City of Lorain, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

Ronald L. Mantini
Lorain City Auditor

City of Lorain, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009
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The City of Lorain, Ohio

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June 29, 2010

Citizens of Lorain
Lorain, Ohio

I am pleased to submit the comprehensive annual financial report of the City of Lorain for the year ended December 31, 2009.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file unaudited general purpose external financial statements with the Auditor of State within 150 days of year end.

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ohio law requires independent audits to be performed on all financial operations of the City either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Ciuni and Panichi, Inc., Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Lorain financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and should be read in conjunction with it.

Profile of the Government

The City of Lorain, incorporated in 1874, 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. It was founded on July 16, 1834 when a group of settlers had a plat of a 40-acre town drawn up and submitted to the Lorain County recorder as Charleston village. It currently occupies 24.25 square miles and serves a population of 70,239 based on the most recent data from the United States Census Bureau for the year 2009. The City is the largest City in the County and the 10th most populous City in the State.

Lorain possesses an international port that has access to world markets via the St. Lawrence Seaway. Major port facilities include 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 City is in the Cleveland Primary Metropolitan Statistical Area, comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. The City is also in the Cleveland-Akron-

Lorain Consolidated Metropolitan Statistical Area which is the 11th most populous of twenty in the country.

The City 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.

Legislative authority is vested in an 11-member City Council and a Council President. Council has three members who are elected at-large and eight 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, a Director of Public Service, department heads, boards and commissions. The Mayor's role is to promote business and commerce and to be the catalyst for new projects and developments.

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 technology activities, including a voice over internet protocol phone system (VOIP).

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 Court, each of whom are elected to six-year terms.

The City provides basic services to its residents including police and fire protection, planning, zoning, maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. Certain sanitation services are provided through the City's Water and Sewer Divisions, which functions, in essence, as a department of the City of Lorain and therefore has been included as an integral part of the City's financial statements.

The Council is required to adopt an annual budget by no later than March 31 of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, department (e.g., police) and object level (e.g., material and supplies). Sub-object level accounts (e.g., office supplies) are also budgeted for management internal control purposes. Department heads may transfer resources within an object level as they see fit. Transfers between object levels, departments and funds, however, need special approval from the governing council.

In 2009 the City maintained the policy of tight controls on spending, negotiating reasonable labor contracts with the City's local unions, and continued to research avenues of revenue enhancement in an effort to reduce the general fund deficit.

Local Economy

The economy of the City continues to have a diverse base with a mix of service oriented and manufacturing businesses. The following industries are vital to the City's financial condition and contribute to the stable economic condition of the City: Community Health Partners, the City's largest employer, is a full service hospital affiliated with Cincinnati, Ohio based Catholic Health Care Partners, one of the largest not-for-profit healthcare systems in the United States and the largest in Ohio; Industrias CH, S.A. (Republic Engineered Products) is North America's leading supplier of high quality bar steel; Lorain Tubular, a division of United States Steel Corporation, is a leading manufacturer of seamless steel pipe; Emerson Network Power, a major global telecommunications service provider; Grace Management Services, K-mart, Kohl's Department Store, Home Depot, Lowe's, Lorain City School District; Lorain National Bank; Lake Point Health Center; The Nord Center, a health care facility; CAMACO Inc., an automotive seating systems supplier.

The City continues to pursue several areas for urban renewal enhancement and redevelopment which include the following:

- **HarborWalk,** A $100 million, 62-acre development project which includes a planned 420-unit residential housing development, nautical boutiques, restaurants, a health club, a boardwalk and pier, a commercial fishing village and a 34,000 square foot commercial center. The HarborWalk Project involves an area which includes the former shipyard section of the City's downtown riverfront. A 19-acre Riverside Marina remains on the site. New construction is anticipated to continue through 2012.

- **Riverbend Commerce Park** (formerly named Colorado Industrial Park): The industrial park comprises an area of approximately 440 acres along the Black River, with approximately 178 acres of land suitable for development, 35 of the developable acres are located in Sheffield Village. The City has completed the initial phase of infrastructure development and now has at least 75 acres that are "shovel ready" for development including riverfront property on the Black River navigable channel. To further promote the availability of the Riverbend Commerce Park, the City has employed a marketer/broker to assist the City in generating sales leads. The property is listed on Loopnet and has its own website. Camaco LLC, a tenant in the Park completed their latest expansion in early 2008 with a 40,000 square foot addition to their building. The total facility is now approximately 160,000 square feet. In 2010, Camaco, LLC plans to invest approximately $8 million in machinery and equipment and creating 25 new full-time jobs. The other tenants, the US Post Office and Horizon Daycare are still operating.

- **Lighthouse Village**: The Lighthouse Village Urban Renewal Plan area is a development site of approximately 65 acres controlled by Lighthouse Village, LLC. Their proposed development of the approximately 500,000 square foot retail facility has progressed with the opening of Kohl's Department Store in October 2006, Home Depot in February 2008, and Applebee's Restaurant in late 2008. Wal-Mart begin construction on a 180,000 square foot Super Wal-Mart in December 2009 and is scheduled to open in September 2010. It is anticipated to create up to 400 new jobs. Additional negotiations are underway with other retailers to locate on this site.

- **Lorain West Urban Renewal Plan**: The Lorain West Urban Renewal Plan area includes the Amherst Development Co. LLC (aka Heritage Development) with their 200 plus housing subdivision and retail center of approximately 250,000 square feet, of which half would be in the City of Lorain. Construction began in early 2008 on the infrastructure for 40 cluster homes and later in 2008 on the infrastructure for 40 more lots for single family homes. A 145,000 square foot Target opened in October 2008. The Target store is located in the City of Amherst portion of this development. Ground was broken in January 2008 for an 117,000 square foot Lowe's store which opened in October 2008. A 14,000 square foot retail building was built in the City of Amherst. This

building houses a sandwich shop, hair salon, bedding store and a beauty supply store and opened in the second quarter of 2009. Construction on a Key Bank branch was completed in 2009 and the bank opened in the fall of 2009. Plans call for an additional out lots to be built in the Lorain section.

The Plan Area also includes the vacated Ford Assembly Plant. In December 2006 the property was sold to Industrial Realty Group (IRG). IRG is a California developer that specializes in transforming old industrial sites. The Urban Renewal Plan will allow the City to work aggressively with the IRG. The plan provides for new zoning classifications that can be readily adopted, and puts in place a Tax Increment Financing (TIF) district to allow the City to work with the developer to make the necessary public improvements to allow the 225 plus acres to be subdivided and marketed more quickly. Five companies have already located at this site – Trademark Global, an internet sales company; Jiffy Products, a supplier of plant propagation, seed, forestry, plants and trees; Vermilion Indoor Storage; Midwest Global Distribution Centers, a warehouse operation; and AGC, an aftermarket glass company. Heidelberg Distributing Family of Companies, the 16th largest distributor of beer in the United States, will be moving two of its distributing locations to the site in second quarter 2010. The company is planning to move Goodman Beverage Co. from Lorain, Ohio, and Mid-Ohio Wines, from Norwalk, Ohio into a renovated portion of the former Ford plant. Goodman Beverage and Mid-Ohio Wines distribute alcoholic and non-alcoholic beverages to retailers in Lorain, Erie, Huron, Ashland, Holmes, Ottawa, Sandusky, Seneca, and Wyandot counties. City officials have promoted the deal because it will keep 50 jobs in Lorain and add 50 jobs from the relocation of Mid-Ohio Wines. City Council has approved a 15-year tax incentive for the company if it maintains an annual payroll of at least $3.4 million. IRG is currently working with various other companies to relocate to the site.

- **Lorain Lakefront Development:** The City of Lorain and the Lorain Port Authority have signed a cooperative agreement to market the development of this site along with additional property along the Black River that is owned by the Port Authority. A contract to market the property on an international level was awarded to Staubach, Inc. in May 2008. Staubach presented its findings to the City at a Joint Waterfront Development Committee in January 2008. Key issues presented include cleaning up environmental concerns, urban blight, dated marina facilities and the lack of an attraction. The City's administration has formed committees to identify solutions and determine when the problems could be fixed. Once this is completed, the City will market the site to potential developers. These committees had held various meetings in 2008. Plans have been presented to relocate a sewage treatment plant, and the Lorain Port Authority is working on relocating over head electric wires and has received $3 million to refurbish a marina. The City continues to make progress in its efforts to strengthen its economic base and community development.

New and existing residential projects continue and expand in various stages including but not limited to: Martin's Run, Deerfield Village, Mallard Creek housing development on the west side of Oak Point Road in the City, and the purchase of four acres of land on Lake Erie by Avalon Beach, LLC with plans to build a high rise lakefront condominium complex.

Long Term Financial Planning

The Administration is committed to working with the business community and residents to assure that the City of Lorain provides a high quality of life and services. Revenues for 2010 are estimated to be up from 2009 collections. The City is attempting to maintain services in this economically troubled economy.

Revenue enhancements include increasing the license plate fees by five dollars which will generate an additional $250,000 per year for Oberlin Avenue road infrastructure repairs and maintenance. This increase was passed by City Council in December 2009. The administration is considering additional license plate fees again this year.

Major Initiatives

Lorain Police Department The Lorain Police Department completed the final phase of their renovation project – the construction of a new and updated dispatch center and the remodeling of the police operations and administrative offices. Both of these phases were completed in 2009.

Lorain Utilities Department The Utilities department commitment to upgrade the City's aging infrastructure continued with the construction of two major sanitary sewer improvement projects in 2009. The West Side Sanitary Relief Sewer Improvement project consists of the installation of new sanitary mainline with manholes, appurtenances and chambers and the East-Central Relief Sewer Improvements consists of the installation of new sanitary mainline with manholes and the rehabilitation of existing sanitary mainline. Also in 2009, the design phase of the Black River wastewater storage and conveyance tunnel was begun as a final phase of the SSO elimination program and a first step in moving the Black River Wastewater Treatment plant location.

Lorain Parks and Recreation Department The Lorain Parks and Recreation Department in 2008 entered into a five year lease agreement with North Coast Knights to lease the Pipe Yard baseball facility. The North Coast Knights is a team made up of elite collegiate professional prospects from all over the country and plans to use the Pipe Yard for 30 home games. The North Coast Knights completed their 2009 season and opted out of their lease. RS Entertainment, LLC will sign a three year lease for the Pipe Yard baseball facility in early 2010 for a new team called the Lorain County Ironmen to play in the Prospect League.

Community Development Department The Lorain Community Development Department has received a $3,031,480 Title III Neighborhood Stabilization Program (NSP) grant from the United States Department of Housing and Urban Development. This money will be used for acquisition, rehabilitation and sale/lease to low income residents of the City. Money will also be used for demolition of blighted buildings and acquisition for land banking. In 2009 36 structures were demolished, 2 homes were purchased for rehabilitation and sale/lease to low income residents of the City and 7 properties were acquired for land banking.

The department has also started the Pearl Avenue Corridor project. This project will develop an international corridor which will showcase the rich heritage of the City. This concept is aimed to highlight the existing architecture present in this district. These architectural styles range from Victorian, Queen Anne, Romanesque and Greek Revival. A Spanish colonial design period will be incorporated to represent the Latin American culture. In 2009, the City organized a land swap with El Centro de Servicios Sociales, a bilingual/bicultural center offering social services to Hispanic and non-Hispanic residents in Lorain County since 1974. As a result, El Centro will acquire a larger facility to serve its population. El Centro is in the process of raising $1.5 million to renovate the former City Bank building into its headquarters. The Community Development department assisted a local restaurant in completing a $70,000 patio addition scheduled to open in May 2010 and worked with a Vision Learning Center to renovate the former St. Cyril & Methodius Church into a 24 hour day care facility which is scheduled to open in June 2010. A barber shop and Dollar Store are scheduled to open in May 2010.

Awards and Acknowledgements

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 year ended December 31, 2008.

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 fifteen 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.

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 proofreading of the CAFR. Special thanks are extended to **Anita J. Harper**, Chief Deputy Auditor and **Patricia L. Dunnigan**, Deputy Auditor. Without their effort, the preparation and printing of this document would not be possible.

Thanks also must be given to the department heads for their input. In addition, I would like to express my appreciation to the Auditor of State, Local Government Services Section for their consultation and assistance on this project.

Sincerely,

Ronald L. Mantini

Ronald L. Mantini
Lorain City Auditor

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, 2008

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.

