	344,610	324,479	20,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,512)	(201,693)	(36,181)
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	200,000	200,000	0
Total Other Financing Sources (Uses)	200,000	200,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	34,488	(1,693)	(36,181)
Fund Balance at Beginning of Year	55,075	55,075	0
Prior Year Encumbrances	2,310	2,310	0
Fund Balance at End of Year	\$91,873	\$55,692	(\$36,181)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**UNDERGROUND STORAGE TANK FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
All Other Revenues	\$11,000	\$0	(\$11,000)
Total Revenues	11,000	0	(11,000)
<u>Expenditures</u>			
Highways and Streets:			
All Other Expenditures	2,440	2,437	3
Total Expenditures	2,440	2,437	3
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,560	(2,437)	(10,997)
Fund Balance at Beginning of Year	11,000	11,000	0
Fund Balance at End of Year	\$19,560	\$8,563	(\$10,997)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**PROBATION SERVICES FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$266,852	\$66,317	(\$200,535)
Total Revenues	266,852	66,317	(200,535)
<u>Expenditures</u>			
General Government:			
Personal Services	51,174	34,546	16,628
All Other Expenditures	69,980	64,684	5,296
Capital Outlay	194,801	160,257	34,544
Total Expenditures	315,955	259,487	56,468
Excess (Deficiency) of Revenues Over (Under) Expenditures	(49,103)	(193,170)	(144,067)
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	100,000	100,000	0
Operating Transfers Out	(5,945)	(5,405)	540
Total Other Financing Sources (Uses)	94,055	94,595	540
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	44,952	(98,575)	(143,527)
Fund Balance at Beginning of Year	200,535	200,535	0
Prior Year Encumbrances	6,902	6,902	0
Fund Balance at End of Year	\$252,389	\$108,862	(\$143,527)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**COPS FAST GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$110,712	\$250	(\$110,462)
Total Revenues	110,712	250	(110,462)
<u>Expenditures</u>			
Public Safety:			
Law Enforcement-Sworn Officers:			
Personal Services	91,764	45,490	46,274
Total Expenditures	91,764	45,490	46,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,948	(45,240)	(64,188)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	(11,700)	(11,700)	0
Total Other Financing Sources (Uses)	(11,700)	(11,700)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	7,248	(56,940)	(64,188)
Fund Balance at Beginning of Year	110,462	110,462	0
Prior Year Encumbrances	1,695	1,695	0
Fund Balance at End of Year	\$119,405	\$55,217	(\$64,188)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**CLEVELAND FOUNDATION GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
All Other Revenues	\$2,374	\$0	(\$2,374)
Total Revenues	2,374	0	(2,374)
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,374	0	(2,374)
Fund Balance at Beginning of Year	2,374	2,374	0
Fund Balance at End of Year	\$4,748	\$2,374	(\$2,374)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**MUNICIPAL COURT SECURITY GRANT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
All Other Revenues	\$585	\$0	(\$585)
Total Revenues	585	0	(585)
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	585	0	(585)
Fund Balance at Beginning of Year	585	585	0
Fund Balance at End of Year	\$1,170	\$585	(\$585)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**SKATE FACILITY FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
All Other Revenues	\$19,078	\$19,078	\$0
Total Revenues	19,078	19,078	0
<u>Expenditures</u>			
Culture and Recreation:			
All Other Expenditures	3,854	3,854	0
Capital Outlay	23,915	23,915	0
Total Expenditures	27,769	27,769	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,691)	(8,691)	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	25,000	25,000	0
Total Other Financing Sources (Uses)	25,000	25,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	16,309	16,309	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$16,309	\$16,309	\$0



## ***DEBT SERVICE FUNDS***

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The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for the payment.

### **General Bond Retirement Fund**

To account for the accumulation of resources for the payments of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

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

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment bonds.

### **Land Acquisition Note Retirement Fund**

To account for the accumulation of resources for the payments of land acquisition notes of the City. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities and there was no activity during the year.)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
**DECEMBER 31, 2001**

	General Bond Retirement	Special Assessment Bond Retirement	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$4,256	\$109,089	\$113,345
Investments	0	93,894	93,894
Receivables (net of allowance for doubtful accounts):			
Taxes	69,181	0	69,181
Special Assessments	0	431,189	431,189
Interest	3	392	395
Intergovernmental Receivables	3,221	0	3,221
Total Assets	<u>\$76,661</u>	<u>\$634,564</u>	<u>\$711,225</u>
<u>Liabilities and Fund Equity:</u>			
<i>Liabilities:</i>			
Deferred Revenue	\$71,980	\$431,189	\$503,169
Total Liabilities	<u>71,980</u>	<u>431,189</u>	<u>503,169</u>
<i>Fund Equity:</i>			
Reserved for Debt Service	4,681	203,375	208,056
Total Fund Equity	<u>4,681</u>	<u>203,375</u>	<u>208,056</u>
Total Liabilities and Fund Equity	<u>\$76,661</u>	<u>\$634,564</u>	<u>\$711,225</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Bond Retirement	Special Assessment Bond Retirement	Totals
<u>Revenues</u>			
Taxes	\$57,437	\$0	\$57,437
Intergovernmental Revenues	6,057	0	6,057
Investment Earnings	1,220	7,992	9,212
Special Assessments	0	57,556	57,556
All Other Revenues	348	0	348
Total Revenues	65,062	65,548	130,610
<u>Expenditures</u>			
Debt Service:			
Principal Retirement	0	30,000	30,000
Interest and Fiscal Charges	300	25,600	25,900
Total Expenditures	300	55,600	55,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,762	9,948	74,710
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	(61,100)	0	(61,100)
Total Other Financing Sources (Uses)	(61,100)	0	(61,100)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,662	9,948	13,610
Fund Balance at Beginning of Year	1,019	193,427	194,446
Fund Balance at End of Year	\$4,681	\$203,375	\$208,056

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**GENERAL BOND RETIREMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$61,873	\$57,195	(\$4,678)
Intergovernmental Revenues	3,006	6,057	3,051
Investment Earnings	604	1,217	613
All Other Revenues	173	348	175
Total Revenues	65,656	64,817	(839)
<u>Expenditures</u>			
Debt Service Functions:			
Debt Service:			
Principal Retirement	350,000	350,000	0
Interest and Fiscal Charges	18,625	16,400	2,225
Total Expenditures	368,625	366,400	2,225
Excess (Deficiency) of Revenues Over (Under) Expenditures	(302,969)	(301,583)	1,386
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	305,000	305,000	0
Total Other Financing Sources (Uses)	305,000	305,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,031	3,417	1,386
Fund Balance at Beginning of Year	839	839	0
Fund Balance at End of Year	\$2,870	\$4,256	\$1,386

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**SPECIAL ASSESSMENT BOND RETIREMENT FUND**

	<u>Revised</u> <u>Budget</u>	<u>Actual</u>	<u>Variance:</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues</u>			
Investment Earnings	\$34,898	\$9,004	(\$25,894)
Special Assessments	223,080	57,556	(165,524)
Total Revenues	257,978	66,560	(191,418)
<u>Expenditures</u>			
Debt Service Functions:			
Debt Service - Unvoted:			
Debt Service:			
Principal Retirement	30,000	30,000	0
Interest and Fiscal Charges	28,038	25,600	2,438
Total Expenditures	58,038	55,600	2,438
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	199,940	10,960	(188,980)
Fund Balance at Beginning of Year	191,418	191,418	0
Fund Balance at End of Year	\$391,358	\$202,378	(\$188,980)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**LAND ACQUISITION NOTE RETIREMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Advance In	1,274,000	1,274,000	0
Advance Out	(1,274,000)	(1,274,000)	0
Total Other Financing Sources (Uses)	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

## *CAPITAL PROJECTS FUNDS*

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The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than that financed by proprietary funds and trust funds.

### **Municipal Court Improvement Fund**

To account for the expansion to a second municipal courtroom, including remodeling and furnishing of the existing facilities financed by unvoted general obligation bond anticipation notes.

### **Capital Equipment Reserve Fund**

To account for the costs associated with the purchase and maintenance of capital equipment.

### **Capital Improvement Fund**

To account for the accumulation of funds for the acquisition of capital assets and/or the construction of major capital facilities.

### **Shamrock Boulevard Road Project Fund**

To account for the costs associated with the construction of Shamrock Boulevard Road.

### **Jackson Street Interchange Project Fund**

To account for the costs associated with the construction of an interchange off of State Route 44 and Jackson Street.

### **Industrial Park Project Fund**

To account for the costs associated with the construction of the Renaissance Industrial Park located on Newell Street.

### **Municipal Court Special Projects Fund**

To account for the accumulation of funds for the general use of the Municipal Court.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2001**

	Municipal Court Improvement	Capital Equipment Reserve	Capital Improvement
<u>Assets:</u>			
Cash and Cash Equivalents	\$727,712	\$375,000	\$1,011,440
Receivable (net of allowance for doubtful accounts):			
Interest	0	0	0
Due from other Funds	0	0	61,250
Intergovernmental Receivables	7,801	0	0
Prepaid Items	777	0	0
	<u>736,290</u>	<u>375,000</u>	<u>1,072,690</u>
Total Assets			
<u>Liabilities and Fund Equity:</u>			
<i>Liabilities:</i>			
Accounts Payable	\$80,778	\$0	\$27,636
Intergovernmental Payables	213	0	0
Accrued Interest Payable	1,236	0	685
General Obligation Notes Payable	550,000	0	305,000
	<u>632,227</u>	<u>0</u>	<u>333,321</u>
Total Liabilities			
<i>Fund Equity:</i>			
Reserved for Encumbrances	344,110	0	146,244
Reserved for Prepaid Items	777	0	0
Unreserved	(240,824)	375,000	593,125
	<u>104,063</u>	<u>375,000</u>	<u>739,369</u>
Total Fund Equity			
Total Liabilities and Fund Equity	<u>736,290</u>	<u>375,000</u>	<u>1,072,690</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2001**

