

Enterprise Funds

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.

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, 2001

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$535,840	\$8,734,469	\$9,270,309
Receivables:			
Accounts	1,440,603	1,454,792	2,895,395
Interfund	3,260	558,381	561,641
Intergovernmental	0	25,399	25,399
Materials and Supplies			
Inventory	549,084	12,030	561,114
Prepaid Items	20,875	4,427	25,302
Total Current Assets	<u>2,549,662</u>	<u>10,789,498</u>	<u>13,339,160</u>
Restricted Assets			
Cash and Cash Equivalents	432,420	936,633	1,369,053
Cash and Cash Equivalents with Trustees	<u>1,211,611</u>	<u>1,327,731</u>	<u>2,539,342</u>
Total Restricted Assets	<u>1,644,031</u>	<u>2,264,364</u>	<u>3,908,395</u>
Noncurrent Assets			
Unamortized Bond Issue Costs	<u>200,275</u>	<u>158,226</u>	<u>358,501</u>
Fixed Assets (Net of Accumulated Depreciation)	<u>22,130,966</u>	<u>48,270,750</u>	<u>70,401,716</u>
Total Assets	<u><u>\$26,524,934</u></u>	<u><u>\$61,482,838</u></u>	<u><u>\$88,007,772</u></u>

(continued)

City of Lorain, Ohio
Combining Balance Sheet
All Enterprise Funds (continued)
December 31, 2001

	<u>Water Works</u>	<u>Water Pollution Control</u>	<u>Totals</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$79,758	\$97,862	\$177,620
Contracts Payable	8,573	292,261	300,834
Accrued Wages	21,198	21,459	42,657
Compensated Absences Payable	58,623	61,225	119,848
Retainage Payable	225,371	348,292	573,663
Interfund Payable	150	941	1,091
Intergovernmental Payable	159,259	168,110	327,369
Accrued Interest Payable	117,839	82,123	199,962
Current Portion of OWDA Loans Payable	531,918	708,476	1,240,394
Current Portion of General Obligation Bonds Payable	200,000	125,000	325,000
Current Portion of Revenue Bonds Payable	<u>375,000</u>	<u>465,000</u>	<u>840,000</u>
Total Current Liabilities	<u>1,777,689</u>	<u>2,370,749</u>	<u>4,148,438</u>
Long-Term Liabilities			
Death Benefits Payable	242,000	141,000	383,000
Compensated Absences Payable	598,946	610,316	1,209,262
OWDA Loans Payable	7,530,210	15,487,772	23,017,982
General Obligation Bonds Payable	1,840,000	375,000	2,215,000
Revenue Bonds Payable	7,831,179	5,321,219	13,152,398
Deferred Loss on Refunding	<u>0</u>	<u>(513,602)</u>	<u>(513,602)</u>
Total Long-Term Liabilities	<u>18,042,335</u>	<u>21,421,705</u>	<u>39,464,040</u>
<i>Total Liabilities</i>	<u>19,820,024</u>	<u>23,792,454</u>	<u>43,612,478</u>
Fund Equity			
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>6,347,872</u>	<u>37,337,722</u>	<u>43,685,594</u>
<i>Total Retained Earnings</i>	<u>6,497,872</u>	<u>37,487,722</u>	<u>43,985,594</u>
<i>Total Fund Equity</i>	<u>6,704,910</u>	<u>37,690,384</u>	<u>44,395,294</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$26,524,934</u></u>	<u><u>\$61,482,838</u></u>	<u><u>\$88,007,772</u></u>