President

Executive Director

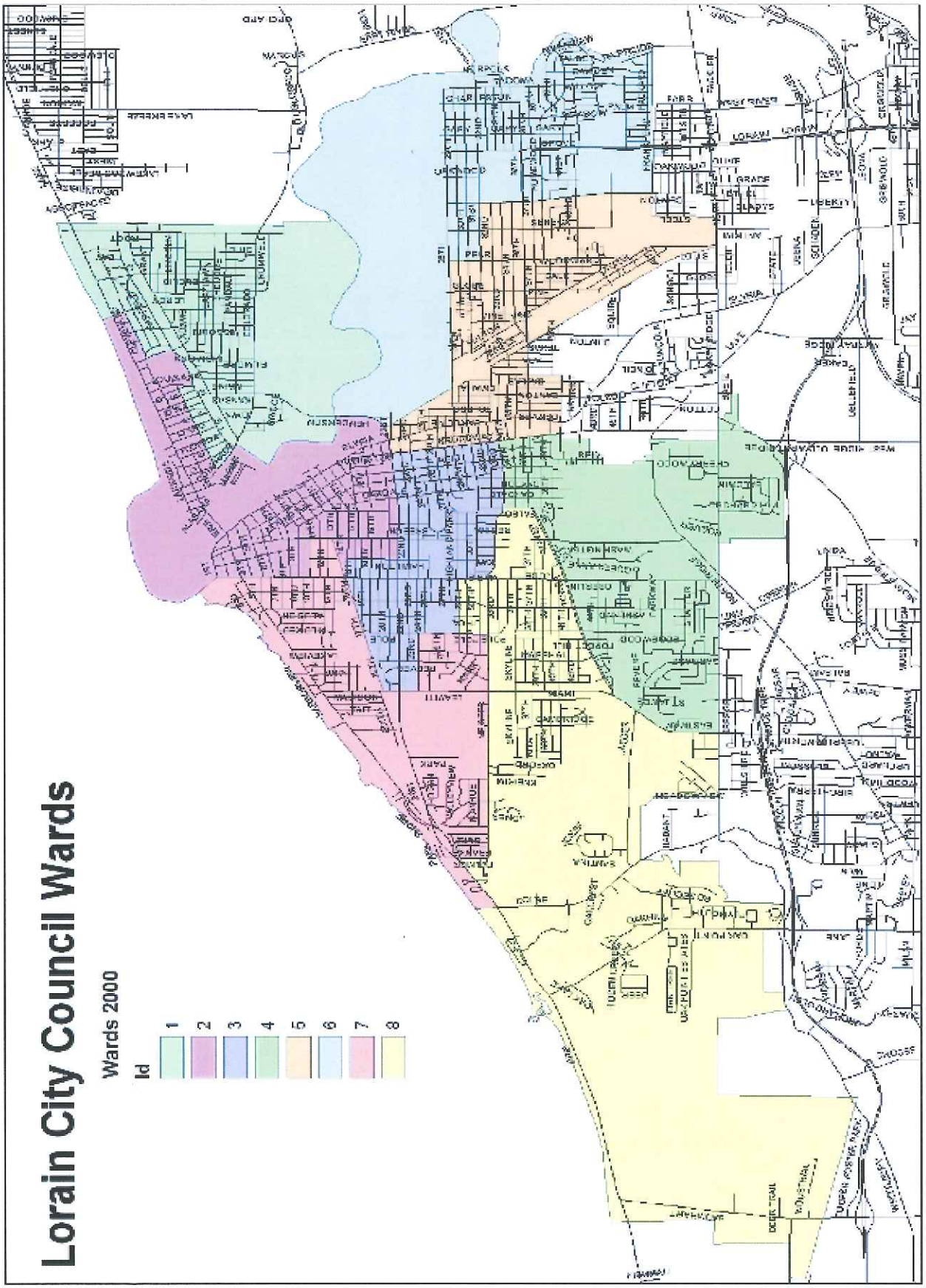
CITY OF LORAIN, OHIO
ELECTED OFFICIALS

TITLE	NAME	YEARS OF SERVICE IN OFFICE	YEARS OF SERVICE WITH THE CITY
Mayor	Tony Krasienko	2	14
City Auditor	Ronald L. Mantini	10	10
City Treasurer	Thomas Urbanek	4	24
Director of Law	Patrick D. Riley	1	1
Clerk of Courts	Lori Maiorana	4	29
Judge	Mark Mihok	8	21
Judge	Thomas Elwell	6	6
Members of Council:			
Council President	Joel Arrendondo	2	2
Council at Large	Mitchell Fallis	2	2
Council at Large	Daniel Given	4	16
Council at Large	Anne Molnar	2	10
1ST Ward	Melanie Szabo	2	2
2nd Ward	Dennis Flores	2	2
3rd Ward	Tim D. Howard	2	2
4th Ward	Bret Schuster	4	4
5th Ward	Eddie Edwards	12	12
6th Ward	Greg Holcomb	4	4
7th Ward	Myroslaw Silecky	4	4
8th Ward	Craig Snodgrass	4	4

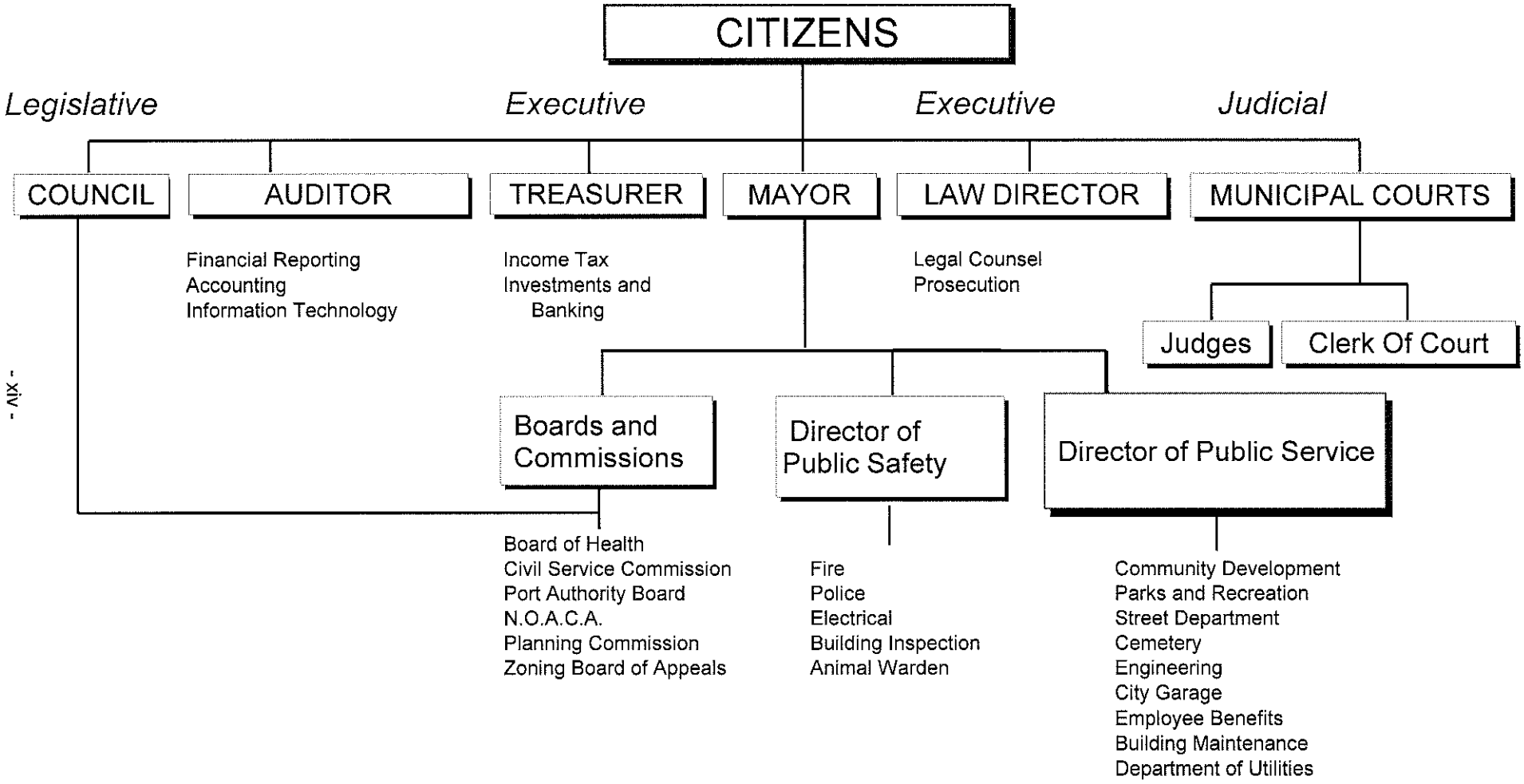
APPOINTED OFFICIALS

TITLE	NAME	YEARS OF SERVICE IN OFFICE	YEARS OF SERVICE WITH THE CITY
Director of Public Safety	Philip Dore	2	32
Director of Public Service	Robert Gilchrist	2	2
Police Chief	Celestino Rivera	15	39
Fire Chief	Thomas Brown	4	22
Director of Utilities	Corey Timko	6	9
Director of Community Development	Vacant		
Director of Park & Recreation	Vacant		
Street Commissioner	Chuck Camera	19	38
Building Inspector	Richard Klinar	2	16
Acting Administrative Director (Engineering)	James Reagan	2	28
Chief Deputy Auditor	Anita Harper	10	10
IT Director	David Comer	16	16
Clerk of Council	Nancy Greer	15	18

City of Lorain Voting Wards



City of Lorain - Organizational Chart



Ciuni & Panichi
CPAs and Business Advisors

Independent Auditors' Report

Members of the City Council
Lorain, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lorain, Ohio (the "City") as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General and Community Development Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2009, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments,* Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,* Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

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A member of National Associated CPA Firms

Members of the City Council
Lorain, Ohio

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 29, 2010

The discussion and analysis of the City of Lorain's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter, as well as the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2009 are:

- In total the City's net assets decreased from 2008. The decrease resulted from a reduction in cash and cash equivalents due to the weakened economy and depreciation on the City's capital assets. This decrease was partially offset by a reduction in total liabilities.

- In 2009 the City was awarded over six million dollars in federal and state grants including over two million in American Recovery and Reinvestment Act (ARRA) grants for community development and police purposes within the City. The City actively pursues grants to offset costs of providing services and to offer new programs to the Citizens of Lorain.

- The general fund had a decrease in fund balance due mainly to a reduction in income tax and intergovernmental revenue.

- The first step in the relocation of the wastewater treatment plant at the mouth of the Black River was taken with the undertaking of the design phase of the Black River wastewater storage and containment tunnel.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the City of Lorain's basic financial statements. These statements are organized so that the reader can understand the City as a financial whole or as an entire operating entity. The statements then proceed to provide and increasingly detailed look at specific financial conditions.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Government-wide financial statements – Reporting the City of Lorain as a Whole

Statement of Net Assets and Statement of Activities

The Statement of Net Assets and the Statement of Activities provide summary information concerning the financial position and operations of the City as an entity. They provide a good resource for an overall evaluation of the City's financial performance. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of

accounting takes into consideration all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. The changes in assets are important because it is an indication of whether the financial position of the City is improving or declining. However, in evaluating the overall position of the City, non-financial information such as current economic conditions as a whole, changes in the City's tax base, and the age and condition of City capital assets will also need to be evaluated.

The *Statement of Net Assets* and the *Statement of Activities* are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Revenue and Expenses
- General Revenues
- Net Assets Beginning of Year and Year's End

Reporting the City of Lorain's Most Significant Funds

Fund Financial Statements

The presentation of the City's major funds begins on page 20. Fund financial reports provide detailed information about the City's major funds. The City has established many funds which account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. The City of Lorain's major funds are: the general fund, community development, general obligation bond retirement, capital improvements, water works and water pollution control funds.

Governmental Funds

All of the City's major activities (excluding the water and water pollution control funds) are reported in the governmental funds. This report shows how monies flow into and out of these funds and also shows what balances are available for future expenditures. Governmental funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. These services include police and fire protection, as well as improving and maintaining the City's streets, parks, and cemeteries, the operation of the City's health department, and the functions of City Hall. The relationship (or differences) between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds (Water and Water Pollution Control (Sewer) Funds) have historically operated using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the City as a whole. The proprietary fund financial statements can be found beginning on page 26 of this report.