Shamrock Boulevard Road Project	Jackson Street Interchange Project	Industrial Park Project	Municipal Court Special Projects	Totals
\$65,269	\$54,861	\$69,264	\$43,043	\$2,346,589
0	0	3	0	3
0	0	0	0	61,250
0	0	0	2,911	10,712
0	0	0	0	777
<u>\$65,269</u>	<u>\$54,861</u>	<u>\$69,267</u>	<u>\$45,954</u>	<u>\$2,419,331</u>
\$4,908	\$0	\$1,453	\$0	\$114,775
0	0	0	0	213
0	0	1,921	0	3,842
0	0	855,000	0	1,710,000
<u>4,908</u>	<u>0</u>	<u>858,374</u>	<u>0</u>	<u>1,828,830</u>
12,932	1,061	1,055	0	505,402
0	0	0	0	777
<u>47,429</u>	<u>53,800</u>	<u>(790,162)</u>	<u>45,954</u>	<u>84,322</u>
<u>60,361</u>	<u>54,861</u>	<u>(789,107)</u>	<u>45,954</u>	<u>590,501</u>
<u>\$65,269</u>	<u>\$54,861</u>	<u>\$69,267</u>	<u>\$45,954</u>	<u>\$2,419,331</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Municipal Court Improvement	Capital Equipment Reserve	Capital Improvement
<u>Revenues</u>			
Intergovernmental Revenues	\$0	\$0	\$0
Investment Earnings	0	0	0
Fines and Forfeitures	111,278	0	0
All Other Revenues	0	0	40,083
Total Revenues	<u>111,278</u>	<u>0</u>	<u>40,083</u>
<u>Expenditures</u>			
Current:			
General Government	456,982	0	0
Public Safety	0	0	75,686
Highways and Streets	0	0	0
Culture and Recreation	0	0	32,220
Community Environment	0	0	72,865
Capital Outlay	26,168	0	485,598
Debt Service:			
Interest and Fiscal Charges	1,236	0	16,035
Total Expenditures	<u>484,386</u>	<u>0</u>	<u>682,404</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(373,108)	0	(642,321)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	0	200,000	461,100
Total Other Financing Sources (Uses)	<u>0</u>	<u>200,000</u>	<u>461,100</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(373,108)	200,000	(181,221)
Fund Balance (Deficit) at Beginning of Year	<u>477,171</u>	<u>175,000</u>	<u>920,590</u>
Fund Balance (Deficit) at End of Year	<u><u>\$104,063</u></u>	<u><u>\$375,000</u></u>	<u><u>\$739,369</u></u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

Shamrock Boulevard Road Project	Jackson Street Interchange Project	Industrial Park Project	Municipal Court Special Projects	Totals
\$0	\$0	\$354,000	\$0	\$354,000
0	0	1,437	0	1,437
0	0	0	41,116	152,394
0	0	12,000	0	52,083
0	0	367,437	41,116	559,914
0	0	0	0	456,982
0	0	0	0	75,686
11,553	0	0	0	11,553
0	0	0	0	32,220
0	0	0	0	72,865
331,623	4,150	559,693	0	1,407,232
0	0	48,410	0	65,681
343,176	4,150	608,103	0	2,122,219
(343,176)	(4,150)	(240,666)	41,116	(1,562,305)
200,000	0	75,000	0	936,100
200,000	0	75,000	0	936,100
(143,176)	(4,150)	(165,666)	41,116	(626,205)
203,537	59,011	(623,441)	4,838	1,216,706
<u>\$60,361</u>	<u>\$54,861</u>	<u>(\$789,107)</u>	<u>\$45,954</u>	<u>\$590,501</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**MUNICIPAL COURT IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$580,078	\$111,342	(\$468,736)
Total Revenues	580,078	111,342	(468,736)
<u>Expenditures</u>			
General Government:			
Clerk of Court:			
All Other Expenditures	774,357	772,336	2,021
Capital Outlay	52,337	52,337	0
Total Expenditures	826,694	824,673	2,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	(246,616)	(713,331)	(466,715)
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	550,000	550,000	0
Total Other Financing Sources (Uses)	550,000	550,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	303,384	(163,331)	(466,715)
Fund Balance at Beginning of Year	468,737	468,737	0
Prior Year Encumbrances	1,817	1,817	0
Fund Balance at End of Year	\$773,938	\$307,223	(\$466,715)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**CAPITAL EQUIPMENT RESERVE FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	375,000	200,000	(175,000)
Total Other Financing Sources (Uses)	375,000	200,000	(175,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	375,000	200,000	(175,000)
Fund Balance at Beginning of Year	175,000	175,000	0
Fund Balance at End of Year	\$550,000	\$375,000	(\$175,000)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**CAPITAL IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
All Other Revenues	\$1,259,194	\$201,370	(\$1,057,824)
Total Revenues	1,259,194	201,370	(1,057,824)
<u>Expenditures</u>			
General Government:			
Building Operations, Maintenance and Repairs:			
Capital Outlay	361,238	361,237	1
Public Safety:			
Law Enforcement-Other:			
All Other Expenditures	97,050	97,049	1
Capital Outlay	251,703	251,458	245
Highway and Streets:			
Street Construction and Reconstruction:			
Capital Outlay	1,000	1,000	0
Highway and Streets:			
Parking Garage:			
Capital Outlay	5,433	2,495	2,938
Culture and Recreation:			
Recreation Activities:			
All Other Expenditures	34,217	32,220	1,997
Capital Outlay	3,200	2,990	210
Community Environment:			
Planning and Development:			
Capital Outlay	61,250	61,250	0
Community Environment:			
Code Enforcement:			
All Other Expenditures	77,985	72,865	5,120
Total Expenditures	893,076	882,564	10,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	366,118	(681,194)	(1,047,312)

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**CAPITAL IMPROVEMENT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	400,000	400,000	0
Total Other Financing Sources (Uses)	400,000	400,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	766,118	(281,194)	(1,047,312)
Fund Balance at Beginning of Year	1,057,824	1,057,824	0
Prior Year Encumbrances	63,161	63,161	0
Fund Balance at End of Year	<u>\$1,887,103</u>	<u>\$839,791</u>	<u>(\$1,047,312)</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**SHAMROCK BOULEVARD ROAD PROJECT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Highway and Streets:			
Miscellaneous:			
All Other Expenditures	11,553	11,553	0
Capital Outlay	422,019	404,930	17,089
Total Expenditures	433,572	416,483	17,089
Excess (Deficiency) of Revenues Over (Under) Expenditures	(433,572)	(416,483)	17,089
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	200,864	200,000	(864)
Total Other Financing Sources (Uses)	200,864	200,000	(864)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(232,708)	(216,483)	16,225
Fund Balance at Beginning of Year	864	864	0
Prior Year Encumbrances	263,048	263,048	0
Fund Balance at End of Year	\$31,204	\$47,429	\$16,225

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**JACKSON STREET INTERCHANGE PROJECT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Highway and Streets:			
Miscellaneous:			
Capital Outlay	9,887	9,887	0
Total Expenditures	9,887	9,887	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,887)	(9,887)	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	53,800	0	(53,800)
Total Other Financing Sources (Uses)	53,800	0	(53,800)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	43,913	(9,887)	(53,800)
Fund Balance at Beginning of Year	53,800	53,800	0
Prior Year Encumbrances	9,887	9,887	0
Fund Balance at End of Year	<u>\$107,600</u>	<u>\$53,800</u>	<u>(\$53,800)</u>

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**INDUSTRIAL PARK PROJECT FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental Revenues	\$355,982	\$354,000	(\$1,982)
Investment Earnings	1,442	1,434	(8)
All Other Revenues	12,067	12,000	(67)
Total Revenues	369,491	367,434	(2,057)
<u>Expenditures</u>			
Highway and Streets:			
Miscellaneous:			
Capital Outlay	701,384	701,384	0
Debt Service:			
Principal Retirement	1,113,000	1,060,000	53,000
Interest and Fiscal Charges	64,500	48,760	15,740
Total Expenditures	1,878,884	1,810,144	68,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,509,393)	(1,442,710)	66,683
<u>Other Financing Sources (Uses)</u>			
Proceeds of General Obligation Notes	855,000	855,000	0
Operating Transfers In	75,000	75,000	0
Total Other Financing Sources (Uses)	930,000	930,000	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(579,393)	(512,710)	66,683
Fund Balance at Beginning of Year	2,058	2,058	0
Prior Year Encumbrances	577,408	577,408	0
Fund Balance at End of Year	\$73	\$66,756	\$66,683

**THE CITY OF PAINESVILLE, OHIO**  
**DETAILED SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**MUNICIPAL COURT SPECIAL PROJECTS FUND**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues</u>			
Fines and Forfeitures	\$43,043	\$40,962	(\$2,081)
Total Revenues	43,043	40,962	(2,081)
<u>Expenditures</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,043	40,962	(2,081)
Fund Balance at Beginning of Year	2,081	2,081	0
Fund Balance at End of Year	\$45,124	\$43,043	(\$2,081)



## ***ENTERPRISE FUNDS***

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The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, whereby the intent of City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or when City Council has decided that periodic determination of net income is appropriate for accountability purposes.

### **Water Fund**

To account for the operation of the City's water treatment and distribution systems.

### **Sewer Fund**

To account for the operation of the City's sewage treatment and collection systems.

### **Electric Fund**

To account for the operation of the City's electric generation and distribution systems.

### **Refuse Fund**

To account for the operation of the City's solid waste collection systems.