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

	Water Works	Water Pollution Control	Totals
Operating Revenues			
Charges for Services	\$7,469,792	\$7,918,731	\$15,388,523
Other Operating Revenues	24,073	44,385	68,458
<i>Total Operating Revenues</i>	<u>7,493,865</u>	<u>7,963,116</u>	<u>15,456,981</u>
Operating Expenses			
Personal Services	3,403,886	3,702,050	7,105,936
Contractual Services	36,552	1,549,911	1,586,463
Materials and Supplies	98,119	313,357	411,476
Utilities	570,020	679,785	1,249,805
Other Operating Expenses	13,862	136,021	149,883
Depreciation	723,736	1,568,730	2,292,466
<i>Total Operating Expenses</i>	<u>4,846,175</u>	<u>7,949,854</u>	<u>12,796,029</u>
<i>Operating Income</i>	<u>2,647,690</u>	<u>13,262</u>	<u>2,660,952</u>
Non-Operating Revenues (Expenses)			
Interest	220,728	351,058	571,786
Interest and Fiscal Charges	(989,087)	(897,242)	(1,886,329)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(768,359)</u>	<u>(546,184)</u>	<u>(1,314,543)</u>
<i>Net Income (Loss)</i>	1,879,331	(532,922)	1,346,409
<i>Retained Earnings Beginning of Year</i>	<u>4,618,541</u>	<u>38,020,644</u>	<u>42,639,185</u>
<i>Retained Earnings End of Year</i>	6,497,872	37,487,722	43,985,594
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>\$6,704,910</u></u>	<u><u>\$37,690,384</u></u>	<u><u>\$44,395,294</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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$7,623,249	\$7,080,760	(\$542,489)
OWDA Loan Proceeds	2,161,441	1,612,350	(549,091)
Interest	240,400	221,105	(19,295)
Other Operating Revenues	19,890	24,073	4,183
<i>Total Revenues</i>	10,044,980	8,938,288	(1,106,692)
Expenses			
Current			
Personal Services	3,337,954	3,327,965	9,989
Contractual Services	250,300	68,186	182,114
Materials and Supplies	481,281	338,658	142,623
Utilities	643,000	570,020	72,980
Other Operating Expenses	253,023	205,418	47,605
Capital Outlay	2,662,541	2,311,891	350,650
Debt Service:			
Principal Retirement	1,028,007	1,022,721	5,286
Interest and Fiscal Charges	973,740	973,278	462
<i>Total Expenses</i>	9,629,846	8,818,137	811,709
<i>Excess of Revenues Over Expenses</i>	415,134	120,151	(294,983)
<i>Fund Equity Beginning of Year</i>	1,738,947	1,738,947	0
Prior Year Encumbrances Appropriated	17,568	17,568	0
<i>Fund Equity End of Year</i>	\$2,171,649	\$1,876,666	(\$294,983)
Beginning Cash Balance		1,876,666	
Actual Cash Balance at Year End		=====	

Difference

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, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	\$8,890,969	\$8,182,361	(\$708,608)
OWDA Loan Proceeds	5,772,100	2,903,164	(2,868,936)
Interest	451,510	354,145	(97,365)
Other	<u>146,221</u>	<u>44,385</u>	<u>(101,836)</u>
<i>Total Revenues</i>	<u>15,260,800</u>	<u>11,484,055</u>	<u>(3,776,745)</u>
Expenses			
Current			
Personal Services	3,747,548	3,619,435	128,113
Contractual Services	2,361,400	2,078,686	282,714
Materials and Supplies	476,340	348,169	128,171
Utilities	721,000	679,785	41,215
Other Operating Expenses	348,017	237,822	110,195
Capital Outlay	8,287,435	5,837,401	2,450,034
Debt Service:			
Principal Retirement	1,137,600	1,062,339	75,261
Interest and Fiscal Charges	<u>858,755</u>	<u>828,064</u>	<u>30,691</u>
<i>Total Expenses</i>	<u>17,938,095</u>	<u>14,691,701</u>	<u>3,246,394</u>
<i>Excess of Revenues Under Expenses</i>	(2,677,295)	(3,207,646)	(530,351)
Advances Out	<u>(550,000)</u>	<u>(550,000)</u>	<u>0</u>
<i>Excess of Revenues Under Expenses and Advances</i>	(3,227,295)	(3,757,646)	(530,351)
<i>Fund Equity Beginning of Year</i>	12,202,969	12,202,969	0
Prior Year Encumbrances Appropriated	<u>1,785,819</u>	<u>1,785,819</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$10,761,493</u>	<u>\$10,231,142</u>	<u>(\$530,351)</u>
Beginning Cash Balance		10,231,142	
Actual Cash Balance at Year End		=====	