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. The City of Lorain maintains two Internal Service Funds: the garage fund which accounts for charges to various departments for maintenance on vehicles and equipment and the hospitalization fund which accounts for the hospital/medical, prescription drug, vision, and dental benefits for the self-insurance program for the employees of the City. The Internal Service Fund financial statements can be found beginning on page 26 of this report.

Fiduciary Funds

The City's only fiduciary funds are agency funds. Agency funds are purely custodial funds used to account for resources held for the benefit of parties outside the City government and do not involve the measurement of results of operation. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The Fiduciary Fund financial statement can be found on page 30 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the City-wide and fund financial statements. The notes to the financial statements can be found on pages 31-75 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules that can be found on pages 78-131 of this report.

The City of Lorain as a Whole

The Statement of Net Assets provides an all-inclusive view of the City. Table 1 provides a summary of the City's net assets for 2009 as compared to 2008.

TABLE 1
NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and Other Assets	$38,922,185	$40,952,744	$12,090,124	$11,779,023	$51,012,309	$52,731,767
Capital Assets,						
Non-Depreciable	21,600,732	19,489,797	30,636,955	28,997,745	52,237,687	48,487,542
Capital Assets,						
Depreciable, Net	100,059,137	109,501,455	71,742,051	73,372,408	171,801,188	182,873,863
Total Assets	160,582,054	169,943,996	114,469,130	114,149,176	275,051,184	284,093,172
Liabilities						
Current and Other Liabilities	10,334,274	10,265,425	2,195,502	2,059,728	12,529,776	12,325,153
Long-Term Liabilities:						
Due Within One Year	4,605,375	4,429,821	4,538,550	4,115,266	9,143,925	8,545,087
Due in More Than One Year	49,411,393	50,219,615	50,766,831	53,504,148	100,178,224	103,723,763
Total Liabilities	64,351,042	64,914,861	57,500,883	59,679,142	121,851,925	124,594,003
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	77,419,157	85,270,139	48,300,584	46,112,138	125,719,741	131,382,277
Restricted:						
Capital Projects	747,170	2,184,529	0	0	747,170	2,184,529
Debt Service	999,595	929,267	2,707,499	2,647,896	3,707,094	3,577,163
Replacement and Improvement	0	0	300,000	300,000	300,000	300,000
Utility Reserve	0	0	1,354,532	1,394,584	1,354,532	1,394,584
Other Purposes	22,390,725	19,648,025	0	0	22,390,725	19,648,025
Unrestricted (Deficit)	(5,325,635)	(3,002,825)	4,305,632	4,015,416	(1,020,003)	1,012,591
Total Net Assets	$96,231,012	$105,029,135	$56,968,247	$54,470,034	$153,199,259	$159,499,169

As noted earlier, net assets may serve over time as a useful indicator of a City's financial position. The largest portion of the City's net assets reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, furniture and fixtures and infrastructure including water and sewer lines), less any outstanding debt used to acquire those assets.

Total net assets decreased from 2008 to 2009 primarily in the area of invested in capital assets, net of related debt due to depreciation. The decrease in current and other assets resulted mainly from a reduction in cash and cash equivalents as a consequence of the current economic downturn. Total liabilities decreased slightly from 2008 to 2009 as a result of paying down the bonded debt and other loans and capital leases of the City.

Table 2 shows the changes in net assets for the years ended December 31, 2009 and 2008 and corresponds to the Statement of Activities on page 18.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services and Assessments	$4,713,828	$4,513,945	$19,860,657	$19,473,829	$24,574,485	$23,987,774
Operating Grants and Contributions	10,026,961	5,862,249	0	0	10,026,961	5,862,249
Capital Grants and Contributions	1,757,274	1,478,968	0	700,813	1,757,274	2,179,781
Total Program Revenues	16,498,063	11,855,162	19,860,657	20,174,642	36,358,720	32,029,804
General Revenues:						
Municipal Income Taxes	15,635,685	18,173,290	0	0	15,635,685	18,173,290
Property Taxes	4,147,795	4,287,671	0	0	4,147,795	4,287,671
Payments in Lieu of Taxes	916,189	524,641	0	0	916,189	524,641
Investment Income	53,381	377,061	1,158	39,053	54,539	416,114
Intergovernmental Revenue not Restricted to Specific Programs	5,221,222	7,371,329	0	0	5,221,222	7,371,329
Franchise Fees	602,430	690,859	0	0	602,430	690,859
Miscellaneous	524,420	460,595	71,804	21,555	596,224	482,150
Total General Revenues	27,101,122	31,885,446	72,962	60,608	27,174,084	31,946,054
Total Revenues	43,599,185	43,740,608	19,933,619	20,235,250	63,532,804	63,975,858
Program Expense:						
General Government	12,043,738	12,788,107	0	0	12,043,738	12,788,107
Security of Persons and Property	19,793,984	22,346,039	0	0	19,793,984	22,346,039
Transportation	12,665,797	13,855,345	0	0	12,665,797	13,855,345
Public Health	1,786,441	2,021,791	0	0	1,786,441	2,021,791
Community Environment	654,143	636,040	0	0	654,143	636,040
Economic Development	2,222,946	4,623,187	0	0	2,222,946	4,623,187
Leisure Time Activities	1,090,661	1,582,512	0	0	1,090,661	1,582,512
Interest and Fiscal Charges	2,139,598	2,114,164	0	0	2,139,598	2,114,164
Water Works	0	0	7,579,138	7,594,813	7,579,138	7,594,813
Water Pollution Control	0	0	9,856,268	9,167,502	9,856,268	9,167,502
Total Expenses	52,397,308	59,967,185	17,435,406	16,762,315	69,832,714	76,729,500
Increase (Decrease) in Net Assets	(8,798,123)	(16,226,577)	2,498,213	3,472,935	(6,299,910)	(12,753,642)
Net Assets, January 1	105,029,135	121,255,712	54,470,034	50,997,099	159,499,169	172,252,811
Net Assets, December 31	$96,231,012	$105,029,135	$56,968,247	$54,470,034	$153,199,259	$159,499,169

Program revenues increased in 2009. This increase is primarily reflected in operating grants and contributions and is mostly related to economic development in the form of community development block grant and housing and urban development funds. While program revenues provide considerable assistance in the provision of governmental services, the burden of governmental support is met by general revenues such as municipal income taxes, property taxes, and unrestricted grants and entitlements. General revenues decreased from the prior year. The preponderance of this decrease is attributable to a sharp decline in municipal income tax collections and in unrestricted grants and entitlements due to a decrease in intergovernmental monies received from the County for local government revenue.

Governmental Activities

There are several revenue sources that fund the City's governmental activities. Income tax revenues account for one of the largest sources of revenue. The income tax rate for the general fund of the City is 1.75 percent and was last amended in 2005. In 1992 an additional .25 percent was approved by the citizens of Lorain for the Police (money collected is in a separate police levy fund). In 2009, the revenue from income taxes decreased as a direct result of the poor economy. In December 2009 Lorain City Council voted to reduce the income tax credit allowed to residents of the City on income earned outside the City and paid to another municipality from 1.0 percent to .50 percent. This credit reduction goes into effect January 1, 2010 for the 2010 tax year.

The second largest source of revenue in governmental activities, Operating Grants and Contributions, saw an increase in 2009 due to the influx of federal and state grants for community development and police operations.

The City has a strong economic development program, through our Community Development Department, which is aggressively pursuing new businesses to support the City's governmental activities. The City of Lorain, through the Administration and City Council, continues to pursue strategies that will expand the local tax base, expand employment opportunities, improve economic conditions and diversify the local industrial base.

Total governmental program expenses for 2009 were down as compared to 2008 as a result of the City's effort to curb spending in the face of the uncertain and depressed economy. Security of persons and property accounted for the largest portion of program expenses and includes the operations of the police and fire departments.

In addition to financial support from General Fund revenues, the Police Department has a special income tax levy of .25 percent which is used for additional police officers and equipment. This money is utilized to purchase new vehicles, equipment that will better serve our community and provide extra police officers. In 2009 the police department purchased 5 new police cruisers and a GPS tracking system for all police units.

The Fire Department is funded with General Fund revenues. The Department continues to upgrade emergency fire and rescue equipment, as needed, to better serve the community. In 2009, the fire department purchased diesel emissions filters for nine fire trucks through a FEMA assistance to firefighters grant. These filters remove harmful diesel exhaust fumes from the personnel areas of the vehicles to improve the health and safety of the City's firefighters.

Transportation expenses were for the depreciation, maintenance and repairs to the City's roads and infrastructure. The City paid for these projects from general revenues, license plate fees, and State gas taxes.

General government expenses include the functions of the legislative, executive and judicial branches of the City and include the operations of the auditor, treasurer, engineering and electrical departments.

Business-Type Activities

Utility services for water and water pollution control saw an increase in charges for services. Water pollution control customer usage was up in 2009 but was offset by a decrease in water customer usage. The rates charged to customers were increased in April 2009 for the water department and water pollution control department by fifteen percent and 26 percent respectively. The City closely monitors the utility rate structure to insure it meets both the revenue bond indenture requirements and its operating needs including debt.

The Utilities Department continued work on the Westside relief sewer, a 24 million dollar upgrade project, and work on the East Central relief sewer. The Black River wastewater storage and containment tunnel project was begun in 2009 in an effort to reduce the pollution emitted into Lake Erie as a result of sanitary sewer and storm water overflows. This project is also the first step in the process of moving the treatment plant at the mouth of the Black River to another location to make additional acreage on the waterfront available for development.

The City's Funds

Information about the City's governmental funds begins on page 20 . These funds are accounted for by using the modified accrual basis of accounting to ensure compliance with finance related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on short term revenues, expenditures and balances of resources available to spend. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The General Fund is the main operating fund of the City. The decrease in fund balance is largely attributable to the reduced collections of municipal income tax and local government revenue received from the State which is a direct result of the stressed economy.

The Community Development Fund accounts for State and Federal grants restricted for the acquisition of real property, administrative costs, public facilities and the rehabilitation of real property. The community development department received over four million in federal grants in 2009. These funds will be used to stabilize distressed neighborhoods by purchasing abandoned and foreclosed homes to either demolish or rehabilitate the structures to improve the City's neighborhoods and financial assistance to help the Citizens of the City who are in danger of becoming homeless or in the case of individuals already experiencing homelessness, to expedite re-housing.

The General Obligation Bond Retirement Fund accounts for the accumulation of resources to pay principal and interest on general obligation debt. The City's general obligation bond retirement fund's ending fund balance consists entirely of excess payments in lieu of taxes received in 2009 specifically restricted for debt service on the City's various urban renewal bonds.

The Capital Improvements Fund accounts for State grants and loans, transfers in and various other financing sources used for the construction of various improvements of the City. The deficit balance is due to the issuance of notes for various street projects throughout the City.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law, adopted by an ordinance of City Council and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The General Fund is organized upon the basis of eighteen (18) departments each with its own set of line-item budgeted accounts. The recording of General Fund revenues and expenditures, along with original budget amounts, necessitates updates toward a final budget. Recommendations and requests for budget changes are referred to a City Council meeting for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within account categories within departments within the same fund.

At the direction of Council, all capital projects and requests for capital type purchases must be reviewed and approved individually by Council. The General Fund supports many major activities such as the Police Department, Fire Department, Lorain Municipal Court and Building Department as well as the legislative and most executive activities. Some major capital projects are funded with General Fund dollars. By ordinance, these funds are transferred from the General Fund to capital project funds where the revenue and expenditures for the capital improvement are tracked and monitored.

During the course of 2009, the City amended its general fund budget numerous times. The actual revenue amount was less than the final budget. Income taxes collected were under expected receipts. The income tax revenue was affected by reduced collections for final returns, estimates, and employer withholding and can be accredited to the general economic downturn. In 2009 an amendment of approximately three million dollars was made to the original revenue budget to account for the balance of the Clean Ohio Revitalization Fund (C.O.R.F.) grant. The intergovernmental revenue shortfall was mainly due to uncollected proceeds from the C.O.R.F. grant. Amendments were also made to other sources for an advance of and corresponding repayment of monies from the utility funds to cover the expenses related to the C.O.R.F. grant until reimbursement is received from the grant funds, and to temporarily sustain the general fund in the event of a negative cash flow during the year.

Corresponding amendments based on the above revenue enhancements were made to the original appropriation budget in various departments and included the C.O.R.F. grant expenses which are included in general government expenditures.

The negative variance in expenditures of security of persons and property between the final amended budget and the actual is the result of the police and fire departments exceeding their budget for personal services.