### **Off-Street Parking Fund**

To account for the operation of the City's off-street parking garage.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**ENTERPRISE FUNDS**  
**DECEMBER 31, 2001**

<u>Assets:</u>	Water Fund	Sewer Fund	Electric Fund
Cash and Cash Equivalents	\$1,096,957	\$1,630,295	\$6,728,174
Investments	1,113,509	1,381,718	5,980,246
Receivables (net of allowance for doubtful accounts):			
Accounts	349,492	421,044	1,830,391
Interest	5,183	3,241	9,350
Interfund Loan Receivable	0	0	685,000
Inventory of Supplies at Cost	121,710	65,221	666,115
Prepaid Items	12,580	24,039	69,418
Investment in Joint Venture	0	0	2,870,055
Restricted Assets:			
Cash and Cash Equivalents	101,820	0	289,780
Investments	0	0	1,210,613
Deferred Charges	74,805	0	266,095
Fixed Assets in Service:			
Land	104,762	28,868	244,470
Buildings and Improvements	915,748	6,658,293	3,555,123
Utility Plant in Service	17,386,513	8,609,892	10,286,108
Machinery and Equipment	1,106,493	3,760,296	24,388,657
Less: Accumulated Depreciation	(7,038,879)	(10,429,562)	(26,278,613)
Net Fixed Assets	12,474,637	8,627,787	12,195,745
Construction in Progress	2,435,334	50,794	572,999
Total Assets	\$17,786,027	\$12,204,139	\$33,373,981
<u>Liabilities and Fund Equity:</u>			
<i>Liabilities:</i>			
Accounts Payable	\$151,704	\$94,771	\$989,347
Accrued Wages and Benefits	97,273	82,949	233,255
Intergovernmental Payables	18,557	370	41,324
Accrued Interest Payable	34,638	20,624	30,315
Customer Deposits	101,820	0	289,780
General Obligation Notes Payable	950,000	450,000	0
Compensated Absences Payable	308,883	249,485	582,073
General Obligation Bonds Payable	6,615,000	0	3,247,674
Revenue Bonds Payable	0	0	3,160,000
Ohio Water Development Authority Loans Payable	1,441,953	521,411	0
Total Liabilities	9,719,828	1,419,610	8,573,768
<i>Fund Equity:</i>			
Contributed Capital	2,914,049	2,472,309	12,277
Retained Earnings:			
Reserved for Revenue Bond Indenture	0	0	1,210,613
Unreserved	5,152,150	8,312,220	23,577,323
Total Retained Earnings	5,152,150	8,312,220	24,787,936
Total Fund Equity	8,066,199	10,784,529	24,800,213
Total Liabilities and Fund Equity	\$17,786,027	\$12,204,139	\$33,373,981

Refuse Fund	Off-Street Parking Fund	Totals
\$44,343	\$101,153	\$9,600,922
0	88,974	8,564,447
0	124	2,601,051
0	112	17,886
0	0	685,000
0	0	853,046
0	3,686	109,723
0	0	2,870,055
0	2,219	393,819
0	0	1,210,613
0	0	340,900
0	118,972	497,072
0	1,726,245	12,855,409
0	0	36,282,513
0	5,422	29,260,868
0	(719,214)	(44,466,268)
0	1,131,425	34,429,594
0	0	3,059,127
<u>\$44,343</u>	<u>\$1,327,693</u>	<u>\$64,736,183</u>
\$410	\$6,376	\$1,242,608
0	3,934	417,411
0	1,935	62,186
0	3,264	88,841
0	2,219	393,819
0	0	1,400,000
0	4,923	1,145,364
0	0	9,862,674
0	170,000	3,330,000
0	0	1,963,364
<u>410</u>	<u>192,651</u>	<u>19,906,267</u>
0	0	5,398,635
0	0	1,210,613
<u>43,933</u>	<u>1,135,042</u>	<u>38,220,668</u>
<u>43,933</u>	<u>1,135,042</u>	<u>39,431,281</u>
<u>43,933</u>	<u>1,135,042</u>	<u>44,829,916</u>
<u>\$44,343</u>	<u>\$1,327,693</u>	<u>\$64,736,183</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Water Fund	Sewer Fund	Electric Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<u>Operating Revenues</u>			
Charges for Services	\$3,249,996	\$2,970,209	\$17,092,446
Other Charges for Services	223,313	0	0
Other Operating Revenues	<u>23,256</u>	<u>9,577</u>	<u>46,799</u>
Total Operating Revenues	<u>3,496,565</u>	<u>2,979,786</u>	<u>17,139,245</u>
<u>Operating Expenses</u>			
Personal Services	1,988,419	1,755,302	4,565,363
Materials and Supplies	129,803	395,590	4,200,776
Contractual Services	405,412	373,512	2,138,642
Utilities	288,777	250,489	3,338,202
Depreciation	<u>521,696</u>	<u>392,532</u>	<u>915,264</u>
Total Operating Expenses	<u>3,334,107</u>	<u>3,167,425</u>	<u>15,158,247</u>
Operating Income (Loss)	162,458	(187,639)	1,980,998
<u>Nonoperating Revenues (Expenses)</u>			
Intergovernmental Grants	68,607	0	654,655
Loss on Investment in Joint Venture	0	0	(197,770)
Investment Earnings	56,817	14,266	185,422
Interest and Fiscal Charges	(469,309)	(49,110)	(384,890)
Other Nonoperating Revenue	8,955	15,037	21,118
Other Nonoperating Expense	(2,395)	0	0
Gain on Disposal of Fixed Assets	0	0	23,111
Loss on Disposal of Fixed Assets	<u>0</u>	<u>(894)</u>	<u>(16,205)</u>
Total Nonoperating Revenues (Expenses)	<u>(337,325)</u>	<u>(20,701)</u>	<u>285,441</u>
Income (Loss) Before Operating Transfers	(174,867)	(208,340)	2,266,439
<u>Operating Transfers</u>			
Operating Transfers In	110,000	0	0
Operating Transfers Out	<u>(198,911)</u>	<u>0</u>	<u>(439,244)</u>
Total Operating Transfers	<u>(88,911)</u>	<u>0</u>	<u>(439,244)</u>
Net Income (Loss)	(263,778)	(208,340)	1,827,195
Add: Depreciation Charged			
to Contributed Capital	<u>5,257</u>	<u>116,609</u>	<u>4,978</u>
Increase (Decrease) in Retained Earnings	(258,521)	(91,731)	1,832,173
Restated Retained Earnings at Beginning of Year	<u>5,410,671</u>	<u>8,403,951</u>	<u>22,955,763</u>
Retained Earnings at End of Year	<u><u>\$5,152,150</u></u>	<u><u>\$8,312,220</u></u>	<u><u>\$24,787,936</u></u>

Refuse Fund	Off-Street Parking Fund	Totals
\$1,485	\$86,149	\$23,400,285
0	0	223,313
3,711	0	83,343
<u>5,196</u>	<u>86,149</u>	<u>23,706,941</u>
4,747	102,627	8,416,458
7,445	10,920	4,744,534
4,071	47,642	2,969,279
0	21,700	3,899,168
0	28,979	1,858,471
<u>16,263</u>	<u>211,868</u>	<u>21,887,910</u>
(11,067)	(125,719)	1,819,031
0	0	723,262
0	0	(197,770)
0	3,573	260,078
0	(12,188)	(915,497)
0	0	45,110
0	(81)	(2,476)
0	0	23,111
0	0	(17,099)
<u>0</u>	<u>(8,696)</u>	<u>(81,281)</u>
(11,067)	(134,415)	1,737,750
25,000	225,000	360,000
<u>0</u>	<u>0</u>	<u>(638,155)</u>
25,000	225,000	(278,155)
<u>13,933</u>	<u>90,585</u>	<u>1,459,595</u>
0	0	126,844
<u>13,933</u>	<u>90,585</u>	<u>1,586,439</u>
<u>30,000</u>	<u>1,044,457</u>	<u>37,844,842</u>
<u>\$43,933</u>	<u>\$1,135,042</u>	<u>\$39,431,281</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Water Fund	Sewer Fund	Electric Fund
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$3,536,649	\$2,961,704	\$17,700,021
Cash Payments for Quasi-External Operating Transactions with Other Fund	(193,000)	(178,000)	(421,000)
Cash Payments for Goods and Services	(836,960)	(1,013,172)	(10,182,061)
Cash Payments to Employees	(1,772,508)	(1,618,904)	(4,089,269)
Net Cash Provided (Used) by Operating Activities	<u>734,181</u>	<u>151,628</u>	<u>3,007,691</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>			
Operating Grants Received	68,607	0	145,774
Transfers In from Other Funds	110,000	0	0
Transfers Out to Other Funds	(198,911)	0	(439,244)
Advances In from Other Funds	0	0	1,274,000
Advances Out to Other Funds	0	0	(685,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(20,304)</u>	<u>0</u>	<u>295,530</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Proceeds of General Obligation Notes	950,000	450,000	0
Principal Paid on General Obligation Notes	(950,000)	0	0
Proceeds from Sale of Fixed Assets	0	0	23,111
Acquisition and Construction of Assets	(2,214,488)	(73,328)	(307,918)
Principal Paid on Revenue Bonds	0	0	(535,000)
Principal Paid on General Obligation Bonds	(400,000)	0	(100,251)
Principal Paid on Ohio Water Development Authority Loans	(42,893)	(233,790)	0
Interest Paid on All Debt	(461,985)	(56,892)	(375,502)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,119,366)</u>	<u>85,990</u>	<u>(1,295,560)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Receipts of Principal and Interest on Investments	72,819	17,336	149,533
Sale of Investments	3,080,185	1,107,942	3,874,493
Purchase of Investments	0	0	(71,817)
Net Cash Provided (Used) by Investing Activities	<u>3,153,004</u>	<u>1,125,278</u>	<u>3,952,209</u>
Net Increase in Cash and Cash Equivalents	747,515	1,362,896	5,959,870
Cash and Cash Equivalents at Beginning of Year	451,262	267,399	1,058,084
Cash and Cash Equivalents at End of Year	<u>\$1,198,777</u>	<u>\$1,630,295</u>	<u>\$7,017,954</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash</u></b>			
<b><u>Provided (Used) by Operating Activities:</u></b>			
Operating Income (Loss)	\$162,458	(\$187,639)	\$1,980,998
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	521,696	392,532	915,264
Miscellaneous Nonoperating Revenues	23,925	15,037	60,838
Miscellaneous Nonoperating Expenses	(18,057)	0	(57,292)
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	16,139	(50,757)	499,895
Decrease in Intergovernmental Receivable	20	17,638	43
Decrease in Inventory	11,442	15,494	132,723
Increase in Prepaid Items	(379)	(1,183)	(5,654)
Increase (Decrease) in Accounts Payable	500	14,396	(409,275)
Increase in Accrued Wages and Benefits	13,294	6,759	40,733
Decrease in Intergovernmental Payable	(6,728)	(22,477)	(166,503)
Increase (Decrease) in Compensated Absences Payable	9,871	(48,172)	15,921
Total Adjustments	<u>571,723</u>	<u>339,267</u>	<u>1,026,693</u>
Net Cash Provided (Used) by Operating Activities	<u>\$734,181</u>	<u>\$151,628</u>	<u>\$3,007,691</u>

Refuse Fund	Off-Street Parking Fund	Totals
\$5,207	\$86,557	\$24,290,138
0	(12,000)	(804,000)
(11,202)	(79,764)	(12,123,159)
(4,747)	(92,474)	(7,577,902)
(10,742)	(97,681)	3,785,077
0	0	214,381
25,000	225,000	360,000
0	0	(638,155)
0	0	1,274,000
0	0	(685,000)
25,000	225,000	525,226
0	0	1,400,000
0	0	(950,000)
0	0	23,111
0	0	(2,595,734)
0	0	(535,000)
0	0	(500,251)
0	0	(276,683)
0	(8,924)	(903,303)
0	(8,924)	(4,337,860)
0	3,116	242,804
0	0	8,062,620
0	(88,401)	(160,218)
0	(85,285)	8,145,206
14,258	33,110	8,117,649
30,085	70,262	1,877,092
\$44,343	\$103,372	\$9,994,741

(\$11,067)	(\$125,719)	\$1,819,031
0	28,979	1,858,471
0	339	100,139
0	(150)	(75,499)
0	69	465,346
0	0	17,701
0	0	159,659
0	(183)	(7,399)
325	3,024	(391,030)
0	799	61,585
0	(2,198)	(197,906)
0	(2,641)	(25,021)
325	28,038	1,966,046
(\$10,742)	(\$97,681)	\$3,785,077

Schedule of Noncash Investing, Capital and Financing Activities:

As of December 31, 2001 the Water, Sewer, and Electric Funds had outstanding liabilities of \$111,606, \$31,827, and \$54,528 respectively for the purchase of certain capital assets. During 2001 the fair value of investments decreased by \$15,780, \$4,700, and \$15,295 in the Water, Sewer, and Electric Funds, respectively, and increased by \$573 in the Off-Street Parking Fund.

