

**CITY OF LORAIN  
LORAIN COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 1999**



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

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**STATE OF OHIO**



**CITY OF LORAIN**  
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**CITY OF LORAIN**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

Federal Program	CFDA #	Pass-through Agency Awarding Number	Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster:			
Community Development Block Grant - Entitlement Grants	14.218	N/A	\$2,284,264
HOME Investment Partnership Program	14.239	N/A	608,320
EDI - Special Project Grant	N/A	N/A	<u>332,296</u>
Total U.S. Department of Housing and Urban Development			<u>3,224,880</u>
<b>U.S. Department of Commerce</b>			
State and Local Economic Development	11.305	N/A	168,996
Special Economic Development and Assistance Programs - Long-Term Economic Deterioration Revolving Loan Fund	11.307	N/A	<u>20,528</u>
Total U.S. Department of Commerce			<u>189,524</u>
<b>Federal Highway Administration</b>			
Passed-through Ohio Department of Transportation			
Federal Highway Program	20.205	PID #18371	<u>976,363</u>
<b>U.S. Department of Justice</b>			
Local Law Enforcement Block Grant	16.592	97LBVX2334	<u>35,879</u>
<b>U.S. Department of Health and Human Services</b>			
Passed-through Ohio Department of Health			
Maternal and Child Health Services Grant	93.994	47-2-01-F-A1-320	<u>118,919</u>
<b>Total Federal Awards Expenditures</b>			<u><u>\$4,545,565</u></u>

*The Notes to the Schedule of Federal Awards Expenditures are an integral part of this Schedule.*

CITY OF LORAIN

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 1999

**Note A - Basis of Presentation**

The accompanying Schedule of Federal Awards Expenditures (Schedule) 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.

**Note B - Subrecipients**

The City passes-through certain Federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the City records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the City is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

**Note C - Loans**

The City of Lorain disbursed \$436,254 in new loans under the HOME Investment Partnership Program (CFDA #14.239) during 1999. These loan amounts are included in the federal expenditures presented in the Schedule for the HOME Program.



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

Members of City Council  
City of Lorain  
Lorain County  
200 West Erie Avenue  
Lorain, Ohio 44052

To the City Council:

We have audited the financial statements of the City of Lorain, Lorain County, Ohio, (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated July 26, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 July 26, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated July 26, 2000.

This report is intended for the information and use of management, City Council, and 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

July 26, 2000



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OFFICE OF THE AUDITOR  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of City Council  
City of Lorain  
Lorain County  
200 West Erie Avenue  
Lorain, Ohio 44052

To the City Council:

**Compliance**

We have audited the compliance of the City of Lorain, Lorain County, 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, 1999. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants 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 generally accepted auditing standards; 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 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, 1999. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 1999-20847-001.

### **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. However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated July 26, 2000.

### **Schedule of Federal Awards Expenditures**

We have audited the general-purpose financial statements of the City as of and for the year ended December 31, 1999, and have issued our report thereon dated July 26, 2000. 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 Federal Awards Expenditures 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. 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 for the information and use of management, City Council, and 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.



**Jim Petro**  
Auditor of State

July 26, 2000

**CITY OF LORAIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDING DECEMBER 31, 1999**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	Yes
(d)(1)(vii)	Major Programs (list):	Economic Development - State and Local Economic Development (CFDA #11.305)  Highway Planning and Construction (CFDA #20.205)  EDI - Special Project Grant (No CFDA #)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	\$300,000
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

Finding Number	1999-20847-001
CFDA Title and Number	EDI-Special Project Grant/No CFDA Number
Federal Award Number / Year	B-98-SP-OH-0061 / 1998
Federal Agency	U.S. Department of Housing and Urban Development

CITY OF LORAIN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .505  
FOR THE YEAR ENDING DECEMBER 31, 1999  
(Continued)

Pass-Through Agency	N/A
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**1999-20847-001**

Article I. D. of the 1998 EDI - Special Project No. B-98-SP-OH-0061 Grant Agreement requires the Grantee and Sub-Grantee to comply with the administrative requirements of OMB Circular A-133 "Audits of States, Local governments and Non-Profit Organizations". In addition, Section 1. 7) of the subrecipient agreement between the City of Lorain and the South Shore Community Development Corporation (subrecipient) requires the Subrecipient to contract with an independent auditor to have an annual audit conducted in accordance with current Grantee policy concerning subrecipient audits and, as applicable, OMB Circular A-133.

Discussion with the City Community Development Department personnel disclosed that an audit report in accordance with OMB Circular A-133 had not been received from the South Shore Community Development Corporation for 1999. Discussions also disclosed that, contrary to the subrecipient agreement, the City's Community Development Department does not require an A-133 audit until the project is complete.

During 1999, the City paid \$318,170 to the South Shore Community Development Corporation.

Without an A-133 audit, the City's Community Development Department does not have assurances that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

We recommend that the City enforce the provisions of the subrecipient agreement to ensure that subrecipient audits are conducted in a timely manner.



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# City of Lorain, Ohio

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## Comprehensive Annual Financial Report

For the Year Ended December 31, 1999

**Ronald L. Mantini**  
**Lorain City Auditor**

**City of Lorain, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 1999*  
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**City of Lorain, Ohio**  
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## INTRODUCTORY SECTION

The introductory section contains information to familiarize readers with the Comprehensive Annual Financial Report (CAFR) and the City of Lorain. A description of the City, the reporting entity, and the operation of City services is included. Other topics range from financial summaries and highlights to city awards.

Key elected and appointed officials are listed along with the City's organizational chart. This section is intended to provide users with an overview of the report and the City of Lorain.







# The City of Lorain, Ohio

Ronald L. Mantini, Auditor

200 West Erie Avenue, 6th Floor  
Lorain, Ohio 44052-1647

Phone: (440) 204-2090

Fax: (440) 204-2097

July 26, 2000

Citizens of Lorain  
Lorain, Ohio

It is with great satisfaction, we submit this Comprehensive Annual Financial Report (CAFR) for the City of Lorain, Ohio, for the year ended December 31, 1999. This CAFR was prepared by the Lorain City Auditor's office. Management is accountable for the accuracy of the data and the entirety and fairness of the material presented, including all disclosures. We consider the information contained herein to be precise in all aspects relating to the City's financial activities and statistical data. This report was designed in a manner so that the reader may obtain a thorough and optimal understanding of the City's financial affairs, basic operations and general composition. Copies will be made available to all interested parties.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section; which contains a Letter of Transmittal, the Certificate of Achievement, an Award for Outstanding Achievement, a list of the City's principal officials and department heads, a map of the voting wards of the City of Lorain with the respective council members noted, and an Organizational Chart of the City;
2. The Financial Section; which begins with the Report of Independent Accountants, and includes the General Purpose Financial Statements and Notes which provide an overview of the City's financial position and operating results, and also includes the Combining Statements and Schedules of the Individual Funds and Account Groups that provide detailed information relative to the General Purpose Financial Statements; and
3. The Statistical Section; which presents various tables reflecting social and economic information, financial trends and the fiscal capacity of the City of Lorain.

## THE CITY OF LORAIN

Incorporated in 1874, the City of Lorain is located in Lorain County in northeastern Ohio on the shore of Lake Erie, approximately 30 miles west of Cleveland and 90 miles east of Toledo. Within a 500-mile radius of Lorain, reside 50 percent of the population of the United States and Canada, and 24 of the nation's 50 industrial markets.

Lorain's 1990 population of 71,245 placed Lorain as the largest City in Lorain County and the tenth largest in the State. According to the Ohio Department of Development, the City's 1998 population figure was 69,800, which represents an overall decrease of 2%.

The City's area is 23.8 square miles, or 15,226 acres, allocated by: residential land use of 39.5 percent; commercial/industrial land use of 15 percent; governmental land use of 6.5 percent; agricultural land use of 7 percent; undeveloped land use of 21 percent; and other tax exempt land use of 11 percent.

Residential structures total 22,427, the number of dwelling units total 29,487, apartment buildings total 94, and mobile home parks total 11. For 1999-2000, new construction of agriculture/residential property and commercial/industrial property totaled \$5,782,570 and \$6,079,500 respectively.

Lorain possesses an international port that has access to world markets via the St. Lawrence Seaway. Major port facilities include ore shipping from boat-to-boat and boat-to-rail, and docks and other facilities for the receipt of iron ore, gypsum ore, concrete, aggregates and oil. The Lorain Port Authority, a separate political subdivision, operates the port.

The Lorain Palace Civic Center, a 1,600 seat renovated facility of the National Register of Historic Places, operates with a variety of musical and cultural events year round and is located in downtown Lorain.

## **CITY GOVERNMENT**

Lorain operates as a statutory City under the laws and regulations as set forth under the Ohio Constitution, which is in contrast to the specialized charter forms of government. The citizens have voted down charters in the past. The form of government prescribed in Lorain is Mayor-Council with elected officials as follows:

Legislative authority is vested in a 12-member **City Council** and a **Council President**. Council has three members who are elected at-large and nine who are elected from wards, all for two-year terms. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions including, but not limited to, City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by City voters for a two-year term.

The City's chief administrative officer is the **Mayor**, who is elected to a four-year term. The Mayor is responsible for basic City services, such as police, fire, streets, parks, and community development. The Mayor appoints a Director of Public Safety/Service, department heads, boards and commissions. The Mayor's role is to promote business and commerce and to be the catalyst for new development and capital projects.

The City's chief financial and fiscal officer is the **Auditor**, who is elected to a four-year term. The Auditor is responsible for keeping financial records and preparing financial reports of the City. In addition, the Auditor monitors the budget, directs payroll and accounts payable, and oversees all information systems activity.

The City's **Treasurer** is elected to a four-year term. The Treasurer is responsible for income tax and other revenue collections of the City. The Treasurer is the custodian of all monetary assets and is responsible for deposits and investments.

The City's chief legal counsel is the **Law Director**, who is elected to a four-year term. The Law Director represents the City in all its cases. The Law Director advises City officials and Council on all legal matters and must approve all ordinances, resolutions, and contracts as to form. The Law Director also appoints the Chief Prosecutor, who is responsible for prosecution of all municipal, civil, and criminal cases.

Lorain has two municipal judges and a Clerk of Courts, each of whom are elected to six-year terms.



## MAJOR INITIATIVES AND ACHIEVEMENTS

**For the Year:** In 1999, the City of Lorain general governmental expenditures were \$40,066,869. This represents a decrease of approximately 5.32 percent from 1998. 1999 general government revenues were \$38,904,915. This represents an increase of approximately 3.74 percent from 1998. The City issued \$850,000 of additional notes to finance expenditures for a street improvement project.

Like most businesses, the City of Lorain **Auditor's Office**, together with the Management Information System's Department, spent the majority of its time in 1999 preparing for "Y2K". Fortunately, through years of preparation, the City was in a good position to handle the conversion requirements presented by the Y2K issues and successfully entered into the "Year 2000". Another major accomplishment during the year was the ongoing task of expanding the City's network. Most of the departments within City Hall have been upgraded to a full 100 mg/sec network complete with Internet access and e-mail. The remaining departments are scheduled to be completed in 2000. Additionally, a firewall has been installed protecting the network from outside interference and employees viewing non-work related web sites. The 100 mg/sec network has been expanded to the City of Lorain Health and Fire Departments. The Lorain Police Department has occupied three new substations that were added to the network allowing access to Police Records. The Police Department also installed a digital photo imaging system, enabling the electronic storage of pictures, and allowing the creation of computerized lineups. The City of Lorain Web Site ([www.Ci.Lorain.Oh.Us](http://www.Ci.Lorain.Oh.Us)) also has grown during 1999 with the addition of the Lorain Police Department and Lorain Municipal Court.

The **Department of Health's** overall mission is to protect the environment and promote health and safety to citizens of Lorain. They have accomplished these goals through on-going programs developed in previous years and other programs that were initiated in 1999. One such program, through the Public Health Nursing Division, was the Welcome Home Program. The program provided in-home visits to new and teenage moms by a public health nurse to discuss issues, concerns or needs and makes referrals. The program served 265 families in the City of Lorain. The Ohio Early Start, another home-visiting program, has been around for four years. It is designed to maintain the integrity of the family unit and ensure all children, from birth to three, are immunized and ready for school. The Well Child Clinics focus on preventive intervention with services including physical examinations, screening, immunizations and referrals and serve children from birth to 21 years. These clinics are not only administered at the health clinic but also at specified schools. In collaboration with the school system, the Health Department and the Child and Family First Council, provided 1,000 kindergartners with a bag filled with school supplies that was purchased through grant funds. The Health Education component provides education programs that involve Child Seat Safety, Bike Helmet Safety, Tobacco Prevention, Germs and Hygiene, HIV Prevention, information on Communicable Diseases. In the Environmental Division, major highlights include: assisting in distributing blue recycle bags, performing 15 lead risk assessments, conducting a complete review of the rules, regulations and fees for food service, food establishments, manufactured home parks, multiple housing and home sewage programs.

The **Police Department** highlights include an outstanding overall drop in crime in 1999 by 11.5%. This is the fifth straight year that Lorain has experienced a reduction in crime. According to the FBI Uniform Crime Report, the following reductions in crimes were reported: rape (37%), robbery (23%), felonious assault (30%), burglary (17%), larceny (5%), arson (16%) and motor vehicle thefts (20%). This downward spiral was attributed to many factors. Federal and state grants were utilized to place additional officers on the street, specifically in high crime areas. These teams, created to patrol the streets, have proven to be extremely successful in deterring crimes. Furthermore, the collaborative efforts of the community and various agencies have played a major role in strengthening the efforts of the officers and staff. The Police Chaplain Program, which involves four area churches and their pastors, was instituted in 1999 to provide support needs to the officers and staff. The department continued to partnership with the Lorain City Schools to exclusively provide law enforcement services and act as resource to staff, faculty,

and students. Moreover, officers are assigned to public housing areas where they render a comprehensive community policing strategy, which involves patrolling the elderly high rises during the night hours. This is performed in collaboration with the Lorain Metropolitan Housing Authority. In addition, collaborative efforts are enhanced through the Lorain Port Authority that furnish the officers with a boat for the purpose of continuing law enforcement and rescue services on Lake Erie and the Black River through the Lorain Marine Patrol Unit. Investments were made to purchase specialized equipment for the purpose of assisting the officers to perform their duties to the citizens of Lorain more professionally, efficiently and effectively. Funds were derived from the Law Enforcement Trust Fund, Police Special Revenue Fund and the Police Levy for a total of approximately \$200,000. A state-of-the-art Crime Scene Van for the Detective Bureau and a Utility Truck for the Lorain Police SWAT Team were purchased in order to provide a centralization of emergency equipment and tools to make them readily accessible at the time it's needed. Also purchased was a 4WD Ford 250 Truck for the Lorain Police Underwater Recovery Unit and two Chevrolet Tahoes for the K-9 Unit.

With the use of Federal Community Development Block Grant and HOME program funds, the **Community Development Department** engaged in numerous activities aimed at promoting community and economic progress in the City. The Department's activities included the continuation of programs such as: the acquisition of land for affordable single-family housing; providing building and public facility improvements; promoting The Single Family Residential Rehabilitation Program; providing economic development loans to businesses to create permanent employment for low income individuals (which has created approximately \$500,000 of City income tax into the City's General Fund annually); clearing and demolishing vacant neglected structures; and promoting home ownership programs of the South Lorain Community Development Corporation and the Lorain County Community Action Agency. Other accomplishments of the department in 1999 included the 1,450 lineal feet extension of the road in the Colorado Industrial Park; five business loans to new and expanding businesses in our community; funds committed to repair 23 homes; and working cooperatively with Lorain County to receive up to \$1,000,000 for the reconstruction of Riverfront Place in downtown Lorain.

The **Lorain Utilities Department** again had a very busy year with many major infrastructure improvements completed and many more started. There was 12,200 feet of water line replaced on East Erie Avenue from Colorado Avenue to Root Road. The East 28<sup>th</sup> Street portion of the sanitary sewer overflow project was completed. The Tacoma relief sewer and retention basin construction was started in the fall of 1999. The continuing program of replacing all the water meters in the City with electronic touch pads continued in 1999 with over 4,000 new meters installed. Other department activities included the continuation of programs such as: inspecting all manholes and cleaning and televising sewers; installing rain guards in problem manholes; installing chimney seals in manholes as a preventative measure to reduce infiltration into them; and the summer sewer discount for sewer usage (based on average winter month usage). The department began the process to institute the "Check Free" method of customer payments by having their water bills automatically paid from their checking account. Over 900 customers took advantage of this program in 1999. As per a new requirement by the EPA, consumer confidence reports were sent to all of the 23,000 plus customers of the Lorain Utility Department. The Idaho relief sewer and retention basin construction design phase was completed and bids opened – construction will begin in 2000. The rehabilitation of approximately 2,000 of the 5,500 sanitary manholes in the City will begin in 2000.

The **Building Department** issued permits for 85 new single family homes, 1 two family dwelling and 10 new commercial buildings. The City also issued the following: 4,862 permits for residential alterations, 386 commercial alteration permits, 286 contractor licenses, 226 landlord occupancy permits and 268 miscellaneous permits for a total of 6,124 permits issued.

## ECONOMIC CONDITIONS AND OUTLOOK

Indicative of continuing local economic breadth, approximately two-thirds of manufacturing firms in the County are engaged in the production of a variety of materials, including primary and fabricated metals, stone, clay and glass, rubber and plastic products, electrical and non-electrical machinery, and transportation equipment. These are in addition to the major steel and auto manufacturing operations in the City and discussed below.

There was in the 1990s significant growth and general economic development in the area. The 1998 edition of Site Selection Magazine reported that the Cleveland-Lorain-Elyria metropolitan area ranked sixth in the country in the number (237) of new corporate facilities and the expansion of existing facilities.

Ford Motor Company, a major employer in the City, has been undergoing a change in local production. Ford in 1997 discontinued its production of Thunderbird and Cougar models at the Lorain assembly plant, resulting in reductions in City income tax and personal property tax revenue from Ford in 1998 and 1999. Total 1998 general fund income tax revenues decreased by only 3.5%, mainly due to offsetting increases in income and other tax revenue in other sectors of the local economy. Income tax revenue in 1999 was only 0.64% below 1998 figures.

In 1999 the Ford Motor Company Board authorized the retooling of the assembly line at the Lorain plant to accommodate Ford's new E550 Econoline van (a heavy-duty version of the full sized Econoline vans already being assembled at the plant). Ford announced estimates of investing approximately \$60,000,000 in the Lorain plant over the next year or so to complete the retooling, with the first E550s scheduled to come off the line in November 2001. Local union officials have announced expectations that assembly of the new line will create approximately 120 new jobs at the plant, which the City estimates will generate approximately \$200,000 annually in additional municipal income taxes.

USS/KOBE Steel Company pursued the overall restructuring announced in the spring of 1999 (and referred to in the City's 1999 CAFR). This was basically a two-step development:

- ◆The new Republic Technologies International was formed late in 1999 by the merger of USS/KOBE and various other companies and affiliates. The merger company, owning 14 plants in North America, has announced plans to invest \$75,000,000 in the Lorain mill and a 50% increase in the bar mill production in the next year. It has already restarted a blast furnace, idle since 1998, creating 26 new jobs and increasing monthly steel production by 40,000 tons.

- ◆Lorain Tubular Company (an affiliate of USX Corporation) purchased the bar steel making facility at the Lorain mill from USS/KOBE, and at 1999 year-end USX Corporation purchased the remaining 50% interest that USS/KOBE had in Lorain Tubular, at that point making the steel pipe facility wholly American owned. Lorain Tubular currently employs approximately 500, and generates \$250,000,000 in annual sales.

A voter-approved one-mill property tax levy for the Lorain Port Authority (renewed in 1999) generates approximately \$650,000 a year, enabling the Port Authority to pursue a variety of economic development projects. Those recent and current projects have included:

- ◆The 25-acre "Grove Site", to be developed as an intramodal transportation center and for recreational uses. State and federal funds have been committed to this project which is currently in the design stage with construction currently scheduled to begin in 2001. A major new access roadway to the Grove Site has received financial commitments from the County and the City; it will include related infrastructure improvements (including parking and sidewalks) serving adjacent business areas.

◆ The Colorado Industrial Park is a joint City and Port Authority project, started in 1997. This 30-acre project on the City's East Side currently houses Advanced Automotive Systems and an U.S. Postal Service carrier annex (retaining approximately 100 jobs in the City). Advanced Automotive is already pursuing a \$2,000,000 expansion, scheduled to be completed in 2001 and projected to produce 150 new full-time jobs. Additional phases of the project, including expansion by perhaps up to 150 acres, is currently in the planning stage, the possibility of which is enhanced by City infrastructure improvements, including a major access road. The City is currently in negotiations for acquisition of additional property for the Industrial Park, and has received approval for a \$700,000 HUD Section 108 loan guarantee for the purpose.

The City's Community Development Department is charged with promoting and developing and coordinating Lorain's community and economic development through land use and transportation planning, housing, and commercial rehabilitation, historic preservation, recreation and business assistance programs. It has operated several housing repair programs, as well as business loan and economic development programs as part of City efforts to encourage small businesses to locate in the City and to renovate and construct retail and office space, particularly in the downtown area. Recent examples of the latter include several retail and professional spaces valued at approximately \$680,000. In addition, efforts are under way on a \$3,000,000 renovation of downtown's Palace Civic Center Theatre, which includes \$200,000 in State funding.

Community Health Partners (the product of prior merger of two local hospitals) has completed a major construction and development program in the last couple of years, the goal of which has been to consolidate operations for all acute and related diagnostic and therapeutic services for in-patient and ambulatory services. This has included \$20,000,000 for construction of three surgery suites, a state-of-the-art critical care center and women's and children's center, as well as new \$4,000,000 family care center to provide such services as internal medicine, pediatric, obstetric and gynecology, allergy/immunology, family practice, elder care, and psychiatric.

A hospital building vacated as a result of the merger is currently being renovated to create a community center, financed with a combination of federal, local and state moneys. Tenants are to include many non-profit organizations, including Lorain County Community College, Catholic Charities, Veterans Administration Clinic, Community Health Partners emergency room, pregnancy services, and Lorain public schools. Many community service organizations have made significant individual investments in the building in order to better serve the social service needs of the community. This includes Specialty Hospital of Lorain, a long-term acute care specialty hospital providing services for the medically complex and rehabilitation patient, basically involving catastrophic illness or injury and lengthy hospitalization.

The City has pursued several areas for urban renewal enhancement and redevelopment. An area around the former shipyard section of the City's downtown riverfront has been determined to be blighted, and has been the subject of extensive planning and approvals for significant private projects. Contracts have been approved with Spitzer Great Lakes Ltd. for an estimated \$85,000,000, 62-acre development project to include approximately 400 housing units, nautical boutiques, restaurants, a health club, boardwalk and pier, a commercial fishing village, and a 34,000-square foot commercial center. The site is currently home to the 19-acre Spitzer Riverside Marina which will remain on the site. Financial support currently includes \$1,000,000 of state roadwork development grants and up to \$12,000,000 in City-backed tax-increment financing bonds for land acquisition and public improvements, along with City-granted tax abatement.

The City is discussing with adjacent Sheffield Village the possibility of establishing a "joint economic development district", newly authorized by Ohio statutes. It would involve industrially zoned land in Sheffield Village but adjacent to Lorain. A JEDD could be a mechanism for tax revenues generated by

new businesses to be shared by the two municipalities and used to pay, for example for the extension of City services into the area, as well as the general sharing of income tax revenues.

Although the City, and as indicated above the State, County and Port Authority, have levels of commitment to some of those economic development projects, there can be no guarantee of their being completed as planned or within currently projected time frames.

## REPORTING ENTITY

The reporting entity includes all the funds and account groups of the City. Component units are legally separate entities for which the City would be financially accountable. Currently, the City does not have any component units to report in its financial statements.

## FINANCIAL INFORMATION – GENERAL GOVERNMENT FUNCTIONS

The information in this section pertains to the City's general government operation. General government function finances are administered through the General, Special Revenue, Debt Service, and Capital Projects Funds.

**Revenues.** The following schedule presents a summary of General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, revenues for the fiscal year ended December 31, 1999, and the percentage of increases and decreases in relation to previous year's revenues.

Revenue Source	1999 Amount	Percent of Total	Increase (Decrease) From 1998	Percent Change From 1998
Taxes	\$19,958,146	51.59%	\$(353,553)	(1.74)%
Charges for Services	439,434	1.14	8,632	2.00
Fines, Licenses and Permits	2,061,198	5.33	(664,279)	(24.37)
Intergovernmental	14,795,431	38.25	2,025,471	15.86
Special Assessments	215,025	.56	(106,989)	(33.22)
Interest	321,895	.83	(104,928)	(24.58)
Other	891,588	2.30	375,612	72.80
<i>Total Revenues</i>	<u>\$38,682,717</u>	<u>100.00%</u>	<u>\$1,179,966</u>	3.15%

Taxes are the largest revenue source of governmental funds. Taxes include real and personal property tax, estate tax, and income tax. Real property tax revenues include voter-approved levies for the general, police pension, and fire pension funds. The slight decrease, 1.74 percent, in tax reflects a reduction in the amount of real estate and personal property tax collections in 1999 due to delinquent payments.

The increase in Charges for Services, 2.00 percent, is primarily due to increased receipts for nursing services in the Health Department.

The decrease in Fines, Licenses, and Permits, 24.37 percent, is largely attributable to a decline in the large amounts collected by the police for confiscations and forfeitures related to illegal drug and gambling activities in the city, which coincides with the overall decline in crime.

Intergovernmental revenues consist primarily of federal grants, state shared revenues, motor vehicle license, and gasoline excise tax revenues. The increase in receipts, 15.86 percent, is the result of additional receipts of State and Federal Aid for capital projects in the city.

The decrease in Special Assessment revenue, 33.22 percent, is due to a decrease in collections and the expiration of some temporary assessments.

The decrease in Interest revenue, 24.58 percent, is due mainly to the decrease in interest rates earned on short-term investments.

The increase in Other revenue, 72.80 percent, is from various sources including, but not limited to, refunds, and reimbursements.

**Expenditures.** The following schedule presents a summary of general governmental expenditures for the fiscal year ended December 31, 1999, and the dollar value of the increase or decrease during the past year.

<u>Expenditures</u>	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1998</u>	<u>Percent Change From 1998</u>
<b>Current:</b>				
General Government	\$6,569,957	16.49%	\$23,898	.37%
Security of Persons and Property	17,237,827	43.26	1,477,704	9.38
Public Health and Welfare	1,723,641	4.33	128,655	8.07
Transportation	2,665,990	6.69	108,435	4.24
Community Environment	710,623	1.77	5,974	.85
Leisure Time Activities	1,493,082	3.75	85,584	6.08
Economic Development	3,356,598	8.42	(1,664,874)	(33.16)
Capital Outlay	2,938,879	7.38	504,759	20.74
<b>Debt Service:</b>				
Principal Retirement	2,121,041	5.33	(3,058,449)	(59.05)
Interest and Fiscal Charges	936,514	2.35	(196,578)	(13.64)
Bond Issuance Costs	90,519	.23	90,519	100.00
<b>Total Expenditures</b>	<u>\$39,844,671</u>	<u>100.00%</u>	<u>\$(2,474,37)</u>	<u>(5.84%)</u>

Included in the General Government function costs are those associated with the offices of the Mayor, Auditor, Management Information Systems, Treasurer, and Law Director as well as those for Council, the Courts, the Engineering Department, Electrical Department, and all municipal buildings. Expenditures remained fairly constant in 1999.