Revenues and expenditures are constantly being reviewed by the Auditor's office for adherence to the budget approved by City Council. Financial reports are given to the Administration and City Council for their review. The Auditor's office also works with the department heads to manage their budgets.

Capital Assets and Debt Administration

Capital Assets

Table 3
Capitals Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	$9,513,239	$9,414,359	$660,071	$617,876	$10,173,310	$10,032,235
Construction in Progress	12,087,493	10,075,438	29,976,884	28,379,869	42,064,377	38,455,307
Buildings and Improvements	14,681,953	14,146,077	25,738,756	26,672,865	40,420,709	40,818,942
Machinery and Equipment	9,803,448	10,241,158	3,795,827	3,853,254	13,599,275	14,094,412
Furniture and Fixtures	197,155	48,696	0	0	197,155	48,696
Infrastructure:						
Streets and Sidewalks	75,376,581	85,065,524	0	0	75,376,581	85,065,524
Water Lines	0	0	15,742,516	15,417,799	15,742,516	15,417,799
Sewer Lines	0	0	26,464,952	27,428,490	26,464,952	27,428,490
Total Capital Assets	$121,659,869	$128,991,252	$102,379,006	$102,370,153	$224,038,875	$231,361,405

The most significant increase in governmental capital assets was in construction in progress and includes the addition of the police dispatch and communications center construction and the State Route 58 rehabilitation road project.

Business-type activities saw additions to construction in progress for the Westside relief sewer, East Central relief sewer, and the Black River tunnel design.

City Council is committed along with the Administration to maintain its capital assets at a condition acceptable to provide the best possible service for all residents. The Administration continues to seek grants for infrastructure projects as well as improving City facilities and services.

See Note 8 of the Notes to the Basic Financial Statements for additional information on the City's capital assets.

Long-Term Obligations

The City's long-term obligations are comprised of general obligation, special assessment, and revenue bonds, loans (OWDA, HUD Section 108, OPWC, ODOD, and ODOT, and installment), capital leases, pollution remediation, and compensated absences.

Table 4
Outstanding Long-Term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	$30,303,361	$31,714,580	$867,653	$1,041,120	$31,171,014	$32,755,700
Special Assessment Bonds	847,338	467,691	0	0	847,338	467,691
Revenue Bonds	0	0	5,949,733	7,074,036	5,949,733	7,074,036
OWDA Loans	0	0	47,212,860	48,074,819	47,212,860	48,074,819
HUD Section 108 Loans	4,550,000	5,005,000	0	0	4,550,000	5,005,000
OPWC Loans	2,751,664	2,818,314	0	0	2,751,664	2,818,314
ODOD Loan	2,296,943	2,296,943	0	0	2,296,943	2,296,943
ODOT Loans	2,170,151	1,454,600	0	0	2,170,151	1,454,600
Installment Loans	640,498	193,716	0	0	640,498	193,716
Capital Leases	2,149,225	2,385,686	157,356	208,364	2,306,581	2,594,050
Pollution Remediation	821,774	821,774	0	0	821,774	821,774
Compensated Absences	7,485,814	7,491,132	1,117,779	1,221,075	8,603,593	8,712,207
Total	$54,016,768	$54,649,436	$55,305,381	$57,619,414	$109,322,149	$112,268,850

The fourteen general obligation bonds include the Riverfront, Heritage, and Lighthouse Village urban renewal bonds, an energy conservation bond, the Safety/Service bond used for police, fire, park and cemetery improvements and equipment, the Pellet Terminal bond issued for the purchase and improvement of the old pellet terminal site located on the Black River. The remainder of the bonds were issued for various purposes including infrastructure improvements dating back to 1988. The interest and principal on the general obligation bonds of the governmental activities are paid from real estate taxes and payments in lieu of taxes in the case of the urban renewal bonds. Interest and principal for business-type activities general obligation bonds are paid from water and sewer user fees.

The two special assessment bonds consist of various street improvement projects. In 2009, the City issued a $390,000 special assessment bond for street improvements on Gary Avenue, Wood Avenue, and Cooper Foster Park Road. The debt service on these loans is paid from real estate assessments on those property owners who benefitted from the improvements.

The two revenue bonds are for water and water pollution control facilities and are paid from water and sewer user fees.

The sixteen Ohio Water Development Authority (OWDA) loans are for water and sewer projects dating back to 1978. The major loans are for waterline replacements and projects related to the sanitary sewer overflow (SSO) project mandated by the Environmental Protection Agency:

The HUD Section 108 Loans are Community Development loans for the Head Start building, Riverbend Commerce Park (formerly named Colorado Industrial Park) infrastructure, expansion of the City's existing business development revolving loan fund and for acquisition of property and professional services for future economic development for the City.

The Ohio Department of Development (ODOD) urban redevelopment loan is for the purpose of land acquisition, infrastructure and site preparation within the Colorado Avenue Industrial Area Urban Renewal Plan Area.

The six Ohio Department of Transportation (ODOT) state infrastructure bank (SIB) loans are for the rehabilitation and repaving of State Route 57, East 36th St., State Route 58, North Ridge Road and various local roadways. A portion of the debt service paid is from state gas tax revenue pledged from the streets fund.

The seventeen Ohio Public Works Commission (OPWC) loans represent interest free loans obtained to finance road improvement projects throughout the City. These loans are paid from monies transferred into the general obligation debt service fund from the General Fund.

The City has entered into capitalized lease obligations for various equipment including fire trucks, street sweepers, dump trucks, and snow removal equipment for the street department, IP phone equipment and copiers/scanners for all City departments, and a high pressure jet truck for the water pollution control department. The minimum lease payments required are paid from the general fund, streets and health special revenue funds, general sewer capital projects fund, and the water pollution control fund.

The compensated absence category represents the dollar value of accumulated but unused sick leave and vacation time at year end. The liability represents amounts that will either be taken as leave or paid out upon termination or retirement. For additional information, please see note 13 to the basic financial statements.

The City's general obligation bond rating is Baa2 issued by Moody's and was assigned this rating in April 2007.

See Notes 11 and 12 to the Basic Financial Statements for additional information on the City's outstanding debt obligations.

Economic Factors and Current Financial Issues

Many of the financial issues that the City encountered in the last several years have worsened dramatically due to the nationwide recession. The City is facing many of the same issues as other communities, mainly decreasing revenue sources, rising operating costs, and capital needs that cannot be funded. The December 2009 unemployment rate for the City was 10.9 percent while the unemployment rate for Lorain County was 9.4 percent and the State of Ohio was 10.8 percent (based on the Ohio Job & Family Services, Office of Workforce Development).

The City's financial condition in 2009, primarily the general fund, has continued to deteriorate considerably as we have experienced decreases in income tax collections, local government revenue, and investment income compared to prior years. As a result, the City has had to make budget cuts in order to lower their costs. In doing so, the City was able to lower their expenses from the previous year but was still unable to match the decline in revenue to keep from adding to the general fund deficit. The general fund unreserved balance has been declining over the past few years. In 2006, the general fund's unreserved balance was $1,061,018 in contrast to the 2009 unreserved balance of ($1,398,518). There has been a concerted effort on the part of City Council and the City's administration to curtail spending wherever possible without compromising City services when possible.

The City's real estate property values decreased by approximately five percent from 2008 to 2009. Commercial/industrial/public utility property values increased slightly but the values for residential/agricultural properties declined sharply to pre 2006 levels.

The City continues to have an aggressive economic development program and includes the following projects:

Lighthouse Village - a 65 acre retail development of an approximately 500,000 square feet anchored by Kohl's Department Store and Home Depot. Kohl's Department Store opened in 2006, and Home Depot and Applebee's Restaurant opened in 2008. In February 2009, Walmart purchased 20.7 acres of the development site and construction on a 180,000 square foot Super Walmart began in December 2009.

Lorain West Urban Renewal Plan -. The Urban Renewal Plan allows the City to work aggressively with the private market to bring this land back into active use. This plan area includes the Amherst Development Co. LLC (aka Heritage Development) with their 200 plus housing subdivision and retail center of approximately 250,000 square feet, of which half is in the City of Lorain. In 2008, the retail center saw the completion and opening of a Lowe's home improvement store. In 2009, the construction of a Key Bank branch office and a 14,000 square foot retail building that houses a sandwich shop, hair salon, bedding store, and a beauty supply store was completed. These facilities were also opened and began operations in 2009.

The Plan Area also includes the Ford Assembly Plant which was closed in December 2005. Ford sold the facility in December 2006 to Industrial Realty Group (IRG), a California developer that specializes in transforming old industrial sites. The plan provides for new zoning classifications that can be readily adopted, and puts in place a Tax Increment Financing (TIF) district to allow the City to work with the developer to make the necessary public improvements to allow the 225 plus acres to be subdivided and marketed quickly. IRG began attracting new businesses and jobs to this site in 2007.

Below are companies that have either moved into this facility or have committed to doing so as of the end of 2009:

- Trademark Global, an internet sales company, moved into the site in September 2007. Trademark has 50 full-time employees and hires up to 140 seasonal (October through February) with an estimated annual payroll of $2 million. Annual sales are in excess of $14 million.

- Jiffy Products, a supplier of plant propagation, seed, forestry, plants and trees, moved into the site in March of 2008. Jiffy has 50 full time employees and hires up to 50 seasonal (October through February) with an estimated annual payroll of $1.5 million. Jiffy imports and distributes items to retailers, mostly in the United States, but also in 22 other countries.

- Vermilion Indoor Storage moved into the site in April 2008. They are leasing 100,000 square feet of space for storage of boats, recreational vehicles, classic cars and trailers and the facility is heated in the winter. Plans call for leasing of some outdoor storage space as the need arises.

- Midwest Global Distribution Centers moved into the site in the fall 2008 and started with 100,000 square feet of warehouse space. AGC, an aftermarket glass company, moved into the site in the fall 2008. The two companies share 175,000 square feet of space.

- Heidelberg Distributing Family of Companies, the 16th largest distributor of beer in the United States, will be moving two of its distributing locations to the site in second quarter 2010.

IRG continues working with various companies to relocate to the site.

Riverbend Commerce Park (formerly named Colorado Industrial Park): Camaco, LLC, a current tenant of the commerce park completed a 40,000 square foot addition in 2008. The total size of the facility is now approximately 160,000 square feet. The other tenants, the U.S. Post Office and Horizon Daycare, are still

operating. This project allows for approximately 75 acres of light industrial and commercial development within the City.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends or invests. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Ronald L. Mantini, Auditor
Ron_Mantini@cityoflorain.org
or
Anita J. Harper, Chief Deputy Auditor
Anita_Harper@cityoflorain.org

City of Lorain
200 W. Erie Ave. – 6th Floor
Lorain, OH 44052-1647

Basic Financial Statements

City of Lorain, Ohio
Statement of Net Assets
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$4,796,690	$3,876,933	$8,673,623
Cash and Cash Equivalents:			
In Segregated Accounts	54,987	0	54,987
With Trustee	0	2,787,710	2,787,710
With Fiscal Agents	269,741	0	269,741
Accounts Receivable	319,362	4,009,584	4,328,946
Inventory Held for Resale	1,866,831	0	1,866,831
Materials and Supplies Inventory	1,088,510	664,171	1,752,681
Internal Balances	(144,664)	144,664	0
Intergovernmental Receivable	8,680,689	34,775	8,715,464
Prepaid Items	64,828	49,689	114,517
Municipal Income Taxes Receivable	2,102,529	0	2,102,529
Property Taxes Receivable	4,231,135	0	4,231,135
Payments in Lieu of Taxes Receivable	227,596	0	227,596
Special Assessments Receivable	213,937	0	213,937
Loans Receivable	14,309,583	413,418	14,723,001
Deferred Charges	840,431	109,180	949,611
Capital Assets, Non-Depreciable	21,600,732	30,636,955	52,237,687
Capital Assets, Depreciable, Net	100,059,137	71,742,051	171,801,188
Total Assets	160,582,054	114,469,130	275,051,184
Liabilities			
Accounts Payable	1,240,588	477,134	1,717,722
Contracts Payable	195,389	1,010,282	1,205,671
Accrued Wages and Benefits	646,010	191,266	837,276
Matured Compensated Absences Payable	95,898	0	95,898
Vacation Benefits Payable	31,554	0	31,554
Intergovernmental Payable	1,549,438	389,689	1,939,127
Deferred Revenue	3,686,632	0	3,686,632
Retainage Payable	0	29,425	29,425
Accrued Interest Payable	303,012	90,100	393,112
Notes Payable	2,215,000	0	2,215,000
Claims Payable	370,753	7,606	378,359
Long-Term Liabilities:			
Due Within One Year	4,605,375	4,538,550	9,143,925
Due In More Than One Year	49,411,393	50,766,831	100,178,224
Total Liabilities	64,351,042	57,500,883	121,851,925
Net Assets			
Invested in Capital Assets, Net of Related Debt	77,419,157	48,300,584	125,719,741
Restricted for:			
Capital Projects	747,170	0	747,170
Debt Service	999,595	2,707,499	3,707,094
Community Development	21,696,627	0	21,696,627
Replacement and Improvement	0	300,000	300,000
Utility Reserve	0	1,354,532	1,354,532
Other Purposes	694,098	0	694,098
Unrestricted (Deficit)	(5,325,635)	4,305,632	(1,020,003)
Total Net Assets	$96,231,012	$56,968,247	$153,199,259