## *INTERNAL SERVICE FUNDS*

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

### **Fuel and Oil Rotary Fund**

To account for the accumulation and allocation of costs associated with petroleum products.

### **Supplies Rotary Fund**

To account for the accumulation and allocation of costs associated with operating supplies.

### **Employee Health Insurance Fund**

To account for the expenses related to employee health insurance coverage provided by the City. This program is partially self-funded by the City as well as through a 'stop-loss' cap arrangement with an outside contractor.

### **Workers' Compensation Retrospective Fund**

To account for expenses for workers' compensation coverage provided by the Ohio Bureau of Workers' Compensation.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2001**

	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Totals
<b><u>Assets:</u></b>					
Cash and Cash Equivalents	\$23,643	\$25,653	\$204,640	\$703,159	\$957,095
Inventory of Supplies at Cost	0	43,326	0	0	43,326
Total Assets	<u>\$23,643</u>	<u>\$68,979</u>	<u>\$204,640</u>	<u>\$703,159</u>	<u>\$1,000,421</u>
<b><u>Liabilities and Fund Equity:</u></b>					
<i>Liabilities:</i>					
Accounts Payable	\$0	\$754	\$0	\$0	\$754
Claims Liability	0	0	460,039	661,168	1,121,207
Total Liabilities	<u>0</u>	<u>754</u>	<u>460,039</u>	<u>661,168</u>	<u>1,121,961</u>
<i>Fund Equity:</i>					
Retained Earnings					
Unreserved	23,643	68,225	(255,399)	41,991	(121,540)
Total Fund Equity	<u>23,643</u>	<u>68,225</u>	<u>(255,399)</u>	<u>41,991</u>	<u>(121,540)</u>
Total Liabilities and Fund Equity	<u>\$23,643</u>	<u>\$68,979</u>	<u>\$204,640</u>	<u>\$703,159</u>	<u>\$1,000,421</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN RETAINED EARNINGS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Totals
<u>Operating Revenues</u>					
Charges for Services	\$87,363	\$45,875	\$1,606,105	\$2,147	\$1,741,490
Total Operating Revenues	87,363	45,875	1,606,105	2,147	1,741,490
<u>Operating Expenses</u>					
Personal Services	0	0	1,624,922	111,430	1,736,352
Materials and Supplies	115,631	45,999	0	0	161,630
Contractual Services	0	0	330,192	0	330,192
Total Operating Expenses	115,631	45,999	1,955,114	111,430	2,228,174
Operating Loss	(28,268)	(124)	(349,009)	(109,283)	(486,684)
<u>Nonoperating Revenues (Expenses):</u>					
Other Nonoperating Revenue	0	0	37,132	0	37,132
Total Nonoperating Revenues (Expenses)	0	0	37,132	0	37,132
Loss Before Operating Transfers	(28,268)	(124)	(311,877)	(109,283)	(449,552)
<u>Operating Transfers:</u>					
Operating Transfers In	50,000	0	0	0	50,000
Total Operating Transfers	50,000	0	0	0	50,000
Net Income (Loss)	21,732	(124)	(311,877)	(109,283)	(399,552)
Retained Earnings at Beginning of Year	1,911	68,349	56,478	151,274	278,012
Retained Earnings/(Accumulated Deficit) at End of Year	\$23,643	\$68,225	(\$255,399)	\$41,991	(\$121,540)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fuel and Oil Rotary	Supplies Rotary	Employee Health Insurance	Workers' Compensation Retrospective	Totals
<u>Cash Flows from Operating Activities:</u>					
Cash Receipts from Quasi-External					
Operating Transactions with Other Funds	\$87,363	\$45,875	\$1,606,105	\$2,147	\$1,741,490
Cash Received from Interfund Charges	0	0	37,132	0	37,132
Cash Payments for Goods and Services	(124,350)	(48,165)	(330,192)	0	(502,707)
Cash Payments to Employees	0	0	0	(119,793)	(119,793)
Cash Payments for Employee Medical Claims	0	0	(1,376,490)	0	(1,376,490)
Net Cash Used for Operating Activities	(36,987)	(2,290)	(63,445)	(117,646)	(220,368)
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers In from Other Funds	50,000	0	0	0	50,000
Net Cash Provided by Noncapital Financing Activities	50,000	0	0	0	50,000
Net Increase (Decrease) in Cash and Cash Equivalents	13,013	(2,290)	(63,445)	(117,646)	(170,368)
Cash and Cash Equivalents at Beginning of Year	10,630	27,943	268,085	820,805	1,127,463
Cash and Cash Equivalents at End of Year	\$23,643	\$25,653	\$204,640	\$703,159	\$957,095
<u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u>					
Operating Loss	(\$28,268)	(\$124)	(\$349,009)	(\$109,283)	(\$486,684)
Adjustments to Reconcile Operating Loss to					
Net Cash Used for Operating Activities:					
Miscellaneous Nonoperating Income	0	0	37,132	0	37,132
Changes in Assets and Liabilities:					
Increase in Inventory	0	(2,800)	0	0	(2,800)
Increase (Decrease) in Accounts Payable	(8,719)	634	0	0	(8,085)
Increase (Decrease) in Claims Liability	0	0	248,432	(8,363)	240,069
Total Adjustments	(8,719)	(2,166)	285,564	(8,363)	266,316
Net Cash Used for Operating Activities	(36,987)	(2,290)	(63,445)	(117,646)	(220,368)

## ***FIDUCIARY FUND TYPES***

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Fiduciary fund types 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.

### ***EXPENDABLE TRUST FUNDS***

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Expendable Trust Funds are accounted for in essentially the same manner as governmental funds.

#### **Deposit Trust Fund**

To account for monies received and held by the City for various deposits.

#### **Plan Review Trust Fund**

To account for monies received and held by the City for various deposits for review of construction plans.

#### **Zoning Application Trust Fund**

To account for monies received and held by the City for zoning application requests.

#### **Cemetery Trust Operations Fund**

To account for interest income earned from the investment of cemetery trust principal. The interest portion of the trust can be used to maintain the City's two cemeteries.

#### **Special Endowment Operations Fund**

To account for interest income earned from the investment of special endowment (non-resident) principal. The interest portion of the trust can be used to maintain the City's two cemeteries.

#### **Columbarium Trust Fund**

To account for monies received and held by the City for charges related to columbarium burial site.

#### **Painesville Safety Town Fund**

To account for the receipt of monies received from registration fees and contributions and disbursed exclusively for the safety activities for children of the community.

#### **Law Enforcement Trust Fund**

To account for monies received by the police division from the sale of drug related contraband.

(Continued)

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## ***FIDUCIARY FUND TYPES***

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### ***NONEXPENDABLE TRUST FUNDS***

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Non-Expendable Trust Funds are accounted for in essentially the same manner as proprietary (enterprise) funds. Asset or principal maintenance is usually the reason for these trust funds.

#### **Evergreen Cemetery Trust Fund**

To account for the principal, acquired from contributions and endowments, for the City's Evergreen Cemetery.

#### **Riverside Cemetery Trust Fund**

To account for the principal, acquired from contributions and endowments, for the City's Riverside Cemetery.

#### **Special Endowment Trust Fund**

To account for the principal, acquired from contributions and endowments, from non-residents, for the City's two cemeteries.

### ***AGENCY FUNDS***

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Agency Funds are purely custodial in nature. Results of operations are not measured. These funds report only assets and liabilities.

#### **Municipal Court Fund**

To account for funds that flow through the municipal court.

#### **State Patrol Transfer Fund**

To account for the receipt from the City's municipal court and disbursement to the City and County Law Library of fines and forfeitures for State Highway Patrol cases in accordance with provisions of the Ohio Revised Code.

#### **Electric License Fund**

To account for funds from the fifteen percent (15%) fees as required by Ohio Revised Code

#### **Land Bank Fund**

To account for the receipt of monies from the sale of property under the Land Bank Program and the disbursement to the County for back taxes.