Security of Persons and Property consists of the Police and Fire Departments. The increase, 9.38 percent, is a result of an increase in wages and additional personnel.

Public Health and Welfare includes the Animal Warden, Cemetery, and Health Departments. The increase in expenditures, 8.07 percent, was predominately due to a slight increase in wages and for retirement pay outs in the Cemetery Department.

Transportation costs increased, 4.24 percent, as a result of increased Street Department expenditures for salt and street repair supplies. There was also an increase in expenditures for repairs of machinery and equipment.

Leisure Time Activities include the operation of the Parks and Recreation Department and the City pools. The increase in expenditures, 6.08 percent, is due mainly to an increase in utility costs and the purchase of new equipment for various playgrounds throughout the City.

Economic Development resources are used for housing and rental rehabilitation assistance projects, business assistance loans, and targeted street improvements. The decreased expenditures, 33.16 percent, reflect a reduction in expenditures for capital outlay and monies used for various Community Development projects and programs, as well as personal services for general and administrative functions.

The increase in Capital Outlay, 20.74 percent, resulted from more equipment purchases and improvements compared to 1998.

The large increase in debt service expenditures is a result of the refinancing of the Police and Fire Pension bonds and the refinancing of short-term notes.

## **FINANCIAL INFORMATION – ACCOUNTING CONTROLS**

**Internal Controls.** Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurances regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City initiated a comprehensive program to reduce vulnerability to fraud, waste or abuse through an improved internal control structure. Purchasing, accounts payable, payroll, and property control procedures are in place and updated periodically. An existing ordinance requires all purchases exceeding \$15,000 be reviewed and approved by Council,

**Single Audit.** As a recipient of federal financial assistance and because of the level of expenditures of the federal grant programs, the City is required to undergo an annual audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Not-For-Profit Organizations. As part of the City's single audit, tests were made to determine the adequacy of the internal control, including that portion related to major federal financial assistance programs, and to determine that the City has complied with applicable laws and regulations. Included in a separate report is the information related to the single audit, including the Schedule of Federal Awards Expenditures, findings, recommendations, report on internal control over financial reporting and compliance with applicable laws and regulations.

**Budgetary Controls.** Budgetary control is maintained by an encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued unless a sufficient unencumbered appropriation is available.

City departments have on-line purchase order requisition processing via the mainframe computer. The City Auditor then reviews the requisition for availability of funds. Copies of all approved purchase orders are returned to the department head pending receipt of the goods and services. Once the goods and services and the invoice are received, the department head verifies that all goods or services received are in acceptable condition. Invoices for the goods received are then approved and forwarded to the Auditor's Office for payment.

Each department has on-line computer access to reports showing the status of their budgeted accounts. The reports detail all transactions and summarize available balances.

The City adopts a temporary appropriation ordinance on or before January 1 of each year for the period January 1 through March 31. The Mayor submits proposed appropriations to Council's Finance

Committee for its recommendations. The committee makes recommendations and forwards the appropriations to the City Council for final passage. All members of Council review the appropriation proposal before its adoption. All expenditures require appropriation authority. For all operating funds, appropriations are passed and are maintained at the line item level within each department and fund. If necessary, appropriations may be amended throughout the year.

**Fixed Assets.** Consumable assets are inventoried at the end of each fiscal year, while fixed assets are continually updated throughout the year. The City has prepared a Fixed Asset Manual to initiate better accountability for fixed assets. This manual provides fixed asset policies and procedures for better control and accountability, for the preparation of year-end financial statements in accordance with generally accepted accounting principles, and for adequate insurance coverage. The appropriate accounting treatment for the acquisition of a fixed asset is governed by the ultimate use of the asset and by the fund type from which the fixed asset was purchased.

The Auditor's Office completed a fixed asset inventory for the year ended December 31, 1999. Costs of fixed assets, depreciation, maintenance, updates, dispositions, and transfer procedures for fixed assets are outlined in detail in the Fixed Asset Manual.

### ***ENTERPRISE FUNDS***

Enterprise funds are used to account for services provided to the public where all or most of the operating expenses involved are recovered in the form of charges to the user of such services. The City's enterprise operations are comprised of water works and water pollution control funds. These funds had a combined net loss of \$1,055,053 and fund equity of \$43,538,846 as of December 31, 1999. Sewer rates were increased in 1999 that will finance the nearly \$50 million Sanitary Sewer Overflow Project mandated by the Ohio Environmental Protection Agency. A water rate increase is being contemplated for 2001.

### ***DEBT ADMINISTRATION***

In 1999, the City issued \$1,550,000 of bond anticipation notes. Of this amount, \$700,000 was to refinance the 1998 note for the purchase of the property adjacent to Lakeview Park and \$850,000 was for a new note for the Oak Point Road street improvement project. The City also issued \$2,070,000 of general obligation bonds in 1999 to refund the \$1,925,317 of the outstanding police and fire pension liability. By doing so, the City of Lorain realized a \$1,651,507 savings in debt service payments.

The City has a total of \$12,896,000 of various general obligation bonds, special assessment bonded debt and long term notes outstanding.

The City is well within its limitations of both voted and unvoted debt.

### ***CASH MANAGEMENT***

The City Treasurer invests temporarily idle cash in the State Treasury Asset Reserve of Ohio (STAROhio), demand deposits, certificates of deposit, treasury bills, and repurchase agreements. STAROhio is a statewide investment pool managed by the Treasurer of the State of Ohio which seeks a high level of current income, the preservation of capital, and maintenance of liquidity. The City earned interest revenue of \$1,166,590 on all investments for the year December 31, 1999.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public funds deposited.



## ***RISK MANAGEMENT***

The City has obtained insurance policies for its employees including public officials liability, building liability, and automobile liability, while certain elected officials in policy-making roles are covered by separate, higher limit bond coverage.

The City manages the hospital/medical benefits for its employees on a self-insured basis. A third party administrator processes the claims. In 1995, the City converted to a managed health care network benefit plan with its third party administrator. The City made this conversion in order to reduce risk exposure to increasing health care costs. Based on projections provided by the third party administrator, hospital and medical costs are not expected to increase in the near term under the managed health care network.

## ***INDEPENDENT AUDIT***

Independent Auditor Jim Petro, Auditor of State, was selected to render an opinion on the City's financial statements as of December 31, 1999. The 1999 Report of Independent Accountants, issued by Mr. Petro, gave a clean, unqualified opinion. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996. The Report of Independent Accountants on the general purpose financial statements is included in the financial section of this report. Copies of the Single Audit Reports may be obtained from the City Auditor's Office.

## ***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 for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 1998.

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 CAFR is judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to communicate clearly its financial story and to motivate potential users and user groups to read the CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. The City has now received the Certificate of Achievement for five consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

The GFOA has also given the City of Lorain an award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 1998. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City has now received the Certificate of Achievement for two consecutive years.

**ACKNOWLEDGMENTS**

I would like to acknowledge the dedicated effort of the Auditor's staff in the preparation of this Comprehensive Annual Financial Report. Many long hours were spent in the preparation and proofing of the CAFR. Thanks also must be given to the department heads for their input.

Sincerely,

A handwritten signature in cursive script that reads "Ronald L. Mantini". The signature is written in black ink and is positioned above the typed name.

Ronald L. Mantini  
Lorain City Auditor

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

PRESENTED TO

CITY OF LORAIN,  
OHIO

For the fiscal year ending  
December 31, 1998

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Lorain,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1998

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.



*Cary Bruebach*  
President  
*Jeffrey L. Esser*  
Executive Director



*Cary Bruebach*  
President  
*Jeffrey L. Esser*  
Executive Director

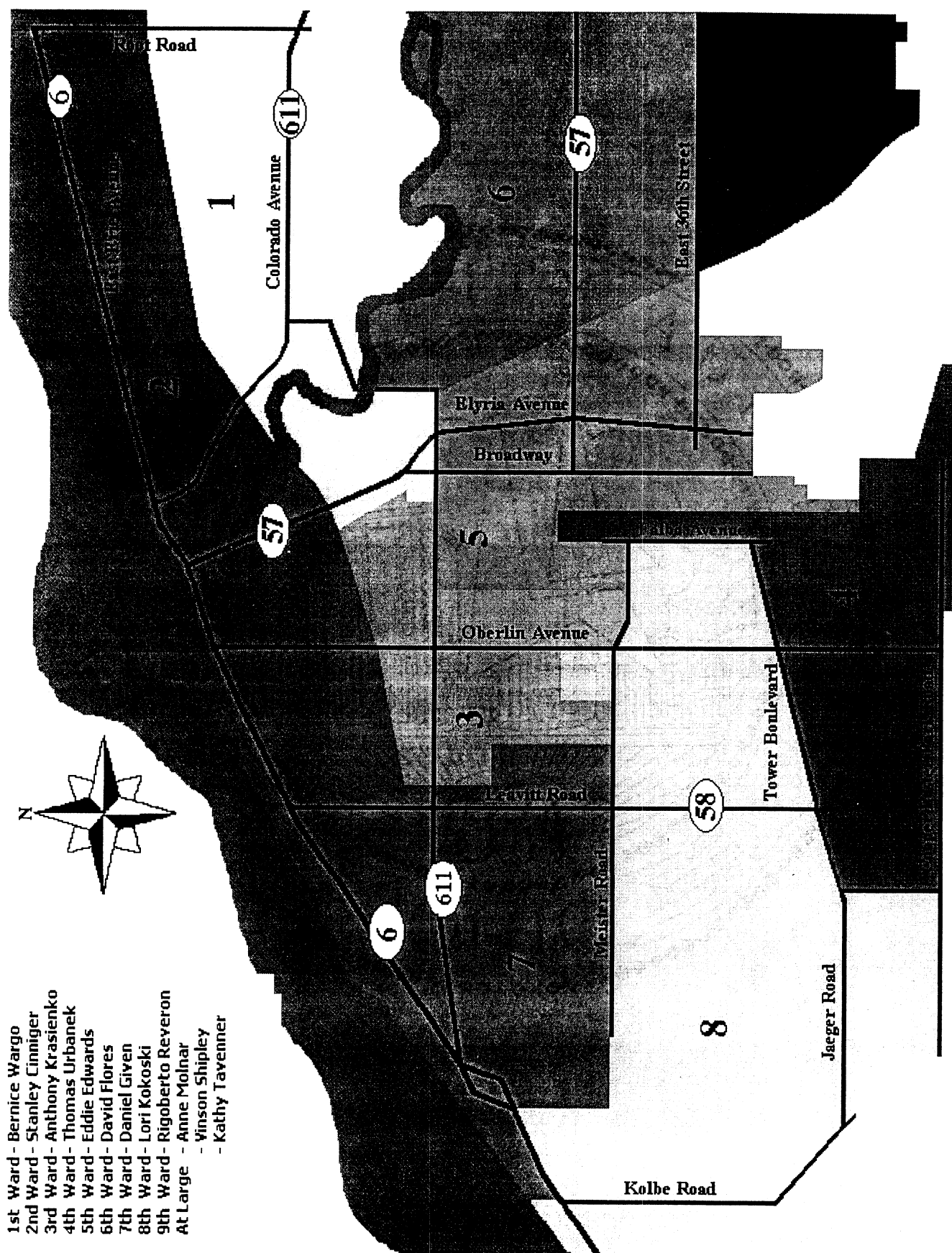
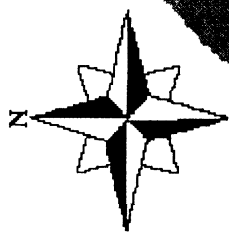
**CITY OF LORAIN, OHIO**  
**ELECTED OFFICIALS**

<u>TITLE</u>	<u>NAME</u>	<u>YEARS OF SERVICE IN OFFICE</u>	<u>YEARS OF SERVICE WITH THE CITY</u>
Mayor	Craig Foltin	0	6
City Auditor	Ronald L. Mantini	0	0
City Treasurer	Lori Maiorana	11	19
Director of Law	Mark Provenza	0	11
Clerk of Courts	Stephen Bansek	19	19
Judge	Robert Ewers	21	21
Judge	Gustalo Nunez	8	29
<i>Members of Council:</i>			
Council President	John Rich	14	18
Council at Large	Anne Molnar	2	2
Council at Large	Vincent Shipley	4	8
Council at Large	Kathy Tavenner	0	6
1 <sup>ST</sup> Ward	Bernice Wargo	0	0
2 <sup>nd</sup> Ward	Stan Cinniger	0	0
3 <sup>rd</sup> Ward	Anthony Krasienko	4	4
4 <sup>th</sup> Ward	Thomas Urbanek	14	14
5 <sup>th</sup> Ward	Eddie Edwards	2	2
6 <sup>th</sup> Ward	David Flores	2	2
7 <sup>th</sup> Ward	Daniel Given	6	6
8 <sup>th</sup> Ward	Lori Kokoski	0	0
9 <sup>th</sup> Ward	Rigoberto Reveron	6	6

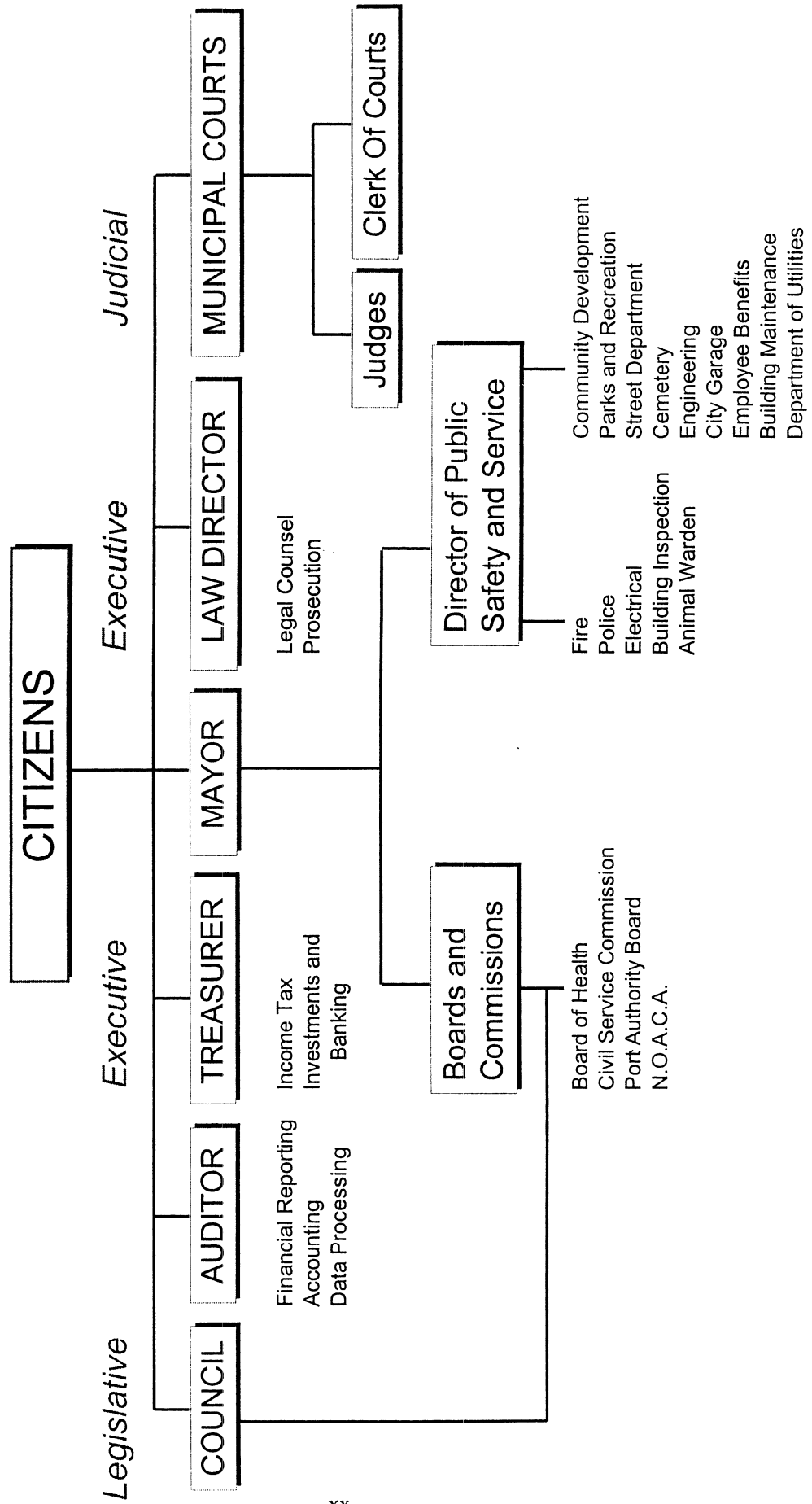
**APPOINTED OFFICIALS**

<u>TITLE</u>	<u>NAME</u>	<u>YEARS OF SERVICE IN OFFICE</u>	<u>YEARS OF SERVICE WITH THE CITY</u>
Director of Public Safety/Service	Craig Miller	0	6
Police Chief	Celestino Rivera	5	29
Fire Chief	Phil Dore	1	25
Director of Utilities	Robert DeSantis	6	27
Director of Community Development	Sanford Prudoff	27	27
Director of Parks and Recreation	Steven Bailey	23	23
Street Commissioner	Chuck Camera	9	28
Building Inspector	John Pasela	0	2
City Engineer (Acting)	Patrick McGannon	1	29
Chief Deputy Auditor	Anita Harper	0	0
MIS Director	David Comer	5	5
Clerk of Council	Nancy Greer	5	8

- 1st Ward - Bernice Wargo
- 2nd Ward - Stanley Cinniger
- 3rd Ward - Anthony Krasienko
- 4th Ward - Thomas Urbanek
- 5th Ward - Eddie Edwards
- 6th Ward - David Flores
- 7th Ward - Daniel Given
- 8th Ward - Lori Kokoski
- 9th Ward - Rigoberto Reveron
- At Large - Anne Molnar
- Vinson Shipley
- Kathy Tavener



# City of Lorain - Organizational Chart



## FINANCIAL SECTION

The Financial Section contains separate subsections employing a pyramid approach to government financial reporting. At the top of the pyramid (first subsection) are financial statements which contain consolidated data while subsequent subsections in the pyramid include gradually increasing levels of reporting detail.

The subsections included in the Financial Section are:

**General Purpose Financial Statements** - These basic financial statements provide an overview of the financial position of all fund types and account groups and of the operating results of all fund types. Included in this section are notes that provide written detail of areas such as accounting policies, debt administration, employee benefits, and pension plans.

**Combining, Individual Fund and Accounting Group Financial Statements and Schedules** - Combining statements and schedules are used to bring together funds where there is more than one of a specific type. Individual statements are used when there is only one fund of a specific type and for account groups. Schedules are used to present budgetary comparisons.

Located at the beginning of the Financial Section is the Report of Independent Accountants. The accountants' report is the principal element of the Comprehensive Annual Financial Report (CAFR) which attests to the financial control and accountability of this document.









STATE OF OHIO  
OFFICE OF THE AUDITOR

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## REPORT OF INDEPENDENT ACCOUNTANTS

City of Lorain  
Lorain County  
200 West Erie Avenue  
Lorain, Ohio 44052

To the Members of City Council:

We have audited the accompanying general-purpose financial statements of the City of Lorain, Lorain County, Ohio, (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lorain, Lorain County, Ohio, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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



**Jim Petro**  
Auditor of State

July 26, 2000

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

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These basic financial statements provide a summary overview of the financial position of all fund types and account groups and of the operating results of all fund types. They also serve as an introduction to the more detailed statements and schedules that follow. The General Purpose Financial Statements include:

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**Combined Balance Sheet – All Fund Types and Account Groups**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental Fund Types**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual (Budget Basis) – All Governmental Fund Types**

**Combined Statement of Revenues, Expenses and Changes in Fund Equity  
All Proprietary Fund Types**

**Combined Statement of Revenues, Expenses and Changes in Fund Equity  
Budget and Actual (Budget Basis) – All Proprietary Fund Types**

**Combined Statement of Cash Flows – All Proprietary Fund Types**

**Notes to the General Purpose Financial Statements**

City of Lorain, Ohio  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$360,095	\$5,088,334	\$187,972	\$1,883,709
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Receivables				
Taxes	4,221,162	811,447	832,958	0
Accounts	0	0	0	0
Special Assessments	326,098	0	1,888,284	0
Interfund	290,738	6,704	0	2,612
Intergovernmental	654,070	149,783	0	0
Materials and Supplies				
Inventory	57,492	89,413	0	0
Loans Receivable	0	9,208,394	0	0
Prepaid Items	28,865	13,255	0	0
Unamortized Bond Issue Costs	0	0	0	0
Restricted Assets				
Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Trustees	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service				
Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount Available in Debt Service				
Fund for Retirement of Special Assessment Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<i>Total Assets and Other Debits</i>	<u>\$5,938,520</u>	<u>\$15,367,330</u>	<u>\$2,909,214</u>	<u>\$1,886,321</u>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$13,015,908	\$776,097	\$134,738	\$0	\$0	\$21,446,853
0	0	123,285	0	0	123,285
0	0	0	0	0	5,865,567
2,526,045	0	0	0	0	2,526,045
0	0	0	0	0	2,214,382
3,250	286	0	0	0	303,590
63,156	0	0	0	0	867,009
265,149	113,371	0	0	0	525,425
0	0	0	0	0	9,208,394
7,342	0	0	0	0	49,462
420,874	0	0	0	0	420,874
1,369,053	0	0	0	0	1,369,053
2,560,361	0	0	0	0	2,560,361
50,616,803	41,317	0	27,531,319	0	78,189,439
0	0	0	0	38,753	38,753
0	0	0	0	149,219	149,219
0	0	0	0	22,029,383	22,029,383
<u>\$70,847,941</u>	<u>\$931,071</u>	<u>\$258,023</u>	<u>\$27,531,319</u>	<u>\$22,217,355</u>	<u>\$147,887,094</u>

(continued)

City of Lorain, Ohio  
 Combined Balance Sheet  
 All Fund Types and Account Groups (continued)  
 December 31, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities, Fund</b>				
<b>Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts Payable	\$154,534	\$44,995	\$0	\$5,128
Contracts Payable	0	129,706	0	22,759
Claims Payable	0	0	0	0
Compensated Absences Payable	353,854	77,685	0	0
Interfund Payable	2,858	247,221	0	0
Intergovernmental Payable	98,526	29,078	0	0
Deferred Revenue	2,830,421	499,778	2,721,242	0
Deposits Held and Due to Others	0	0	0	0
Death Benefits Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
Section 108 Hud Loans Payable	0	0	0	0
Real Estate Acquisition Loan	0	0	0	0
CDBG Interest Liability	0	0	0	0
OPWC Loans Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
OWDA Loans Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Revenue Bonds Payable	0	0	0	0
Deferred Loss on Refunding	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
<i>Total Liabilities</i>	<u>3,440,193</u>	<u>1,028,463</u>	<u>2,721,242</u>	<u>27,887</u>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings				
Reserved for Replacement and Improvement	0	0	0	0
Unreserved	0	0	0	0
Fund Balances				
Reserved for Encumbrances	202,069	1,293,821	0	85,477
Reserved for Inventory	57,492	89,413	0	0
Reserved for Loans	0	9,208,394	0	0
Unreserved, Undesignated	2,238,766	3,747,239	187,972	1,772,957
<i>Total Fund Equity and Other Credits</i>	<u>2,498,327</u>	<u>14,338,867</u>	<u>187,972</u>	<u>1,858,434</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$5,938,520</u>	<u>\$15,367,330</u>	<u>\$2,909,214</u>	<u>\$1,886,321</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$48,861	\$60,028	\$0	\$0	\$0	\$313,546
1,007,534	0	0	0	0	1,159,999
0	227,232	0	0	0	227,232
1,361,152	91,330	0	0	4,691,439	6,575,460
370	0	53,141	0	0	303,590
206,798	17,752	0	0	945,147	1,297,301
0	0	0	0	0	6,051,441
0	0	204,882	0	0	204,882
261,000	20,500	0	0	1,714,400	1,995,900
217,802	0	0	0	0	217,802
0	0	0	0	1,550,000	1,550,000
0	0	0	0	1,615,000	1,615,000
0	0	0	0	102,011	102,011
0	0	0	0	124,297	124,297
0	0	0	0	57,172	57,172
0	0	0	0	71,889	71,889
6,103,356	0	0	0	0	6,103,356
3,180,000	0	0	0	10,363,041	13,543,041
15,546,966	0	0	0	0	15,546,966
(624,744)	0	0	0	0	(624,744)
0	0	0	0	982,959	982,959
<u>27,309,095</u>	<u>416,842</u>	<u>258,023</u>	<u>0</u>	<u>22,217,355</u>	<u>57,419,100</u>
0	0	0	27,531,319	0	27,531,319
409,700	0	0	0	0	409,700
300,000	0	0	0	0	300,000
42,829,146	514,229	0	0	0	43,343,375
0	0	0	0	0	1,581,367
0	0	0	0	0	146,905
0	0	0	0	0	9,208,394
0	0	0	0	0	7,946,934
<u>43,538,846</u>	<u>514,229</u>	<u>0</u>	<u>27,531,319</u>	<u>0</u>	<u>90,467,994</u>
<u>\$70,847,941</u>	<u>\$931,071</u>	<u>\$258,023</u>	<u>\$27,531,319</u>	<u>\$22,217,355</u>	<u>\$147,887,094</u>

City of Lorain, Ohio  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types  
 For the Year Ended December 31, 1999

	Governmental	
	General	Special Revenue
<b>Revenues</b>		
Municipal Income Tax	\$13,980,956	\$2,384,116
Property and Other Taxes	2,332,076	488,921
Charges for Services	145,434	294,000
Fines, Licenses and Permits	1,297,245	662,398
Intergovernmental	4,677,723	7,408,338
Special Assessments	0	0
Interest	124,083	173,691
Other	779,301	85,132
<i>Total Revenues</i>	<u>23,336,818</u>	<u>11,496,596</u>
<b>Expenditures</b>		
Current:		
General Government	6,488,150	54,768
Security of Persons and Property	12,957,745	4,280,082
Public Health and Welfare	367,828	1,355,813
Transportation	0	2,665,990
Community Environment	559,009	151,614
Leisure Time Activities	1,493,082	0
Economic Development	0	3,356,598
Capital Outlay	0	0
Debt Service:		
Principal Retirement	35,638	137,709
Interest and Fiscal Charges	5,705	98,269
Bond Issuance Costs	0	90,519
<i>Total Expenditures</i>	<u>21,907,157</u>	<u>12,191,362</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,429,661</u>	<u>(694,766)</u>
<b>Other Financing Sources (Uses)</b>		
Proceeds of Current Refunding Bonds	0	2,045,297
Sale of Fixed Assets	1,183	0
Payment to Police and Fire Pension	0	(1,925,317)
Proceeds of Notes	0	0
Operating Transfers - In	0	1,540,422
Operating Transfers - Out	(1,985,271)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,984,088)</u>	<u>1,660,402</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(554,427)</u>	<u>965,636</u>
<i>Fund Balances Beginning of Year</i>	3,068,901	13,525,784
Decrease in Reserve for Inventory	(16,147)	(152,553)
<i>Fund Balances End of Year</i>	<u>\$2,498,327</u>	<u>\$14,338,867</u>