Difference

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

	Water Works	Water Pollution Control	Totals
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities			
Cash Received from Customers	\$7,080,760	\$8,182,361	\$15,263,121
Cash Payments for Goods and Services	(1,048,446)	(2,809,699)	(3,858,145)
Cash Payments for Employee Services and Benefits	(3,369,414)	(3,667,374)	(7,036,788)
Other Operating Revenues	24,073	44,491	68,564
<i>Net Cash Provided by Operating Activities</i>	<u>2,686,973</u>	<u>1,749,779</u>	<u>4,436,752</u>
Cash Flows from Noncapital Financing Activities			
Advances Out	0	(550,000)	(550,000)
Cash Flows from Capital and Related Financing Activities			
Principal Paid on Bonds	(565,000)	(565,000)	(1,130,000)
Interest Paid on Bonds	(574,083)	(378,863)	(952,946)
Principal Retirement on OWDA Loans	(457,721)	(497,339)	(955,060)
Interest Paid on OWDA Loans	(399,195)	(449,201)	(848,396)
OWDA Loan Proceeds	1,612,350	2,903,164	4,515,514
Purchase of Fixed Assets	(2,175,856)	(5,637,565)	(7,813,421)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(2,559,505)</u>	<u>(4,624,804)</u>	<u>(7,184,309)</u>
Cash Flows from Investing Activities			
Interest	221,105	354,039	575,144
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	348,573	(3,070,986)	(2,722,413)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,831,298</u>	<u>14,069,819</u>	<u>15,901,117</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$2,179,871</u>	<u>\$10,998,833</u>	<u>\$13,178,704</u>

(continued)

Internal Service Funds

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.

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, 2001

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
Assets			
Current Assets			
Cash and Cash Equivalents	\$8,852	\$165,579	\$174,431
Interfund Receivable	213	0	213
Materials and Supplies Inventory	<u>120,672</u>	<u>0</u>	<u>120,672</u>
 Total Current Assets	 129,737	 165,579	 295,316
 Fixed Assets (Net of Accumulated Depreciation)	 <u>19,318</u>	 <u>0</u>	 <u>19,318</u>
 <i>Total Assets</i>	 <u><u>\$149,055</u></u>	 <u><u>\$165,579</u></u>	 <u><u>\$314,634</u></u>
 Liabilities			
Current Liabilities			
Accounts Payable	\$13,012	\$67,076	\$80,088
Claims Payable	0	378,352	378,352
Accrued Wages	1,160	53	1,213
Compensated Absences Payable	83,936	103	84,039
Due to Other Funds	60,349	0	60,349
Intergovernmental Payable	20,785	265	21,050
Death Benefits Payable	<u>22,500</u>	<u>0</u>	<u>22,500</u>
 <i>Total Liabilities</i>	 <u>201,742</u>	 <u>445,849</u>	 <u>647,591</u>
 Fund Equity			
Retained Earnings			
Unreserved (Deficit)	<u>(52,687)</u>	<u>(280,270)</u>	<u>(332,957)</u>
 <i>Total Fund Equity (Deficit)</i>	 <u>(52,687)</u>	 <u>(280,270)</u>	 <u>(332,957)</u>
 <i>Total Liabilities and Fund Equity</i>	 <u><u>\$149,055</u></u>	 <u><u>\$165,579</u></u>	 <u><u>\$314,634</u></u>

City of Lorain, Ohio
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Internal Service Funds
For the Year Ended December 31, 2001

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
Operating Revenues			
Charges for Services	\$1,025,887	\$3,084,712	\$4,110,599
Other Operating Revenues	3,708	182,735	186,443
<i>Total Operating Revenues</i>	<u>1,029,595</u>	<u>3,267,447</u>	<u>4,297,042</u>
Operating Expenses			
Personal Services	538,072	17,796	555,868
Contractual Services	1,499	56,228	57,727
Claims	0	3,574,947	3,574,947
Materials and Supplies	518,761	0	518,761
Other Operating Expenses	2,297	0	2,297
Depreciation	10,630	0	10,630
<i>Total Operating Expenses</i>	<u>1,071,259</u>	<u>3,648,971</u>	<u>4,720,230</u>
<i>Operating Loss</i>	(41,664)	(381,524)	(423,188)
Non-Operating Revenues			
Interest	0	9,087	9,087
<i>Net Loss</i>	(41,664)	(372,437)	(414,101)
<i>Retained Earnings (Deficit)</i>			
<i>Beginning of Year</i>	<u>(11,023)</u>	<u>92,167</u>	<u>81,144</u>
<i>Retained Earnings (Deficit) End of Year</i>	<u><u>(\$52,687)</u></u>	<u><u>(\$280,270)</u></u>	<u><u>(\$332,957)</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, 2001