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES**  
**DECEMBER 31, 2001**

	Expendable Trust Funds				
	Deposit Trust	Plan Review Trust	Zoning Application Trust	Cemetery Trust Operations	Special Endowment Operations
<u>Assets:</u>					
Cash and Cash Equivalents	\$75,051	\$16,633	\$3,163	\$5,556	\$6,015
Receivables (net of allowances for doubtful accounts):					
Interest	0	0	0	1,309	536
Prepaid Items	0	0	0	0	0
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	0	0
Total Assets	<u>\$75,051</u>	<u>\$16,633</u>	<u>\$3,163</u>	<u>\$6,865</u>	<u>\$6,551</u>
<u>Liabilities and Fund Equity:</u>					
<i>Liabilities:</i>					
Accounts Payable	\$0	\$0	\$0	\$242	\$0
Due to Others	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>242</u>	<u>0</u>
<i>Fund Equity:</i>					
Reserved for Prepaid Items	0	0	0	0	0
Reserved for Endowments	0	0	0	0	0
Unreserved	75,051	16,633	3,163	6,623	6,551
Total Fund Equity	<u>75,051</u>	<u>16,633</u>	<u>3,163</u>	<u>6,623</u>	<u>6,551</u>
Total Liabilities and Fund Equity	<u>\$75,051</u>	<u>\$16,633</u>	<u>\$3,163</u>	<u>\$6,865</u>	<u>\$6,551</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES**  
**DECEMBER 31, 2001**

			Nonexpendable Trust Funds		
Columbarium Trust	Painesville Safety Town	Law Enforcement Trust	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust
\$85	\$29	\$6,331	\$0	\$0	\$0
0	0	0	0	0	0
0	20	0	0	0	0
0	0	0	371,070	284,738	271,716
<u>\$85</u>	<u>\$49</u>	<u>\$6,331</u>	<u>\$371,070</u>	<u>\$284,738</u>	<u>\$271,716</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	20	0	0	0	0
0	0	0	371,070	284,738	271,716
85	29	6,331	0	0	0
<u>85</u>	<u>49</u>	<u>6,331</u>	<u>371,070</u>	<u>284,738</u>	<u>271,716</u>
<u>\$85</u>	<u>\$49</u>	<u>\$6,331</u>	<u>\$371,070</u>	<u>\$284,738</u>	<u>\$271,716</u>

(Continued)

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING BALANCE SHEET**  
**FIDUCIARY FUND TYPES**  
**DECEMBER 31, 2001**

	Agency Funds				
	Municipal Court	State Patrol Transfer	Electric License	Land Bank	Totals
<b>Assets:</b>					
Cash and Cash Equivalents	\$41,597	\$6,642	\$7,006	\$19,903	\$188,011
Receivables (net of allowances for doubtful accounts):					
Interest	0	0	0	0	1,845
Prepaid Items	0	0	0	0	20
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	0	927,524
Total Assets	\$41,597	\$6,642	\$7,006	\$19,903	\$1,117,400
<b>Liabilities and Fund Equity:</b>					
<i>Liabilities:</i>					
Accounts Payable	\$0	\$0	\$0	\$0	\$242
Due to Others	41,597	6,642	7,006	19,903	75,148
Total Liabilities	41,597	6,642	7,006	19,903	75,390
<i>Fund Equity:</i>					
Reserved for Prepaid Items	0	0	0	0	20
Reserved for Endowments	0	0	0	0	927,524
Unreserved	0	0	0	0	114,466
Total Fund Equity	0	0	0	0	1,042,010
Total Liabilities and Fund Equity	\$41,597	\$6,642	\$7,006	\$19,903	\$1,117,400



**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Deposit Trust	Plan Review Trust	Zoning Application Trust	Cemetery Trust Operations
<u>Revenues</u>				
Charges for Services	\$11,155	\$0	\$0	\$0
Investment Earnings	0	0	0	25,498
Fines and Forfeitures	0	0	0	0
Total Revenues	11,155	0	0	25,498
<u>Expenditures</u>				
General Government	16,000	0	0	0
Public Safety	0	0	0	0
Public Health and Welfare	0	0	0	2,346
Community Environment	0	0	37	0
Other Expenditures	1,301	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	17,301	0	37	2,346
Excess (Deficiency) of Revenues over Expenditures	(6,146)	0	(37)	23,152
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	(25,000)
Total Other Financing Sources (Uses)	0	0	0	(25,000)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(6,146)	0	(37)	(1,848)
Fund Balance at Beginning of Year	81,197	16,633	3,200	8,471
Fund Balance at End of Year	\$75,051	\$16,633	\$3,163	\$6,623

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**EXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

Special Endowment Operations	Columbarium Trust	Painesville Safety Town	Law Enforcement Trust	Totals
\$0	\$0	\$0	\$0	\$11,155
10,471	2	0	0	35,971
0	0	0	1,357	1,357
10,471	2	0	1,357	48,483
0	0	0	0	16,000
0	0	15	797	812
0	0	0	0	2,346
0	0	0	0	37
0	0	0	0	1,301
0	0	0	14,715	14,715
0	0	15	15,512	35,211
10,471	2	(15)	(14,155)	13,272
5,000	0	0	5,000	10,000
(15,000)	0	0	0	(40,000)
(10,000)	0	0	5,000	(30,000)
471	2	(15)	(9,155)	(16,728)
6,080	83	64	15,486	131,214
\$6,551	\$85	\$49	\$6,331	\$114,486

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND BALANCES**  
**NONEXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust	Totals
<u>Operating Revenues</u>				
Contributions	\$4,240	\$12,900	\$9,240	\$26,380
Total Operating Revenues	4,240	12,900	9,240	26,380
<u>Operating Expenses</u>				
Other Operating Expenses	342	240	0	582
Total Operating Expenses	342	240	0	582
Operating Income	3,898	12,660	9,240	25,798
Fund Balance at Beginning of Year	367,172	272,078	262,476	901,726
Fund Balance at End of Year	<u>\$371,070</u>	<u>\$284,738</u>	<u>\$271,716</u>	<u>\$927,524</u>

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONEXPENDABLE TRUST FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Evergreen Cemetery Trust	Riverside Cemetery Trust	Special Endowment Trust	Totals
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Contributions	\$4,240	\$12,900	\$9,240	\$26,380
Cash Payments for Goods and Services	(342)	(240)	0	(582)
Net Cash Provided by Operating Activities	3,898	12,660	9,240	25,798
Net Increase in Cash and Cash Equivalents	3,898	12,660	9,240	25,798
Cash and Cash Equivalents at Beginning of Year	367,172	272,078	262,476	901,726
Cash and Cash Equivalents at End of Year	\$371,070	\$284,738	\$271,716	\$927,524

**THE CITY OF PAINESVILLE, OHIO**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents	\$51,455	\$2,229,177	(\$2,239,035)	\$41,597
Total Assets	<u>\$51,455</u>	<u>\$2,229,177</u>	<u>(\$2,239,035)</u>	<u>\$41,597</u>
Liabilities:				
Due to Others	\$51,455	\$2,229,177	(\$2,239,035)	\$41,597
Total Liabilities	<u>\$51,455</u>	<u>\$2,229,177</u>	<u>(\$2,239,035)</u>	<u>\$41,597</u>
<u>State Patrol Transfer</u>				
Assets:				
Cash and Cash Equivalents	\$6,642	\$84,827	(\$84,827)	\$6,642
Total Assets	<u>\$6,642</u>	<u>\$84,827</u>	<u>(\$84,827)</u>	<u>\$6,642</u>
Liabilities:				
Due to Others	\$6,642	\$84,827	(\$84,827)	\$6,642
Total Liabilities	<u>\$6,642</u>	<u>\$84,827</u>	<u>(\$84,827)</u>	<u>\$6,642</u>
<u>Electric License</u>				
Assets:				
Cash and Cash Equivalents	\$6,710	\$7,512	(\$7,216)	\$7,006
Total Assets	<u>\$6,710</u>	<u>\$7,512</u>	<u>(\$7,216)</u>	<u>\$7,006</u>
Liabilities:				
Due to Others	\$6,710	\$7,512	(\$7,216)	\$7,006
Total Liabilities	<u>\$6,710</u>	<u>\$7,512</u>	<u>(\$7,216)</u>	<u>\$7,006</u>
<u>Land Bank</u>				
Assets:				
Cash and Cash Equivalents	\$20,253	\$348	(\$698)	\$19,903
Total Assets	<u>\$20,253</u>	<u>\$348</u>	<u>(\$698)</u>	<u>\$19,903</u>
Liabilities:				
Due to Others	\$20,253	\$348	(\$698)	\$19,903
Total Liabilities	<u>\$20,253</u>	<u>\$348</u>	<u>(\$698)</u>	<u>\$19,903</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$85,060	\$2,321,864	(\$2,331,776)	\$75,148
Total Assets	<u>\$85,060</u>	<u>\$2,321,864</u>	<u>(\$2,331,776)</u>	<u>\$75,148</u>
Liabilities:				
Due to Others	\$85,060	\$2,321,864	(\$2,331,776)	\$75,148
Total Liabilities	<u>\$85,060</u>	<u>\$2,321,864</u>	<u>(\$2,331,776)</u>	<u>\$75,148</u>

## ***GENERAL FIXED ASSETS ACCOUNT GROUP***

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General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

**THE CITY OF PAINESVILLE, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY SOURCE**  
**DECEMBER 31, 2001**

General Fixed Assets:

Land	\$1,129,406
Buildings and Improvements	1,963,517
Improvements Other than Buildings	440,668
Machinery and Equipment	5,133,081
Construction in Progress	855,252
	<hr/>
Total General Fixed Assets	<u>\$9,521,924</u>

Investment in General Fixed Assets from:

General Fund	\$4,691,696
Special Revenue Funds	3,302,519
Capital Projects Funds	210,383
Enterprise Funds	1,073,036
Expendable Trust Funds	21,238
Gifts	223,052
	<hr/>
Total Investment in General Fixed Assets	<u>\$9,521,924</u>

**THE CITY OF PAINESVILLE, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY CATEGORY**  
**DECEMBER 31, 2001**

Function and Activity	Land	Buildings and Improvements	Improvements Other than Buildings	Machinery and Equipment	Construction in Progress	Total
General Government						
Judicial:						
Municipal Court	\$0	\$42,367	\$0	\$116,955	\$797,525	\$956,847
Executive:						
City Manager	50,718	0	0	37,758	0	88,476
Finance	0	6,729	0	417,905	0	424,634
Engineering	0	0	0	81,801	0	81,801
Buildings and Grounds	433,610	1,203,006	0	39,490	0	1,676,106
Total General Government	484,328	1,252,102	0	693,909	797,525	3,227,864
Public Safety						
Police	0	0	0	549,124	0	549,124
Fire	0	0	0	1,472,370	0	1,472,370
Control Center	0	3,375	0	54,498	0	57,873
Total Public Safety	0	3,375	0	2,075,992	0	2,079,367
Highways and Streets						
Public Works	90,035	121,290	112,063	1,724,311	0	2,047,699
Parking	0	205,647	0	196,421	0	402,068
Total Highways and Streets	90,035	326,937	112,063	1,920,732	0	2,449,767
Public Health and Welfare						
Cemeteries	103,172	31,542	58,203	218,109	0	411,026
Culture/Recreation						
Parks - Recreation	276,871	349,561	270,402	184,395	57,727	1,138,956
Community Environment						
Community Development	175,000	0	0	18,852	0	193,852
Code Enforcement	0	0	0	21,092	0	21,092
Total Community Environment	175,000	0	0	39,944	0	214,944
<b>Total General Fixed Assets</b>	<b>\$1,129,406</b>	<b>\$1,963,517</b>	<b>\$440,668</b>	<b>\$5,133,081</b>	<b>\$855,252</b>	<b>\$9,521,924</b>