See accompanying notes to the general purpose financial statements



<u>Fund Types</u>		<u>Totals</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
\$0	\$0	\$16,365,072
772,077	0	3,593,074
0	0	439,434
0	101,555	2,061,198
314,656	2,394,714	14,795,431
215,025	0	215,025
0	24,121	321,895
0	27,155	891,588
<u>1,301,758</u>	<u>2,547,545</u>	<u>38,682,717</u>
27,039	0	6,569,957
0	0	17,237,827
0	0	1,723,641
0	0	2,665,990
0	0	710,623
0	0	1,493,082
0	0	3,356,598
0	2,938,879	2,938,879
1,924,705	22,989	2,121,041
828,037	4,503	936,514
0	0	90,519
<u>2,779,781</u>	<u>2,966,371</u>	<u>39,844,671</u>
<u>(1,478,023)</u>	<u>(418,826)</u>	<u>(1,161,954)</u>
0	0	2,045,297
0	0	1,183
0	0	(1,925,317)
700,000	850,000	1,550,000
300,000	115,023	1,955,445
0	0	(1,985,271)
<u>1,000,000</u>	<u>965,023</u>	<u>1,641,337</u>
(478,023)	546,197	479,383
665,995	1,312,237	18,572,917
0	0	(168,700)
<u>\$187,972</u>	<u>\$1,858,434</u>	<u>\$18,883,600</u>

**City of Lorain, Ohio**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types**  
**For the Year Ended December 31, 1999**

	<b>General Fund</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Municipal Income Tax	\$14,275,718	\$14,107,940	(\$167,778)
Property and Other Taxes	2,378,007	2,332,076	(45,931)
Charges for Services	164,112	145,434	(18,678)
Fines, Licenses and Permits	1,360,635	1,305,654	(54,981)
Intergovernmental	4,767,779	4,632,399	(135,380)
Special Assessments	0	0	0
Interest	190,799	134,151	(56,648)
Other	1,628,782	779,301	(849,481)
<i>Total Revenues</i>	<u>24,765,832</u>	<u>23,436,955</u>	<u>(1,328,877)</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government	7,045,506	6,818,789	226,717
Security of Persons and Property	13,576,926	13,221,988	354,938
Public Health and Welfare	390,955	375,900	15,055
Transportation	0	0	0
Community Environment	602,300	586,284	16,016
Leisure Time Activities	1,571,744	1,525,287	46,457
Economic Development	0	0	0
Capital Outlay	0	0	0
<b>Debt Service:</b>			
Principal Retirement	38,167	37,590	577
Interest and Fiscal Charges	5,705	5,705	0
Bond Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>23,231,303</u>	<u>22,571,543</u>	<u>659,760</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,534,529</u>	<u>865,412</u>	<u>(669,117)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Current Refunding Bonds	0	0	0
Proceeds of Notes	0	0	0
Payment to Police and Fire Pension	0	0	0
Sale of Fixed Assets	1,183	1,183	0
Advances In	0	40,663	40,663
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(2,649,561)	(1,985,271)	664,290
<i>Total Other Financing Sources (Uses)</i>	<u>(2,648,378)</u>	<u>(1,943,425)</u>	<u>704,953</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,113,849)</u>	<u>(1,078,013)</u>	<u>35,836</u>
<i>Fund Balances Beginning of Year</i>	897,415	897,415	0
Prior Year Encumbrances Appropriated	180,374	180,374	0
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$36,060)</u>	<u>(\$224)</u>	<u>\$35,836</u>

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$2,571,284	\$2,405,280	(\$166,004)	\$0	\$0	\$0
441,541	463,392	21,851	794,746	772,077	(22,669)
279,237	294,000	14,763	0	0	0
556,000	666,244	110,244	0	0	0
11,225,657	6,245,322	(4,980,335)	51,820	38,071	(13,749)
0	0	0	215,025	215,025	0
188,400	167,282	(21,118)	0	0	0
181,571	85,132	(96,439)	0	0	0
<u>15,443,690</u>	<u>10,326,652</u>	<u>(5,117,038)</u>	<u>1,061,591</u>	<u>1,025,173</u>	<u>(36,418)</u>
107,313	55,917	51,396	27,684	27,039	645
6,240,949	4,673,936	1,567,013	0	0	0
1,458,470	1,403,121	55,349	0	0	0
2,869,930	2,806,209	63,721	0	0	0
152,308	152,214	94	0	0	0
0	0	0	0	0	0
7,753,629	4,282,113	3,471,516	0	0	0
0	0	0	0	0	0
352,910	282,709	70,201	1,814,725	1,779,705	35,020
229,854	229,854	0	697,058	696,452	606
90,519	90,519	0	0	0	0
<u>19,255,882</u>	<u>13,976,592</u>	<u>5,279,290</u>	<u>2,539,467</u>	<u>2,503,196</u>	<u>36,271</u>
<u>(3,812,192)</u>	<u>(3,649,940)</u>	<u>162,252</u>	<u>(1,477,876)</u>	<u>(1,478,023)</u>	<u>(147)</u>
2,045,297	2,045,297	0	0	0	0
0	0	0	700,000	700,000	0
(1,925,317)	(1,925,317)	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(32,174)	(32,174)	0	0	0	0
2,078,698	1,540,422	(538,276)	300,000	300,000	0
(1,242,672)	0	1,242,672	0	0	0
<u>923,832</u>	<u>1,628,228</u>	<u>704,396</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
(2,888,360)	(2,021,712)	866,648	(477,876)	(478,023)	(147)
4,897,509	4,897,509	0	664,995	664,995	0
680,793	680,793	0	1,000	1,000	0
<u>\$2,689,942</u>	<u>\$3,556,590</u>	<u>\$866,648</u>	<u>\$188,119</u>	<u>\$187,972</u>	<u>(\$147)</u>

(continued)

**City of Lorain, Ohio**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
*All Governmental Fund Types (continued)*  
**For the Year Ended December 31, 1999**

	<b>Capital Projects Funds</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Municipal Income Tax	\$0	\$0	\$0
Property and Other Taxes	0	0	0
Charges for Services	0	0	0
Fines, Licenses and Permits	58,208	102,575	44,367
Intergovernmental	2,252,385	2,394,714	142,329
Special Assessments	0	0	0
Interest	25,692	24,121	(1,571)
Other	27,155	27,155	0
<i>Total Revenues</i>	<u>2,363,440</u>	<u>2,548,565</u>	<u>185,125</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government	0	0	0
Security of Persons and Property	0	0	0
Public Health and Welfare	0	0	0
Transportation	0	0	0
Community Environment	0	0	0
Leisure Time Activities	0	0	0
Economic Development	0	0	0
Capital Outlay	4,220,417	3,032,019	1,188,398
<b>Debt Service:</b>			
Principal Retirement	22,989	22,989	0
Interest and Fiscal Charges	0	0	0
Bond Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>4,243,406</u>	<u>3,055,008</u>	<u>1,188,398</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,879,966)</u>	<u>(506,443)</u>	<u>1,373,523</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Current Refunding Bonds	0	0	0
Proceeds of Notes	850,000	850,000	0
Payment to Police and Fire Pension	0	0	0
Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	115,023	115,023	0
Operating Transfers Out	(50,000)	0	50,000
<i>Total Other Financing Sources (Uses)</i>	<u>915,023</u>	<u>965,023</u>	<u>50,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(964,943)</u>	<u>458,580</u>	<u>1,423,523</u>
<i>Fund Balances Beginning of Year</i>	1,206,228	1,206,228	0
Prior Year Encumbrances Appropriated	116,963	116,963	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$358,248</u>	<u>\$1,781,771</u>	<u>\$1,423,523</u>

See accompanying notes to the general purpose financial statements

**Totals (Memorandum Only)**

<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
\$16,847,002	\$16,513,220	(\$333,782)
3,614,294	3,567,545	(46,749)
443,349	439,434	(3,915)
1,974,843	2,074,473	99,630
18,297,641	13,310,506	(4,987,135)
215,025	215,025	0
404,891	325,554	(79,337)
1,837,508	891,588	(945,920)
<u>43,634,553</u>	<u>37,337,345</u>	<u>(6,297,208)</u>
7,180,503	6,901,745	278,758
19,817,875	17,895,924	1,921,951
1,849,425	1,779,021	70,404
2,869,930	2,806,209	63,721
754,608	738,498	16,110
1,571,744	1,525,287	46,457
7,753,629	4,282,113	3,471,516
4,220,417	3,032,019	1,188,398
2,228,791	2,122,993	105,798
932,617	932,011	606
90,519	90,519	0
<u>49,270,058</u>	<u>42,106,339</u>	<u>7,163,719</u>
<u>(5,635,505)</u>	<u>(4,768,994)</u>	<u>866,511</u>
2,045,297	2,045,297	0
1,550,000	1,550,000	0
(1,925,317)	(1,925,317)	0
1,183	1,183	0
0	40,663	40,663
(32,174)	(32,174)	0
2,493,721	1,955,445	(538,276)
<u>(3,942,233)</u>	<u>(1,985,271)</u>	<u>1,956,962</u>
<u>190,477</u>	<u>1,649,826</u>	<u>1,459,349</u>
(5,445,028)	(3,119,168)	2,325,860
7,666,147	7,666,147	0
979,130	979,130	0
<u>\$3,200,249</u>	<u>\$5,526,109</u>	<u>\$2,325,860</u>

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City of Lorain, Ohio  
 Combined Statement of Revenues,  
 Expenses and Changes in Fund Equity  
 All Proprietary Fund Types  
 For the Year Ended December 31, 1999

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
<b>Operating Revenues</b>			
Charges for Services	\$13,670,080	\$3,194,543	\$16,864,623
Other Operating Revenues	88,868	15,314	104,182
<i>Total Operating Revenues</i>	<u>13,758,948</u>	<u>3,209,857</u>	<u>16,968,805</u>
<b>Operating Expenses</b>			
Personal Services	6,308,013	537,874	6,845,887
Contractual Services	2,803,238	31,924	2,835,162
Claims	0	2,699,103	2,699,103
Materials and Supplies	841,665	466,126	1,307,791
Utilities	1,086,137	0	1,086,137
Other Operating Expenses	362,667	2,866	365,533
Depreciation	3,263,561	21,417	3,284,978
<i>Total Operating Expenses</i>	<u>14,665,281</u>	<u>3,759,310</u>	<u>18,424,591</u>
<i>Operating Loss</i>	<u>(906,333)</u>	<u>(549,453)</u>	<u>(1,455,786)</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest	768,731	75,964	844,695
Interest and Fiscal Charges	(917,451)	0	(917,451)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(148,720)</u>	<u>75,964</u>	<u>(72,756)</u>
<i>Net Loss Before Operating Transfers</i>	<u>(1,055,053)</u>	<u>(473,489)</u>	<u>(1,528,542)</u>
Operating Transfers In	<u>0</u>	<u>29,826</u>	<u>29,826</u>
<i>Net Loss</i>	<u>(1,055,053)</u>	<u>(443,663)</u>	<u>(1,498,716)</u>
<i>Retained Earnings Beginning of Year</i>	<u>44,184,199</u>	<u>957,892</u>	<u>45,142,091</u>
<i>Retained Earnings End of Year</i>	<u>43,129,146</u>	<u>514,229</u>	<u>43,643,375</u>
Contributed Capital Beginning and End of Year	<u>409,700</u>	<u>0</u>	<u>409,700</u>
<i>Total Fund Equity End of Year</i>	<u>\$43,538,846</u>	<u>\$514,229</u>	<u>\$44,053,075</u>

See accompanying notes to the general purpose financial statements

**City of Lorain, Ohio**  
*Combined Statement of Revenues, Expenses, and  
 Changes in Fund Equity - Budget and Actual (Budget Basis)*  
*All Proprietary Fund Types*  
*For the Year Ended December 31, 1999*

	<b>Enterprise Funds</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$13,162,205	\$13,495,736	\$333,531
OWDA Loan Proceeds	2,396,790	3,293,167	896,377
Interest	655,000	721,724	66,724
Other Operating Revenues	54,766	88,869	34,103
<i>Total Revenues</i>	<u>16,268,761</u>	<u>17,599,496</u>	<u>1,330,735</u>
<b>Expenses</b>			
<b>Current</b>			
Personal Services	6,809,138	6,525,092	284,046
Contractual Services	5,227,714	4,404,296	823,418
Materials and Supplies	1,241,834	818,009	423,825
Utilities	1,281,500	1,086,137	195,363
Other Operating Expenses	589,304	368,966	220,338
Claims	0	0	0
Capital Outlay	11,988,103	9,830,108	2,157,995
Debt Service:			
Principal Retirement	1,438,153	1,365,903	72,250
Interest and Fiscal Charges	831,300	830,847	453
<i>Total Expenses</i>	<u>29,407,046</u>	<u>25,229,358</u>	<u>4,177,688</u>
<i>Excess of Revenues Under Expenses</i>	(13,138,285)	(7,629,862)	5,508,423
Advances Out	0	0	0
Operating Transfers In	0	0	0
<i>Excess of Revenues and Transfers Under Expenses and Advances</i>	(13,138,285)	(7,629,862)	5,508,423
<i>Fund Equity at Beginning of Year</i>	16,538,940	16,538,940	0
Prior Year Encumbrances Appropriated	1,059,727	1,059,727	0
<i>Fund Equity at End of Year</i>	<u>\$4,460,382</u>	<u>\$9,968,805</u>	<u>\$5,508,423</u>

See accompanying notes to the general purpose financial statements



Internal Service Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$3,160,467	\$3,194,388	\$33,921	\$16,322,672	\$16,690,124	\$367,452
0	0	0	2,396,790	3,293,167	896,377
75,000	75,964	964	730,000	797,688	67,688
10,991	15,314	4,323	65,757	104,183	38,426
<u>3,246,458</u>	<u>3,285,666</u>	<u>39,208</u>	<u>19,515,219</u>	<u>20,885,162</u>	<u>1,369,943</u>
564,401	558,185	6,216	7,373,539	7,083,277	290,262
696	696	0	5,228,410	4,404,992	823,418
515,164	497,924	17,240	1,756,998	1,315,933	441,065
0	0	0	1,281,500	1,086,137	195,363
3,800	2,783	1,017	593,104	371,749	221,355
2,779,500	2,775,770	3,730	2,779,500	2,775,770	3,730
7,904	4,389	3,515	11,996,007	9,834,497	2,161,510
0	0	0	1,438,153	1,365,903	72,250
0	0	0	831,300	830,847	453
<u>3,871,465</u>	<u>3,839,747</u>	<u>31,718</u>	<u>33,278,511</u>	<u>29,069,105</u>	<u>4,209,406</u>
(625,007)	(554,081)	70,926	(13,763,292)	(8,183,943)	5,579,349
(8,489)	(8,489)	0	(8,489)	(8,489)	0
113,511	29,826	(83,685)	113,511	29,826	(83,685)
(519,985)	(532,744)	(12,759)	(13,658,270)	(8,162,606)	5,495,664
1,144,096	1,144,096	0	17,683,036	17,683,036	0
8,101	8,101	0	1,067,828	1,067,828	0
<u>\$632,212</u>	<u>\$619,453</u>	<u>(\$12,759)</u>	<u>\$5,092,594</u>	<u>\$10,588,258</u>	<u>\$5,495,664</u>

City of Lorain, Ohio  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 For the Year Ended December 31, 1999

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Quasi-External Transactions with Other Funds	\$0	\$3,194,388	\$3,194,388
Cash Received from Customers	13,445,346	0	13,445,346
Cash Payments for Goods and Services	(4,637,108)	(468,271)	(5,105,379)
Cash Payments for Employee Services and Benefits	(6,535,153)	(560,986)	(7,096,139)
Cash Payments for Claims	0	(2,669,494)	(2,669,494)
Other Operating Revenues	88,868	15,314	104,182
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>2,361,953</u>	<u>(489,049)</u>	<u>1,872,904</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers In	0	29,826	29,826
Advances Out	0	(8,489)	(8,489)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>21,337</u>	<u>21,337</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal Paid on Bonds	(1,045,000)	0	(1,045,000)
Interest Paid on Bonds	(618,879)	0	(618,879)
Principal Retirement on OWDA Loans	(320,903)	0	(320,903)
Interest Paid on OWDA Loans	(211,967)	0	(211,967)
OWDA Loan Proceeds	2,240,331	0	2,240,331
Capitalization of Interest	(458,167)	0	(458,167)
Purchase of Fixed Assets	(3,626,891)	(4,389)	(3,631,280)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(4,041,476)</u>	<u>(4,389)</u>	<u>(4,045,865)</u>
<b>Cash Flows from Investing Activities</b>			
Interest	772,114	75,964	848,078
<i>Net Decrease in Cash and Cash Equivalents</i>	<u>(907,409)</u>	<u>(396,137)</u>	<u>(1,303,546)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>17,852,731</u>	<u>1,172,234</u>	<u>19,024,965</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$16,945,322</u>	<u>\$776,097</u>	<u>\$17,721,419</u>

(continued)

City of Lorain, Ohio  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types (continued)  
 For the Year Ended December 31, 1999

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities</b>			
Operating Loss	(\$906,333)	(\$549,453)	(\$1,455,786)
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities</b>			
Depreciation	3,263,561	21,417	3,284,978
Change in Assets and Liabilities:			
Increase in Accounts Receivable	(130,742)	0	(130,742)
Increase in Interfund Receivables	(2,650)	(17,350)	(20,000)
Increase in Intergovernmental Receivables	(40,952)	0	(40,952)
Decrease (Increase) in Materials Inventory	6,831	(155)	6,676
Decrease in Prepaid Items	6,589	0	6,589
Increase (Decrease) in Accounts Payable	(123,214)	49,995	(73,219)
Increase in Contracts Payable	566,075	0	566,075
Decrease in Accrued Wages	(161,071)	(11,670)	(172,741)
Increase in Claims Payable	0	29,609	29,609
Decrease in Compensated Absences Payable	(33,025)	(343)	(33,368)
Increase in Interfund Payables	370	0	370
Decrease in Intergovernmental Payables	(95,986)	(6,099)	(102,085)
Increase (Decrease) in Death Benefits Payable	12,500	(5,000)	7,500
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$2,361,953</u>	<u>(\$489,049)</u>	<u>\$1,872,904</u>

**Noncash Capital Financing Activities**

During 1999, OWDA made payments directly to contractors in the amount of \$1,052,836 for the construction of fixed assets. This amount is reflected in OWDA loans payable of the water pollution control enterprise fund on the balance sheet.

See accompanying notes to the general purpose financial statements.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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**Note 1 - Reporting Entity**

The City of Lorain is a statutory municipal corporation established and operated under the laws of the State of Ohio. The City began as an unincorporated village under the name of Charleston in 1834. It was incorporated as a village under the name of Lorain in 1874 and became a city in 1896. The City operates under a council-mayor form of government. Elected officials include twelve council members, a council president, and a mayor.

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City.

The City provides various services including planning, zoning, street construction, maintenance and repair, water and sewer services, municipal court services, and general administrative services. The council through the budgetary process directly controls the operation of these activities. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and the City is able to significantly influence the programs or services performed or provided by the organization; or the City is legally entitled to or can otherwise access the organization's resources; or the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes. Currently, the City does not have any component units.

The City participates in the following organizations. These organizations are presented in Note 16 and Note 17 to the City's financial statements and are excluded from the accompanying financial statements.

Northeast Ohio Areawide Coordinating Agency  
Lorain Port Authority

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

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989 to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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*A. Basis of Presentation - Fund Accounting*

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

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

Governmental Fund Types. Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except for those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

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

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

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

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

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

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

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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

Fiduciary Fund Types. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City only utilizes the agency fund type.

Agency Funds - Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

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

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

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

*B. Measurement Focus and Basis of Accounting*

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is sixty days after year-end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, and income tax withheld by employers.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 1999, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue.

Levied special assessments are measurable and have been recorded as a receivable. Since all assessments are due outside of the available period, the entire amount has been deferred.

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

The proprietary fund types utilize the accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned and become measurable and expenses are recognized when they are incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year-end.

*C. Budgetary Process*

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

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

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

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the City Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

Appropriations. A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department, and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of Council. During the year, several supplemental appropriation measures were passed, with the final appropriation measure being passed late in December, 1999. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

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

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

*D. Cash and Cash Equivalents*

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

The litter control and police pension special revenue funds had a negative cash balance at December 31, 1999. The general fund made advances to these funds to eliminate the negative cash balances. The litter control and the police pension special revenue funds report interfund payable of \$1,480 and \$245,433, respectively. The general fund has a corresponding interfund receivable of \$246,913 on the combined balance sheet.

The Ohio Revised Code authorizes the City to invest in obligations of the U.S. Treasury, obligations of the State of Ohio, obligations of its political subdivisions and agencies, repurchase agreements, the State Treasurer's investment pool and certain banker's acceptance and commercial paper notes.



**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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During 1999, investments were limited to STAROhio, repurchase agreements, and mutual funds. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 1999.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 1999 amounted to \$124,083, which includes \$107,337 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's bank accounts. These interest-bearing deposit accounts are presented on the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City's treasury. The City utilizes a financial institution to service bonded debt as principal and interest come due. The balances of these accounts are presented on the combined balance sheet as Restricted Assets: "Cash and Cash Equivalents with Trustees" and represent deposits or short-term investments in a mutual fund with an original maturity of three months or less.

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

*E. Inventory*

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary fund types when used.

*F. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond December 31, 1999 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

*G. Restricted Assets*

Amounts are held in trust and by the City that are legally restricted for use in paying current and future debt service on revenue bonds are reported as restricted assets.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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*H. Fixed Assets and Depreciation*

General fixed assets are long-lived assets of the City as a whole. When purchased, such assets are recorded assets account group. Infrastructure fixed assets such as streets, storm sewers and drains are not capitalized by the City and are not reported as part of the general fixed assets account group.

Fixed assets utilized in proprietary funds are capitalized in the funds.

Fixed asset values were determined by assigning original acquisition costs when such information was available. In cases where information supporting original costs was not practicably determinable, estimates were calculated by indexing estimated current costs back to the estimated year of acquisition.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to proprietary fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

The City has elected not to record depreciation in the general fixed assets account group. Depreciation for the proprietary funds fixed assets are determined by allocating the cost of fixed assets over the estimated useful lives of the assets on a straight-line basis. The estimated useful lives are as follows:

Buildings	20 - 50 years
Improvements Other Than Buildings	20 - 45 years
Machinery and Equipment	3 - 15 years
Furniture and Fixtures	3 - 20 years
Infrastructure:	
Sewer Lines	50 years
Water Lines	30 years

Interest is capitalized on enterprise funds' assets acquired with tax exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 1999, \$458,167 in interest costs were capitalized on construction projects in the enterprise funds.

*I. Compensated Absences*

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

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

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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*J. Accrued Liabilities and Long-term Obligations*

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims, compensated absences, special termination benefits and contractually required pension obligations are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds, long-term loans, and capital leases are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

Bond anticipation notes that are rolled over prior to the issuance of the financial statements and have a maturity date more than 12 months subsequent to the end of the fiscal year are reported in the general long-term obligations group.

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

*K. Interfund Transactions*

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

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

*L. Contributed Capital*

Contributed capital represents resources provided to the enterprise funds from other sources that are not subject to repayment.

*M. Amortization of Bond Issuance Costs*

Bond issuance costs for underwriting fees and bond insurance for the sewer revenue refunding bonds are being amortized using the straight-line method over the life of the bonds in the City's enterprise funds. The straight-line method of amortization is not materially different from the effective-interest method. Issuance costs are recorded as deferred charges.

*N. Amortization of Deferred Loss on Refunding*

The difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the new debt, and is presented as a deferred loss on refunding on the balance sheet.

**City of Lorain, Ohio**

*Notes to The General Purpose Financial Statements  
For The Year Ended December 31, 1999*

*O. Reserves of Fund Equity and Designations*

Reserves of fund balance are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure including amounts legally segregated for a specific future use. Fund balances are reserved for encumbrances, inventories of supplies and materials, and loans. Retained earnings are reserved for replacement and improvements for the City's utilities systems.

*P. Estimates*

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

*Q. Memorandum Only - Total Columns*

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

**Note 3 - Accountability and Compliance**

*A. Accountability*

The following funds had deficit fund balances as of December 31, 1999:

<u>Fund Name</u>	<u>Amount</u>
Special Revenue Funds:	
Litter Control	\$1,480
Police Pension	\$245,433

The deficits in the Litter Control and Police Pension special revenue funds are caused by revenue being insufficient to cover expenditures. The general fund is liable for any deficit in the funds and provides operating transfers when cash is required.

*B. Legal Compliance*

Contrary to Section 5705.39, Ohio Revised Code, the following funds had appropriations in excess of estimated revenues and carryover balances:

<u>Fund</u>	<u>Estimated Revenue Plus Carryover Balances</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$25,844,804	\$25,880,864	\$36,060

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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Contrary to Section 5705.41B, Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

<u>Fund/Function</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
General Fund:			
General Government			
Central Services			
Other Operating	\$19,783	\$88,376	\$68,593
Special Revenue Funds:			
Police Pension			
Security of Persons and Property			
Personal Services	474,679	554,726	80,047

The City had negative cash balances in the following funds indicating that revenues from other sources were used to pay obligations of these funds contrary to Ohio Revised Code Section 5705.10:

<u>Fund</u>	<u>Amount</u>
Special Revenue Funds:	
Litter Control	\$1,480
Police Pension	245,433

**Note 4 - Budgetary Basis of Accounting**

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

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

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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3. Encumbrances are treated as expenditures for all funds (budget) rather than as a reservation of fund balance for governmental fund types or as note disclosure in the proprietary fund types (GAAP).
4. Proceeds from and principal payment on short-term note obligations are reported on the operating statement (budget) rather than on the balance sheet (GAAP).
5. For the proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget) rather than as balance sheet transactions (GAAP).

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

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$554,427)	\$965,636	(\$478,023)	\$546,197
Net Adjustment for Revenue Accruals	100,137	(1,169,944)	(553,170)	1,020
Allocation of Revenues to Pay Debt	0	(276,585)	276,585	0
Advances-In	40,663	0	0	0
Advances-Out	0	(32,174)	0	0
Net Adjustment for Expenditure Accruals	(415,503)	157,999	276,585	8,798
Debt Principal Retirement	0	(145,000)	0	0
Debt Interest and Fiscal Charges	0	(131,585)	0	4,503
Encumbrances	(248,883)	(1,390,059)	0	(101,938)
Budget Basis	<u>(\$1,078,013)</u>	<u>(\$2,021,712)</u>	<u>(\$478,023)</u>	<u>\$458,580</u>

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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Net Loss /Excess of  
Revenues Over (Under) Expenses and Operating Transfers  
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(\$1,055,053)	(\$443,663)
Net Adjustment for Revenue Accruals	(221,350)	(155)
Advances-Out	0	(8,489)
Net Adjustment for Expense Accruals	(1,800,780)	41,943
Depreciation Expense	3,263,561	21,417
Proceeds of OWDA Loan	3,293,167	0
Capital Outlay	(3,097,594)	(4,389)
Interest and Fiscal Charges	86,604	0
Principal Retirement	(1,365,903)	0
Encumbrances	(6,732,514)	(139,408)
Budget Basis	<u>(\$7,629,862)</u>	<u>(\$532,744)</u>

**Note 5 – Deposits and Investments**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing no later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the City Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies may be deposited or invested in the following securities:

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Historically, the City has not purchased these types of investments or issued these types of notes. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.