See accompanying notes to the basic financial statements

City of Lorain, Ohio
Statement of Activities
For the Year Ended December 31, 2009

		Program Revenues		
	Expenses	Charges for Services and Assessments	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	$12,043,738	$1,768,208	$225,533	$0
Security of Persons and Property	19,793,984	692,478	315,920	0
Transportation	12,665,797	77,203	2,438,807	1,757,274
Public Health	1,786,441	1,471,921	389,116	0
Community Environment	654,143	657,190	226,690	0
Economic Development	2,222,946	11,823	6,430,895	0
Leisure Time Activities	1,090,661	35,005	0	0
Interest and Fiscal Charges	2,139,598	0	0	0
Total Governmental Activities	52,397,308	4,713,828	10,026,961	1,757,274
Business-Type Activities				
Water Works	7,579,138	7,813,777	0	0
Water Pollution Control	9,856,268	12,046,880	0	0
Total Business-Type Activities	17,435,406	19,860,657	0	0
Total	$69,832,714	$24,574,485	$10,026,961	$1,757,274

General Revenues
Property Taxes Levied for:
General Purposes
Police Pension
Fire Pension
Debt Service
Municipal Income Taxes Levied for
General Purposes
Police Levy
Payments in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Franchise Fees
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activity	Total
($10,049,997)	$0	($10,049,997)
(18,785,586)	0	(18,785,586)
(8,392,513)	0	(8,392,513)
74,596	0	74,596
229,737	0	229,737
4,219,772	0	4,219,772
(1,055,656)	0	(1,055,656)
(2,139,598)	0	(2,139,598)
(35,899,245)	0	(35,899,245)
0	234,639	234,639
0	2,190,612	2,190,612
0	2,425,251	2,425,251
(35,899,245)	2,425,251	(33,473,994)
2,679,184	0	2,679,184
138,349	0	138,349
179,102	0	179,102
1,151,160	0	1,151,160
13,701,298	0	13,701,298
1,934,387	0	1,934,387
916,189	0	916,189
5,221,222	0	5,221,222
602,430	0	602,430
53,381	1,158	54,539
524,420	71,804	596,224
27,101,122	72,962	27,174,084
(8,798,123)	2,498,213	(6,299,910)
105,029,135	54,470,034	159,499,169
$96,231,012	$56,968,247	$153,199,259

City of Lorain, Ohio
Balance Sheet
Governmental Funds
December 31, 2009

	General	Community Development	General Obligation Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$0	$507,949	$328,340	$1,526,258	$2,111,077	$4,473,624
Cash and Cash Equivalents:						
In Segregated Accounts	54,987	0	0	0	0	54,987
With Fiscal Agents	0	269,741	0	0	0	269,741
Accounts Receivable	151,161	0	125,901	0	42,300	319,362
Inventory Held for Resale	0	1,866,831	0	0	0	1,866,831
Materials and Supplies Inventory	112,302	5,076	0	0	232,004	349,382
Interfund Receivable	0	2,294,898	0	0	20,747	2,315,645
Intergovernmental Receivable	2,680,794	4,687,049	79,150	249,066	984,630	8,680,689
Prepaid Items	45,803	7,150	0	0	9,792	62,745
Municipal Income Taxes Receivable	1,839,308	0	0	0	263,221	2,102,529
Property Taxes Receivable	2,719,827	0	944,568	0	566,740	4,231,135
Payments in Lieu of Taxes Receivable	0	20,880	206,716	0	0	227,596
Special Assessments Receivable	151,318	0	0	0	62,619	213,937
Loans Receivable	0	14,120,537	189,046	0	0	14,309,583
Total Assets	$7,755,500	$23,780,111	$1,873,721	$1,775,324	$4,293,130	$39,477,786
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	$589,797	$439,281	$0	$17,923	$129,880	$1,176,881
Contracts Payable	4,200	99,358	0	88,731	3,100	195,389
Accrued Wages and Benefits	484,266	35,667	0	0	112,413	632,346
Matured Compensated Absences Payable	85,202	0	0	0	10,696	95,898
Intergovernmental Payable	1,197,512	73,014	0	0	248,842	1,519,368
Interfund Payable	1,866,262	668	0	0	509,065	2,375,995
Claims Payable	33,027	0	0	0	0	33,027
Accrued Interest Payable	2,942	0	0	24,031	11,874	38,847
Notes Payable	0	0	0	2,215,000	0	2,215,000
Deferred Revenue	4,726,067	4,438,625	1,419,480	207,204	1,296,950	12,088,326
Total Liabilities	8,989,275	5,086,613	1,419,480	2,552,889	2,322,820	20,371,077
Fund Balances						
Reserved for Encumbrances	164,743	872,918	0	597,392	63,046	1,698,099
Reserved for Loans	0	13,222,597	0	0	0	13,222,597
Reserved for Inventory Held for Resale	0	1,866,831	0	0	0	1,866,831
Reserved for Debt Service	0	269,741	0	0	0	269,741
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	(1,398,518)	0	0	0	0	(1,398,518)
Special Revenue Funds	0	2,461,411	0	0	1,425,138	3,886,549
Debt Service Funds	0	0	454,241	0	0	454,241
Capital Projects Funds	0	0	0	(1,374,957)	482,126	(892,831)
Total Fund Balances (Deficit)	(1,233,775)	18,693,498	454,241	(777,565)	1,970,310	19,106,709
Total Liabilities and Fund Balances	$7,755,500	$23,780,111	$1,873,721	$1,775,324	$4,293,130	$39,477,786

See accompanying notes to the basic financial statements

City of Lorain, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2009

Total Governmental Fund Balances		$19,106,709
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		121,659,869
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Special Assessments	$213,937	
Delinquent Property Taxes	733,549	
Intergovernmental	6,933,655	
Municipal Income Taxes	292,957	
Payments in Lieu of Taxes	227,596	
Total		8,401,694
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		840,431
Two internal service funds are used by management to charge the costs of insurance and garage repairs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
Net Assets	641,728	
Capital Assets	(188,361)	
Bonds Payable	132,455	
Compensated Absences	95,687	
Internal Balances	(146,713)	
Total		534,796
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.		(264,165)
Vacation benefits payable is not due and payable with expendable available financial resources and therefore are not reported in the funds.		(31,554)
Long-term liabilities, including bonds and compensated absences, are not due and payable in the current period therefore are not reported in the funds:		
General Obligation Bonds	(30,642,312)	
Special Assessment Bonds	(835,035)	
HUD Section 108 Loans	(4,550,000)	
OPWC Loans	(2,751,664)	
Other Loans	(5,107,592)	
Compensated Absences	(7,485,814)	
Capital Leases	(2,149,225)	
Pollution Remediation	(821,774)	
Bond Premium	(30,375)	
Bond Discount	114,817	
Refunding	242,206	
Total		(54,016,768)
Net Assets of Governmental Activities		$96,231,012

See accompanying notes to the basic financial statements

City of Lorain, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2009

	General	Community Development	General Obligation Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$2,640,989	$0	$1,187,937	$0	$256,331	$4,085,257
Payments in Lieu of Taxes	0	173,288	515,305	0	0	688,593
Municipal Income Taxes	13,743,799	0	0	0	1,944,702	15,688,501
Charges for Services	832,792	0	0	0	947,420	1,780,212
Licenses and Permits	730,023	244	0	0	317,210	1,047,477
Fines and Forfeitures	1,338,259	0	0	0	486,311	1,824,570
Intergovernmental	6,058,796	3,371,615	225,533	3,000,070	3,142,754	15,798,768
Franchise Fees	602,430	0	0	0	0	602,430
Special Assessments	0	0	0	23,829	42,796	66,625
Interest	20,968	16,969	13,415	1,075	954	53,381
Miscellaneous	312,180	33,675	135,776	16,081	17,090	514,802
Total Revenues	26,280,236	3,595,791	2,077,966	3,041,055	7,155,568	42,150,616
Expenditures						
Current:						
General Government	8,266,392	0	800	0	325,000	8,592,192
Security of Persons and Property	16,372,692	0	0	0	2,798,586	19,171,278
Transportation	0	0	0	0	2,620,162	2,620,162
Public Health	289,792	0	0	0	1,419,265	1,709,057
Community Environment	410,746	0	0	0	222,857	633,603
Economic Development	0	2,680,510	0	0	0	2,680,510
Leisure Time Activities	915,190	0	0	0	7,471	922,661
Capital Outlay	0	0	0	5,898,762	496,044	6,394,806
Debt Service:						
Principal Retirement	376,515	455,000	1,535,600	0	553,852	2,920,967
Interest and Fiscal Charges	93,084	305,599	1,401,208	70,424	283,429	2,153,744
Bond Issuance Costs	0	0	0	24,943	0	24,943
Total Expenditures	26,724,411	3,441,109	2,937,608	5,994,129	8,726,666	47,823,923
Excess of Revenues Over (Under) Expenditures	(444,175)	154,682	(859,642)	(2,953,074)	(1,571,098)	(5,673,307)
Other Financing Sources (Uses)						
Inception of Capital Leases	250,320	0	0	0	15,713	266,033
Bonds Issued	0	0	0	390,000	0	390,000
Loans Received	0	0	0	1,626,699	0	1,626,699
Premium on Debt Issuance	0	0	0	12,530	0	12,530
Transfers In	128,813	0	983,463	387,515	1,164,297	2,664,088
Transfers Out	(1,638,275)	(5,000)	0	0	(1,020,813)	(2,664,088)
Total Other Financing Sources (Uses)	(1,259,142)	(5,000)	983,463	2,416,744	159,197	2,295,262
Net Change in Fund Balances	(1,703,317)	149,682	123,821	(536,330)	(1,411,901)	(3,378,045)
Fund Balances (Deficit) Beginning of Year	469,542	18,543,816	330,420	(241,235)	3,382,211	22,484,754
Fund Balances (Deficit) End of Year	($1,233,775)	$18,693,498	$454,241	($777,565)	$1,970,310	$19,106,709

See accompanying notes to the basic financial statements

City of Lorain, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds		($3,378,045)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:		
Capital Asset Additions	$6,947,401	
Current Year Depreciation	(14,230,323)	
Total		(7,282,922)
In the statement of activities, a gain or loss is reported for each disposal of capital assets.		(48,461)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	62,538	
Intergovernmental	1,206,689	
Municipal Income Taxes	(52,816)	
Special Assessments	(319,112)	
Payments in Lieu of Taxes	227,596	
Total		1,124,895
Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities:		
Bonds Issued	(390,000)	
Bond Premium	(12,530)	
Loans Received	(1,626,699)	
Capital Lease Proceeds	(266,033)	
Total		(2,295,262)
Repayment of long term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Governmental Funds	2,920,967	
Internal Service Fund	19,076	
Total		2,940,043
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due:		
Accrued Interest	82,927	
Amortization of Bond Premium	1,469	
Amortization of Bond Discount	(6,161)	
Amortization of Loss on Refunding	(12,739)	
Amortization of Bond Issuance Costs	(51,350)	
Total		14,146
Bond issuance costs are recognized as deferred charges and will be amortized over the life of the bonds on the statement of activities.		24,943
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated Absences	5,318	
Vacation Benefits	(31,554)	
Total		(26,236)
The internal service fund used by management to charge the costs of insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities:		
Change in Net Assets	169,594	
Capital Assets, Net	4,720	
Compensated Absences	3,497	
Principal Retirement	(19,076)	
Interest Expense	6,592	
Internal Balance	(36,551)	
Total		128,776
Change in Net Assets of Governmental Activities		($8,798,123)