**THE CITY OF PAINESVILLE, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

Function and Activity	December 31, 2000	Transfers	Additions	Deletions	December 31, 2001
General Government					
Judicial					
Municipal Court	\$159,322	\$0	\$797,525	\$0	\$956,847
Executive					
City Manager	69,876	0	18,600	0	88,476
Finance	424,634	0	0	0	424,634
Engineering	67,618	0	14,183	0	81,801
Buildings and Grounds	1,604,096	0	86,910	(14,900)	1,676,106
Total General Government	2,325,546	0	917,218	(14,900)	3,227,864
Public Safety					
Police	521,201	0	27,923	0	549,124
Fire	1,466,670	0	5,700	0	1,472,370
Control Center	57,873	0	0	0	57,873
Total Public Safety	2,045,744	0	33,623	0	2,079,367
Highways and Streets					
Public Works	1,825,305	0	355,546	(133,152)	2,047,699
Parking	203,157	0	198,911	0	402,068
Total Highways and Streets	2,028,462	0	554,457	(133,152)	2,449,767
Public Health and Welfare					
Cemeteries	383,588	0	27,438	0	411,026
Culture/Recreation					
Parks - Recreation	1,070,535	0	68,421	0	1,138,956
Community Environment					
Community Development	193,852	0	0	0	193,852
Code Enforcement	21,092	0	0	0	21,092
Total Community Environment	214,944	0	0	0	214,944
Total General Fixed Assets	\$8,068,819	\$0	\$1,601,157	(\$148,052)	\$9,521,924

## *STATISTICAL SECTION*

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***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.*

**THE CITY OF PAINESVILLE, OHIO**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)**  
**LAST TEN YEARS**

<b>Year</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Highways and Streets</b>	<b>Public Health and Welfare</b>	<b>Culture and Recreation</b>	<b>Community Environment</b>	<b>Loss On Investments</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Total</b>
1992	\$1,631,032	\$3,821,714	\$1,343,732	\$460,621	\$420,504	\$258,116	\$140,365	\$1,138,659	\$119,760	\$9,334,503
1993	1,860,246	3,941,248	1,410,673	490,646	424,416	243,081	339,408	444,012	112,163	9,265,893
1994	1,232,577	4,172,949	1,719,908	457,876	593,817	374,061	58,523	0	124,088	8,733,799
1995	1,748,574	4,309,200	1,544,478	446,951	473,912	246,096	0	0	128,253	8,897,464
1996	1,703,874	4,189,794	2,157,851	490,890	544,366	240,277	0	0	117,868	9,444,920
1997	1,960,806	4,579,914	2,034,240	510,526	609,551	250,780	0	0	127,962	10,073,779
1998	1,950,541	4,672,076	1,695,777	514,971	702,249	279,138	0	0	93,624	9,908,376
1999	1,967,990	5,281,060	4,322,320	554,676	745,573	257,296	0	0	134,669	13,263,584
2000	2,118,972	5,471,391	2,396,435	594,196	841,974	438,083	0	0	151,666	12,012,717
2001	2,321,333	5,919,145	2,360,440	606,275	908,401	390,534	0	0	131,234	12,637,362

- 129 -

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds  
Beginning in 1994 Capital Outlay is included as part of the function.

**THE CITY OF PAINESVILLE, OHIO**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)**  
**LAST TEN YEARS**

<b>Year</b>	<b>Taxes</b>	<b>Inter-Governmental Revenue</b>	<b>Charges for Service</b>	<b>License Permit and Inspection Fees</b>	<b>Investment Earnings</b>	<b>Fines and Forfeitures</b>	<b>All Other (2)</b>	<b>Total</b>
1992	\$6,288,566	\$1,256,507	\$210,921	\$134,568	\$17,359	\$620,936	\$119,751	\$8,648,608
1993	6,298,803	1,266,154	220,195	99,467	30,897	486,439	135,616	8,537,571
1994	6,236,930	2,098,574	266,852	113,937	247,822	484,045	152,307	9,600,467
1995	6,632,131	2,124,305	239,467	210,125	731,112	648,844	184,350	10,770,334
1996	6,562,820	2,008,206	221,904	142,377	782,622	657,265	198,734	10,573,928
1997	6,480,015	2,406,303	226,022	191,120	1,026,908	699,768	364,248	11,394,384
1998	6,921,888	2,670,751	247,654	160,646	989,273	729,995	283,911	12,004,118
1999	7,181,523	3,830,361	248,725	179,690	1,201,096	700,811	177,633	13,519,839
2000	7,371,683	3,903,437	334,241	189,621	1,292,816	702,842	173,171	13,967,811
2001	7,301,526	2,948,823	327,915	163,558	1,219,328	675,402	154,813	12,791,365

(1) Includes General Fund, Special Revenue Funds and Debt Service Funds

(2) Includes Special Assessments and Lawsuit Settlement

**THE CITY OF PAINESVILLE, OHIO**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**REAL AND PUBLIC UTILITY PROPERTY ONLY**  
**LAST TEN YEARS**

<b>Tax Year</b>	<b>Collection Year</b>	<b>Net Tax Levy (1)</b>	<b>Current Collections (1)</b>	<b>Percent of Current Tax Collections To Net Levy</b>	<b>Delinquent Collections</b>	<b>Total Collections</b>	<b>Total Outstanding Delinquent Taxes</b>	<b>Percentage of Total Collections To Net Tax Levy</b>
1991	1992	\$392,526	\$365,167	93.03%	\$14,348	\$379,515	\$18,143	96.69%
1992	1993	403,739	370,036	91.65%	14,554	384,590	14,927	95.26%
1993	1994	377,614	370,411	98.09%	8,661	379,072	6,837	100.39%
1994	1995	414,039	401,722	97.03%	9,970	411,692	9,085	99.43%
1995	1996	411,805	400,846	97.34%	11,947	412,793	12,639	100.24%
1996	1997	419,690	405,958	96.73%	13,786	419,744	13,326	100.01%
1997	1998	473,491	456,579	96.43%	12,310	468,889	23,245	99.03%
1998	1999	482,028	460,701	95.58%	11,388	472,089	21,130	97.94%
1999	2000	552,863	531,055	96.06%	17,636	548,691	16,538	99.25%
2000	2001	611,662	589,199	96.33%	23,021	612,220	21,717	100.09%

Source: Lake County Auditor.

(1) Neither net tax levy nor collections include state reimbursements for property tax reductions of Rollback, 2.5% reduction or Homestead exemption.

***THE CITY OF PAINESVILLE, OHIO  
TANGIBLE PERSONAL PROPERTY TAX COLLECTED  
LAST TEN YEARS***

<u>Year Paid</u>	<u>Amount</u>
1992	\$91,001
1993	81,349
1994	88,953
1995	91,006
1996	100,965
1997	116,768
1998	116,106
1999	120,171
2000	134,291
2001	123,870

Uncollected as of 12/31/01 - \$10,468

Source: Lake County Auditor.

**THE CITY OF PAINESVILLE, OHIO**  
**ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES**  
**OF TAXABLE PROPERTY**  
**LAST TEN YEARS**

<u>Tax Year</u>	<u>Collection Year</u>	<u>Real Property (1)</u>	<u>Tangible Personal Property (2)</u>	<u>Total Assessed Valuations</u>
1991	1992	\$107,430,100	\$35,872,659	\$143,302,759
1992	1993	107,793,730	33,972,655	141,766,385
1993	1994	108,526,740	34,473,389	143,000,129
1994	1995	121,733,660	35,509,086	157,242,746
1995	1996	122,215,230	34,492,728	156,707,958
1996	1997	125,862,610	36,964,962	162,827,572
1997	1998	145,024,530	40,245,173	185,269,703
1998	1999	146,893,740	38,593,190	185,486,930
1999	2000	149,272,580	40,701,794	189,974,374
2000	2001	170,066,980	42,553,627	212,620,607

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property -35%, public utility personal property - 100% and tangible personal property - 25%.

- (1) Includes public utility real property.
- (2) Includes public utility personal property.

Source: Lake County Auditor.

For real property the estimated true values for the last ten years are computed as follows:

<u>Tax Year</u>	<u>Collection Year</u>	<u>Estimated True Values</u>
1991	1992	\$306,943,143
1992	1993	307,982,086
1993	1994	310,076,400
1994	1995	347,810,457
1995	1996	349,186,371
1996	1997	359,607,457
1997	1998	414,355,800
1998	1999	419,696,400
1999	2000	426,493,086
2000	2001	485,905,657

**THE CITY OF PAINESVILLE, OHIO**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$1,000 OF ASSESSED VALUATIONS)**  
**LAST TEN YEARS**

<u>Collection Year</u>	<u>General Fund</u>	<u>Bond Retirement</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Fire Levy</u>	<u>Total City</u>	<u>County</u>	<u>School</u>	<u>Auburn Vocational</u>	<u>Lake County Financing District</u>	<u>Library</u>	<u>Total</u>
1992	1.85	0.55	0.30	0.30	0.70	3.70	12.20	65.98	1.50	4.90	0.60	88.88
1993	2.10	0.30	0.30	0.30	0.70	3.70	13.90	65.98	1.50	4.90	0.60	90.58
1994	2.10	0.30	0.30	0.30	0.70	3.70	13.90	76.27	1.50	4.90	1.00	101.27
1995	2.10	0.30	0.30	0.30	0.70	3.70	14.00	75.04	1.50	4.90	1.00	100.14
1996	2.10	0.30	0.30	0.30	0.70	3.70	14.00	73.34	1.50	4.90	1.00	98.44
1997	2.10	0.30	0.30	0.30	0.70	3.70	14.00	73.09	1.50	4.90	1.00	98.19
1998	2.10	0.30	0.30	0.30	0.70	3.70	14.10	72.08	1.50	4.90	1.00	97.28
1999	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.18	1.50	4.90	1.00	103.98
2000	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.18	1.50	4.90	1.00	103.98
2001	2.10	0.30	0.30	0.30	0.70	3.70	15.70	77.15	1.50	4.90	1.00	103.95

Sources: County Auditor, Lake County, Ohio.  
County Treasurer, Lake County, Ohio.