**City of Lorain, Ohio**  
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Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the City Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements," requires disclosures to help assess actual and potential future deposit and investment market and credit risks. The following information regarding deposits and investments is presented using the categories of risk identified in GASB Statement No.3.

*A. Deposits*

At year-end, the carrying amount of the City's deposits was \$6,130,622 and the bank balance was \$8,147,232. Of the bank balance:

1. \$400,000 was covered by federal depository insurance; and
2. \$7,747,232 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

*B. Investments*

GASB Statement No. 3 requires the use of three categories to classify investments. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio and the investment in the U.S. Treasury money market fund are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Carrying Value	Fair Value
Money Market Fund	\$0	\$2,693,737	\$2,693,737
Repurchase Agreement	5,247,787	5,247,787	5,247,787
STAROhio	0	11,427,406	11,427,406
Total Investments	<u>\$5,247,787</u>	<u>\$19,368,930</u>	<u>\$19,368,930</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3, is as follows:

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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	Cash and Cash Equivalents	Investments
GASB Statement 9	\$25,499,552	\$0
Investments:		
Money Market Fund	(2,693,737)	2,693,737
Repurchase Agreement	(5,247,787)	5,247,787
STAROhio	(11,427,406)	11,427,406
GASB Statement 3	\$6,130,622	\$19,368,930

**Note 6 - Receivables**

Receivables at December 31, 1999 consist primarily of taxes, accounts (billings for utility services), special assessments, accrued interest on investments, community development loans to businesses and property owners, and intergovernmental receivables arising from grants, entitlements, and shared revenues.

The City's community development loans receivable from businesses and property owners contain certain amounts for which the repayment, due to bankruptcies and/or defaults, has been estimated. The loans receivable balance on the general purpose financial statements is stated net of estimated uncollectibles of \$1,019,492.

*A. Property Taxes*

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 1999 for real and public utility property taxes represents collections of 1998 taxes. Property tax payments received during 1999 for tangible personal property (other than public utility property) is for 1999 taxes.

1999 real property taxes are levied after October 1, 1999 on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 1999 real property taxes are collected in and intended to finance 2000.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after October 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 1999, was \$4.96 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

**City of Lorain, Ohio**  
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Category	Assessed Value
Real Estate	\$607,363,320
Public Utility Property	67,935,340
Tangible Personal	152,994,550
Total Property Taxes	\$828,293,210

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Lorain. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 1999 operations. The receivable is offset by deferred revenue.

*B. Income Taxes*

The City levies a municipal income tax of one and three-quarter percent on substantially all earned income arising from employment, residency or business activities within the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds are credited to the general fund (one and one-half percent) and to the police levy fund (one-quarter percent).

*C. Intergovernmental Receivables*

A summary of intergovernmental receivables at December 31, 1999 follows:

	Amount
General Fund:	
Estate Tax	\$401,636
Local Government Tax	208,340
Revenue Assistance	22,275
Police Services	21,819
Total General Fund	\$654,070

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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Special Revenue Funds:	
Gasoline Tax	\$31,853
Permissive Motor Vehicle License Tax	19,470
Motor Vehicle Tax	62,760
Grants	<u>35,700</u>
Total Special Revenue Funds	<u>149,783</u>
Enterprise Fund:	
Utility Charges	<u>63,156</u>
Total All Funds	<u><u>\$867,009</u></u>

**Note 7 - Fixed Assets and Depreciation**

A summary of the proprietary fund types fixed assets at December 31, 1999 follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land and Improvements	\$379,850	\$0
Buildings	42,175,619	0
Machinery and Equipment	18,072,252	177,126
Furniture and Fixtures	94,178	1,773
Sewer Lines	36,668,261	0
Water Lines	12,548,050	0
Construction in Progress	<u>3,690,557</u>	<u>0</u>
Total	113,628,787	178,899
Less: Accumulated Depreciation	<u>(63,011,964)</u>	<u>(137,582)</u>
Net Fixed Assets	<u><u>\$50,616,803</u></u>	<u><u>\$41,317</u></u>

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
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A summary of changes in general fixed assets during 1999 follows:

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
Land and Improvements	\$2,973,709	\$661,652	\$0	\$3,635,361
Buildings	9,432,064	72,328	0	9,504,392
Machinery and Equipment	13,400,973	747,387	316,768	13,831,592
Furniture and Fixtures	509,641	51,772	1,439	559,974
Total	<u>\$26,316,387</u>	<u>\$1,533,139</u>	<u>\$318,207</u>	<u>\$27,531,319</u>

**Note 8 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City does not carry general liability insurance. The City's policy for general liability claims is to bear the cost of these claims. The City accrues general liability claims in the General fund. The accrual is based on claims paid in each of the previous three years. During 1999, the City contracted with several companies for other types of insurance as follows:

Company	Type of Coverage	Limits Of Coverage
Humphrey Cavagna	Automobile Liability and Property Damage	\$1,000,000
	Law Enforcement Liability	\$1,000,000
	Public Officials Liability	\$1,000,000
	Commercial Property Boiler/Machinery Coverage	\$5,000,000

Claims have not exceeded coverage in any of the last three years and there were no significant reductions in commercial coverage in any of the past three years.

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

The City manages the hospital/medical, prescription drug, flexible medical savings, and vision benefits for its employees on a self-insured basis through the hospitalization self insurance internal service fund. Payments to the fund are made from the fund from which each employee is paid. Rates for 1999 ranged from \$350 to \$423 per month for single and family coverage depending on the bargaining unit of the employee. Under contracts for police dispatchers, \$300 was paid by the employee. The Plan Administrator for the City determines these rates. Medical Mutual of Ohio, the third party administrator, processes and pays the claims. An excess coverage insurance (stop loss) policy covers claims in excess of \$75,000 per employee and an aggregate of \$1,780,800 per year. Claims did not exceed the \$75,000 per employee, but did exceed the aggregate. When claims exceed the aggregate, Medical Mutual pays 80 percent with the City paying the other 20 percent.

The claims liability of \$227,232 reported in the fund at December 31, 1999 was estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expense and does not include other allocated claim adjustment expenses. Changes in the fund's claims liability amount for 1997, 1998 and 1999 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1999	\$197,623	\$2,699,103	\$2,669,494	\$227,232
1998	125,033	2,231,550	2,158,960	197,623
1997	130,051	2,126,758	2,131,776	125,033

**Note 9 - Long-term Debt**

A summary of changes in long-term obligations of the City during 1999 were as follows:

	Outstanding 12/31/98	Additions	Reductions	Outstanding 12/31/99
<b>GENERAL LONG-TERM OBLIGATIONS:</b>				
<b>GENERAL OBLIGATION BONDS (Unvoted):</b>				
1979 6.00% City Hall Construction	\$100,000	\$ 0	(\$100,000)	\$0
1989 Various Improvements	1,100,000	0	(100,000)	1,000,000
1979 6.375% Park Improvements	50,000	0	(25,000)	25,000
1984 10.75% Fire Station	240,000	0	(30,000)	210,000

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

1984 10.75% Various Improvements	\$150,000	\$0	\$(25,000)	\$125,000
1984 10.75% Sidewalk Improvements	68,000	0	(17,000)	51,000
1984 10.75% Real Estate Acquisitions	245,000	0	(35,000)	210,000
1984 10.75% Real Estate Acquisitions	260,000	0	(35,000)	225,000
1984 10.75% Storm Sewer	490,000	0	(70,000)	420,000
1995 Various Rate Various Purposes	2,690,000	0	(130,000)	2,560,000
1998 Various Rate Capital Purpose	3,680,000	0	(295,000)	3,385,000
1999 Police and Fire Pension	0	2,070,000	(35,000)	2,035,000
1988 7.50% Street Improvement	<u>129,634</u>	<u>0</u>	<u>(12,593)</u>	<u>117,041</u>
TOTAL GENERAL OBLIGATION BONDS	<u>9,202,634</u>	<u>2,070,000</u>	<u>(909,5930)</u>	<u>10,363,041</u>
SPECIAL ASSESSMENT BONDS				
1979 6.375% Street Improvement	70,000	0	(35,000)	35,000
1983 10.25% Street Improvement	330,000	0	(55,000)	275,000
1988 7.50% Street Improvement	<u>745,366</u>	<u>0</u>	<u>(72,407)</u>	<u>672,959</u>
TOTAL SPECIAL ASSESSMENT BONDS	<u>1,145,366</u>	<u>0</u>	<u>(162,407)</u>	<u>982,959</u>
HUD SECTION 108 LOANS				
Community Development 7.60 to 8.74%	80,000	0	(25,000)	55,000
Head Start 4.64 to 7.90%	140,000	0	(10,000)	130,000
Head Start 4.64 to 7.9%	<u>1,540,000</u>	<u>0</u>	<u>(110,000)</u>	<u>1,430,000</u>
TOTAL HUD SECTION 108 LOANS	<u>1,760,000</u>	<u>0</u>	<u>(145,000)</u>	<u>1,615,000</u>
1994 0.0% OPWC Loan	69,877	0	(12,705)	57,172
Note Payable	730,000	1,550,000	(730,000)	1,550,000
1998 Real Estate Acquisition Loan	125,000	0	(22,989)	102,011
Capital Leases	193,967	0	(122,078)	71,889
CDBG Interest Liability	0	124,297	0	124,297

**City of Lorain, Ohio**

*Notes to The General Purpose Financial Statements  
For The Year Ended December 31, 1999*

Compensated Absences	\$4,141,283	\$550,156	\$0	\$4,691,439
Intergovernmental Payables	762,370	945,147	(762,370)	945,147
Death Benefits	1,624,500	130,000	(40,100)	1,714,400
Police and Fire Pension Liability	<u>2,781,008</u>	<u>0</u>	<u>(2,781,008)</u>	<u>0</u>
TOTAL GENERAL LONG-TERM OBLIGATION	<u>22,536,005</u>	<u>5,369,600</u>	<u>(5,688,250)</u>	<u>22,217,355</u>
ENTERPRISE FUND OBLIGATIONS:				
GENERAL OBLIGATION BONDS				
1984 10.75% Water Improvements	700,000	0	(100,000)	600,000
1984 10.75% Sewer Improvements	875,000	0	(125,000)	750,000
1995 Various Water Improvements	<u>1,915,000</u>	<u>0</u>	<u>(85,000)</u>	<u>1,830,000</u>
TOTAL GENERAL OBLIGATION BONDS	<u>3,490,000</u>	<u>0</u>	<u>(310,000)</u>	<u>3,180,000</u>
REVENUE BONDS:				
1995 Various Rates Water System	9,233,262	7,632	(335,000)	8,905,894
1995 Sewer System Revenue Refunding bonds	<u>7,038,502</u>	<u>2,570</u>	<u>(400,000)</u>	<u>6,641,072</u>
TOTAL REVENUE BONDS	<u>16,271,764</u>	<u>10,202</u>	<u>(735,000)</u>	<u>15,546,966</u>
OHIO WATER DEVELOPMENT AUTHORITY LOANS				
1978 6.25% Sewer Facility	1,665,726	0	(91,743)	1,573,983
1994 6.84% Water Facility	1,465,366	0	(229,160)	1,236,206
1999 6.5% Sewer Facility	0	1,261,044	0	1,261,044
1999 6.5% Water Facility	<u>0</u>	<u>2,032,123</u>	<u>0</u>	<u>2,032,123</u>
TOTAL OWDA LOANS	<u>3,131,092</u>	<u>3,293,167</u>	<u>(320,903)</u>	<u>6,103,356</u>
TOTAL ENTERPRISE FUNDS	<u>22,892,856</u>	<u>3,303,369</u>	<u>(1,365,903)</u>	<u>24,830,322</u>
TOTAL ALL TYPES	<u>\$45,428,861</u>	<u>\$8,672,969</u>	<u>(\$7,054,153)</u>	<u>\$ 47,047,677</u>

General obligation bonds will be paid from the general bond retirement debt service fund. Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The HUD Section 108 loans and the OPWC loan is paid from the general bond retirement debt service fund.



**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

Compensated absences reported in the Compensated Absences Payable account, contractually required pension contributions reported as Intergovernmental Payable, and death benefits reported in the Death Benefits Payable account will be paid from the fund from which the employees' salaries are paid. The Real Estate Acquisition loan was used to purchase a building for the Income Tax Office. Payments will be made by the Capital Improvements Capital Project Fund. Capital leases will be paid from the general fund and the street construction special revenue fund. The CDBG Interest Liability Loan is owed to HUD for interest on HUD funds held by the City and will be paid by the Community Development Special Revenue Fund. The revenue and general obligation bonds for water improvements and the OWDA water facility loan will be paid from water user charges. The revenue refunding and general obligation bonds for sewer improvements and the OWDA sewer facility loan will be paid from sewer user charges.

The sewer system revenue refunding, Series 1995, bonds mature on April 1. The Series 1995 bonds maturing on or after April 1, 2006 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part on any interest payment date on or after April 1, 2005, in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date shown below:

<u>Redemption Dates (Dates Inclusive)</u>	<u>Redemption Prices</u>
April 1, 2005 through March 31, 2006	102%
April 1, 2006 through March 31, 2007	101
April 1, 2007 and thereafter	100

In conjunction with the issuance of the sewer system revenue refunding bonds and the requirements of the indenture agreement, the City entered into a trust agreement with a commercial bank. The trust agreement requires that the City establish various funds for the construction, replacement, and repayment of debt relating to the advance refunding of the City's outstanding sewer system mortgage revenue refunding bonds, Series 1995. The restricted assets balance in the water pollution fund segregates funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the revenue bonds consisted of the following at December 31, 1999:

Restricted assets held by the Trustee	
Revenue Bond Current Debt Service	\$1,210,280
Replacement and Improvement Fund	150,000
Restricted assets held by the City	
Utility Reserve Fund	936,633

The sewer system refunding bonds, Series 1995, had a balance at December 31, 1999 of \$6,641,072, net of the unamortized discount.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

The twenty-year water revenue bonds, Series 1995, were issued for \$10,000,000 on December 28, 1995 at an average interest rate of 4.8 percent for the purpose of paying costs to the City of improving the water facility. These bonds were issued at a discount \$154,905. The Series 1995 bonds mature on April 1.

The water revenue, Series, 1995 bonds maturing on or after April 1, 2006 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part on any interest payment date on or after April 1, 2005, in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date shown below:

<u>Redemption Dates (Dates Inclusive)</u>	<u>Redemption Prices</u>
April 1, 2005 through March 31, 2006	102%
April 1, 2006 through March 31, 2007	101
April 1, 2007 and thereafter	100

In conjunction with the issuance of the water revenue bonds and the requirements of the indenture agreement, the City entered into a trust agreement with a commercial bank. The trust agreement requires that the City establish various funds for the construction, replacement, and repayment of debt relating to the construction and improvement of the water system. The restricted assets balance in the water fund segregates funds held by the trustees in accordance with the trust agreement. Restricted assets relating to the revenue bonds consisted of the following at December 31, 1999:

Restricted assets held by the Trustee	
Revenue Bond Current Debt Service	\$1,200,081
Restricted assets held by the City	
Utility Reserve Fund	282,420
Replacement and Improvement Fund	150,000

The water revenue bonds, Series 1995, had a balance at December 31, 1999 of \$8,905,894 net of the unamortized discount.

On August 1, 1999, the City issued \$2,070,000 in general obligation bonds with interest rates varying from 3.50 percent to 4.75 percent. Proceeds were used to retire \$1,925,317 of the outstanding police and fire pension liability, after the discount for early payoff. An analysis of this information follows:

	<u>Pension Liability</u>
Outstanding at 12/31/98	\$2,781,008
Principal Payments	(16,269)
Amount of Discount for Early Payoff	(839,422)
Amount Refunded	(1,925,317)
Outstanding at 12/31/99	<u>\$0</u>

The bonds were sold at a discount of \$24,703. \$1,925,317 (after discount, underwriting fees and other issuance costs) was paid to the Police and Fire Disability Pension Fund. The City decreased its total debt

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
For The Year Ended December 31, 1999

service payments by \$1,651,507 as a result of the current refunding. The City also incurred an economic gain (difference between the present valued of the old and new debt service payments) of \$338,116.

The City's overall legal debt margin was \$73,322,316 at December 31, 1999. Principal and interest requirements to retire long-term obligations outstanding at December 31, 1999 are as follows:

	General Obligation Bonds	Special Assessment Bonds	HUD Section 108 Loans	OPWC Loan
2000	\$2,021,310	\$243,297	\$266,233	\$12,705
2001	1,933,699	194,998	260,682	12,705
2002	1,886,106	183,930	219,516	12,705
2003	1,813,820	172,862	210,948	12,705
2004	1,639,531	166,054	202,308	6,352
2005-2009	5,713,602	364,165	878,232	0
2010-2014	2,935,735	0	416,640	0
2015-2019	960,780	0	0	0
2020-2024	740,888	0	0	0
Total Principal And Interest	<u>19,645,471</u>	<u>1,325,306</u>	<u>2,454,559</u>	<u>57,172</u>
Less Interest	<u>(6,102,430)</u>	<u>(342,348)</u>	<u>(839,559)</u>	<u>0</u>
Total	<u>\$13,543,041</u>	<u>\$982,959</u>	<u>\$1,615,000</u>	<u>\$57,172</u>

	Revenue Bonds	OWDA Loans	Real Estate Acquisition	CDBG Interest Liability
2000	\$1,544,853	\$802,087	\$27,948	\$33,291
2001	1,544,728	802,087	27,947	30,335
2002	1,551,988	802,087	27,948	30,336
2003	1,541,577	802,087	27,947	30,335
2004	1,548,288	802,087	0	0
2005-2009	7,724,673	2,537,457	0	0
2010-2014	5,460,140	293,776	0	0
2015-2019	1,589,560	0	0	0
Total Principal And Interest	<u>22,505,807</u>	<u>6,841,668</u>	<u>111,790</u>	<u>124,297</u>
Less: Interest	<u>(6,958,941)</u>	<u>(1,791,146)</u>	<u>9,779</u>	<u>0</u>
Total	<u>\$15,546,966</u>	<u>\$5,050,522</u>	<u>\$102,011</u>	<u>\$124,297</u>

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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The City entered into contractual agreements for construction loans from the OWDA. From the beginning of these projects through December 31, 1999, the City has received \$1,052,834. Under the terms of these agreements, the OWDA will reimburse, advance or directly pay the construction costs of approved projects. The OWDA will capitalize administrative costs and constructions interest and add them to the total amount of the final loan. These loans are presently reflected as OWDA loans payable. These loans will not have a repayment schedule until the loans are finalized and, therefore, are not included in the above schedule of debt service requirements.

**Note 10 - Capital Leases**

In prior years, the City entered into leases for the acquisition of equipment. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards Board No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. General fixed assets acquired by lease through the current year have been capitalized in the general fixed assets account group. A corresponding liability was recorded in the general long-term debt obligations account group.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of minimum lease payments as of December 31, 1999:

Year Ending December 31	Amount
2000	\$37,640
2001	37,640
2002	1,833
Total Minimum Lease Payments	77,113
Less: Amount Representing Interest	(5,224)
Present Value of minimum lease payments	\$71,889

**Note 11 - Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and state laws. Employees earn ten to twenty-five days of vacation per year, depending upon length of service. The maximum amount of vacation time that can be accrued is a total that can be earned in three years. Earned vacation time is paid upon termination of employment. Employees earn sick leave at different rates depending upon length of service and type of employment. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee can be paid a maximum of 960 hours of accumulated, unused sick leave. As of December 31, 1999, the liability for unpaid compensated absences was \$6,575,460 for the entire City.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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**Note 12 - Defined Benefit Pension Plans**

*A. Public Employees Retirement System*

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

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 9.35 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 1999, 1998 and 1997 were \$1,322,358, \$1,283,554, and \$1,383,383, respectively. The full amount has been contributed for 1998 and 1997. 72.93 percent has been contributed for 1999 with the remainder being reported as a liability within the enterprise funds and the general long-term obligations account group.

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

The City of Lorain contributes to the Police and Firemen's Disability and Pension Fund of Ohio (PFDPF), a cost-sharing multiple-employer public employee retirement system administered by the PFDPF's Board of Trustees. PFDPF provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. PFDPF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.5 percent for police and 17 percent for firefighters. For 1998 the City contributions were 13 percent for police and 17.5 for firefighters. Contributions are authorized by State statute. The City's contributions to PFDPF for police and firefighters were \$708,454 and \$797,125 for the year ended December 31, 1999, \$936,202 and \$938,027 for the year ended December 31, 1998, and \$902,577 and \$925,221 for 1997. The full amount has been contributed for 1998 and 1997. 72.55 and 72.27 percent, respectively, have been contributed for 1999 with the remainder being reported as a liability within the general long-term obligations account group.

**Note 13 - Postemployment Benefits**

*A. Public Employees Retirement System*

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 1999 employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care.

Benefits are funded on a pay-as-you-go basis. OPEB are financed through employer contributions and investment earnings. The contributions allocated to retiree health care and medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The City's actual contributions for 1999 which were used to fund OPEB were \$594,001. During 1997, PERS adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health coverage.

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

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

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the PFDPF board of trustees to provide health care coverage and states that health care costs paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7 percent of covered payroll was applied to the postemployment health care program during 1999. For 1999 the percent used to fund healthcare was 6.5 percent. This allocation will be raised to 7.25 percent in 2000. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 1999 that were used to fund postemployment benefits were \$396,734 for police and \$328,228 for fire. PFDPF's total health care expenses for the year ended December 31, 1998, (the latest information available) were \$78,596,790. The number of PFDPF participants eligible to receive health care benefits as of December 31, 1998 was 11,424 for police and 9,186 for firefighters.

*C. Death Benefits*

Based on authority granted to the City by State statute to set employee compensation and benefits, the City provides a benefit to the estate of employees who have retired from the City with twenty years of service for non administrative employees and fifteen years of service for administrative employees in amounts ranging from \$3,000 to \$12,500 at the time of death. Employees do not make any contributions for this benefit. As of December 31, 1999, the liability for unpaid death benefits was \$1,995,900 for the 281 participants currently eligible to receive the benefit. Benefit payments during 1999 were \$45,100 in the governmental and enterprise funds.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

**Note 14 – Contractual Commitments**

As of December 31, 1999, the open construction contracts for the water department and water pollution department are as follows: \$561,078 and \$5,582,227, respectively.

**Note 15 - Segment Information**

The City's enterprise funds account for water and water pollution services. Segment information for these operations as of and for the year ended December 31, 1999 was as follows:

	Water Works	Water Pollution Control	Total
Operating Revenues	\$5,482,568	\$8,276,380	\$13,758,948
Depreciation Expense	872,519	2,391,042	3,263,561
Operating Income (Loss)	(1,095,603)	189,270	(906,333)
Net Income (Loss)	(1,151,832)	96,779	(1,055,053)
Property, Plant and Equipment			
Additions	2,112,310	1,514,581	3,626,891
Deletions	3,067	0	3,067
Net Working Capital	2,369,336	10,793,773	13,163,109
Total Assets	22,628,692	48,219,249	70,847,941
Long-term Liabilities	14,514,152	9,656,328	24,170,480
Total Fund Equity	6,094,670	37,444,176	43,538,846
Encumbrances at December 31, 1999	561,078	6,171,436	6,732,514

**Note 16 – Jointly Governed Organization**

*The Northeast Ohio Areawide Coordinating Agency (NOACA)* was created by the County Commissioners of Cuyahoga, Geauga, Lake, Lorain and Medina Counties and is responsible for transportation and environmental planning in the five county region. NOACA is controlled by a 37 member board which includes the Mayor of the City of Lorain. The board exercises total control over the operation of the corporation including budgeting, appropriating, contracting and designing management. Each participant's degree of control is limited to its representation on the board. During 1999, the City contributed \$14,538, which represented 2.5 percent of total contributions.

**Note 17 - Related Organization**

*Lorain Port Authority* The Mayor of the City appoints the nine Port Authority Board Members. The Port Authority hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the Port Authority nor is the Port Authority financially dependent on the City. The Port Authority serves as its own budgeting, taxing, and debt issuance authority.

**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

**Note 18 - Interfund Activity**

"Interfund Receivable" and "Interfund Payable" at December 31, 1999 consist of the following individual balances:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$290,738	\$2,858
Special Revenue Funds:		
Community Development	0	286
Litter Control	0	1,480
Police Levy	0	22
Police Pension	0	245,433
Municipal Court Computer	5,163	0
Legal Research	1,541	0
Total Special Revenue Funds	6,704	247,221
Capital Projects Fund:		
Municipal Court Improvement	2,612	0
Enterprise Funds:		
Water Works	1,401	99
Water Pollution Control	1,849	271
Total Enterprise Funds	3,250	370
Internal Service Fund:		
Garage	286	0
Agency Fund:		
Municipal Court	0	53,141
Total	\$303,590	\$303,590



**City of Lorain, Ohio**  
*Notes to The General Purpose Financial Statements*  
*For The Year Ended December 31, 1999*

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**Note 19 - Litigation**

The City is a defendant in various lawsuits seeking damages. City management cannot presently determine the outcome of such litigation or predict the likelihood or amount of liability, if any, the City may incur as a result of these matters.

**Note 20 – Subsequent Events**

On March 29, 2000, Lorain City Council passed Ordinance Number 55-00, providing for the issuance of \$1,550,000 of bond anticipation notes. The purpose of this issuance was to retire two notes which expired on April 14, 2000. Of this amount, \$700,000 was to refinance the 1998 Real Estate Acquisition note for the purchase of the property adjacent to Lakeview Park and \$850,000 was to refinance the 1998 Street Improvement note for the Oak Point Road project. The new bond anticipation notes have a maturity date of April 14, 2001.

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## **Combining, Individual Fund And Account Group Financial Statements and Schedules**

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These statements and schedules provide amore detailed presentation of the General Purpose Financial Statements presented in the previous subsection. Combining statements and schedules are used to bring together funds where there is more than one of a specific type. Individual statements are used when there is only one fund of a specific type and for account groups. Schedules are used to present budgetary comparisons that are required to demonstrate legal compliance but are not otherwise required for presentation in conformance with generally accepted accounting principles. These statements and schedules are grouped by fund and account group types as follows:

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**General Fund**

**Special Revenue Funds**

**Debt Service Funds**

**Capital Projects Funds**

**Enterprise Funds**

**Internal Service Funds**

**Agency Funds**

**General Fixed Assets Account Group**

## **General Fund**

The general fund accounts for 61.94 percent of income tax revenue and other resources traditionally associated with the general governmental operations which are not required to be accounted for by another fund.