See accompanying notes to the basic financial statements

City of Lorain, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property Taxes	$2,813,109	$2,813,109	$2,640,989	($172,120)
Municipal Income Taxes	15,071,594	15,071,594	13,956,294	(1,115,300)
Charges for Services	770,613	899,693	829,521	(70,172)
Licenses and Permits	807,250	807,250	730,023	(77,227)
Fines and Forfeitures	1,306,500	1,315,756	1,327,746	11,990
Intergovernmental	6,607,787	9,469,590	6,502,484	(2,967,106)
Franchise Fees	580,000	580,000	600,702	20,702
Interest	150,500	151,500	23,707	(127,793)
Miscellaneous	178,337	204,004	282,262	78,258
Total Revenues	28,285,690	31,312,496	26,893,728	(4,418,768)
Expenditures:				
Current:				
General Government	7,063,488	9,773,677	7,945,264	1,828,413
Security of Persons and Property	16,267,764	16,492,395	16,738,707	(246,312)
Public Health	307,738	292,638	290,099	2,539
Community Environment	418,849	424,949	422,320	2,629
Leisure Time Activities	924,550	963,955	943,764	20,191
Debt Service:				
Principal Retirement	371,349	381,681	376,515	5,166
Interest and Fiscal Charges	93,263	93,263	93,263	0
Total Expenditures	25,447,001	28,422,558	26,809,932	1,612,626
Excess of Revenues Over Expenditures	2,838,689	2,889,938	83,796	(2,806,142)
Other Financing Sources (Uses):				
Advances In	501,573	957,763	957,763	0
Advances Out	(500,000)	(956,190)	(953,982)	2,208
Transfers In	126,863	128,813	128,813	0
Transfers Out	(1,509,136)	(1,479,434)	(1,638,275)	(158,841)
Total Other Financing Sources (Uses)	(1,380,700)	(1,349,048)	(1,505,681)	(156,633)
Net Change in Fund Balance	1,457,989	1,540,890	(1,421,885)	(2,962,775)
Fund Balance (Deficit) Beginning of Year	(1,392,958)	(1,392,958)	(1,392,958)	0
Prior Year Encumbrances Appropriated	254,921	254,921	254,921	0
Fund Balance (Deficit) End of Year	$319,952	$402,853	($2,559,922)	($2,962,775)

See accompanying notes to the basic fianancial statements

City of Lorain, Ohio

Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Community Development Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Payments in Lieu of Taxes	$0	$7,736	$173,288	$165,552
Licenses and Permits	0	0	244	244
Intergovernmental	5,642,460	9,492,114	4,299,790	(5,192,324)
Interest	32,855	32,855	18,587	(14,268)
Miscellaneous	2,000	2,000	33,675	31,675
Total Revenues	5,677,315	9,534,705	4,525,584	(5,009,121)
Expenditures:				
Current:				
Economic Development	7,778,719	12,001,856	5,919,467	6,082,389
Debt Service:				
Principal Retirement	770,843	770,843	455,000	315,843
Interest and Fiscal Charges	305,599	305,599	305,599	0
Total Expenditures	8,855,161	13,078,298	6,680,066	6,398,232
Excess of Revenues Under Expenditures	(3,177,846)	(3,543,593)	(2,154,482)	1,389,111
Other Financing Uses:				
Transfers Out	0	(9,864)	(5,000)	4,864
Net Change in Fund Balance	(3,177,846)	(3,553,457)	(2,159,482)	1,393,975
Fund Balance Beginning of Year	3,711,744	3,711,744	3,711,744	0
Prior Year Encumbrances Appropriated	432,530	432,530	432,530	0
Fund Balance End of Year	$966,428	$590,817	$1,984,792	$1,393,975

See accompanying notes to the basic fianancial statements

City of Lorain, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Works	Water Pollution Control	Total	Internal Service Funds
Assets				
Current Assets				
Equity in Pooled Cash and Cash Equivalents	$456,389	$1,766,012	$2,222,401	$323,066
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	523,487	1,131,045	1,654,532	0
Accounts Receivable	1,492,367	2,517,217	4,009,584	0
Materials and Supplies Inventory	478,499	185,672	664,171	739,128
Interfund Receivable	2,241	2,363	4,604	119,547
Intergovernmental Receivable	0	34,775	34,775	0
Prepaid Items	37,772	11,917	49,689	2,083
Loans Receivable	0	31,434	31,434	0
Total Current Assets	2,990,755	5,680,435	8,671,190	1,183,824
Noncurrent Assets				
Loans Receivable	0	381,984	381,984	0
Restricted Assets:				
Cash and Cash Equivalents With Trustee	1,282,409	1,505,301	2,787,710	0
Unamortized Bond Issuance Costs	87,823	21,357	109,180	0
Non-Depreciable Capital Assets	1,182,812	29,454,143	30,636,955	0
Depreciable Capital Assets, Net	23,519,631	48,222,420	71,742,051	188,361
Total Noncurrent Assets	26,072,675	79,585,205	105,657,880	188,361
Total Assets	29,063,430	85,265,640	114,329,070	1,372,185
Liabilities				
Current Liabilities				
Accounts Payable	219,462	257,672	477,134	63,707
Contracts Payable	47,922	962,360	1,010,282	0
Accrued Wages and Benefits	92,471	98,795	191,266	13,664
Intergovernmental Payable	178,694	210,995	389,689	30,070
Retainage Payable	29,425	0	29,425	0
Accrued Interest Payable	64,074	26,026	90,100	0
Interfund Payable	3,827	2,826	6,653	57,148
Claims Payable	1,252	6,354	7,606	337,726
Capital Leases Payable	0	53,532	53,532	0
Compensated Absences Payable	35,966	86,648	122,614	25,818
Bonds Payable	727,250	702,291	1,429,541	19,796
OWDA Loans	467,553	2,465,310	2,932,863	0
Total Current Liabilities	1,867,896	4,872,809	6,740,705	547,929
Long-Term Liabilities (Net of Current Portion)				
Capital Leases Payable	0	103,824	103,824	0
Compensated Absences Payable	475,683	519,482	995,165	69,869
Bonds Payable	4,613,535	774,310	5,387,845	112,659
OWDA Loans	8,640,059	35,639,938	44,279,997	0
Total Long-Term Liabilities	13,729,277	37,037,554	50,766,831	182,528
Total Liabilities	15,597,173	41,910,363	57,507,536	730,457
Net Assets				
Invested in Capital Assets, Net of Related Debt	10,341,869	37,958,715	48,300,584	55,906
Restricted For:				
Debt Service	1,221,628	1,485,871	2,707,499	0
Replacement and Improvement	150,000	150,000	300,000	0
Utility Reserve	373,487	981,045	1,354,532	0
Unrestricted	1,379,273	2,779,646	4,158,919	585,822
Total Net Assets	$13,466,257	$43,355,277	56,821,534	$641,728

Some amounts reported for business-type activities in the statement of net assets are different because internal service fund assets are included with business-type activities	146,713
Net assets business-type activities	$56,968,247

See accompanying notes to the basic financial statements

City of Lorain, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Works	Water Pollution Control	Total	Internal Service Funds
Operating Revenues				
Charges for Services	$7,813,777	$12,046,880	$19,860,657	$6,002,801
Miscellaneous	34,617	37,187	71,804	12,135
Total Operating Revenues	7,848,394	12,084,067	19,932,461	6,014,936
Operating Expenses				
Personal Services	3,684,136	4,164,934	7,849,070	647,977
Materials and Supplies	796,499	405,828	1,202,327	722,816
Contractual Services	719,335	791,638	1,510,973	1,088
Claims	0	0	0	4,459,728
Basic Utilities	646,901	693,664	1,340,565	0
Other Expense	198,652	372,987	571,639	2,421
Depreciation	773,445	1,839,447	2,612,892	4,720
Total Operating Expenses	6,818,968	8,268,498	15,087,466	5,838,750
Operating Income	1,029,426	3,815,569	4,844,995	176,186
Non-Operating Revenues (Expenses)				
Interest	195	963	1,158	0
Interest and Fiscal Charges	(778,805)	(1,605,686)	(2,384,491)	(6,592)
Total Non-Operating Revenues (Expenses)	(778,610)	(1,604,723)	(2,383,333)	(6,592)
Change in Net Assets	250,816	2,210,846	2,461,662	169,594
Net Assets Beginning of Year	13,215,441	41,144,431		472,134
Net Assets End of Year	$13,466,257	$43,355,277		$641,728

Some amounts reported for business-type activities in the statement of activities are different because internal service fund assets are included with business-type activities	36,551
Change in net assets business-type activities	$2,498,213

See accompanying notes to the basic financial statements

City of Lorain, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Works	Water Pollution Control	Total	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	$7,553,090	$11,470,291	$19,023,381	$0
Cash Received from Transactions with Other Funds	0	0	0	5,894,041
Cash Payments for Goods and Services	(2,331,720)	(2,097,636)	(4,429,356)	(824,891)
Cash Payments for Employee Services and Benefits	(3,695,526)	(4,331,149)	(8,026,675)	(588,367)
Cash Payments for Claims	0	0	0	(4,476,440)
Other Operating Revenues	34,617	501,739	536,356	12,135
Net Cash Provided by Operating Activities	1,560,461	5,543,245	7,103,706	16,478
Cash Flows from Noncapital Financing Activities				
Advances In	503,982	450,000	953,982	57,148
Advances Out	(506,190)	(450,000)	(956,190)	(1,573)
Net Cash Provided by (Used for) Noncapital Financing Activities	(2,208)	0	(2,208)	55,575
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(424,642)	(2,199,521)	(2,624,163)	0
Disposal of Capital Assets	538	1,880	2,418	0
OWDA Loans Received	0	1,643,145	1,643,145	0
Principal Paid on Bonds	(151,986)	(21,481)	(173,467)	(19,076)
Interest Paid on Bonds	(48,462)	(7,421)	(55,883)	(6,592)
Principal Paid on Revenue Bonds	(540,000)	(650,000)	(1,190,000)	0
Interest Paid on Revenue Bonds	(257,028)	(95,270)	(352,298)	0
Principal Paid on OWDA Loans	(445,100)	(2,060,004)	(2,505,104)	0
Interest Paid on OWDA Loans	(459,289)	(1,428,335)	(1,887,624)	0
Principal Paid on Capital Leases	0	(51,008)	(51,008)	0
Interest Paid on Capital Leases	0	(10,314)	(10,314)	0
Net Cash Used for Capital and Related Financing Activities	(2,325,969)	(4,878,329)	(7,204,298)	(25,668)
Cash Flows from Investing Activities				
Interest	195	963	1,158	0
Net Increase (Decrease) in Cash and Cash Equivalents	(767,521)	665,879	(101,642)	46,385
Cash and Cash Equivalents Beginning of Year	3,029,806	3,736,479	6,766,285	276,681
Cash and Cash Equivalents End of Year	$2,262,285	$4,402,358	$6,664,643	$323,066

(continued)

City of Lorain, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Works	Water Pollution Control	Total	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	$1,029,426	$3,815,569	$4,844,995	$176,186
Adjustments:				
Depreciation	773,445	1,839,447	2,612,892	4,720
(Increase) Decrease in Assets:				
Accounts Receivable	(260,683)	(623,592)	(884,275)	0
Interfund Receivable	(4)	(154)	(158)	(108,760)
Intergovernmental Receivable	0	480,511	480,511	0
Materials and Supplies Inventory	(19,914)	(3,080)	(22,994)	(58,094)
Prepaid Items	(4,114)	(4,800)	(8,914)	297
Loans Receivable	0	31,198	31,198	0
Increase (Decrease) in Liabilities:				
Accounts Payable	65,315	52,335	117,650	22,883
Contracts Payable	(12,048)	310,402	298,354	0
Accrued Wages and Benefits	15,252	2,011	17,263	127
Claims Payable	1,252	6,354	7,606	(16,712)
Vacation Benefits Payable	(1,466)	(12,669)	(14,135)	0
Compensated Absences Payable	5,168	(108,464)	(103,296)	3,497
Interfund Payable	(824)	328	(496)	0
Intergovernmental Payable	(30,344)	(47,093)	(77,437)	(7,666)
Retainage Payable	0	(195,058)	(195,058)	0
Total Adjustments	531,035	1,727,676	2,258,711	(159,708)
Net Cash Provided by Operating Activities	$1,560,461	$5,543,245	$7,103,706	$16,478

Noncash Capital Financing Activities
Amortization of the discount on bonds in the amount of $10,202.