**THE CITY OF PAINESVILLE, OHIO**  
**PRINCIPAL TAXPAYERS (PROPERTY TAX)**  
**DECEMBER 31, 2001**

<u>Taxpayer</u>	<u>Property Taxable Valuation</u>	<u>Percentage of Total Real Property Taxable Valuation</u>
1. Avery Adhesive Products	\$3,933,030	2.31%
2. Ohio Bell Telephone	3,525,300	2.07%
3. Consolidated Investments Corporation	2,129,550	1.25%
4. Brentwood Phase 2	1,848,580	1.09%
5. Bank One of Northeast Ohio	1,439,240	0.85%
6. Wesley Village	1,210,650	0.71%
7. East Ohio Gas	1,192,510	0.70%
8. Coe Manufacturing Company	1,141,640	0.67%
9. CEI	1,115,420	0.66%
10. Painesville Associates	1,086,530	0.64%
	<u>Sub-Tota</u>	<u>18,622,450</u>
	All Other:	151,444,530
	<u>Total</u>	<u>\$170,066,980</u>
		<u>100.00%</u>

Based on valuation of property taxes collected in 2001.

Source: Lake County Auditor.

**THE CITY OF PAINESVILLE, OHIO**  
**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**  
**LAST TEN YEARS**

<b>Collection Year</b>	<b>Amount Billed</b>	<b>Amount Collected</b>	<b>Current Delinquent</b>
1992	\$136,935	\$45,308	\$100,878
1993	157,226	61,004	103,751
1994	166,604	47,793	91,627
1995	92,736	54,843	18,130
1996	96,792	70,280	8,076
1997	98,723	67,506	3,569
1998	92,860	61,649	12,729
1999	92,127	74,576	5,505
2000	93,832	53,923	47,131
2001	78,502	47,330	9,454

Source: Lake County Auditor.

**THE CITY OF PAINESVILLE, OHIO**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED**  
**VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN YEARS**

<b>Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt (3)</b>	<b>Debt Service Funds Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Valuation</b>	<b>Net Bonded Debt Per Capita</b>
1992	15,599 (a)	\$143,302,759	\$162,000	\$73,256	\$88,744	0.06%	\$5.69
1993	15,599 (a)	141,766,385	126,000	75,607	50,393	0.04%	3.23
1994	15,599 (a)	143,000,129	90,000	80,745	9,255	0.01%	0.59
1995	15,599 (a)	157,242,746	60,000	100,793	0	0.00%	0.00
1996	15,599 (a)	156,707,958	30,000	77,486	0	0.00%	0.00
1997	15,599 (a)	162,827,572	0	16,072	0	0.00%	0.00
1998	15,599 (a)	185,269,703	0	73,321	0	0.00%	0.00
1999	15,599 (a)	185,486,930	0	16,407	0	0.00%	0.00
2000	17,503 (b)	189,974,374	0	1,019	0	0.00%	0.00
2001	17,503 (b)	212,620,607	0	4,681	0	0.00%	0.00

- (1) (a) 1990 Population - U.S. Bureau of the Census.  
(b) 2000 Population - U.S. Bureau of the Census.

(2) Lake County Auditor's Office. Values listed are for year of collections.

(3) General Obligation Bonded Debt supported by property taxes. Does not include General Obligation Debt payable from Enterprise Fund revenues or Special Assessments.

**THE CITY OF PAINESVILLE, OHIO**  
**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT**  
**TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN YEARS**

<u>Year</u>	<u>Total Bonded Debt Service (1)</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Bonded Debt Service to Total General Governmental Expenditures</u>
1992	\$47,632	\$9,334,503	0.51%
1993	45,518	9,265,893	0.49%
1994	43,403	8,733,799	0.50%
1995	35,288	8,897,464	0.40%
1996	33,525	9,444,920	0.35%
1997	31,798	10,073,779	0.32%
1998	0	9,908,376	0.00%
1999	0	13,263,584	0.00%
2000	0	12,012,717	0.00%
2001	0	12,637,362	0.00%

(1) Principal and Interest on General Obligation Bonded Debt.  
Does not include General Obligation Debt payable from  
enterprise funds or special assessments.

**THE CITY OF PAINESVILLE, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**DECEMBER 31, 2001**

Total debt (principal amount of all outstanding bonds and notes)		\$18,056,424
Debt exempt from net indebtedness calculation:		
Special assessment bonds and notes	\$290,000	
Self-supporting bonds and notes:		
Water system	7,565,000	
Sewer system	450,000	
Electric system	3,247,674	
Mortgage revenue bonds:		
Electric system	3,160,000	
Off-street parking	170,000	
Total exempt debt		14,882,674
Net indebtedness (voted and unvoted) subject to 10.5% debt limitation		\$3,173,750
Assessed valuation of City (2000 for 2001 collection)		\$212,620,607
Overall debt limitation- 10.5% of assessed valuation (maximum voted and unvoted general obligation debt allowed)		\$22,325,164
Voted and unvoted debt subject to 10.5% debt limitation	\$3,173,750	
Less: Amount available in Debt Service Fund	(4,681)	
Net voted and unvoted debt subject to 10.5% debt limitation		3,169,069
Legal debt margin within 10.5% limitation		\$19,156,095
Unvoted debt limitation - 5.5% of assessed valuation		\$11,694,133
Unvoted debt subject to 5.5% debt limitation	\$1,710,000	
Less: Amount available in Debt Service Fund	(4,681)	
Net unvoted debt subject to 5.5% limitation		1,705,319
Legal debt margin within 5.5% limitation		\$9,988,814

**THE CITY OF PAINESVILLE, OHIO**  
**COMPUTATION OF ALL DIRECT AND OVERLAPPING**  
**GENERAL OBLIGATION DEBT**  
**DECEMBER 31, 2001**

<u>Jurisdiction</u>	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping</u>	<u>Net Tax Supported Overall Debt</u>
<b>Direct</b>				
City of Painesville	\$212,620,607	\$2,005,319	100.00%	\$2,005,319
<b>Overlapping Subdivisions</b>				
Painesville City Schools	208,480,677	1,832,166	98.05%	1,796,439
Lake County	5,684,393,889	19,095,000	3.74%	714,153
			Subtotal	<u>2,510,592</u>
			Total	<u><u>\$4,515,911</u></u>

(1) Source: Lake County Auditor.

(2) Source: Lake County Auditor; Painesville City School Treasurer, includes general obligation notes payable, but does not include general obligation debt supported by Enterprise Revenue or Special Assessments.

**THE CITY OF PAINESVILLE, OHIO**  
**REVENUE BOND COVERAGE - WATER SYSTEM BONDS (1)**  
**LAST TEN YEARS**

<b>Year</b>	<b>Gross Revenues (2)</b>	<b>Direct Operating Expenses (3)</b>	<b>Net Revenue Available For Debt Service</b>	<b>Annual Debt Service Requirement (4)</b>	<b>Coverage</b>
1992	\$2,424,632	\$2,572,692	(\$148,060)	\$132,862	0.00
1993	2,998,444	3,031,545	(33,101)	131,788	0.00
1994	2,941,261	2,835,487	105,774	130,375	0.81
1995	3,237,427	2,563,034	674,393	133,625	5.05
1996	3,037,340	2,547,577	489,763	131,200	3.73
1997	3,304,648	3,003,316	301,332	133,438	2.26
1998	3,647,272	2,871,823	775,449	0	0.00
1999	3,581,363	3,348,975	232,388	0	0.00
2000	3,378,045	3,129,235	248,810	0	0.00
2001	3,553,382	2,812,411	740,971	0	0.00

(1) The Waterworks system 1st Mortgage Revenue Bonds were issued in 1972, in the amount of \$1,600,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only.  
It does not include the general obligation bonds reported in the Water Revenue Fund.

**THE CITY OF PAINESVILLE, OHIO**  
**REVENUE BOND COVERAGE - ELECTRIC SYSTEM BONDS (1)**  
**LAST TEN YEARS**

<u>Year</u>	<u>Gross Revenues (2)</u>	<u>Direct Operating Expenses (3)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Annual Debt Service Requirement (4)</u>	<u>Coverage</u>
1992	\$11,562,242	\$10,691,306	\$870,936	\$799,647	1.09
1993	13,628,367	11,444,142	2,184,225	711,427	3.07
1994	14,110,342	11,604,607	2,505,735	746,445	3.36
1995	14,630,288	12,118,293	2,511,995	752,245	3.34
1996	14,203,659	11,688,137	2,515,522	744,780	3.38
1997	13,792,894	13,088,809	704,085	749,645	0.94
1998	14,440,100	12,393,936	2,046,164	749,620	2.73
1999	16,247,338	13,047,575	3,199,763	747,533	4.28
2000	15,407,695	13,783,257	1,624,438	753,768	2.16
2001	17,324,667	14,242,983	3,081,684	747,503	4.12

(1) The \$4,540,000 balance of the 1st Mortgage Revenue bonds-6th and 7th Series were defeased in December, 1985, by the issuance of \$3,400,000 Special Obligation Electric system Refunding Bonds. The bond proceeds were deposited in an escrow account with the City's trustee, and the and interest on these funds will be sufficient to retire both the defeased debt and the Special Obligation debt, thus the Special Obligation Bond is not included in the annual debt service requirements above. The City also issued \$7,490,000 Electric system Mortgage Revenue bonds, Series which debt service requirements are included above. In 1992, the City defeased \$5,090,000 of the 1985 Bonds through the issuance of \$6,000,000 of Electric System Mortgage Revenue Refunding Bonds.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only. It does not include the general obligation bonds reported in the Electric Revenue Fund.

**THE CITY OF PAINESVILLE, OHIO**  
**REVENUE BOND COVERAGE - OFF-STREET PARKING FACILITY BONDS (1)**  
**LAST TEN YEARS**

<u>Year</u>	<u>Gross Revenues (2)</u>	<u>Direct Operating Expenses (3)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Annual Debt Service Requirement (4)</u>	<u>Coverage</u>
1992	\$136,439 (5)	\$159,259	(\$22,820)	\$142,650	0.00
1993	145,137 (5)	271,680	(126,543)	137,050	0.00
1994	147,567 (5)	174,132	(26,565)	131,450	0.00
1995	131,825 (5)	170,700	(38,875)	125,850	0.00
1996	103,188 (5)	237,539	(134,351)	120,250	0.00
1997	76,778 (5)	210,238	(133,460)	114,650	0.00
1998	72,036 (5)	143,925	(71,889)	109,296	0.00
1999	70,676 (5)	164,240	(93,564)	103,450	0.00
2000	81,369 (5)	177,957	(96,588)	101,378	0.00
2001	89,722 (5)	182,889	(93,167)	8,924	0.00

(1) The Off-Street Parking Facility 1st Mortgage Revenue bonds were issued in 1973, in the amount of \$1,600,000.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

(4) Annual debt service requirements include principal and interest on revenue bonds only.