City of Lorain, Ohio  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Municipal Income Tax	\$14,275,718	\$14,107,940	(\$167,778)
Property and Other Taxes	2,378,007	2,332,076	(45,931)
Charges for Services	164,112	145,434	(18,678)
Fines, Licenses and Permits	1,360,635	1,305,654	(54,981)
Intergovernmental	4,767,779	4,632,399	(135,380)
Interest	190,799	134,151	(56,648)
Other	1,628,782	779,301	(849,481)
<i>Total Revenues</i>	<u>24,765,832</u>	<u>23,436,955</u>	<u>(1,328,877)</u>
<b>Expenditures</b>			
<b>Current:</b>			
<b>General Government</b>			
<b>Civil Service</b>			
Personal Services	62,015	60,856	1,159
Materials and Supplies	500	449	51
Contractual Services	10,000	9,424	576
Other Operating	7,000	6,468	532
<i>Total Civil Service</i>	<u>79,515</u>	<u>77,197</u>	<u>2,318</u>
<b>Council</b>			
Personal Services	231,237	227,990	3,247
Materials and Supplies	1,500	1,480	20
Contractual Services	27,600	18,841	8,759
Capital Outlay	4,950	3,888	1,062
Other Operating	8,148	6,031	2,117
<i>Total Council</i>	<u>273,435</u>	<u>258,230</u>	<u>15,205</u>
<b>Mayor</b>			
Personal Services	134,982	128,764	6,218
Materials and Supplies	2,961	2,503	458
Contractual Services	6,500	5,774	726
Other Operating	14,375	11,551	2,824
<i>Total Mayor</i>	<u>158,818</u>	<u>148,592</u>	<u>10,226</u>
<b>Auditor</b>			
Personal Services	473,687	447,624	26,063
Materials and Supplies	17,500	17,224	276
Contractual Services	46,382	46,380	2
Capital Outlay	2,409	1,902	507
Other Operating	1,713	1,064	649
<i>Total Auditor</i>	<u>\$541,691</u>	<u>\$514,194</u>	<u>\$27,497</u> (continued)

City of Lorain, Ohio  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund (continued)  
For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Treasurer</b>			
Personal Services	\$397,677	\$397,552	\$125
Materials and Supplies	27,887	27,859	28
Contractual Services	9,500	8,340	1,160
Capital Outlay	17,300	16,874	426
Other Operating	500	442	58
<i>Total Treasurer</i>	<u>452,864</u>	<u>451,067</u>	<u>1,797</u>
<b>Law Director</b>			
Personal Services	739,378	728,371	11,007
Materials and Supplies	25,927	19,692	6,235
Contractual Services	8,500	6,247	2,253
Capital Outlay	12,573	9,345	3,228
Other Operating	5,647	3,749	1,898
<i>Total Law Director</i>	<u>792,025</u>	<u>767,404</u>	<u>24,621</u>
<b>Judges</b>			
Personal Services	491,327	484,126	7,201
Materials and Supplies	7,500	6,008	1,492
Contractual Services	27,445	24,260	3,185
Capital Outlay	1,200	750	450
Other Operating	6,500	3,675	2,825
<i>Total Judges</i>	<u>533,972</u>	<u>518,819</u>	<u>15,153</u>
<b>Clerk of Courts</b>			
Personal Services	595,834	590,139	5,695
Materials and Supplies	88,534	85,409	3,125
Contractual Services	18,325	14,571	3,754
Capital Outlay	22,998	21,988	1,010
Other Operating	898	274	624
<i>Total Clerk of Courts</i>	<u>726,589</u>	<u>712,381</u>	<u>14,208</u>
<b>Central Services</b>			
Materials and Supplies	21,180	20,635	545
Contractual Services	17,000	16,178	822
Other Operating	19,783	88,376	(68,593)
<i>Total Central Services</i>	<u>\$57,963</u>	<u>\$125,189</u>	<u>(\$67,226)</u>

(continued)

City of Lorain, Ohio  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund (continued)  
For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Electrical</b>			
Personal Services	\$437,205	\$423,076	\$14,129
Materials and Supplies	48,132	31,556	16,576
Contractual Services	56,300	53,335	2,965
Capital Outlay	10,000	9,652	348
Other Operating	2,995	2,127	868
<i>Total Electrical</i>	<u>554,632</u>	<u>519,746</u>	<u>34,886</u>
<b>Safety/Service Director</b>			
Personal Services	652,301	600,994	51,307
Materials and Supplies	94,003	88,835	5,168
Contractual Services	1,037,773	986,949	50,824
Capital Outlay	33,109	31,070	2,039
Other Operating	174,882	173,533	1,349
<i>Total Safety/Service Director</i>	<u>1,992,068</u>	<u>1,881,381</u>	<u>110,687</u>
<b>Engineering</b>			
Personal Services	460,880	453,143	7,737
Materials and Supplies	22,773	17,204	5,569
Contractual Services	6,215	3,844	2,371
Capital Outlay	26,995	15,652	11,343
Other Operating	2,008	1,282	726
<i>Total Engineering</i>	<u>518,871</u>	<u>491,125</u>	<u>27,746</u>
<b>Data Processing</b>			
Personal Services	101,016	99,473	1,543
Materials and Supplies	63,037	58,075	4,962
Contractual Services	88,153	87,189	964
Capital Outlay	107,824	106,823	1,001
Other Operating	3,033	1,904	1,129
<i>Total Data Processing</i>	<u>363,063</u>	<u>353,464</u>	<u>9,599</u>
<i>Total General Government</i>	<u>\$7,045,506</u>	<u>\$6,818,789</u>	<u>\$226,717</u> (continued)

City of Lorain, Ohio  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund (continued)  
For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Security of Persons and Property</b>			
<b>Police Department</b>			
Personal Services	\$6,546,456	\$6,379,251	\$167,205
Materials and Supplies	354,154	327,306	26,848
Contractual Services	136,799	119,331	17,468
Capital Outlay	6,450	6,410	40
Other Operating	136,150	133,222	2,928
<i>Total Police Department</i>	<u>7,180,009</u>	<u>6,965,520</u>	<u>214,489</u>
<b>Fire Department</b>			
Personal Services	5,936,483	5,810,164	126,319
Materials and Supplies	131,572	121,434	10,138
Contractual Service	67,825	64,480	3,345
Capital Outlay	212,881	212,326	555
Other Operating	48,156	48,064	92
<i>Total Fire Department</i>	<u>6,396,917</u>	<u>6,256,468</u>	<u>140,449</u>
<i>Total Security of Persons and Property</i>	<u>13,576,926</u>	<u>13,221,988</u>	<u>354,938</u>
<b>Public Health and Welfare</b>			
<b>Cemetery</b>			
Personal Services	219,550	212,700	6,850
Materials and Supplies	36,823	34,673	2,150
Contractual Services	18,432	17,199	1,233
Capital Outlay	7,000	6,735	265
<i>Total Cemetery</i>	<u>281,805</u>	<u>271,307</u>	<u>10,498</u>
<b>Dog Warden</b>			
Personal Services	100,150	97,718	2,432
Materials and Supplies	8,000	5,929	2,071
Other Operating	1,000	946	54
<i>Total Dog Warden</i>	<u>109,150</u>	<u>104,593</u>	<u>4,557</u>
<i>Total Public Health and Welfare</i>	<u>\$390,955</u>	<u>\$375,900</u>	<u>\$15,055</u> (continued)



City of Lorain, Ohio  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund (continued)  
For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Community Environment</b>			
<b>Building Inspection</b>			
Personal Services	\$520,393	\$510,903	\$9,490
Materials and Supplies	26,509	24,228	2,281
Contractual Services	34,140	32,345	1,795
Capital Outlay	10,782	10,304	478
Other Operating	10,476	8,504	1,972
<i>Total Community Environment</i>	<u>602,300</u>	<u>586,284</u>	<u>16,016</u>
<b>Leisure Time Activities</b>			
<b>Parks and Recreation</b>			
Personal Services	1,232,700	1,202,134	30,566
Materials and Supplies	176,331	168,569	7,762
Contractual Services	117,477	112,672	4,805
Capital Outlay	35,682	33,832	1,850
Other Operating	9,554	8,080	1,474
<i>Total Leisure Time Activities</i>	<u>1,571,744</u>	<u>1,525,287</u>	<u>46,457</u>
<b>Debt Service</b>			
Principal Retirement	38,167	37,590	577
Interest and Fiscal Charges	5,705	5,705	0
<i>Total Debt Service</i>	<u>43,872</u>	<u>43,295</u>	<u>577</u>
<i>Total Expenditures</i>	<u>23,231,303</u>	<u>22,571,543</u>	<u>659,760</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,534,529</u>	<u>865,412</u>	<u>(669,117)</u>
<b>Other Financing Sources (Uses)</b>			
Sales of Fixed Assets	1,183	1,183	0
Advances In	0	40,663	40,663
Operating Transfers - Out	(2,649,561)	(1,985,271)	664,290
<i>Total Other Financing Sources (Uses)</i>	<u>(2,648,378)</u>	<u>(1,943,425)</u>	<u>704,953</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(1,113,849)</u>	<u>(1,078,013)</u>	<u>35,836</u>
<i>Fund Balance Beginning of Year</i>	897,415	897,415	0
<i>Prior Year Encumbrances Appropriated</i>	<u>180,374</u>	<u>180,374</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$36,060)</u>	<u>(\$224)</u>	<u>\$35,836</u>

## **Special Revenue Funds**

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

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### **Streets Fund**

This fund accounts for that portion of State gasoline tax and motor vehicle registration fees used for maintenance and repair of dedicated streets within the City. Included in this fund as a subfund for State highway for that portion of the State gasoline tax, motor vehicle registration fees designated for State highways and street maintenance within the City.

### **Permissive License Fund**

This fund accounts for tax revenues levied by the City designated for street maintenance within the City.

### **Health Services Fund**

This fund accounts for revenues received from local health permits, nursing fees, clinic fees, and grants used to operate the public health services of the City.

### **Community Development Fund**

This fund accounts for State and Federal grants designated for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

### **Litter Control Fund**

This fund accounts for grants from the Lorain County Solid Waste Management District used for recycling and composting activities in the City.

### **Police Levy Fund**

This fund accounts for municipal income tax revenues used to pay a portion of salaries and equipment of the City's police force.

### **Mandatory Drug Fund**

This fund accounts for proceeds received from the sale of property confiscated during drug related arrests.

### **Police Pension Fund**

This fund accounts for property taxes collected to pay for a portion of the employer's share of Police pension benefits.

### **Fire Pension Fund**

This fund accounts for property taxes collected to pay for a portion of the employer's share of fire pension benefits.

(continued)

## **Special Revenue Funds** (continued)

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### **Indigent Drivers Fund**

This fund accounts for fees collected by the municipal court from persons whose driver's license Or permit was suspended for driving under the influence of alcohol. By order of the court, this fund will provide for the cost of rehabilitation for those deemed to be indigent.

### **Park Land Fund**

This fund was established to account for revenue received from contractors who establish new developments in the city and is used in the development of land for parks.

### **Cemetery Fund**

This fund was established to account for the portion of the burial permit fees that are set aside to maintain the cemetery.

### **Law Enforcement Fund**

This fund was established to account for the monies used by the police department in their enforcement of drug related laws.

### **Municipal Court Computer Fund**

This fund accounts for fees collected by the municipal court to be used for equipment, computers, and improvements for the court.

### **Legal Research Fund**

This fund accounts for court fees collected by the municipal court designated to maintain and keep the City's law library material current.

City of Lorain, Ohio  
Combining Balance Sheet  
All Special Revenue Funds  
December 31, 1999

	Streets	Permissive License	Health Services
<b>Assets</b>			
Cash and Cash Equivalents	\$46,215	\$28,204	\$50,393
Receivables:			
Taxes	25,529	0	0
Interfund	0	0	0
Intergovernmental	94,612	19,471	8,524
Materials and Supplies			
Inventory	86,312	0	3,101
Loans Receivable	0	0	0
Prepaid Items	0	0	6,182
<i>Total Assets</i>	<u>\$252,668</u>	<u>\$47,675</u>	<u>\$68,200</u>
<b>Liabilities</b>			
Accounts Payable	\$28,002	\$800	\$5,345
Contracts Payable	0	0	0
Compensated Absences Payable	14,465	0	13,880
Interfund Payable	0	0	0
Intergovernmental Payable	8,098	0	5,530
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>50,565</u>	<u>800</u>	<u>24,755</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	52,211	15,452	2,913
Reserved for Inventory	86,312	0	3,101
Reserved for Loans	0	0	0
Unreserved, Undesignated (Deficit)	63,580	31,423	37,431
<i>Total Fund Equity (Deficit)</i>	<u>202,103</u>	<u>46,875</u>	<u>43,445</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$252,668</u>	<u>\$47,675</u>	<u>\$68,200</u>

<u>Community Development</u>	<u>Litter Control</u>	<u>Police Levy</u>	<u>Mandatory Drug</u>	<u>Police Pension</u>	<u>Fire Pension</u>
\$1,741,468	\$0	\$1,541,525	\$9,576	\$0	\$7,474
0	0	286,140	0	249,889	249,889
0	0	0	0	0	0
27,176	0	0	0	0	0
0	0	0	0	0	0
9,208,394	0	0	0	0	0
7,073	0	0	0	0	0
<u>\$10,984,111</u>	<u>\$0</u>	<u>\$1,827,665</u>	<u>\$9,576</u>	<u>\$249,889</u>	<u>\$257,363</u>
\$6,387	\$0	\$4,461	\$0	\$0	\$0
108,806	0	20,900	0	0	0
12,669	0	36,398	0	0	0
286	1,480	22	0	245,433	0
5,491	0	9,735	0	0	0
0	0	0	0	249,889	249,889
<u>133,639</u>	<u>1,480</u>	<u>71,516</u>	<u>0</u>	<u>495,322</u>	<u>249,889</u>
888,691	600	333,954	0	0	0
0	0	0	0	0	0
9,208,394	0	0	0	0	0
753,387	(2,080)	1,422,195	9,576	(245,433)	7,474
<u>10,850,472</u>	<u>(1,480)</u>	<u>1,756,149</u>	<u>9,576</u>	<u>(245,433)</u>	<u>7,474</u>
<u>\$10,984,111</u>	<u>\$0</u>	<u>\$1,827,665</u>	<u>\$9,576</u>	<u>\$249,889</u>	<u>\$257,363</u>

(continued)

City of Lorain, Ohio  
Combining Balance Sheet  
All Special Revenue Funds (continued)  
December 31, 1999

	Indigent Drivers	Park Land	Cemetery
<b>Assets</b>			
Cash and Cash Equivalents	\$86,366	\$48,614	\$73,276
Receivables:			
Taxes	0	0	0
Interfund	0	0	0
Intergovernmental	0	0	0
Materials and Supplies			
Inventory	0	0	0
Loans Receivable	0	0	0
Prepaid Items	0	0	0
<i>Total Assets</i>	<u>\$86,366</u>	<u>\$48,614</u>	<u>\$73,276</u>
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	0
Compensated Absences Payable	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	0	0	0
Reserved for Inventory	0	0	0
Reserved for Loans	0	0	0
Unreserved, Undesignated (Deficit)	86,366	48,614	73,276
<i>Total Fund Equity (Deficit)</i>	<u>86,366</u>	<u>48,614</u>	<u>73,276</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$86,366</u>	<u>\$48,614</u>	<u>\$73,276</u>

<u>Law Enforcement</u>	<u>Municipal Court Computer</u>	<u>Legal Research</u>	<u>Totals</u>
\$1,212,288	\$145,960	\$96,975	\$5,088,334
0	0	0	811,447
0	5,163	1,541	6,704
0	0	0	149,783
0	0	0	89,413
0	0	0	9,208,394
0	0	0	13,255
<u>\$1,212,288</u>	<u>\$151,123</u>	<u>\$98,516</u>	<u>\$15,367,330</u>
\$0	\$0	\$0	\$44,995
0	0	0	129,706
0	273	0	77,685
0	0	0	247,221
0	224	0	29,078
0	0	0	499,778
<u>0</u>	<u>497</u>	<u>0</u>	<u>1,028,463</u>
0	0	0	1,293,821
0	0	0	89,413
0	0	0	9,208,394
<u>1,212,288</u>	<u>150,626</u>	<u>98,516</u>	<u>3,747,239</u>
<u>1,212,288</u>	<u>150,626</u>	<u>98,516</u>	<u>14,338,867</u>
<u>\$1,212,288</u>	<u>\$151,123</u>	<u>\$98,516</u>	<u>\$15,367,330</u>

**City of Lorain, Ohio**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Year Ended December 31, 1999*

	Streets	Permissive License	Health Services
<b>Revenues</b>			
Municipal Income Tax	\$0	\$0	\$0
Property and Other Taxes	25,529	0	0
Charges for Services	0	0	294,000
Fines, Licenses and Permits	0	0	170,560
Intergovernmental	1,590,197	276,304	234,549
Interest	0	0	0
Other	425	0	0
<i>Total Revenues</i>	<u>1,616,151</u>	<u>276,304</u>	<u>699,109</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Public Health and Welfare	0	0	1,355,813
Transportation	2,405,661	260,329	0
Community Environment	0	0	0
Economic Development	0	0	0
Debt Service:			
Principal Retirement	86,440	0	0
Interest and Fiscal Charges	2,803	0	0
Bond Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>2,494,904</u>	<u>260,329</u>	<u>1,355,813</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(878,753)</u>	<u>15,975</u>	<u>(656,704)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Current Refunding Bonds	0	0	0
Payment to Police and Fire Pension	0	0	0
Operating Transfers In	871,062	0	669,360
<i>Total Other Financing Sources (Uses)</i>	<u>871,062</u>	<u>0</u>	<u>669,360</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(7,691)</u>	<u>15,975</u>	<u>12,656</u>
<i>Fund Balances Beginning of Year</i>	359,805	30,900	32,572
Decrease in Reserve for Inventory	<u>(150,011)</u>	<u>0</u>	<u>(1,783)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$202,103</u>	<u>\$46,875</u>	<u>\$43,445</u>



<u>Community Development</u>	<u>Litter Control</u>	<u>Police Levy</u>	<u>Mandatory Drug</u>	<u>Police Pension</u>	<u>Fire Pension</u>
\$0	\$0	\$2,384,116	\$0	\$0	\$0
0	0	0	0	231,671	231,721
0	0	0	0	0	0
0	0	0	44,907	0	0
5,032,083	150,000	0	0	117,019	8,186
38,134	0	81,785	0	0	0
48,519	0	26,008	0	1,218	2,262
<u>5,118,736</u>	<u>150,000</u>	<u>2,491,909</u>	<u>44,907</u>	<u>349,908</u>	<u>242,169</u>
0	0	0	0	0	0
0	0	2,990,582	44,907	566,769	373,944
0	0	0	0	0	0
0	0	0	0	0	0
0	151,614	0	0	0	0
3,356,598	0	0	0	0	0
0	0	0	0	18,032	33,237
0	0	0	0	33,897	61,569
0	0	0	0	22,938	67,581
<u>3,356,598</u>	<u>151,614</u>	<u>2,990,582</u>	<u>44,907</u>	<u>641,636</u>	<u>536,331</u>
<u>1,762,138</u>	<u>(1,614)</u>	<u>(498,673)</u>	<u>0</u>	<u>(291,728)</u>	<u>(294,162)</u>
0	0	0	0	715,854	1,329,443
0	0	0	0	(682,744)	(1,242,573)
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,110</u>	<u>86,870</u>
1,762,138	(1,614)	(498,673)	0	(258,618)	(207,292)
9,089,093	134	2,254,822	9,576	13,185	214,766
(759)	0	0	0	0	0
<u>\$10,850,472</u>	<u>(\$1,480)</u>	<u>\$1,756,149</u>	<u>\$9,576</u>	<u>(\$245,433)</u>	<u>\$7,474</u>

(continued)

**City of Lorain, Ohio**  
*Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Special Revenue Funds (continued)  
 For the Year Ended December 31, 1999*

	Indigent Drivers	Park Land	Cemetery
<b>Revenues</b>			
Municipal Income Tax	\$0	\$0	\$0
Property and Other Taxes	0	0	0
Charges for Services	0	0	0
Fines, Licenses and Permits	12,468	0	0
Intergovernmental	0	0	0
Interest	0	0	0
Other	0	6,700	0
<i>Total Revenues</i>	<u>12,468</u>	<u>6,700</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
General Government	0	0	0
Security of Persons and Property	0	0	0
Public Health and Welfare	0	0	0
Transportation	0	0	0
Community Environment	0	0	0
Economic Development	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Bond Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>12,468</u>	<u>6,700</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Current Refunding Bonds	0	0	0
Payment to Police and Fire Pension	0	0	0
Operating Transfers In	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	12,468	6,700	0
<i>Fund Balances Beginning of Year</i>	73,898	41,914	73,276
Decrease in Reserve for Inventory	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$86,366</u>	<u>\$48,614</u>	<u>\$73,276</u>

<u>Law Enforcement</u>	<u>Municipal Court Computer</u>	<u>Legal Research</u>	<u>Totals</u>
\$0	\$0	\$0	\$2,384,116
0	0	0	488,921
0	0	0	294,000
270,025	126,645	37,793	662,398
0	0	0	7,408,338
43,581	10,191	0	173,691
0	0	0	85,132
<u>313,606</u>	<u>136,836</u>	<u>37,793</u>	<u>11,496,596</u>
0	54,768	0	54,768
303,880	0	0	4,280,082
0	0	0	1,355,813
0	0	0	2,665,990
0	0	0	151,614
0	0	0	3,356,598
0	0	0	137,709
0	0	0	98,269
0	0	0	90,519
<u>303,880</u>	<u>54,768</u>	<u>0</u>	<u>12,191,362</u>
<u>9,726</u>	<u>82,068</u>	<u>37,793</u>	<u>(694,766)</u>
0	0	0	2,045,297
0	0	0	(1,925,317)
0	0	0	1,540,422
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,660,402</u>
9,726	82,068	37,793	965,636
1,202,562	68,558	60,723	13,525,784
0	0	0	(152,553)
<u>\$1,212,288</u>	<u>\$150,626</u>	<u>\$98,516</u>	<u>\$14,338,867</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Streets Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$1,550,000	\$1,615,422	\$65,422
Other	0	425	425
<i>Total Revenues</i>	<u>1,550,000</u>	<u>1,615,847</u>	<u>65,847</u>
<b>Expenditures</b>			
Current:			
Transportation			
Street Construction			
Personal Services	1,563,636	1,539,399	24,237
Materials and Supplies	940,388	908,352	32,036
Contractual Services	34,656	34,563	93
Capital Outlay	41,931	40,618	1,313
Other	11,000	5,217	5,783
<i>Total Transportation</i>	<u>2,591,611</u>	<u>2,528,149</u>	<u>63,462</u>
Debt Service:			
Principal Retirement	86,440	86,440	0
Interest and Fiscal Charges	2,803	2,803	0
<i>Total Debt Service</i>	<u>89,243</u>	<u>89,243</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,680,854</u>	<u>2,617,392</u>	<u>63,462</u>
<i>Excess of Revenues Under Expenditures</i>	(1,130,854)	(1,001,545)	129,309
<b>Other Financing Sources</b>			
Operating Transfers In	1,199,826	871,062	(328,764)
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	68,972	(130,483)	(199,455)
<i>Fund Balance Beginning of Year</i>	12,413	12,413	0
Prior Year Encumbrances Appropriated	38,025	38,025	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$119,410</u>	<u>(\$80,045)</u>	<u>(\$199,455)</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Permissive License Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$270,000	\$275,821	\$5,821
<b>Expenditures</b>			
Current:			
Transportation			
Materials and Supplies	<u>278,319</u>	<u>278,060</u>	<u>259</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(8,319)	(2,239)	6,080
<i>Fund Balance Beginning of Year</i>	11,912	11,912	0
Prior Year Encumbrances Appropriated	<u>2,279</u>	<u>2,279</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,872</u></u>	<u><u>\$11,952</u></u>	<u><u>\$6,080</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Health Services Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$279,237	\$294,000	\$14,763
Fines, Licenses and Permits	212,000	170,560	(41,440)
Intergovernmental	248,688	268,675	19,987
<i>Total Revenues</i>	<u>739,925</u>	<u>733,235</u>	<u>(6,690)</u>
<b>Expenditures</b>			
Current:			
Public Health and Welfare			
Personal Services	1,119,671	1,103,549	16,122
Materials and Supplies	47,877	40,678	7,199
Contractual Services	222,546	199,190	23,356
Capital Outlay	28,100	25,574	2,526
Other	40,276	34,130	6,146
<i>Total Expenditures</i>	<u>1,458,470</u>	<u>1,403,121</u>	<u>55,349</u>
<i>Excess of Revenues Under Expenditures</i>	(718,545)	(669,886)	48,659
<b>Other Financing Sources</b>			
Operating Transfers In	718,872	669,360	(49,512)
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	327	(526)	(853)
<i>Fund Balance Beginning of Year</i>	<u>597</u>	<u>597</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$924</u></u>	<u><u>\$71</u></u>	<u><u>(\$853)</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Community Development Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$8,928,795	\$3,882,561	(\$5,046,234)
Interest	42,900	34,141	(8,759)
Other	145,539	48,519	(97,020)
<i>Total Revenues</i>	<u>9,117,234</u>	<u>3,965,221</u>	<u>(5,152,013)</u>
<b>Expenditures</b>			
Current:			
Economic Development and Assistance			
Personal Services	1,143,898	1,066,244	77,654
Materials and Supplies	7,600	4,262	3,338
Contractual Services	1,890,210	893,035	997,175
Capital Outlay	1,229,457	744,910	484,547
Other	3,482,464	1,573,662	1,908,802
<i>Total Economic Development</i>	<u>7,753,629</u>	<u>4,282,113</u>	<u>3,471,516</u>
Debt Service:			
Principal Retirement	203,415	145,000	58,415
Interest and Fiscal Charges	131,585	131,585	0
<i>Total Debt Service</i>	<u>335,000</u>	<u>276,585</u>	<u>58,415</u>
<i>Total Expenditures</i>	<u>8,088,629</u>	<u>4,558,698</u>	<u>3,529,931</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,028,605	(593,477)	(1,622,082)
<b>Other Financing Uses</b>			
Operating Transfers Out	(1,212,672)	0	1,212,672
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(184,067)	(593,477)	(409,410)
<i>Fund Balance Beginning of Year</i>	854,333	854,333	0
Prior Year Encumbrances Appropriated	550,381	550,381	0
<i>Fund Balance End of Year</i>	<u>\$1,220,647</u>	<u>\$811,237</u>	<u>(\$409,410)</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**Litter Control Fund**  
For the Year Ended December 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$182,174	\$180,000	(\$2,174)
<b>Expenditures</b>			
Current:			
Community Environment			
Materials and Supplies	22,000	21,911	89
Capital Outlay	130,308	130,303	5
<i>Total Expenditures</i>	<u>152,308</u>	<u>152,214</u>	<u>94</u>
<i>Excess of Revenues Over Expenditures</i>	29,866	27,786	(2,080)
<b>Other Financing Uses</b>			
Advances Out	(32,174)	(32,174)	0
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>	(2,308)	(4,388)	(2,080)
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	2,308	2,308	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$2,080)</u>	<u>(\$2,080)</u>