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$1,209,161	\$1,025,674	(\$183,487)
Other Operating Revenues	2,000	3,708	1,708
<i>Total Revenues</i>	<u>1,211,161</u>	<u>1,029,382</u>	<u>(181,779)</u>
Expenses			
Personal Services	556,263	538,119	18,144
Contractual Services	15,650	1,499	14,151
Materials and Supplies	599,058	556,026	43,032
Other Operating Expenses	2,850	2,095	755
<i>Total Expenses</i>	<u>1,173,821</u>	<u>1,097,739</u>	<u>76,082</u>
<i>Excess of Revenues</i>			
<i>Over (Under) Expenses</i>	37,340	(68,357)	(105,697)
Advances In	0	60,349	60,349
<i>Excess of Revenues and Advances</i>			
<i>Over (Under) Expenses</i>	37,340	(8,008)	(45,348)
<i>Fund Equity Beginning of Year</i>	<u>8,008</u>	<u>8,008</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$45,348</u></u>	<u><u>\$0</u></u>	<u><u>(\$45,348)</u></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, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$3,060,416	\$3,084,712	\$24,296
Interest	10,000	8,870	(1,130)
Other Operating Revenues	178,910	182,735	3,825
<i>Total Revenues</i>	<i>3,249,326</i>	<i>3,276,317</i>	<i>26,991</i>
Expenses			
Personal Services	17,441	17,410	31
Claims	3,666,640	3,542,710	123,930
Other	800	635	165
<i>Total Expenses</i>	<i>3,684,881</i>	<i>3,560,755</i>	<i>124,126</i>
<i>Excess of Revenues Under Expenses</i>	<i>(435,555)</i>	<i>(284,438)</i>	<i>151,117</i>
<i>Fund Equity Beginning of Year</i>	<i>412,691</i>	<i>412,691</i>	<i>0</i>
Prior Year Encumbrances Appropriated	37,040	37,040	0
<i>Fund Equity End of Year</i>	<i>\$14,176</i>	<i>\$165,293</i>	<i>\$151,117</i>
Beginning Cash Balance			
Actual Cash Balance at Year End		165,293	

City of Lorain, Ohio
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended December 31, 2001

	Garage	Hospitalization	Totals
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities			
Cash Received from Quasi-External Transactions with Other Funds	\$1,025,674	\$3,084,712	\$4,110,386
Cash Payments for Goods and Services	(566,826)	(635)	(567,461)
Cash Payments for Employee Services and Benefits	(544,113)	(17,826)	(561,939)
Cash Payments for Claims	0	(3,542,710)	(3,542,710)
Other Operating Revenues	12,434	182,735	195,169
<i>Net Cash Used for Operating Activities</i>	(72,831)	(293,724)	(366,555)
Cash Flows from Noncapital Financing Activities			
Advances In	60,349	0	60,349
Cash Flows from Investing Activities			
Interest	0	9,087	9,087
<i>Net Decrease in Cash and Cash Equivalents</i>	(12,482)	(284,637)	(297,119)
<i>Cash and Cash Equivalents at Beginning of Year</i>	21,334	450,216	471,550
<i>Cash and Cash Equivalents at End of Year</i>	\$8,852	\$165,579	\$174,431

(continued)

City of Lorain, Ohio
Combining Statement of Cash Flows
All Internal Service Funds (continued)
For the Year Ended December 31, 2001

	<u>Garage</u>	<u>Hospitalization</u>	<u>Totals</u>
Reconciliation of Operating Loss to			
Net Cash Used for Operating Activities			
Operating Loss	(\$41,664)	(\$381,524)	(\$423,188)
Adjustments to Reconcile Operating			
Loss to Net Cash Used for			
Operating Activities			
Depreciation	10,630	0	10,630
Change in Assets and Liabilities			
Increase in Interfund Receivables	(213)	0	(213)
Increase in Materials Inventory	(24,337)	0	(24,337)
Increase (Decrease) in Accounts Payable	(11,206)	55,593	44,387
Increase in Accrued Wages	1,160	53	1,213
Increase in Claims Payable	0	32,237	32,237
Increase (Decrease) in Compensated Absences Payable	(14,722)	103	(14,619)
Increase (Decrease) in Intergovernmental Payable	2,521	(186)	2,335
Increase in Death Benefits Payable	5,000	0	5,000
<i>Net Cash Used for Operating Activities</i>	<u>(\$72,831)</u>	<u>(\$293,724)</u>	<u>(\$366,555)</u>