(5) The 1992 gross revenues do not reflect a \$320,000 transfer from General Fund. The 1993 gross revenues do not reflect a \$240,000 transfer from the General Fund. The 1994 gross revenues do not reflect a \$180,000 transfer from the General Fund. The 1995 gross revenues do not reflect a \$180,000 transfer from the General Fund. The 1996 gross revenues do not reflect a \$265,000 transfer from the General Fund. The 1997 gross revenues do not reflect a \$240,000 transfer from the General Fund. Gross revenues for 1998 do not reflect a \$145,000 transfer from General Fund. Gross revenues for 1999 do not reflect a \$150,000 transfer from the General Fund. Gross revenues for 2000 do not reflect a \$215,000 transfer from the General Fund. Gross revenues for 2001 do not reflect a \$225,000 transfer from the General Fund.

**THE CITY OF PAINESVILLE, OHIO**  
**SYNOPSIS OF INSURANCE**  
**DECEMBER 31, 2001**

Coverage	Carrier	Policy Number	Policy Period	Liability Limits Aggregate	Deductible	Annual Premium
Public Employee Dishonesty Forgery	Cincinnati Insurance Company	B-80-390582	09/15/01-09/15/02	\$75,000	\$0	\$1,719
Law Enforcement Professional Liability	Zurich U.S.	3627969-00	09/15/01-09/15/02	1,000,000	10,000	14,520
Public Officials Liability - Primary	Zurich U.S.	3627882-00	09/15/01-09/15/02	1,000,000	10,000	10,359
- Excess	Zurich U.S.	3627882-00	09/15/01-09/15/03	100,000	0	
Comprehensive General Liability:	Cincinnati Insurance Company	CPP662772	09/15/01-09/15/02			150,290
Blanket and Property				117,375,846	1,000	
Earthquake				Included above	2%	
Watercrafts				Included above	100	
Valued Papers				100,000	0	
Accounts Receivable				100,000	0	
Employed Benefit				100,000	0	
Ohio Employers Intentional Tort Liability	Cincinnati Insurance Company	CPP662772	09/15/01-09/15/02	500,000	0	2,973
Commercial Umbrella Liability	Cincinnati Insurance Company	CCC4448697	09/15/01-09/15/02	10,000,000	0	13,001
Boiler and Machinery:	Cincinnati Insurance Company	CCP0662772	09/15/01-09/15/02		Various	Included above
Electric Plant				30,000,000		
City Hall				1,000,000		
Other Locations				2,000,000		
Automobile Coverage	Cincinnati Insurance Company	CPP0662772	09/15/01-09/15/02	1,000,000	250	Included above
Emergency Service Management Liability	AAIC	VFIS-CL-0001228-6	09/15/01-09/15/02	2,000,000	0	2,368
Commercial General Liability (Fire)	AAIC	VFIS-CL-0001228-6	09/15/01-09/15/02	2,000,000	0	2,408
Commercial Umbrella	AAIC	VFIS-CU-5005986-2	09/15/01-09/15/02	2,000,000	0	917
Excess to AAIC Policies	Cincinnati Insurance Company	EXL4451096	09/15/01-09/15/02	10,000,000	0	<u>3,217</u>
					Total Premium	<u>\$201,772</u>

Source: City Finance Department

**THE CITY OF PAINESVILLE, OHIO**  
**DEMOGRAPHIC STATISTICS**  
**DECEMBER 31, 2001**

Year	Income		Housing Units		
	Median Family	Per Capita	Total	Owner Occupied	Percent of Total
1960	\$6,805	\$0	4,965	3,155	63.54%
1970	10,178	3,128	5,498	3,029	55.09%
1980	19,068	6,700	6,509	3,439	52.83%
1990	29,279	11,254	6,424	3,597	55.99%
2000	34,842	15,391	6,525	3,402	52.14%

Sources: U.S. Bureau of the Census  
The City of Painesville Economic Development Department

Population

The population of the City, Lake County, and the Cleveland Primary Metropolitan Statistical Area (PMSA) (which is comprised of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina Counties) for each decade from 1940 to 2000 is as follows:

Year	City	County	PMSA
1940	12,235	50,020	1,319,734
1950	14,432	75,979	1,532,574
1960	16,116	148,700	1,909,483
1970	16,536	197,200	2,063,729
1980	16,391	212,801	1,898,825
1990	15,599	215,499	2,202,069
2000	17,503	227,511	2,250,871

Employment

The following table compares estimated employment statistics for Lake County and the Cleveland-Lorain-Elyr including comparisons with unemployment rates for the State of Ohio and the United States.

Year	Employed		Unemployed		Unemployment Rate			
	County	PMSA	County	PMSA	County	PMSA	Ohio	U.S.
1991	112,300	892,200	7,700	51,800	6.4%	5.5%	6.5%	6.8%
1992	108,500	869,100	8,400	63,100	7.2%	6.8%	7.2%	7.4%
1993	111,600	821,500	8,200	60,100	6.9%	6.9%	6.5%	6.8%
1994	114,300	1,022,800	6,800	62,800	5.6%	5.8%	5.5%	6.1%
1995	117,900	1,021,700	5,300	49,500	4.3%	4.5%	4.8%	5.6%
1996	117,800	1,041,300	5,500	54,000	4.4%	4.7%	4.9%	5.4%
1997	118,100	1,132,800	4,900	50,400	4.0%	4.4%	4.6%	4.9%
1998	121,500	1,091,800	4,500	44,900	3.6%	3.8%	4.3%	4.5%
1999	119,400	1,127,300	5,800	61,500	4.0%	4.2%	4.3%	4.2%
2000	121,800	1,058,402	5,600	58,772	3.5%	5.3%	3.7%	4.0%

Sources: Ohio Bureau of Employment Services.

Sources: U.S. Department of Labor, Bureau of Statistics

**THE CITY OF PAINESVILLE, OHIO**  
**PROPERTY VALUES AND CONSTRUCTION PERMITS**  
**LAST TEN YEARS**

<u>Year</u>	<u>Building Permits Issued (2)</u>		<u>Assessed</u>
	<u>Number of</u>	<u>Property</u>	<u>Value Real and</u>
	<u>Permits</u>	<u>Value</u>	<u>Personal Property (1)</u>
1992	151	\$8,508,040	\$143,302,759
1993	193	6,275,553	141,766,385
1994	293	9,315,465	143,000,129
1995	374	18,055,918	157,242,746
1996	532	14,595,599	156,707,958
1997	517	6,851,484	162,827,572
1998	412	15,497,310	185,269,703
1999	382	14,617,351	185,486,930
2000	432	11,530,314	189,974,374
2001	507	12,502,762	212,620,607

Sources:

- (1) Lake County Auditor. Value listed for year of collection.
- (2) City Code Enforcement Division.

**THE CITY OF PAINESVILLE, OHIO**  
**PRINCIPAL EMPLOYERS**  
**DECEMBER 31, 2001**

The following private and public employers have the ten largest work forces within the City:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>		
		<u>Full-Time</u>	<u>Part-Time</u>	<u>Total</u>
County of Lake	Government	1,147	170	1,317
Lake Hospital System	Medical-Patient Care	474	296	770
Fasson Division/ Avery International Corporation	Manufacturing	620	0	620
Painesville City Schools	Education	343	30	373
The City of Painesville	Government	278	13	291
The Coe Manufacturing Company	Manufacturing	189	0	189
Lake Erie College	Education	96	77	173
Ohio Association Enterprises	Commercial	153	0	153
SAS Rubber Division Mohawk Rubber Company	Manufacturing	135	0	135
Fluid Regulators Corporation	Manufacturing	108	0	108

Source: City Department of Finance.

**THE CITY OF PAINESVILLE, OHIO**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2001**

Date of Incorporation	1832	Water System:	
Form of Government	Council/Manager	Number of Purification Plants	1
Area (square miles)	7.75	Miles of Water Mains	119.9
Number of Employees (excluding Police and Fire)		Number of Fire Hydrants	1,417
Full-time	280	Number of Service Connections	8,539
Part-time	16	Average Daily Consumption (gallons)	3,882,192
		Maximum Daily Capacity of Plant (gallons)	7,500,000
Facilities and Services:			
Miles of Streets	57	Sewerage System:	
Number of Street Lights	1,402	Number of Treatment Plants	1
		Miles of Sanitary Sewers	48
Police Services:		Miles of Storm Sewers	37
Number of Stations	1	Number of Service Connections	5,699
Number of Police Personnel		Average Daily Treatment (gallons)	2,330,000
and Officers	49	Design Capacity (gallons)	6,000,000
Number of Patrol Units	16	Maximum Daily Capacity of Treatment (gallons)	28,000,000
Law Violations:			
Physical arrests	864	Electric System:	
Traffic Violations	1,390	Number of Generating Plants	1
Parking Violations	944	Number of Interconnections	1
		Plant Generating Capacity in Megawatts	53.5
Fire/Emergency Medical Services:		Miles of Line	200
Number of Stations	1	Number of Service Connections	10,959
Number of Officers and		Average Daily Generation in Kilowatt Hours	428,836
Fire Personnel	26	Peak Load in Kilowatts - 2000	49,900
Number of Calls Answered	3,099		
Number of Inspections	805	Parking Facilities:	
		Off-Street Parking Garages	1
Recreation and Culture:		Parking Levels	7
Community Centers	1	Parking Spaces	552
Number of Parks	10	Average Daily Cars Parked	304
Park Acreage	101.16	Off-Street Surface Parking Lots (Leased)	2
Number of Ball Fields:		Parking Spaces	167
Lighted	1	On-Street Parking Meters	172
Unlighted	12		
Tennis Courts	2	Education:	
		Elementary Schools	4
Number of Cemeteries	2	Elementary School Students	1,346
Cemetery Acreage	84	Elementary School Instructors	65
		Middle Schools	1
Hospitals:		Middle School Students	515
Number of Hospitals	1	Middle School Instructors	40
Number of Patient Beds	168	High Schools	1
Number of Bassinets	40	High School Students	602
		High School Instructors	41
		Colleges	1





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CITY OF PAINESVILLE**

**LAKE 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 27, 2002**