**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Police Levy Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Municipal Income Tax	\$2,571,284	\$2,405,280	(\$166,004)
Interest	95,000	79,369	(15,631)
Other	26,032	26,008	(24)
<i>Total Revenues</i>	<u>2,692,316</u>	<u>2,510,657</u>	<u>(181,659)</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	2,574,262	1,994,130	580,132
Materials and Supplies	207,066	141,004	66,062
Contractual Services	170,035	135,627	34,408
Capital Outlay	1,440,665	974,359	466,306
Other	214,418	139,316	75,102
<i>Total Expenditures</i>	<u>4,606,446</u>	<u>3,384,436</u>	<u>1,222,010</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(1,914,130)	(873,779)	1,040,351
<i>Fund Balance Beginning of Year</i>	1,921,029	1,921,029	0
Prior Year Encumbrances Appropriated	<u>87,800</u>	<u>87,800</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$94,699</u></u>	<u><u>\$1,135,050</u></u>	<u><u>\$1,040,351</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Mandatory Drug Fund**  
*For the Year Ended December 31, 1999*

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Fines, Licenses and Permits	\$91,000	\$44,907	(\$46,093)
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	100,000	44,907	55,093
<i>Excess of Revenues Over (Under) Expenditures</i>	(9,000)	0	9,000
<i>Fund Balance Beginning of Year</i>	9,576	9,576	0
<i>Fund Balance End of Year</i>	\$576	\$9,576	\$9,000

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Police Pension Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property and Other Taxes	\$110,705	\$231,671	\$120,966
Intergovernmental	23,000	11,422	(11,578)
Other	0	1,218	1,218
<i>Total Revenues</i>	<u>133,705</u>	<u>244,311</u>	<u>110,606</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	474,679	554,726	(80,047)
Other	12,646	12,043	603
<i>Total Security of Persons and Property</i>	<u>487,325</u>	<u>566,769</u>	<u>(79,444)</u>
Debt Service:			
Principal Retirement	22,255	18,032	4,223
Interest and Fiscal Charges	33,897	33,897	0
Bond Issuance Costs	22,938	22,938	0
<i>Total Debt Service</i>	<u>79,090</u>	<u>74,867</u>	<u>4,223</u>
<i>Total Expenditures</i>	<u>566,415</u>	<u>641,636</u>	<u>(75,221)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(432,710)</u>	<u>(397,325)</u>	<u>35,385</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Current Refunding Bonds	715,854	715,854	0
Payment to Police and Fire Pension	(682,744)	(682,744)	0
Operating Transfers In	160,000	0	(160,000)
<i>Total Other Financing Sources (Uses)</i>	<u>193,110</u>	<u>33,110</u>	<u>(160,000)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(239,600)</u>	<u>(364,215)</u>	<u>(124,615)</u>
<i>Fund Balance Beginning of Year</i>	<u>239,600</u>	<u>239,600</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$124,615)</u>	<u>(\$124,615)</u>

City of Lorain, Ohio  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Fire Pension Fund  
For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property and Other Taxes	\$330,836	\$231,721	(\$99,115)
Intergovernmental	23,000	11,421	(11,579)
Other	0	2,262	2,262
<i>Total Revenues</i>	<u>353,836</u>	<u>245,404</u>	<u>(108,432)</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Personal Services	588,121	354,489	233,632
Other	20,057	19,455	602
<i>Total Security of Persons and Property</i>	<u>608,178</u>	<u>373,944</u>	<u>234,234</u>
Debt Service:			
Principal Retirement	40,800	33,237	7,563
Interest and Fiscal Charges	61,569	61,569	0
Bond Issuance Costs	67,581	67,581	0
<i>Total Debt Service</i>	<u>169,950</u>	<u>162,387</u>	<u>7,563</u>
<i>Total Expenditures</i>	<u>778,128</u>	<u>536,331</u>	<u>241,797</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(424,292)</u>	<u>(290,927)</u>	<u>133,365</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Current Refunding Bonds	1,329,443	1,329,443	0
Payment to Police and Fire Pension	(1,242,573)	(1,242,573)	0
<i>Total Other Financing Sources (Uses)</i>	<u>86,870</u>	<u>86,870</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(337,422)</u>	<u>(204,057)</u>	<u>133,365</u>
<i>Fund Balance Beginning of Year</i>	<u>337,422</u>	<u>337,422</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$133,365</u>	<u>\$133,365</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Indigent Drivers Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$8,000	\$12,468	\$4,468
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Contractual Services	<u>60,000</u>	<u>0</u>	<u>60,000</u>
<i>Excess of Revenues</i>			
<i>Over (Under) Expenditures</i>	(52,000)	12,468	64,468
<i>Fund Balance Beginning of Year</i>	<u>73,898</u>	<u>73,898</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$21,898</u></u>	<u><u>\$86,366</u></u>	<u><u>\$64,468</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Park Land Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Other	\$10,000	\$6,700	(\$3,300)
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	10,000	6,700	(3,300)
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(30,000)</u>	<u>0</u>	<u>30,000</u>
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	(20,000)	6,700	26,700
<i>Fund Balance Beginning of Year</i>	<u>41,914</u>	<u>41,914</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$21,914</u>	<u>\$48,614</u>	<u>\$26,700</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Cemetery Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Total Revenues</b>	\$0	\$0	\$0
<b>Total Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>73,276</u>	<u>73,276</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$73,276</u></u>	<u><u>\$73,276</u></u>	<u><u>\$0</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Law Enforcement Fund**  
*For the Year Ended December 31, 1999*

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Fines, Licenses and Permits	\$107,000	\$270,025	\$163,025
Interest	43,000	43,581	581
<i>Total Revenues</i>	150,000	313,606	163,606
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	379,000	303,880	75,120
<i>Excess of Revenues Over (Under) Expenditures</i>	(229,000)	9,726	238,726
<i>Fund Balance Beginning of Year</i>	1,202,562	1,202,562	0
<i>Fund Balance End of Year</i>	\$973,562	\$1,212,288	\$238,726



**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Municipal Court Computer Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$105,000	\$129,602	\$24,602
Interest	7,500	10,191	2,691
<i>Total Revenues</i>	<u>112,500</u>	<u>139,793</u>	<u>27,293</u>
<b>Expenditures</b>			
Current:			
General Government			
Personal Services	45,913	45,772	141
Materials and Supplies	12,900	1,758	11,142
Capital Outlay	44,500	7,525	36,975
Other	2,000	862	1,138
<i>Total Expenditures</i>	<u>105,313</u>	<u>55,917</u>	<u>49,396</u>
<i>Excess of Revenues Over Expenditures</i>	7,187	83,876	76,689
<i>Fund Balance Beginning of Year</i>	<u>60,684</u>	<u>60,684</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$67,871</u></u>	<u><u>\$144,560</u></u>	<u><u>\$76,689</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Legal Research Fund**  
*For the Year Ended December 31, 1999*

	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Fines, Licenses and Permits	\$33,000	\$38,682	\$5,682
<b>Expenditures</b>			
Current:			
General Government			
Other	2,000	0	2,000
<i>Excess of Revenues Over Expenditures</i>	31,000	38,682	7,682
<i>Fund Balance Beginning of Year</i>	58,293	58,293	0
<i>Fund Balance End of Year</i>	\$89,293	\$96,975	\$7,682

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balances - Budget and Actual (Budget Basis)*  
*All Special Revenue Funds*  
*For the Year Ended December 31, 1999*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Municipal Income Tax	\$2,571,284	\$2,405,280	(\$166,004)
Property and Other Taxes	441,541	463,392	21,851
Charges for Services	279,237	294,000	14,763
Fines, Licenses and Permits	556,000	666,244	110,244
Intergovernmental	11,225,657	6,245,322	(4,980,335)
Interest	188,400	167,282	(21,118)
Other	181,571	85,132	(96,439)
<i>Total Revenues</i>	<u>15,443,690</u>	<u>10,326,652</u>	<u>(5,117,038)</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government	107,313	55,917	51,396
Security of Persons and Property	6,240,949	4,673,936	1,567,013
Public Health and Welfare	1,458,470	1,403,121	55,349
Transportation	2,869,930	2,806,209	63,721
Community Environment	152,308	152,214	94
Economic Development	7,753,629	4,282,113	3,471,516
<b>Debt Service:</b>			
Principal Retirement	352,910	282,709	70,201
Interest and Fiscal Charges	229,854	229,854	0
Bond Issuance Costs	90,519	90,519	0
<i>Total Expenditures</i>	<u>19,255,882</u>	<u>13,976,592</u>	<u>5,279,290</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(3,812,192)</u>	<u>(3,649,940)</u>	<u>162,252</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Current Refunding Bonds	2,045,297	2,045,297	0
Payment to Police and Fire Pension	(1,925,317)	(1,925,317)	0
Advances Out	(32,174)	(32,174)	0
Operating Transfers In	2,078,698	1,540,422	(538,276)
Operating Transfers Out	(1,242,672)	0	1,242,672
<i>Total Other Financing Sources (Uses)</i>	<u>923,832</u>	<u>1,628,228</u>	<u>704,396</u>
<i>Excess of Revenues and Other</i> <i>Financing Sources Under</i> <i>Expenditures and Other Financing Uses</i>	<u>(2,888,360)</u>	<u>(2,021,712)</u>	<u>866,648</u>
<i>Fund Balances Beginning of Year</i>	4,897,509	4,897,509	0
Prior Year Encumbrances Appropriated	680,793	680,793	0
<i>Fund Balances End of Year</i>	<u>\$2,689,942</u>	<u>\$3,556,590</u>	<u>\$866,648</u>

## **Debt Service Funds**

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Debt service funds are established to account for the accumulation of resources for the payment of principal and interest on general long-term debt and related costs.

---

### **General Obligation Bond Retirement Fund**

To account for the accumulation of resources to pay principal and interest on general obligation debt.

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

To account for the collection of special assessments levied against benefited properties for the payment of special assessment bonds and related interest.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Debt Service Funds**  
**December 31, 1999**

	<b>General Obligation Bond Retirement</b>	<b>Special Assessment Bond Retirement</b>	<b>Totals</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$38,753	\$149,219	\$187,972
Receivables:			
Taxes	832,958	0	832,958
Special Assessments	0	1,888,284	1,888,284
<i>Total Assets</i>	<u>\$871,711</u>	<u>\$2,037,503</u>	<u>\$2,909,214</u>
<b>Liabilities</b>			
Deferred Revenue	\$832,958	\$1,888,284	\$2,721,242
<i>Total Liabilities</i>	<u>832,958</u>	<u>1,888,284</u>	<u>2,721,242</u>
<b>Fund Equity</b>			
Fund Balances			
Unreserved, Undesignated	38,753	149,219	187,972
<i>Total Fund Equity</i>	<u>38,753</u>	<u>149,219</u>	<u>187,972</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$871,711</u>	<u>\$2,037,503</u>	<u>\$2,909,214</u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Debt Service Funds**  
**For the Year Ended December 31, 1999**

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Totals
<b>Revenues</b>			
Property and Other Taxes	\$772,077	\$0	\$772,077
Intergovernmental	314,656	0	314,656
Special Assessments	0	215,025	215,025
<i>Total Revenues</i>	<u>1,086,733</u>	<u>215,025</u>	<u>1,301,758</u>
<b>Expenditures</b>			
Current:			
General Government:			
Other	16,919	10,120	27,039
Debt Service:			
Principal Retirement	1,762,298	162,407	1,924,705
Interest and Fiscal Charges	733,847	94,190	828,037
<i>Total Expenditures</i>	<u>2,513,064</u>	<u>266,717</u>	<u>2,779,781</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	<u>(1,426,331)</u>	<u>(51,692)</u>	<u>(1,478,023)</u>
<b>Other Financing Sources</b>			
Proceeds of Notes	700,000	0	700,000
Operating Transfers In	300,000	0	300,000
<i>Total Other Financing Sources</i>	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>
<i>Excess of Revenues and</i>			
<i>Other Financing Sources</i>			
<i>Under Expenditures</i>	(426,331)	(51,692)	(478,023)
<i>Fund Balances Beginning of Year</i>	<u>465,084</u>	<u>200,911</u>	<u>665,995</u>
<i>Fund Balances End of Year</i>	<u><u>\$38,753</u></u>	<u><u>\$149,219</u></u>	<u><u>\$187,972</u></u>

City of Lorain, Ohio  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Obligation Bond Retirement Fund  
For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property and Other Taxes	\$794,746	\$772,077	(\$22,669)
Intergovernmental	51,820	38,071	(13,749)
<i>Total Revenues</i>	<u>846,566</u>	<u>810,148</u>	<u>(36,418)</u>
<b>Expenditures</b>			
Current:			
General Government			
Other	17,564	16,919	645
Debt Service:			
G.O. Bond Principal	909,603	874,593	35,010
OPWC Principal	12,705	12,705	0
Note Principal	730,000	730,000	0
Total Principal	<u>1,652,308</u>	<u>1,617,298</u>	<u>35,010</u>
G.O. Bond Interest	564,858	564,850	8
Note Interest	38,000	37,412	588
Total Interest	<u>602,858</u>	<u>602,262</u>	<u>596</u>
Total Debt Service	<u>2,255,166</u>	<u>2,219,560</u>	<u>35,606</u>
<i>Total Expenditures</i>	<u>2,272,730</u>	<u>2,236,479</u>	<u>36,251</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,426,164)</u>	<u>(1,426,331)</u>	<u>(167)</u>
<b>Other Financing Sources</b>			
Proceeds of Notes	700,000	700,000	0
Operating Transfers In	300,000	300,000	0
<i>Total Other Financing Sources</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	<u>(426,164)</u>	<u>(426,331)</u>	<u>(167)</u>
<i>Fund Balance Beginning of Year</i>	464,084	464,084	0
Prior Year Encumbrances Appropriated	1,000	1,000	0
<i>Fund Balance End of Year</i>	<u>\$38,920</u>	<u>\$38,753</u>	<u>(\$167)</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Special Assessments	\$215,025	\$215,025	\$0
<b>Expenditures</b>			
Current:			
General Government			
Other	10,120	10,120	0
Debt Service:			
S. A. Bond Principal	162,417	162,407	10
S. A. Bond Interest	94,200	94,190	10
Total Debt Service	256,617	256,597	20
<i>Total Expenditures</i>	<u>266,737</u>	<u>266,717</u>	<u>20</u>
<i>Excess of Revenues</i>			
<i>Under Expenditures</i>	(51,712)	(51,692)	20
<i>Fund Balance Beginning of Year</i>	<u>200,911</u>	<u>200,911</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$149,199</u>	<u>\$149,219</u>	<u>\$20</u>



**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balances - Budget and Actual (Budget Basis)*  
*All Debt Service Funds*  
*For the Year Ended December 31, 1999*

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Property and Other Taxes	\$794,746	\$772,077	(\$22,669)
Intergovernmental	51,820	38,071	(13,749)
Special Assessments	215,025	215,025	0
<i>Total Revenues</i>	<u>1,061,591</u>	<u>1,025,173</u>	<u>(36,418)</u>
<b>Expenditures</b>			
Current:			
General Government			
Other	27,684	27,039	645
Debt Service:			
Principal Retirement	1,814,725	1,779,705	35,020
Interest and Fiscal Charges	697,058	696,452	606
<i>Total Expenditures</i>	<u>2,539,467</u>	<u>2,503,196</u>	<u>36,271</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,477,876)</u>	<u>(1,478,023)</u>	<u>(147)</u>
<b>Other Financing Sources</b>			
Proceeds of Notes	700,000	700,000	0
Operating Transfers In	300,000	300,000	0
<i>Total Other Financing Sources</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	<u>(477,876)</u>	<u>(478,023)</u>	<u>(147)</u>
<i>Fund Balances Beginning of Year</i>	664,995	664,995	0
Prior Year Encumbrances Appropriated	<u>1,000</u>	<u>1,000</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$188,119</u></u>	<u><u>\$187,972</u></u>	<u><u>(\$147)</u></u>

## **Capital Projects Funds**

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

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### **Capital Improvements Fund**

This fund accounts for state grants, transfers in, and various other financing sources used for the construction of various improvements of the City.

### **General Sewer Fund**

This fund accounts for fees from new homes and new users of the storm sewer system used for capital expenditures for the existing storm sewer system.

### **Municipal Court Improvements Fund**

This fund accounts for fees collected by the municipal court to be used for capital improvements for the court.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Capital Projects Funds**  
**December 31, 1999**

	<u>Capital Improvements</u>	<u>General Sewer</u>	<u>Municipal Court Improvements</u>	<u>Totals</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$1,346,748	\$105,465	\$431,496	\$1,883,709
Interfund Receivable	0	0	2,612	2,612
<i>Total Assets</i>	<u>\$1,346,748</u>	<u>\$105,465</u>	<u>\$434,108</u>	<u>\$1,886,321</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$625	\$625
Contracts Payable	22,759	0	0	22,759
Accrued Interest Payable	4,503	0	0	4,503
<i>Total Liabilities</i>	<u>27,262</u>	<u>0</u>	<u>625</u>	<u>27,887</u>
<b>Fund Equity</b>				
Fund Balances:				
Reserved for Encumbrances	84,480	0	997	85,477
Unreserved, Undesignated	1,235,006	105,465	432,486	1,772,957
<i>Total Fund Equity</i>	<u>1,319,486</u>	<u>105,465</u>	<u>433,483</u>	<u>1,858,434</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$1,346,748</u>	<u>\$105,465</u>	<u>\$434,108</u>	<u>\$1,886,321</u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Capital Projects Funds**  
**For the Year Ended December 31, 1999**

	<b>Capital Improvements</b>	<b>General Sewer</b>	<b>Municipal Court Improvements</b>	<b>Totals</b>
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$25,566	\$75,989	\$101,555
Intergovernmental	2,394,714	0	0	2,394,714
Interest	8,457	0	15,664	24,121
Other	27,155	0	0	27,155
<i>Total Revenues</i>	<u>2,430,326</u>	<u>25,566</u>	<u>91,653</u>	<u>2,547,545</u>
<b>Expenditures</b>				
Capital Outlay	2,903,298	27,205	8,376	2,938,879
Debt Service:				
Principal Retirement	22,989	0	0	22,989
Interest and Fiscal Charges	4,503	0	0	4,503
<i>Total Expenditures</i>	<u>2,930,790</u>	<u>27,205</u>	<u>8,376</u>	<u>2,966,371</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(500,464)</u>	<u>(1,639)</u>	<u>83,277</u>	<u>(418,826)</u>
<b>Other Financing Sources</b>				
Proceeds of Notes	850,000	0	0	850,000
Operating Transfers In	115,023	0	0	115,023
<i>Total Other Financing Sources</i>	<u>965,023</u>	<u>0</u>	<u>0</u>	<u>965,023</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	464,559	(1,639)	83,277	546,197
<i>Fund Balances Beginning of Year</i>	<u>854,927</u>	<u>107,104</u>	<u>350,206</u>	<u>1,312,237</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,319,486</u></u>	<u><u>\$105,465</u></u>	<u><u>\$433,483</u></u>	<u><u>\$1,858,434</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Capital Improvements Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$2,252,385	\$2,394,714	\$142,329
Interest	15,131	8,457	(6,674)
Other	27,155	27,155	0
<i>Total Revenues</i>	<u>2,294,671</u>	<u>2,430,326</u>	<u>135,655</u>
<b>Expenditures</b>			
Capital Outlay			
Contractual Services	3,821,832	2,800,835	1,020,997
Capital Outlay	255,034	194,178	60,856
Total Capital Outlay	<u>4,076,866</u>	<u>2,995,013</u>	<u>1,081,853</u>
Debt Service:			
Principal Retirement	22,989	22,989	0
<i>Total Expenditures</i>	<u>4,099,855</u>	<u>3,018,002</u>	<u>1,081,853</u>
<i>Excess of Revenues</i> <i>Under Expenditures</i>	<u>(1,805,184)</u>	<u>(587,676)</u>	<u>1,217,508</u>
<b>Other Financing Sources</b>			
Proceeds of Notes	850,000	850,000	0
Operating Transfers In	115,023	115,023	0
<i>Total Other Financing Sources</i>	<u>965,023</u>	<u>965,023</u>	<u>0</u>
<i>Excess of Revenues and</i> <i>Other Financing Sources</i> <i>Over (Under) Expenditures</i>	(840,161)	377,347	1,217,508
<i>Fund Balance Beginning of Year</i>	753,353	753,353	0
Prior Year Encumbrances Appropriated	<u>115,732</u>	<u>115,732</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,924</u></u>	<u><u>\$1,246,432</u></u>	<u><u>\$1,217,508</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**General Sewer Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$8,000	\$25,566	\$17,566
<b>Expenditures</b>			
Capital Outlay			
Contractual Services	<u>115,000</u>	<u>27,205</u>	<u>87,795</u>
<i>Excess of Revenues Under Expenditures</i>	(107,000)	(1,639)	105,361
<i>Fund Balance Beginning of Year</i>	<u>107,104</u>	<u>107,104</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$104</u></u>	<u><u>\$105,465</u></u>	<u><u>\$105,361</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**Municipal Court Improvements Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Fines, Licenses and Permits	\$50,208	\$77,009	\$26,801
Interest	10,561	15,664	5,103
<b>Total Revenues</b>	<u>60,769</u>	<u>92,673</u>	<u>31,904</u>
<b>Expenditures</b>			
Capital Outlay			
Contractual Services	18,116	6,372	11,744
Capital Outlay	10,435	3,429	7,006
<b>Total Expenditures</b>	<u>28,551</u>	<u>9,801</u>	<u>18,750</u>
<i>Excess of Revenues Over Expenditures</i>	32,218	82,872	50,654
<b>Other Financing Uses</b>			
Operating Transfers Out	<u>(50,000)</u>	<u>0</u>	<u>50,000</u>
<i>Excess of Revenues Over (Under) Expenditures and Other Financing Uses</i>	(17,782)	82,872	100,654
<i>Fund Balance Beginning of Year</i>	345,771	345,771	0
Prior Year Encumbrances Appropriated	<u>1,231</u>	<u>1,231</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u><u>\$329,220</u></u>	<u><u>\$429,874</u></u>	<u><u>\$100,654</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balances - Budget and Actual (Budget Basis)*  
**All Capital Projects Funds**  
*For the Year Ended December 31, 1999*

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Fines, Licenses and Permits	\$58,208	\$102,575	\$44,367
Intergovernmental	2,252,385	2,394,714	142,329
Interest	25,692	24,121	(1,571)
Other	27,155	27,155	0
<i>Total Revenues</i>	<u>2,363,440</u>	<u>2,548,565</u>	<u>185,125</u>
<b>Expenditures</b>			
Capital Outlay	4,220,417	3,032,019	1,188,398
Debt Service:			
Principal Retirement	22,989	22,989	0
<i>Total Expenditures</i>	<u>4,243,406</u>	<u>3,055,008</u>	<u>1,188,398</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,879,966)</u>	<u>(506,443)</u>	<u>1,373,523</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds of Notes	850,000	850,000	0
Operating Transfers In	115,023	115,023	0
Operating Transfers Out	(50,000)	0	50,000
<i>Total Other Financing Sources (Uses)</i>	<u>915,023</u>	<u>965,023</u>	<u>50,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(964,943)</u>	<u>458,580</u>	<u>1,423,523</u>
<i>Fund Balances Beginning of Year</i>	1,206,228	1,206,228	0
Prior Year Encumbrances Appropriated	116,963	116,963	0
<i>Fund Balances End of Year</i>	<u><u>\$358,248</u></u>	<u><u>\$1,781,771</u></u>	<u><u>\$1,423,523</u></u>



## **Enterprise Funds**

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Enterprise funds account for the acquisition and operation of governmental facilities and services that are financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed primarily through user charges.

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### **Water Works Fund**

To account for the revenues generated from the charges for distribution of water to the residential and commercial users of the City.