See accompanying notes to the basic financial statements

City of Lorain, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2009

Assets	
Equity in Pooled Cash and Cash Equivalents	$266,833
Liabilities	
Deposits Held and Due to Others	$266,833

See accompanying notes to the basic financial statements

Note 1 – Description of City and 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 eleven council members, a council president, and a mayor.

On October 17, 2002, the Auditor of State's office declared the City of Lorain to be in a state of "Fiscal Watch" in accordance with Section 118.022 of the Ohio Revised Code. This declaration was a result of a forecasted deficit in excess of 1/12 of the preceding year's general fund revenue. In response to this declaration, the City of Lorain contracted the Auditor of State's office to perform a performance audit to identify improvements that could be made in the City's operations. From this performance audit the City has implemented many of the suggestions to improve operations and cut costs. The Auditor of State's Local Government Services Division provides monthly monitoring of cash balances. The City is working to avoid the state of fiscal emergency. If the City's adjusted aggregate deficit fund balance reaches 1/6 of the General Fund budget and the receipts of those deficit funds, the Auditor of State has the authority to declare the City in a state of fiscal emergency, at which time a Financial Planning and Supervision Commission to oversee the operation of the City would be required to be established.

Reporting Entity

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 primary government includes the City departments and agencies that provide various services including planning, zoning, street construction, maintenance and repair, water and sewer services, municipal court services, and general administrative services.

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: (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; or the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or (3) the City is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City has no component units.

The City participates in the Northeast Ohio Areawide Coordinating Agency, a jointly governed organization, the Lorain Port Authority, a related organization, and the Public Entity Risk Consortium (PERC), a shared risk pool. These organizations are presented in Notes 17, 18, and 19 respectively.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City of Lorain have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and its proprietary funds unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented on the face of the proprietary fund statements. Fiduciary funds are reported by type.

B. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

> ***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.
>
> ***Community Development Special Revenue 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.
>
> ***General Obligation Bond Retirement Fund*** This fund accounts for the accumulation of resources to pay principal and interest on general obligation debt.
>
> ***Capital Improvements Capital Projects Fund*** This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

> ***Enterprise Funds*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:
>
> > ***Water Works Fund*** This fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City.
> >
> > ***Water Pollution Control Fund*** This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.
>
> ***Internal Service Funds*** The internal service funds account for the financing of services provided by one department to other departments of the City on a cost reimbursement basis. The

City's internal service funds account for the hospital/medical, prescription drug, vision, and dental benefits for City employees on a self-insured basis and accounts for maintenance costs for equipment and vehicles under a single purchasing unit to keep costs low.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's only fiduciary funds are agency funds, which are used to collect and distribute deposits, inspection fees and bonds for developers, State fees and fines for entities outside the City and employee flexible benefits deposits.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are presented using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), interest, grants, fees and rentals.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Data

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the

amount Council may appropriate. The appropriation resolution is the Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by Council. The legal level of budgetary control is at the object level within each department for all funds. Any budgetary modifications at this level may only be made by resolution of the City Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate of estimated resources in effect when the original and final appropriations were enacted by City Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations can not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

F. 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 City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The community development fund made an advance to the general fund, police pension fund, fire pension fund, and the garage fund to cover deficit cash balances. The general, police pension, fire pension and garage funds have an interfund payable for the amount received from the community development fund and the community development fund has an interfund receivable for the same amounts on the balance sheet.

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 statement of net assets and balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury. The cash of the Municipal Court is included in this line item. The balance presented on the statement of net assets and balance sheet as "cash and cash equivalents with fiscal agents" represents deposits for future debt service payments on Community Development urban redevelopment loans. The City entered into a trust agreement with a commercial bank to meet the requirements of the revenue bonds indenture agreements to service bonded debt as principal and interest come due and to meet reserve requirements. The balances of these accounts are presented on the statement of net assets and balance sheet as "cash and cash equivalents with trustees" and represent deposits or short-term investments in a mutual fund.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an original maturity of more than three months, not purchased from the pool, are reported as investments.

During 2009, investments were limited to repurchase agreements, money market funds and STAROhio. Investments are reported at fair value, which is based on quoted market prices, with the exception of repurchase agreements, which are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2009.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2009 amounted to $20,968, of which the total amount was assigned from other City funds.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies and homes purchased, repaired, and resold under the Community Development in-fill housing and neighborhood stabilization projects.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Bond Premiums/ Issuance Costs

On the government-wide statements and in the enterprise funds, bond issuance costs are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable whereas issuance costs are recorded as deferred charges on the statement of net assets. On the governmental fund statements bond premiums are receipted in the year the bonds are issued and bond issuance costs are expended when incurred. Bond issuance costs are generally paid from the bond proceeds.

As permitted by State Statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

J. Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, which ever is shorter.

K. Bond Discounts

Bond discounts are deferred and amortized over the term of the bonds using the straight-line method. Bond discounts are presented as a decrease of the face amount of the bonds payable. On fund financial statements, bond discounts are expended in the year the bonds are issued.

L. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by the law through constitutional provisions or enabling legislation.

Amounts held in trust by the City and trustees that are legally restricted for use in paying current and future debt service on the water and sewer revenue bonds, and amounts held for operation, maintenance and replacement contingencies per the applicable bond covenants are reported as restricted assets.

M. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds. Capital assets used by the internal service funds are reported in the governmental activities column of the statement of net assets and in the internal service column on the statement of fund net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars for capital assets other than infrastructure and one hundred thousand dollars for infrastructure capital assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements (including water and water pollution control facilities)	50 to 75 years
Machinery and Equipment	5 to 25 years
Furniture and Fixtures	10 to 15 years
Infrastructure	30 to 60 years

The City's infrastructure consists of streets, sidewalks, storm sewers, bridges, water and sewer lines and includes infrastructure acquired prior to December 31, 1980.

N. Interfund Balances

On fund financial statements, outstanding interfund loans are reported as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

O. 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 employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net assets rather than as long-term liability.

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.

The entire compensated absences liability is reported on government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

P. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary funds financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Q. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore, are not available for appropriation or expenditure. Reserves have been established for encumbrances, loans receivable which represent revolving loan fund monies (community development block grant) loaned to local businesses, inventory held for resale and amounts held in reserve for future debt service requirements on the Community Development urban redevelopment loans.

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted for other purposes include resources for street maintenance, health services, recreation, municipal court activities and police and fire pension payments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

S. Internal Activity

Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the governmental-wide financial statements.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water pollution control, water services, self-insurance programs, and garage. Operating expenses are necessary costs incurred to provide the goods or service that are the primary activity of the fund. All revenues and expenditures not meeting these definitions are reported as non-operating.

U. 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.

Note 3 – Change in Accounting Principles

For 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

Note 4 – Fund Deficits and Legal Compliance

A. Fund Deficits

Fund balances at December 31, 2009 included the following individual fund balance deficits:

Major Funds:	Deficit
General Fund	$1,233,775
Capital Improvements	777,565
Nonmajor Funds:	
Special Revenue Funds:	
Health Services	80,580
Police Pension	195,785
Fire Pension	215,040
Internal Service Fund:	
Hospitalization	22,518

The general fund concluded 2009 with a deficit fund balance of $1,233,775. The City has experienced a financial shortfall which has resulted in deficit spending in the general fund. To alleviate the financial shortfall, the City has developed a strategy to stabilize its cash shortfall. This strategy includes a reduction of the City's income tax credit on income earned by residents working outside the City.

The deficit in the capital improvements fund is a result of the issuance of short term notes. The deficit will be eliminated once bonds are issued and the notes are paid. The deficit in the general, health services, police pension and fire pension special revenue, and hospitalization internal service funds are due to accrued liabilities. The general fund is liable for any deficit and provides transfers when cash is required, rather than when accruals occur.

B. Legal Compliance

Contrary to Section 5705.41B, Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

Major Fund:	Final Appropriations	Expenditures Plus Encumbrances	Excess
General Fund:			
Police Department			
Wages and Benefits	$8,487,758	$8,522,554	($34,796)
Fire Department			
Wages and Benefits	6,896,291	7,153,118	(256,827)
Other Financing Sources			
Transfers Out	1,479,434	1,638,275	(158,841)
Nonmajor Funds:			
Police Levy:			
Wages and Benefits	1,667,033	1,721,613	(54,580)
Riverfront Urban Renewal:			
Transfers Out	165,086	165,101	(15)
Garage:			
Other Operating	2,171	2,421	(250)

Management has indicated that appropriations will be closely monitored to ensure no future violations occur. The City now requires as part of the revised written policy that the amount of each purchase order be compared to available appropriations prior to its release to the vendor.

The City had a negative cash balance 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:

Major Fund:	Amount
General	$1,826,925
Nonmajor Funds:	
Special Revenue Funds:	
Police Pension	195,785
Fire Pension	215,040
Internal Service Fund:	
Garage	57,148

Note 5 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances -Budget (Non-GAAP Basis) and Actual presented for the general fund and community development special revenue major fund 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 basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and the community development major special revenue fund.

Net Change in Fund Balance

	General	Community Development
GAAP Basis	($1,703,317)	$149,682
Net Adjustment for Revenue Accruals	363,172	142,271
Loan Repayments	0	787,522
Advances Out	(953,982)	0
Advances In	957,763	0
Net Adjustment for Expenditure Accruals	112,009	(184,887)
Loans Issued	0	(1,971,494)
Debt Interest and Fiscal Charges	(179)	0
Encumbrances	(197,351)	(1,082,576)
Budget Basis	($1,421,885)	($2,159,482)

Note 6 - Deposits and Investments

The City is a statutory City and has adopted an investment policy through City Resolution. The City has elected to follow the provisions of State statute. 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 five-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 that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.
Interim monies may be 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;

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);

6. The State Treasurer's investment pool (STAROhio);

7. Time certificates of deposit or savings or deposit accounts, including but not limited to, passbook accounts; and

8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

1. Bonds of the State of Ohio;

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

3. Obligations of the City.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. 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. Investments may only be made through specified dealers and institutions.

A. Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, $4,065,316 of the City's bank balance of $5,065,316 was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

The City has no deposit policy for custodial risk beyond the requirements of the State statue. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

All investments are in an internal investment pool. As of December 31, 2009, the City had $2,450,000 in Federal Home Loan Bank bonds, which serve as the underlying security for the repurchase agreements which mature daily, and a STAROhio investment with fair value of $141,034 and an average maturity of 61.2 days.

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

Description	Fair Value	Investment Maturities Less Than 1 Year	Credit Rating
Repurchase Agreements			
Federal Home Loan Bank Bonds	$2,450,000	$2,450,000	N/A
Money Market Funds	4,005,042	4,005,042	AAAm
STAROhio	141,034	141,034	AAAm
Total Investments	$6,596,076	$6,596,076	

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within one year from the date of purchase and that the City's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, on the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Credit Risk The City's repurchase agreements are with Lorain National Bank. Lorain National Bank does not issue debt and therefore is not rated by any of the major credit rating agencies. The money market funds are invested with Blackrock US Treasury obligations and carry a rating of AAAm by Standard and Poor's. STAROhio also carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk The City's investment policy allows investments in Repurchase Agreements, Money Market Mutual Funds and STAROhio and allowable investments as defined by the Ohio Revised Code. The City does not limit the amount that can be invested in each type. The City has invested 37 percent of its investments in Repurchase Agreements.

Note 7 - Receivables

Receivables at December 31, 2009 consist primarily of municipal income taxes, property taxes, accounts (billings for utility services), special assessments, accrued interest on investments, community development and utilities department loans to businesses and property owners, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All of these receivables, with the exception of the community development and utilities department loans, are deemed collectible in full. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Special assessments due in more than one year are $818,063 and delinquent special assessments outstanding are $187,794.

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 of $14,120,537 on the basic financial statements is stated net of estimated uncollectibles of $646,877 with $897,940 collectible in one year.

In April of 2002, the City entered into an installment loan agreement with Horizon Activities Center Inc. for the sale of real estate owned by the City, deemed no longer needed for public use, in the amount of $250,000. The loan has a term of 20 years at 5.75 percent interest with monthly payments of $1,755. Per the Ohio Revised Code, Section 5705.10, the proceeds from this sale are deposited in the general obligation bond retirement fund. At December 31, 2009 the fund has recorded a loan receivable balance of $189,046 as a result of this transaction, with $10,458 collectible in one year.

The City's sewer department issued zero percent interest emergency loans to property owners in 2007 to provide some immediate relief to replace property damaged due to a major sewer line collapse. At December 31, 2009 the fund has recorded a loan receivable balance of $413,418 as a result of these transactions, with $31,434 collectible in one year.