### **Water Pollution Control Fund**

To account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the City.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Enterprise Funds**  
**December 31, 1999**

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$2,898,318	\$10,117,590	\$13,015,908
Receivables:			
Accounts	1,002,840	1,523,205	2,526,045
Interfund	1,401	1,849	3,250
Intergovernmental	0	63,156	63,156
Materials and Supplies			
Inventory	257,214	7,935	265,149
Prepaid Items	1,026	6,316	7,342
Unamortized Bond Issue Costs	228,407	192,467	420,874
<b>Total Current Assets</b>	<u>4,389,206</u>	<u>11,912,518</u>	<u>16,301,724</u>
<b>Restricted Assets</b>			
Cash and Cash Equivalents	432,420	936,633	1,369,053
Cash and Cash Equivalents with Trustees	<u>1,200,081</u>	<u>1,360,280</u>	<u>2,560,361</u>
<b>Total Restricted Assets</b>	<u>1,632,501</u>	<u>2,296,913</u>	<u>3,929,414</u>
Fixed Assets (Net of Accumulated Depreciation)	<u>16,606,985</u>	<u>34,009,818</u>	<u>50,616,803</u>
<b>Total Assets</b>	<u>\$22,628,692</u>	<u>\$48,219,249</u>	<u>\$70,847,941</u>

(continued)

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Enterprise Funds (continued)**  
**December 31, 1999**

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$13,380	\$35,481	\$48,861
Contracts Payable	825,192	182,342	1,007,534
Compensated Absences Payable	47,314	45,401	92,715
Interfund Payable	99	271	370
Intergovernmental Payable	101,254	105,544	206,798
Accrued Interest Payable	126,002	91,800	217,802
Current Portion of OWDA Loans Payable	366,629	112,906	479,535
Current Portion of General Obligation Bonds Payable	190,000	125,000	315,000
Current Portion of Revenue Bonds Payable	<u>350,000</u>	<u>420,000</u>	<u>770,000</u>
Total Current Liabilities	<u>2,019,870</u>	<u>1,118,745</u>	<u>3,138,615</u>
<b>Long-Term Liabilities</b>			
Death Benefits Payable	173,250	87,750	261,000
Compensated Absences Payable	643,308	625,129	1,268,437
OWDA Loans Payable	2,901,700	2,722,121	5,623,821
General Obligation Bonds Payable	2,240,000	625,000	2,865,000
Revenue Bonds Payable	8,555,894	6,221,072	14,776,966
Deferred Loss on Refunding	<u>0</u>	<u>(624,744)</u>	<u>(624,744)</u>
Total Long-Term Liabilities	<u>14,514,152</u>	<u>9,656,328</u>	<u>24,170,480</u>
<i>Total Liabilities</i>	<u>16,534,022</u>	<u>10,775,073</u>	<u>27,309,095</u>
<b>Fund Equity</b>			
Contributed Capital	<u>207,038</u>	<u>202,662</u>	<u>409,700</u>
Retained Earnings:			
Reserved for Replacement and Improvement	150,000	150,000	300,000
Unreserved	<u>5,737,632</u>	<u>37,091,514</u>	<u>42,829,146</u>
<i>Total Retained Earnings</i>	<u>5,887,632</u>	<u>37,241,514</u>	<u>43,129,146</u>
<i>Total Fund Equity</i>	<u>6,094,670</u>	<u>37,444,176</u>	<u>43,538,846</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$22,628,692</u>	<u>\$48,219,249</u>	<u>\$70,847,941</u>

**City of Lorain, Ohio**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Equity**  
**All Enterprise Funds**  
**For the Year Ended December 31, 1999**

	<b>Water Works</b>	<b>Water Pollution Control</b>	<b>Totals</b>
<b>Operating Revenues</b>			
Charges for Services	\$5,434,436	\$8,235,644	\$13,670,080
Other Operating Revenues	48,132	40,736	88,868
<i>Total Operating Revenues</i>	<u>5,482,568</u>	<u>8,276,380</u>	<u>13,758,948</u>
<b>Operating Expenses</b>			
Personal Services	3,124,500	3,183,513	6,308,013
Contractual Services	1,410,047	1,393,191	2,803,238
Materials and Supplies	471,091	370,574	841,665
Utilities	533,918	552,219	1,086,137
Other Operating Expenses	166,096	196,571	362,667
Depreciation	872,519	2,391,042	3,263,561
<i>Total Operating Expenses</i>	<u>6,578,171</u>	<u>8,087,110</u>	<u>14,665,281</u>
<i>Operating Income (Loss)</i>	<u>(1,095,603)</u>	<u>189,270</u>	<u>(906,333)</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest	243,902	524,829	768,731
Interest and Fiscal Charges	(300,131)	(617,320)	(917,451)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(56,229)</u>	<u>(92,491)</u>	<u>(148,720)</u>
<i>Net Income (Loss)</i>	<u>(1,151,832)</u>	<u>96,779</u>	<u>(1,055,053)</u>
<i>Retained Earnings Beginning of Year</i>	<u>7,039,464</u>	<u>37,144,735</u>	<u>44,184,199</u>
<i>Retained Earnings End of Year</i>	<u>5,887,632</u>	<u>37,241,514</u>	<u>43,129,146</u>
Contributed Capital Beginning and End of Year	<u>207,038</u>	<u>202,662</u>	<u>409,700</u>
<i>Fund Equity End of Year</i>	<u><u>\$6,094,670</u></u>	<u><u>\$37,444,176</u></u>	<u><u>\$43,538,846</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget and Actual (Budget Basis)*  
**Water Works Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$5,376,600	\$5,510,597	\$133,997
OWDA Loan Proceeds	1,700,311	2,032,123	331,812
Interest	200,000	214,892	14,892
Other	14,200	48,133	33,933
<i>Total Revenues</i>	<u>7,291,111</u>	<u>7,805,745</u>	<u>514,634</u>
<b>Expenses</b>			
Personal Services	3,325,632	3,231,608	94,024
Contractual Services	2,016,283	1,727,725	288,558
Materials and Supplies	638,457	466,941	171,516
Utilities	595,000	533,918	61,082
Other Operating Expenses	257,190	173,083	84,107
Capital Outlay	3,629,100	2,434,603	1,194,497
<b>Debt Service:</b>			
Principal Retirement	760,410	749,160	11,250
Interest and Fiscal Charges	283,185	283,184	1
<i>Total Expenses</i>	<u>11,505,257</u>	<u>9,600,222</u>	<u>1,905,035</u>
<i>Excess of Revenues Under Expenses</i>	(4,214,146)	(1,794,477)	2,419,669
<i>Fund Equity Beginning of Year</i>	5,175,180	5,175,180	0
Expenditures from Prior Year Encumbrances	<u>464,542</u>	<u>464,542</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,425,576</u></u>	<u><u>\$3,845,245</u></u>	<u><u>\$2,419,669</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget and Actual (Budget Basis)*  
**Water Pollution Control Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$7,785,605	\$7,985,139	\$199,534
OWDA Loan Proceeds	696,479	1,261,044	564,565
Interest	455,000	506,832	51,832
Other	40,566	40,736	170
<i>Total Revenues</i>	<u>8,977,650</u>	<u>9,793,751</u>	<u>816,101</u>
<b>Expenses</b>			
Personal Services	3,483,506	3,293,484	190,022
Contractual Services	3,211,431	2,676,571	534,860
Materials and Supplies	603,377	351,068	252,309
Utilities	686,500	552,219	134,281
Other Operating Expenses	332,114	195,883	136,231
Capital Outlay	8,359,003	7,395,505	963,498
<b>Debt Service:</b>			
Principal Retirement	677,743	616,743	61,000
Interest and Fiscal Charges	548,115	547,663	452
<i>Total Expenses</i>	<u>17,901,789</u>	<u>15,629,136</u>	<u>2,272,653</u>
<i>Excess of Revenues Under Expenses</i>	(8,924,139)	(5,835,385)	3,088,754
<i>Fund Equity Beginning of Year</i>	11,363,760	11,363,760	0
Prior Year Encumbrances Appropriated	<u>595,185</u>	<u>595,185</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$3,034,806</u></u>	<u><u>\$6,123,560</u></u>	<u><u>\$3,088,754</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenses, and*  
*Changes in Fund Equity - Budget and Actual (Budget Basis)*  
**All Enterprise Funds**  
**For the Year Ended December 31, 1999**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$13,162,205	\$13,495,736	\$333,531
OWDA Loan Proceeds	2,396,790	3,293,167	896,377
Interest	655,000	721,724	66,724
Other Operating Revenues	54,766	88,869	34,103
<i>Total Revenues</i>	<u>16,268,761</u>	<u>17,599,496</u>	<u>1,330,735</u>
<b>Expenses</b>			
Personal Services	6,809,138	6,525,092	284,046
Contractual Services	5,227,714	4,404,296	823,418
Materials and Supplies	1,241,834	818,009	423,825
Utilities	1,281,500	1,086,137	195,363
Other Operating Expenses	589,304	368,966	220,338
Capital Outlay	11,988,103	9,830,108	2,157,995
<b>Debt Service:</b>			
Principal Retirement	1,438,153	1,365,903	72,250
Interest and Fiscal Charges	831,300	830,847	453
<i>Total Expenses</i>	<u>29,407,046</u>	<u>25,229,358</u>	<u>4,177,688</u>
<i>Excess of Revenues</i>			
<i>Under Expenses</i>	(13,138,285)	(7,629,862)	5,508,423
<i>Fund Equity Beginning of Year</i>	16,538,940	16,538,940	0
Prior Year Encumbrances Appropriated	<u>1,059,727</u>	<u>1,059,727</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,460,382</u></u>	<u><u>\$9,968,805</u></u>	<u><u>\$5,508,423</u></u>

City of Lorain, Ohio  
Combining Statement of Cash Flows  
All Enterprise Funds  
For the Year Ended December 31, 1999

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$5,480,656	\$7,964,690	\$13,445,346
Cash Payments for Goods and Services	(2,204,715)	(2,432,393)	(4,637,108)
Cash Payments for Employee Services and Benefits	(3,231,063)	(3,304,090)	(6,535,153)
Other Operating Revenues	48,132	40,736	88,868
<i>Net Cash Provided by Operating Activities</i>	<u>93,010</u>	<u>2,268,943</u>	<u>2,361,953</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal Paid on Bonds	(520,000)	(525,000)	(1,045,000)
Interest Paid on Bonds	(175,321)	(443,558)	(618,879)
Principal Retirement on OWDA	(229,160)	(91,743)	(320,903)
Interest Paid on OWDA Notes	(107,862)	(104,105)	(211,967)
OWDA Loan Proceeds	2,032,123	208,208	2,240,331
Capitalization of Interest	(458,167)	0	(458,167)
Purchase of Fixed Assets	(2,112,310)	(1,514,581)	(3,626,891)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(1,570,697)</u>	<u>(2,470,779)</u>	<u>(4,041,476)</u>
<b>Cash Flows from Investing Activities</b>			
Interest	244,833	527,281	772,114
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(1,232,854)	325,445	(907,409)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>5,763,673</u>	<u>12,089,058</u>	<u>17,852,731</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$4,530,819</u>	<u>\$12,414,503</u>	<u>\$16,945,322</u>

(continued)



City of Lorain, Ohio  
 Combining Statement of Cash Flows  
 All Enterprise Funds (continued)  
 For the Year Ended December 31, 1999

	Water Works	Water Pollution Control	Totals
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating Income (Loss)	(\$1,095,603)	\$189,270	(\$906,333)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Depreciation	872,519	2,391,042	3,263,561
<b>Change in Assets and Liabilities</b>			
Decrease (Increase) in Accounts Receivable	76,962	(207,704)	(130,742)
Increase in Interfund Receivables	(801)	(1,849)	(2,650)
Increase in Intergovernmental Receivables	0	(40,952)	(40,952)
Decrease (Increase) in Materials and Supplies Inventory	(7,006)	13,837	6,831
Decrease in Prepaid Items	6,452	137	6,589
Decrease in Accounts Payable	(73,345)	(49,869)	(123,214)
Increase in Contracts Payable	450,289	115,786	566,075
Decrease in Accrued Wages	(80,844)	(80,227)	(161,071)
Decrease in Compensated Absences Payable	(21,032)	(11,993)	(33,025)
Increase in Interfund Payables	99	271	370
Decrease in Intergovernmental Payables	(47,180)	(48,806)	(95,986)
Increase in Death Benefits Payable	12,500	0	12,500
Net Cash Provided by Operating Activities	<u>\$93,010</u>	<u>\$2,268,943</u>	<u>\$2,361,953</u>

**Noncash Capital Financing Activities:**

During 1999, OWDA made payments directly to contractors in the amount of \$1,052,836 for the construction of fixed assets. This amount is reflected as OWDA loans payable of the water pollution control enterprise fund on the balance sheet.

## **Internal Service Funds**

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Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

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### **Garage Fund**

To account for charges to various departments of the City for maintenance on vehicles and equipment and other related costs used to defray the operating costs and purchases of the garage.

### **Hospitalization Fund**

To account for medical benefit self-insurance program for employees of the City.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Internal Service Funds**  
**December 31, 1999**

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$16,735	\$759,362	\$776,097
Interfund Receivable	286	0	286
Materials and Supplies Inventory	113,371	0	113,371
<b>Total Current Assets</b>	<b>130,392</b>	<b>759,362</b>	<b>889,754</b>
Fixed Assets (Net of Accumulated Depreciation)	41,317	0	41,317
<b>Total Assets</b>	<b>\$171,709</b>	<b>\$759,362</b>	<b>\$931,071</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$28,800	\$31,228	\$60,028
Claims Payable	0	227,232	227,232
Compensated Absences Payable	88,510	2,820	91,330
Intergovernmental Payable	17,668	84	17,752
Death Benefits Payable	20,500	0	20,500
<b>Total Liabilities</b>	<b>155,478</b>	<b>261,364</b>	<b>416,842</b>
<b>Fund Equity</b>			
Retained Earnings Unreserved	16,231	497,998	514,229
<b>Total Fund Equity</b>	<b>16,231</b>	<b>497,998</b>	<b>514,229</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$171,709</b>	<b>\$759,362</b>	<b>\$931,071</b>

**City of Lorain, Ohio**  
*Combining Statement of Revenues,  
 Expenses and Changes in Retained Earnings  
 All Internal Service Funds  
 For the Year Ended December 31, 1999*

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Charges for Services	\$991,332	\$2,203,211	\$3,194,543
Other Operating Revenues	2,132	13,182	15,314
<i>Total Operating Revenues</i>	<u>993,464</u>	<u>2,216,393</u>	<u>3,209,857</u>
<b>Operating Expenses</b>			
Personal Services	527,373	10,501	537,874
Contractual Services	696	31,228	31,924
Claims	0	2,699,103	2,699,103
Materials and Supplies	466,126	0	466,126
Other Operating Expenses	2,866	0	2,866
Depreciation	21,417	0	21,417
<i>Total Operating Expenses</i>	<u>1,018,478</u>	<u>2,740,832</u>	<u>3,759,310</u>
<i>Operating Loss</i>	(25,014)	(524,439)	(549,453)
<b>Non-Operating Revenues</b>			
Interest	0	75,964	75,964
<i>Loss Before Operating Transfers</i>	(25,014)	(448,475)	(473,489)
Operating Transfers In	29,826	0	29,826
<i>Net Income (Loss)</i>	4,812	(448,475)	(443,663)
<i>Retained Earnings Beginning of Year</i>	<u>11,419</u>	<u>946,473</u>	<u>957,892</u>
<i>Retained Earnings End of Year</i>	<u><u>\$16,231</u></u>	<u><u>\$497,998</u></u>	<u><u>\$514,229</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget and Actual (Budget Basis)*  
**Garage Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$989,095	\$991,177	\$2,082
Other Operating Revenues	2,124	2,132	8
<i>Total Revenues</i>	<u>\$991,219</u>	<u>\$993,309</u>	<u>\$2,090</u>
<b>Expenses</b>			
Personal Services	555,267	550,070	5,197
Contractual Services	696	696	0
Materials and Supplies	515,164	497,924	17,240
Other Operating Expenses	3,800	2,783	1,017
Capital Outlay	7,904	4,389	3,515
<i>Total Expenses</i>	<u>1,082,831</u>	<u>1,055,862</u>	<u>26,969</u>
<i>Excess of Revenues Under Expenses</i>	(91,612)	(62,553)	29,059
Advances Out	(8,489)	(8,489)	0
Operating Transfers In	113,511	29,826	(83,685)
<i>Excess of Revenues and Transfers Over (Under) Expenses and Advances</i>	13,410	(41,216)	(54,626)
<i>Fund Equity Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	8,101	8,101	0
<i>Fund Equity (Deficit) End of Year</i>	<u>\$21,511</u>	<u>(\$33,115)</u>	<u>(\$54,626)</u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget and Actual (Budget Basis)*  
**Hospitalization Fund**  
*For the Year Ended December 31, 1999*

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Charges for Services	\$2,171,372	\$2,203,211	\$31,839
Interest	75,000	75,964	964
Other Operating Revenues	8,867	13,182	4,315
<i>Total Revenues</i>	<u>2,255,239</u>	<u>2,292,357</u>	<u>37,118</u>
<b>Expenses</b>			
Personal Services	9,134	8,115	1,019
Claims	2,779,500	2,775,770	3,730
<i>Total Expenses</i>	<u>2,788,634</u>	<u>2,783,885</u>	<u>4,749</u>
<i>Excess of Revenues</i>			
<i>Under Expenses</i>	(533,395)	(491,528)	41,867
<i>Fund Equity Beginning of Year</i>	<u>1,144,096</u>	<u>1,144,096</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$610,701</u></u>	<u><u>\$652,568</u></u>	<u><u>\$41,867</u></u>

**City of Lorain, Ohio**  
*Schedule of Revenues, Expenses, and*  
**Changes in Fund Equity - Budget and Actual (Budget Basis)**  
*All Internal Service Funds*  
**For the Year Ended December 31, 1999**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Charges for Services	\$3,160,467	\$3,194,388	\$33,921
Interest	75,000	75,964	964
Other Operating Revenues	10,991	15,314	4,323
<i>Total Revenues</i>	<u>3,246,458</u>	<u>3,285,666</u>	<u>39,208</u>
<b>Expenses</b>			
Personal Services	564,401	558,185	6,216
Contractual Services	696	696	0
Materials and Supplies	515,164	497,924	17,240
Other Operating Expenses	3,800	2,783	1,017
Claims	2,779,500	2,775,770	3,730
Capital Outlay	7,904	4,389	3,515
<i>Total Expenses</i>	<u>3,871,465</u>	<u>3,839,747</u>	<u>31,718</u>
<i>Excess of Revenues Under Expenses</i>	(625,007)	(554,081)	70,926
Advances Out	(8,489)	(8,489)	0
Operating Transfers In	113,511	29,826	(83,685)
<i>Excess of Revenues and Transfers Under Expenses and Advances</i>	(519,985)	(532,744)	(12,759)
<i>Fund Equity Beginning of Year</i>	1,144,096	1,144,096	0
Prior Year Encumbrances Appropriated	8,101	8,101	0
<i>Fund Equity End of Year</i>	<u>\$632,212</u>	<u>\$619,453</u>	<u>(\$12,759)</u>

City of Lorain, Ohio  
Combining Statement of Cash Flows  
All Internal Service Funds  
For the Year Ended December 31, 1999

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Quasi-External Transactions with Other Funds	\$991,177	\$2,203,211	\$3,194,388
Cash Payments for Goods and Services	(468,271)	0	(468,271)
Cash Payments for Employee Services and Benefits	(553,389)	(7,597)	(560,986)
Cash Payments for Claims	0	(2,669,494)	(2,669,494)
Other Operating Revenues	2,132	13,182	15,314
<i>Net Cash Used for Operating Activities</i>	<u>(28,351)</u>	<u>(460,698)</u>	<u>(489,049)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers In	29,826	0	29,826
Advances Out	(8,489)	0	(8,489)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>21,337</u>	<u>0</u>	<u>21,337</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Fixed Assets	(4,389)	0	(4,389)
<b>Cash Flows from Investing Activities</b>			
Interest	0	75,964	75,964
<i>Net Decrease in Cash and Cash Equivalents</i>	(11,403)	(384,734)	(396,137)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>28,138</u>	<u>1,144,096</u>	<u>1,172,234</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$16,735</u>	<u>\$759,362</u>	<u>\$776,097</u> (continued)



**City of Lorain, Ohio**  
*Combining Statement of Cash Flows*  
*All Internal Service Funds (continued)*  
*For the Year Ended December 31, 1999*

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>			
Operating Loss	(\$25,014)	(\$524,439)	(\$549,453)
<b>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities</b>			
Depreciation	21,417	0	21,417
<b>Change in Assets and Liabilities</b>			
Increase in Interfund Receivables	(155)	0	(155)
Increase in Materials Inventory	(17,350)	0	(17,350)
Increase in Accounts Payable	18,767	31,228	49,995
Decrease in Accrued Wages	(11,670)	0	(11,670)
Increase in Claims Payable	0	29,609	29,609
Increase (Decrease) in Compensated Absences Payable	(3,163)	2,820	(343)
Increase (Decrease) in Intergovernmental Payable	(6,183)	84	(6,099)
Decrease in Death Benefits Payable	(5,000)	0	(5,000)
<i>Net Cash Used for Operating Activities</i>	<u>(\$28,351)</u>	<u>(\$460,698)</u>	<u>(\$489,049)</u>

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## **Agency Funds**

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These funds are purely custodial (assets equal liabilities) and these do not involve the measurement of results of operations.

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### **Street Excavation Fund**

This fund was established to account for deposits made by private contractors who excavate streets during construction to ensure that repairs are properly completed.

### **Allotment Improvement Fund**

This fund was established to account for inspection fees charged to developers for engineering, surveying and inspection costs.

### **Deposits Held Fund**

This fund was established to account for deposits held by the City to ensure compliance with various City ordinances. Upon satisfactory completion of projects, the deposits are returned.

### **State Highway Patrol Fund**

This fund was established to account for the portion of the State Highway Patrol fines that are dedicated to the county Law Library.

### **Contracts Trust Fund**

This fund was established to account for charges to contractors to cover the cost of bid proposals, prepared and distributed by the director of public service/safety.

### **Vital Statistics Fund**

This fund was established to account for the portion of fees collected for birth and death certificates that are sent to the State.

### **Municipal Court Fund**

This fund was established to account for the activities within the municipal court.

**City of Lorain, Ohio**  
**Combining Balance Sheet**  
**All Agency Funds**  
**December 31, 1999**

	<u>Street Excavation</u>	<u>Allotment Improvement</u>	<u>Deposits Held</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$10,460	\$87,126	\$32,803
Cash and Cash Equivalents in Segregated Accounts	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$10,460</u></u>	<u><u>\$87,126</u></u>	<u><u>\$32,803</u></u>
<b>Liabilities</b>			
Due to Other Funds	\$0	\$0	\$0
Deposits Held and Due to Others	<u>10,460</u>	<u>87,126</u>	<u>32,803</u>
<i>Total Liabilities</i>	<u><u>\$10,460</u></u>	<u><u>\$87,126</u></u>	<u><u>\$32,803</u></u>

<u>Contracts Trust</u>	<u>Vital Statistics</u>	<u>Municipal Court</u>	<u>Totals</u>
\$80	\$4,269	\$0	\$134,738
<u>0</u>	<u>0</u>	<u>123,285</u>	<u>123,285</u>
<u>\$80</u>	<u>\$4,269</u>	<u>\$123,285</u>	<u>\$258,023</u>
\$0	\$0	\$53,141	\$53,141
<u>80</u>	<u>4,269</u>	<u>70,144</u>	<u>204,882</u>
<u>\$80</u>	<u>\$4,269</u>	<u>\$123,285</u>	<u>\$258,023</u>

**City of Lorain, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended December 31, 1999**

	<u>Balance 1/1/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/99</u>
<b><i>Street Excavation</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$10,843	\$3,200	\$3,583	\$10,460
<b>Liabilities</b>				
Deposits Held and Due to Others	\$10,843	\$3,200	\$3,583	\$10,460
 <b><i>Allotment Improvement</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$70,337	\$21,427	\$4,638	\$87,126
<b>Liabilities</b>				
Deposits Held and Due to Others	\$70,337	\$21,427	\$4,638	\$87,126
 <b><i>Deposits Held</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$52,014	\$23,330	\$42,541	\$32,803
<b>Liabilities</b>				
Deposits Held and Due to Others	\$52,014	\$23,330	\$42,541	\$32,803

(continued)

**City of Lorain, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (continued)**  
**For the Year Ended December 31, 1999**

	<u>Balance 1/1/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/99</u>
<b>State Highway Patrol</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$0	\$14,941	\$14,941	\$0
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$14,941	\$14,941	\$0
<b>Contracts Trust</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$10,783	\$4,365	\$15,068	\$80
<b>Liabilities</b>				
Deposits Held and Due to Others	\$10,783	\$4,365	\$15,068	\$80
<b>Vital Statistics</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$4,563	\$20,699	\$20,993	\$4,269
<b>Liabilities</b>				
Deposits Held and Due to Others	\$4,563	\$20,699	\$20,993	\$4,269 (continued)

**City of Lorain, Ohio**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds (continued)**  
**For the Year Ended December 31, 1999**

	<u>Balance 1/1/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/99</u>
<b><i>Municipal Court</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$109,262	\$2,245,265	\$2,231,242	\$123,285
<b>Liabilities</b>				
Due to Other Funds	\$66,416	\$53,141	\$66,416	\$53,141
Deposits Held and Due to Others	42,846	2,192,124	2,164,826	70,144
<b>Total Liabilities</b>	<u>\$109,262</u>	<u>\$2,245,265</u>	<u>\$2,231,242</u>	<u>\$123,285</u>
 <b><i>Total All Agency Funds</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$148,540	\$87,962	\$101,764	\$134,738
Cash and Cash Equivalents in Segregated Accounts	109,262	2,245,265	2,231,242	123,285
<b>Total Assets</b>	<u>\$257,802</u>	<u>\$2,333,227</u>	<u>\$2,333,006</u>	<u>\$258,023</u>
<b>Liabilities</b>				
Due to Other Funds	\$66,416	\$53,141	\$66,416	\$53,141
Deposits Held and Due to Others	191,386	2,280,086	2,266,590	204,882
<b>Total Liabilities</b>	<u>\$257,802</u>	<u>\$2,333,227</u>	<u>\$2,333,006</u>	<u>\$258,023</u>



## **General Fixed Assets Account Group**

The general fixed assets account group is used to account for all land and improvements, buildings, machinery and equipment, and furniture and fixtures not used in the operations of the proprietary funds.

**City of Lorain, Ohio**  
*Schedule of General Fixed Assets*  
*By Function*  
*December 31, 1999*

<u>Function</u>	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Equipment and Machinery</u>	<u>Furniture and Fixtures</u>
General Government	\$7,370,616	\$80,994	\$3,646,445	\$3,384,945	\$258,232
Security of Persons and Property	6,197,364	119,031	1,330,017	4,571,686	176,630
Public Health Services	929,364	24,890	414,841	441,727	47,906
Transportation	3,317,809	0	141,775	3,161,152	14,882
Community Environment	135,539	0	4,387	103,021	28,131
Economic Development	2,682,757	358,063	2,152,838	151,333	20,523
Leisure Time Activities	<u>6,897,870</u>	<u>3,052,383</u>	<u>1,814,089</u>	<u>2,017,728</u>	<u>13,670</u>
Total General Fixed Assets	<u>\$27,531,319</u>	<u>\$3,635,361</u>	<u>\$9,504,392</u>	<u>\$13,831,592</u>	<u>\$559,974</u>

**City of Lorain, Ohio**  
*Schedule of Changes in General Fixed Assets*  
*By Function*  
*For the Year Ended December 31, 1999*

<b>Function</b>	<b>General Fixed Assets 01/01/99</b>	<b>Additions</b>	<b>Deductions</b>	<b>General Fixed Assets 12/31/99</b>
General Government	\$7,226,514	\$164,720	\$20,618	\$7,370,616
Security of Persons and Property	5,805,102	627,638	235,376	6,197,364
Public Health Services	832,811	103,853	7,300	929,364
Transportation	3,365,598	7,124	54,913	3,317,809
Community Environment	134,939	600	0	135,539
Economic Development	2,561,506	121,251	0	2,682,757
Leisure Time Activities	6,389,917	507,953	0	6,897,870
<b>Total General Fixed Assets</b>	<b>\$26,316,387</b>	<b>\$1,533,139</b>	<b>\$318,207</b>	<b>\$27,531,319</b>

**City of Lorain, Ohio**  
**Schedule of General Fixed Assets**  
**By Source**  
**December 31, 1999**

**General Fixed Assets**

Land and Improvements	\$3,635,361
Buildings	9,504,392
Machinery and Equipment	13,831,592
Furniture and Fixtures	<u>559,974</u>
<i>Total General Fixed Assets</i>	<u><u>\$27,531,319</u></u>

**Investment in General  
Fixed Assets:**

General Governmental Revenues	<u>\$27,531,319</u>
<i>Total General Fixed Assets</i>	<u><u>\$27,531,319</u></u>

## STATISTICAL SECTION

The Statistical Section contains comprehensive statistical data which relates to physical, economic, social, and political characteristics of the City. It is intended to provide users with a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements and supporting schedules included in the Financial Section.

Statistical Section tables usually cover more than two fiscal years and often present data from outside the accounting entity. In contrast to the Financial Section information, Statistical Section data are not usually susceptible to independent audit.



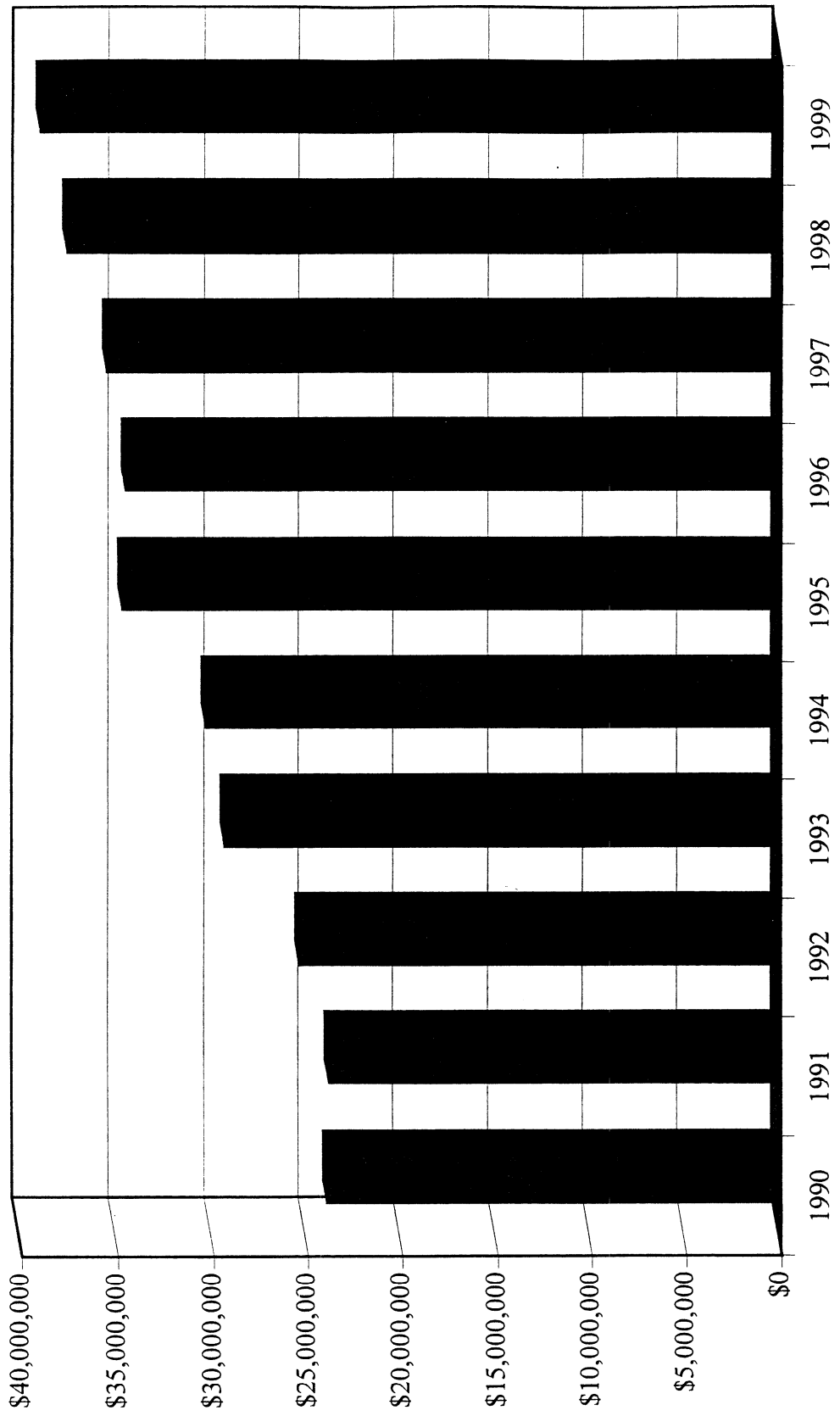


**City of Lorain, Ohio**  
**Governmental Fund Revenues by Source (1)**  
**Last Ten Years (2)**

Year	Taxes	Charges for Services	Fines, Licenses and Permits	Inter-governmental	Special Assessments	Interest	Donations	Other	Total
1999	\$19,958,146	\$439,434	\$2,061,198	\$14,795,431	\$215,025	\$321,895	\$0	\$891,588	\$38,682,717
1998	20,311,699	430,802	2,725,477	12,769,960	322,014	426,823	0	515,976	37,502,751
1997	20,251,077	351,342	2,056,536	11,388,615	429,841	444,923	0	513,513	35,435,847
1996	21,779,583	385,589	1,908,494	9,091,196	471,149	344,016	0	459,089	34,439,116
1995	21,301,019	545,590	1,926,151	9,676,597	555,346	228,752	0	384,041	34,617,496
1994	19,984,868	492,980	1,510,696	7,121,764	554,300	113,348	100,000	382,607	30,260,563
1993	18,834,777	304,409	1,260,128	5,656,055	311,544	0	0	2,903,089	29,270,002
1992	15,433,423	372,390	1,384,111	6,449,772	626,605	0	0	1,020,234	25,286,535
1991	14,564,382	522,060	878,686	5,790,649	681,827	0	0	1,270,587	23,708,191
1990	19,160,432	766,274	1,056,212	1,986,804	605,322	0	0	241,711	23,816,755

(1) Includes: General, Special Revenue, Debt Service and Capital Projects Funds  
(2) 1994, 1995, 1996, 1997, 1998 and 1999 reported on GAAP basis, all other years on cash basis  
Source: Lorain City Auditor

### Governmental Fund Revenue Trend Analysis



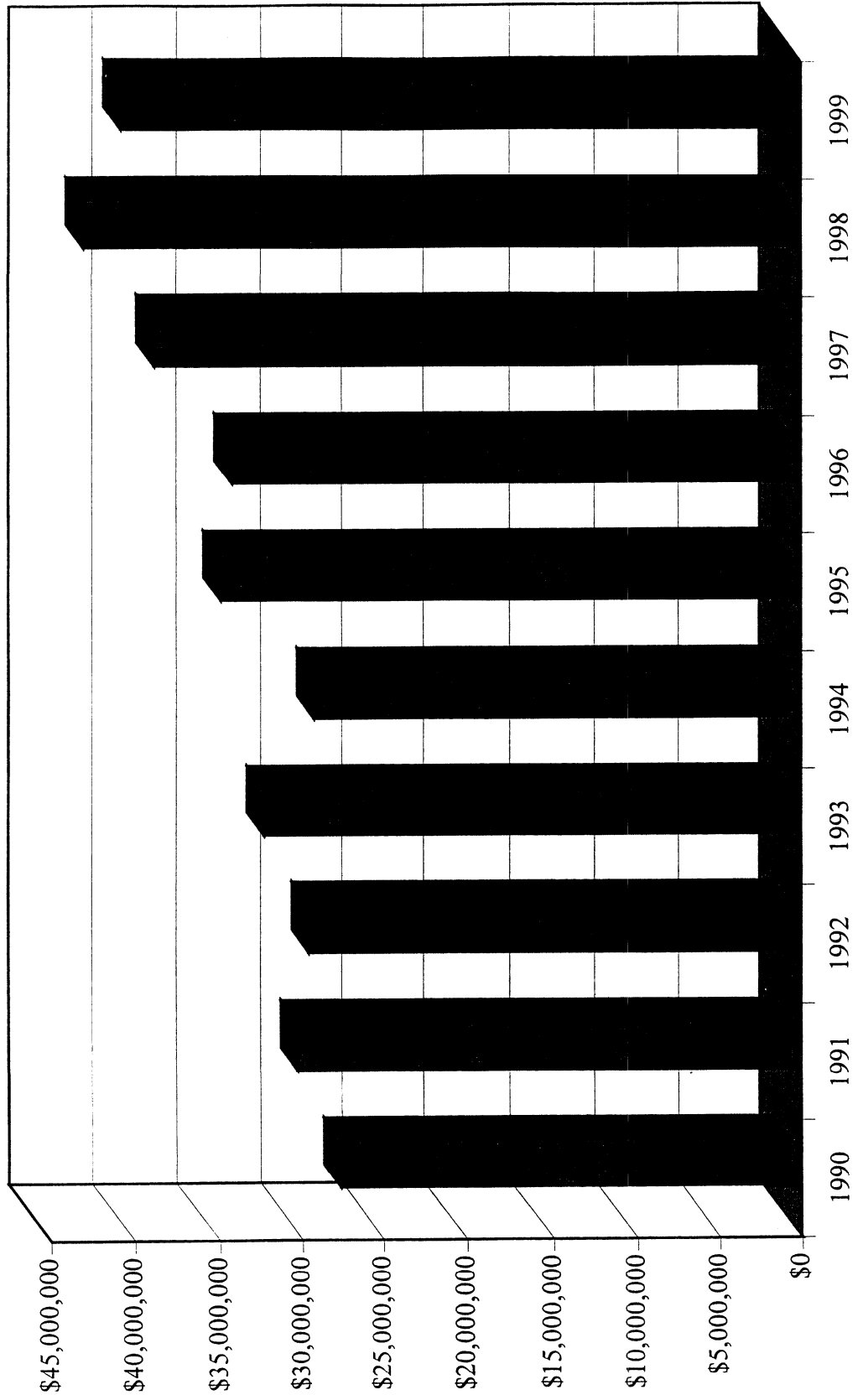


**City of Lorain, Ohio**  
**Governmental Fund Expenditures by Function (1)**  
**Last Ten Years (2)**

Year	General Government	Security of Persons and Property	Public Health and Welfare	Transportation	Community Environment	Leisure Time Activities	Economic Development	Other	Capital Outlay	Debt Service	Total
1999	\$6,569,957	\$17,237,827	\$1,723,641	\$2,665,990	\$710,623	\$1,493,082	\$3,356,598	\$0	\$2,938,879	\$3,148,074	\$39,844,671
1998	6,546,059	15,760,123	1,594,986	2,557,555	704,649	1,407,498	5,021,472	0	2,434,120	6,292,582	42,319,044
1997	6,947,463	15,322,993	1,832,377	2,826,661	770,878	1,567,121	3,445,537	0	2,849,449	2,530,914	38,093,393
1996	6,303,235	14,356,607	1,567,052	2,492,447	593,131	1,528,519	2,118,978	0	1,918,307	2,645,860	33,524,136
1995	6,196,674	13,791,459	1,464,032	2,729,612	528,943	1,290,460	2,667,513	25,664	2,979,368	2,503,841	34,177,566
1994	5,896,129	12,964,480	1,415,335	1,859,011	568,381	932,646	1,564,722	22,462	921,873	2,392,394	28,537,433
1993	7,357,498	12,233,516	1,267,649	2,309,568	1,277,157	1,195,855	0	0	33,700	5,922,673	31,597,616
1992	5,307,369	10,401,820	1,155,752	2,495,858	2,134,996	1,094,323	0	0	867,218	5,393,212	28,850,548
1991	6,451,637	10,369,470	1,219,278	2,579,141	2,076,521	1,032,416	0	0	797,266	5,003,663	29,529,392
1990	7,743,610	8,327,172	1,234,087	2,367,735	2,472,395	1,265,948	0	0	780,124	2,687,710	26,878,781

(1) Includes: General, Special Revenue, Debt Service and Capital Projects Funds  
(2) 1994, 1995, 1996, 1997, 1998 and 1999 reported on GAAP basis, all other years on cash basis  
Source: Lorain City Auditor

# Governmental Fund Expenditure Trend Analysis



**City of Lorain, Ohio**  
**Assessed and Estimated Actual Values of Taxable Property -- (In Thousands 000s)**  
**Last Ten Years**

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
1999	\$607,363	\$1,735,324	\$67,935	\$77,199	\$152,995	\$611,978	\$828,293	\$2,424,501	34%
1998	605,581	1,730,231	69,159	78,590	147,825	591,300	822,565	2,400,121	34
1997	592,530	1,692,944	72,540	82,432	158,609	634,436	823,679	2,409,812	34
1996	524,374	1,498,213	70,388	79,986	152,707	610,830	747,469	2,189,029	34
1995	510,337	1,458,106	83,334	94,698	127,053	508,212	720,724	2,061,016	35
1994	508,188	1,451,966	80,007	90,917	125,047	500,188	713,242	2,043,071	35
1993	456,760	1,305,029	81,738	92,884	138,141	552,564	676,639	1,950,477	35
1992	452,478	1,292,794	82,402	93,639	135,932	522,815	670,812	1,909,248	35
1991	449,147	1,283,277	81,935	93,108	141,038	542,454	672,120	1,918,839	35
1990	411,442	1,175,549	84,454	95,970	144,823	557,012	640,719	1,828,531	35

Source: Lorain County Auditor

(1) This amount is calculated by dividing the assessed value by the assessment percentage.

(2) The percentages for 1999 were 35% for all real property, 35% for public utility real, 88% for public utility tangible, and 25% for tangible personal.

**City of Lorain, Ohio**  
**Property Tax Levies and Collections**  
**Real and Public Utility Taxes**  
**Last Ten Years**

Year	Current Tax Levy (1)	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections To Current Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes To Current Tax Levy
1999	\$3,183,610	\$2,910,261	91.4%	\$107,157	\$3,017,418	94.8%	\$352,399	11.1%
1998	3,057,957	2,945,399	96.3	102,854	3,048,253	99.7	185,575	6.1
1997	2,731,861	2,644,441	96.8	80,588	2,725,029	99.7	149,383	5.5
1996	2,733,704	2,649,883	96.9	78,927	2,728,810	99.8	141,597	5.2
1995	2,699,844	2,532,355	93.8	76,274	2,608,629	96.6	229,928	8.5
1994	2,481,747	2,412,367	97.2	75,120	2,487,487	100.2	135,920	5.5
1993	2,473,103	2,403,856	97.2	79,536	2,483,392	100.4	149,765	6.1
1992	2,457,289	2,388,485	97.2	49,871	2,438,356	99.2	160,803	6.5
1991	2,300,415	2,240,604	97.4	54,025	2,294,629	99.7	141,612	6.2
1990	2,294,023	2,266,495	98.8	89,681	2,356,176	102.7	136,974	6.0

Source: Lorain County Auditor

(1). State Reimbursement of Rollback and Homestead Exemptions are included.

(2). Penalties and interest are included, since by Ohio Law they become part of the tax obligation as assessment occurs.

**City of Lorain, Ohio**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$1000 Assessed Valuation)**  
**Last Ten Years**

Year	City of Lorain				Lorain County	Special Taxing Districts	Total District and Overlapping Governments
	General	Special Revenue	Debt Service	Total City			
1999	\$3.36	\$0.60	\$1.00	\$4.96	\$10.79	\$58.98	\$74.73
1998	3.36	0.60	1.00	4.96	10.79	58.98	74.73
1997	3.36	0.60	1.00	4.96	12.69	58.98	76.63
1996	3.36	0.60	1.00	4.96	12.69	58.49	76.14
1995	3.36	0.60	1.00	4.96	11.49	58.49	74.94
1994	3.36	0.60	1.00	4.96	11.49	58.49	74.94
1993	3.36	0.60	1.00	4.96	11.39	58.49	74.84
1992	3.36	0.60	1.00	4.96	11.74	49.12	65.82
1991	3.36	0.60	1.00	4.96	11.74	50.74	67.44
1990	3.36	0.60	1.00	4.96	11.74	50.59	67.29

Source: Lorain County Auditor

**City of Lorain, Ohio  
Special Assessment Collections  
Last Ten Years**

<u>Year</u>	<u>Current Assessments Due</u>	<u>Current Collections</u>	<u>Percent Collected</u>
1999	\$1,110,658	\$215,025	19%
1998	1,073,368	322,014	30
1997	1,094,484	429,841	39
1996	1,008,422	471,149	47
1995	1,052,001	555,346	53
1994	1,226,627	588,692	48
1993	1,457,125	577,022	40
1992	1,443,148	629,213	44
1991	1,357,769	681,927	50
1990	1,236,286	654,122	53

Source: Lorain County Auditor

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures (1)</b>	<b>Ratio of Debt Service to Governmental Fund Expenditures (Percentage)</b>
1999	\$909,593	\$596,557	\$1,506,150	\$39,844,671	3.78%
1998	832,564	551,619	1,384,183	42,319,044	3.27
1997	817,564	511,231	1,328,795	38,093,393	3.49
1996	815,212	651,906	1,467,118	33,524,136	4.38
1995	550,356	433,376	983,732	34,177,566	2.88
1994	550,356	482,999	1,033,355	28,537,433	3.62
1993	1,094,000	1,043,228	2,137,228	31,597,616	6.76
1992	1,115,000	1,135,266	2,250,266	28,850,548	7.80
1991	1,265,185	1,360,473	2,625,658	29,529,392	8.89
1990	1,195,347	1,275,088	2,470,435	26,878,783	9.19

(1) 1994, 1995, 1996, 1997, 1998 and 1999 reported on GAAP basis; All other years on cash basis.

Source: Lorain City Auditor

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

Year	Population	Assessed Value	Gross Bonded Debt (1)	Debt Service Monies Available	Net General Obligation Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net General Obligation Bonded Debt Per Capita
1999	69,800	\$828,293,210	\$10,363,041	\$38,753	\$10,324,288	1.25%	\$148
1998	69,800	822,564,554	9,202,634	465,084	8,737,550	1.06	125
1997	69,800	823,678,974	6,355,198	668,308	5,686,890	0.69	81
1996	71,483	747,469,350	7,172,762	1,066,319	6,106,443	0.82	85
1995	71,483	720,724,541	7,987,974	1,253,250	6,734,724	0.93	94
1994	71,483	713,242,551	5,018,330	1,194,950	3,823,380	0.54	53
1993	71,483	676,638,529	5,568,685	1,570,884	3,997,801	0.59	56
1992	71,483	670,812,164	5,420,000	852,114	4,567,886	0.68	64
1991	71,245	672,120,000	5,872,000	779,712	5,092,288	0.76	71
1990	71,245	640,719,000	3,004,000	(37,042)	3,041,042	0.47	43

(1) Includes only general obligation bonds payable from property taxes.

Source: Lorain County Auditor



**City of Lorain, Ohio**  
**Computation of Direct and Overlapping General Obligation Bonded Debt**  
**December 31, 1999**

	<u>General Obligation Bonded Debt</u>	<u>Percent Applicable to City (1)</u>	<u>Amount Applicable to City of Lorain</u>
City of Lorain	\$10,363,041	100.00%	\$10,363,041
Lorain City Schools	2,329,969	100.00	2,329,969
County of Lorain	8,082,937	19.00	1,535,758
			<hr/> <u>\$14,228,768</u>

(1) Percentages were determined by dividing each jurisdiction's assessed valuation within the City by the jurisdiction's total assessed valuation.

Source: Lorain County Auditor  
Lorain City Schools

**City of Lorain, Ohio**  
**Schedule of Enterprise Revenue Bond Coverage**  
**Water and Water Pollution Control Funds**  
**For the Years Ended December 31, 1994, 1995, 1996, 1997, 1998, 1999 (1)**

Fund	Year	Operating Revenues	Operating Expenses (2)	Net Revenue Available For		Principal	Interest	Total	Coverage
				Operating Expenses (2)	Debt Service				
Water Pollution Control	1999	\$8,276,380	\$5,696,068	\$2,580,312	\$400,000	\$349,495	\$749,495	3.44	
	1998	7,465,131	5,507,841	1,957,290	390,000	366,582	756,582	2.59	
	1997	6,904,935	5,222,997	1,681,938	375,000	382,557	757,557	2.22	
	1996	7,581,145	4,870,041	2,711,104	200,000	394,045	594,045	4.56	
	1995	7,100,160	5,214,605	1,885,555	275,000	817,605	1,092,605	1.73	
	1994	7,579,408	4,803,183	2,776,225	255,000	837,024	1,092,024	2.54	
Water Works (3)	1999	5,482,568	5,705,652	-223,084	335,000	458,168	793,168	-0.28	
	1998	6,030,207	4,573,306	1,456,901	325,000	471,865	796,865	1.83	
	1997	5,726,504	4,675,543	1,050,961	310,000	484,650	794,650	1.32	
	1996	5,881,611	5,158,948	722,663	0	408,977	408,977	1.77	

(1) Audited GAAP financial statements are not available for years prior to 1994. Because of timing fluctuations on a cash basis, comparisons for years prior to 1994 are not meaningful.

(2) Excludes Depreciation

(3) Water Revenue Bonds were issued in 1995. Interest payments began in 1996. Principal payments began in 1997.

**City of Lorain, Ohio**  
**Legal Debt Margin**  
**December 31, 1999**

	<b>Total Debt Limit</b>	<b>Total Unvoted Debt Limit</b>
Assessed Valuation	\$828,293,210	\$828,293,210
Debt Limitation	86,970,787 10.5 percent	45,556,127 5.5 percent
Debt Applicable to Limitation: (Total Voted and Unvoted)		
General Obligation Bonds	10,363,041	10,363,041
Special Assessment Bonds	982,959	982,959
Hud Section 108 Loans	1,615,000	1,615,000
Enterprise Fund General Obligation Bonds	3,180,000	3,180,000
Enterprise Fund Revenue Bonds	15,546,966	15,546,966
Ohio Water Development Authority Loans	6,103,356	6,103,356
Bond Anticipation Notes	1,550,000	1,550,000
OPWC Loans	57,172	57,172
Real Estate Acquisition Loan	102,011	102,011
	39,500,505	39,500,505
Less: Debt Outside Limitations:		
Special Assessment Bonds	982,959	982,959
Enterprise Fund General Obligation Bonds	3,180,000	3,180,000
Revenue Bonds	15,546,966	15,546,966
Ohio Water Development Authority Loans	6,103,356	6,103,356
	25,813,281	25,813,281
Total Debt Applicable to Limitation within 10.5%	13,687,224	
Total Debt Applicable to Limitation within 5.5%		13,687,224
Less: Amount Available in Debt Service Fund	38,753	38,753
	13,648,471	13,648,471
Net Debt Margin Within 10.5%	13,648,471	
Net Debt Margin Within 5.5%		13,648,471
	\$73,322,316	\$31,907,656
Overall Debt Margin Within 10.5% Limitation	\$73,322,316	
Overall Debt Margin Within 5.5% Limitation		\$31,907,656

Source: Lorain City Auditor

**City of Lorain, Ohio**  
**Property Value, Construction and Bank Deposits**  
**Last Ten Years**

Year	Estimated Actual City Property Value (1)	New Construction			County Bank Deposits (2, 3)
		Agriculture/ Residential	Commercial Industrial	Total	
1999	\$2,424,501,221	\$5,782,570	\$6,079,500	\$11,862,070	\$463,993,000
1998	2,400,122,000	3,552,310	2,478,800	6,031,110	444,974,000
1997	2,409,811,422	5,100,610	2,873,810	7,974,420	1,381,977,000
1996	2,189,029,000	2,517,540	10,517,990	13,035,530	1,744,502,000
1995	2,061,016,000	2,455,480	1,381,910	3,837,390	1,628,133,000
1994	2,043,071,000	1,757,400	1,134,360	2,891,760	1,517,978,000
1993	1,950,477,000	2,874,400	1,357,150	4,231,550	1,170,581,000
1992	1,909,248,000	2,078,900	1,676,770	3,755,670	1,126,173,000
1991	1,918,839,000	2,999,110	655,730	3,654,840	1,066,123,000
1990	1,828,531,000	1,895,730	1,667,810	3,563,540	1,317,821,000

Sources:

- (1) Lorain County Auditor's Office
- (2) Federal Reserve Bank of Cleveland
- (3) Decreases in 1997 and 1998 resulted when out-of-county banks acquired local bank branches.  
The deposits were moved out of Lorain County.

**City of Lorain  
Ten Largest Real Property Taxpayers  
December 31, 1999**

Taxpayer	Real Property Assessed Valuation	Percentage of Total Real Property Assessed Valuation
Ohio Edison Company	\$48,709,120	8.02%
Ford Motor Company	17,473,770	2.88
Lorain Tubular/Republic Technologies Int'l (1)	13,605,490	2.24
Century Telephone	12,179,210	2.01
South Shore Community Development Corporation	10,693,730	1.76
Columbia Gas of Ohio, Inc.	8,366,100	1.38
Key Corporation	3,678,680	0.61
Lake Terminal Railroad	2,461,620	0.41
Marconi Communications (2)	2,174,550	0.36
Lakeland Medical	1,529,050	0.25
Total of Above	\$120,871,320	19.90%
Total City Valuation	\$607,363,320	

(1) Formerly USS/Kobe Steel Company

(2) Formerly Reliance Electric Company  
(Lorain Products Division)

Source: Lorain County Auditor

**City of Lorain, Ohio**  
**Ten Largest Personal Property Taxpayers**  
**December 31, 1999**

Taxpayer	Personal Property Assessed Valuation	Percentage of Total Personal Property Assessed Valuation
Lorain Tubular/Republic Technologies Int'l (1)	\$81,495,410	53.26%
Ford Motor Company	10,021,390	4.94
Marconi Communications (2)	9,596,970	4.73
LTV Steel	5,859,110	2.89
P.C. Campana, Inc.	2,086,280	1.03
K-Mart Corporation	1,912,010	0.94
Praxair, Inc.	1,545,060	0.76
Joe Firment Chevrolet	1,065,630	0.53
National Gypsum Company	1,357,200	0.67
Parnassos L P	1,127,630	0.56
Total of Above	\$116,066,690	70.31%
Total City Valuation	\$220,930,000	

(1) Formerly USS/Kobe Steel Company

(2) Formerly Reliance Electric Company  
(Lorain Products Division)

Source: Lorain County Auditor

**City of Lorain, Ohio**  
**Ten Largest Employers in the City**  
**as of Second Quarter 2000**

<u>Employer</u>	<u>Nature of Activity or Business</u>	<u>Number of Employees</u>
Lorain Tubular/Republic Technologies Int'l (1)	Steel manufacturing	2,800
Community Health Partners (Health Center)	Health care	2,178
Ford Motor Company (Lorain Plant)	Automobile manufacturing control center	1,838
Marconi Communications (2)	Telecommunications equipment	1,250
Lorain City School District	Education	1,200
Lorain Education Association	Education	800
May Department Stores, Inc.	Information Systems/Credit Center	600
City of Lorain	Government	550
P.C. Campana	Steel mold manufacturing and repair	550
Lorain County Community Action Agency	Education/community services	290

(1) Formerly USS/Kobe Steel Company

(2) Formerly Reliance Electric Company  
(Lorain Products Division)

Source: Lorain County Chamber of Commerce

**City of Lorain, Ohio  
Demographic Statistics  
Last Ten Years**

Year	Population (1)	School Enrollment (2)	Average Unemployment Rate Lorain County (3)
1999	69,800	10,571	3.4%
1998	69,800	10,634	3.6
1997	69,800	10,576	6.1
1996	71,483	10,684	7.8
1995	71,483	10,615	5.1
1994	71,483	10,923	4.4
1993	71,483	11,164	5.9
1992	71,483	11,458	9.0
1991	71,245	11,716	9.7
1990	71,245	12,115	7.7

Sources: (1) Ohio Department of Development  
(2) Lorain Board of Education  
(3) Ohio Department of Employment Services  
Labor Market Information Department



**City of Lorain, Ohio**  
**Miscellaneous Information**  
**December 31, 1999**

Government:	Date of Incorporation	1874
	Form of Government	Mayor/Council
Area:	23.8 square miles	
Streets:	Miles of Streets	220
Traffic Lights:		522
Fire:	Fire Protection:	
	Number of Stations	4
	Number of Firemen and Officers	88
Police:	Police Protection:	
	Number of Stations	1
	Number of Sub-Stations	2
	Number of Policemen and Officers	110
Rescue Service:	Rescue Service:	
	Number of Stations	1
	Number of Rescue Personnel	50
Recreation and Culture:	Number of Parks	56
	Number of Libraries	2
Employees:	Part Time and Seasonal	221
	Full Time	550

City Employees are represented by the following bargaining units:

Lorain Firefighters Association - International Association of Firefighters	86
Fraternal Order of Police - Lodge No. 3, Lorain	92
Fraternal Order of Police - Lodge No. 3, Lorain - Promoted Unit	17
Ohio Police Benevolent Association (Correction Officers)	10
Ohio Police Benevolent Association (Dispatchers)	19
United Steelworkers - Local 6621	220

Source: Lorain City Auditor

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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**CITY OF LORAIN**

**LORAIN 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  
SEPTEMBER 5, 2000**