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 2009 for real and public utility property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2009 on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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.

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. 2009 public utility property taxes which became a lien December 31, 2007, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property tax revenue received during 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2009, was $4.96 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property:	
Residential/Agriculture	$682,370,300
Commercial, Industrial/Public Utility	177,968,350
Public Utility Property	59,104,670
Tangible Personal Property	2,773,226
Total Valuation	$922,216,546

The Lorain 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 represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxed during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified basis the revenue is deferred.

B. Income Taxes

The City levies a municipal income tax of two percent on substantially all salaries, wages, commissions and other compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. One and three-quarter percent (1.75 percent) is levied for general purposes and one quarter percent (0.25 percent) is restricted for the police levy fund. 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. Residents that work outside the City are credited with 100 percent of the taxes paid to another City up to a maximum of two percent (the City's current tax rate) of gross wages.

C. Intergovernmental Receivables

A summary of the governmental and business-type activities principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Grants	$4,961,198
Local Government	2,238,985
Gasoline Tax	903,346
Homestead and Rollback	294,150
Estate Tax	213,923
Motor Vehicle Tax	27,450
Liquor and Beer Tax	21,392
Permissive Tax	18,834
Other Taxes	1,411
Total Governmental Activities	8,680,689
Business-Type Activities:	
Utility Charges	34,775
Total	$8,715,464

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$9,414,359	$107,268	($8,388)	$9,513,239
Construction in Progress	10,075,438	5,797,666	(3,785,611)	12,087,493
Total Capital Assets, Not Being Depreciated	19,489,797	5,904,934	(3,793,999)	21,600,732
Capital Assets, Being Depreciated:				
Buildings and Improvements	20,727,073	978,514	0	21,705,587
Machinery and Equipment	17,223,252	445,123	(166,971)	17,501,404
Furniture and Fixtures	103,833	157,590	0	261,423
Infrastructure:				
Streets and Sidewalks	1,003,772,019	3,246,851	0	1,007,018,870
Total Capital Assets, Being Depreciated	1,041,826,177	4,828,078	(166,971)	1,046,487,284
Less Accumulated Depreciation:				
Buildings and Improvements	(6,580,996)	(442,638)	0	(7,023,634)
Machinery and Equipment	(6,982,094)	(842,760)	126,898	(7,697,956)
Furniture and Fixtures	(55,137)	(9,131)	0	(64,268)
Infrastructure:				0
Streets and Sidewalks	(918,706,495)	(12,935,794)	0	(931,642,289)
Total Accumulated Depreciation	(932,324,722)	(14,230,323) *	126,898	(946,428,147)
Total Capital Assets, Being Depreciated, Net	109,501,455	(9,402,245)	(40,073)	100,059,137
Governmental Activities Capital Assets, Net	$128,991,252	($3,497,311)	($3,834,072)	$121,659,869

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
Business - Type Activities				
Capital Assets, Not Being Depreciated:				
Land	$617,876	$42,195	$0	$660,071
Construction in Progress	28,379,869	2,448,456	(851,441)	29,976,884
Total Capital Assets, Not Being Depreciated	28,997,745	2,490,651	(851,441)	30,636,955
Capital Assets, Being Depreciated:				
Buildings and Improvements	52,412,240	14,800	0	52,427,040
Machinery and Equipment	21,155,962	199,577	(86,392)	21,269,147
Infrastructure:				
Water Lines	26,689,393	770,576	0	27,459,969
Sewer Lines	56,741,165	0	0	56,741,165
Total Capital Assets, Being Depreciated	156,998,760	984,953	(86,392)	157,897,321
Less Accumulated Depreciation:				
Buildings and Improvements	(25,739,375)	(948,909)	0	(26,688,284)
Machinery and Equipment	(17,302,708)	(254,586)	83,974	(17,473,320)
Infrastructure:				
Water Lines	(11,271,594)	(445,859)	0	(11,717,453)
Sewer Lines	(29,312,675)	(963,538)	0	(30,276,213)
Total Accumulated Depreciation	(83,626,352)	(2,612,892)	83,974	(86,155,270)
Total Capital Assets, Being Depreciated, Net	73,372,408	(1,627,939)	(2,418)	71,742,051
Business - Type Activities Capital Assets, Net	$102,370,153	$862,712	($853,859)	$102,379,006

* Depreciation expense was charged to governmental functions as follows:

General Government	$3,462,111
Security of Persons and Property	476,758
Transportation	9,938,351
Public Health	32,060
Community Environment	3,016
Economic Development	60,329
Leisure Time Activities	257,698
Total Depreciation Expense	$14,230,323

Note 9 - Risk Management

A. Property and Liability

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 participated in the Public Entity Risk Consortium (PERC), a shared risk pool (see Note 19) for all City real and personal property, comprehensive general liability including law enforcement liability, blanket crime coverage and public official's liability insurance. Arthur J. Gallagher & Company is the administrator. PERC is a shared risk joint self-insurance pool restricted to mid-size public entities. Lexington Insurance Company covers up to $250,000,000 per occurrence for real and personal property subject to a $100,000 self-insured retention with the exception of a $5,000 retention in respect to automobile physical damage. The Underwriters at Lloyd's, London provides $2,000,000 per occurrence limit each for General Liability, Law Enforcement Liability and Public Official's Liability. These liability policies each have a $50,000 self-insured retention. An $8,000,000 Excess Liability policy is provided over all liability policies by Illinois Union Insurance Company. The City also carries a comprehensive Boiler and Machinery policy by the Travelers Property Casualty Company of America on all City buildings with the property damage limits of $50,000,000 subject to a $1,000 deductible. Gallagher Bassett Services, Inc. is the claims administrator for the City. A summary of coverage and limits provided through the pool is as follows:

Type of Coverage	Limits of Coverage
Property including Auto Physical Damage	$209,313,000
Liability:	10,000,000
General Liability	
Law Enforcement Liability	
Automobile Liability	
Public Officials Errors & Omissions	
Crime:	
Employee Dishonesty	500,000
Depositors Forgery	50,000
Money & Securities	50,000
Boiler & Machinery	50,000,000

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.

B. Workers' Compensation

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.

C. Health Insurance Benefits

The City manages the hospital/medical, prescription drug, vision, and dental 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 2009 were $840 per month for single and $820 per month for family coverage until August when the rates changed to $820/single and $780/family. Employees covered under separate ordinances for non-bargaining, management, United Steelworkers Local 6621, Police, Dispatchers, Corrections Officers and elected officials paid $40 for family coverage and $20 for single coverage per month. The Fire bargaining unit employees are required to pay $80 for family coverage and $40 for single coverage per month for health insurance coverage. 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 $100,000 per employee and an aggregate of $4,309,919 per year. The $100,000 specific threshold was exceeded by $11,021. The City received an invoice credit for the excess. The aggregate was not exceeded.

The claims liability of $337,726 reported in the hospitalization fund at December 31, 2009 was estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement 30 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 2008 and 2009 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2008	$645,036	$4,895,435	$5,186,033	$354,438
2009	354,438	4,459,728	4,476,440	337,726

Note 10 – Note Debt

A summary of note transactions for the year ended December 31, 2009 follows:

GOVERNMENTAL FUNDS			Balance 12/31/08	Additions	Deletions	Balance 12/31/09
2008,	4.20%	Street Improvements	$2,019,000	$0	$2,019,000	$0
2009,	6.00%	State Route 58 Improvement	0	491,098	491,098	0
2009,	4.00%	Street Improvements	0	2,215,000	0	2,215,000
Total Governmental Funds			$2,019,000	$2,706,098	$2,510,098	$2,215,000

The notes are backed by the full faith and credit of the City of Lorain and mature within one year. The maturity date for the outstanding note is September 23, 2010. The note liability is reflected in the Capital Improvements fund, which received the proceeds. All note proceeds have been fully expended with the exception of $678,286. The street improvements note will be paid from the capital improvements fund as it is reissued and then from bonds upon the completion of the projects.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are limitations on the number of times a note can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes will be refinanced until the projects are complete and the City determines it to be advantageous to issue bonds.

Note 11 – Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the City's bonds, notes and loans follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:			
1989 Various Purpose Improvements	6.50-7.875 %	$2,000,000	December 1, 2009
1995 Various Purposes - (G.O. Portion)	3.90-5.65	3,259,890	December 1, 2015
1998 Capital Purposes	3.80-5.00	3,680,000	December 1, 2018
1999 Accrued Pension Fund Liability	3.50-5.375	2,070,000	December 1, 2024
2002 Safety/Service Action Plan	3.00-5.50	8,905,000	December 1, 2026
2003 Riverfront Urban Renewal Phase II & III	2.40-4.75	4,470,000	December 1, 2032
2003 Park and Street Improvements (G.O. Portion)	2.00-5.00	1,200,500	December 1, 2023
2005 Energy Conservation	4.35	2,499,223	December 1, 2015
2006 Lighthouse Urban Renewal Phase I	4.10-5.00	1,510,000	December 1, 2026
2007 Riverfront Urban Renewal Refunding	4.00-4.30	4,970,000	December 1, 2028
2007A Colorado Avenue	4.00-4.125	505,000	December 1, 2027
2007A US Route 6	4.00-4.125	775,000	December 1, 2022
2007B Heritage Urban Renewal	4.00-4.20	1,315,000	December 1, 2028
2008 Pellet Terminal Improvement	6.00-6.75	5,440,000	December 1, 2028
Special Assessment Bonds with Government Commitment:			
2003 Park and Street Improvements	2.00-5.00	574,500	December 1, 2023
2009 Street Improvements	5.00-7.25	390,000	December 1, 2029
HUD Section 108 Loans:			
Community Development - Series 2002-A (B-92-MC-39-0016)	4.64-7.90	100,000	August 1, 2012
Head Start - Series 2002-A (B-92-MC-39-0016-A)	4.64-7.90	1,100,000	August 1, 2012
Head Start - Series 2000-A (B-99-MC-0016)	7.50-8.00	2,375,000	August 1, 2019
Colorado Industrial Park - Series 2002-A (B-99-MC-0016)	4.40-6.00	2,000,000	August 1, 2021
Land Aquisition - Series 2004-A (B-03-MC-39-0016)	3.50-6.00	2,200,000	August 1, 2024
Ohio Department of Development Urban Redevelopment Loans:			
Riverbend Commerce Park	0.00-3.00	2,300,000	August 1, 2021
Ohio Public Works Commission Loans:			
1997 Local Roadway Rehab (#CI04A)	0.00	18,040	January 1, 2014
1999 Local Roadway Rehab (#CI13C)	0.00	17,409	July 1, 2011
Oak Point Road Improvements (#CI002)	0.00	405,776	January 1, 2021
Longbrook Bridge Replacement (#CI01D)	0.00	250,000	July 1, 2021
California Avenue (#CI31D)	0.00	483,645	January 1, 2022
Jaeger Road (#CI40E)	0.00	259,191	January 1, 2013
2002 Local Roadway Rehab (#CI22F)	0.00	236,844	July 1, 2014
Fulmer/Meister Road Improvements (#CI48G)	0.00	412,449	January 1, 2015

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Ohio Public Works Commission Loans (Continued):			
2003 Local Roadway Rehab (#CI22G)	0.00 %	$102,000	January 1, 2015
2004 Local Roadway Rehab (#CI33H)	0.00	123,575	January 1, 2016
E. 36th Street Rehab Phase I (#CI29I)	0.00	463,749	January 1, 2017
2005 Local Roadway Rehab (#CI19I)	0.00	144,591	January 1, 2018
E. 36th Street Rehab Phase II (#CI44J)	0.00	242,147	July 1, 2018
2006 Local Roadway Rehab (#CI09J)	0.00	225,000	January 1, 2019
2007 Local Roadway Rehab (#CI13K)	0.00	133,224	January 1, 2019
2008 Local Roadway Rehab (#CI33L)	0.00	447,645	January 1, 2020
2009 Local Roadway Rehab (#CI48M)	0.00	8,157	January 1, 2020
Ohio Department of Transportation State Infrastructure Bank Loans:			
E. 36th Street Rehab Phase I (#SB0504)	3.00	144,137	July 20, 2011
State Route 57 Reconstruction (#SB0505)	3.00	842,492	July 18, 2010
E. 36th Street Rehab Phase II (#SB060011)	3.00	449,506	October 25, 2014
2007 Local Roadway Rehab (#SB080001)	3.00	311,060	October 17, 2025
North Ridge Road Project(#SB090002)	3.00	70,636	January 30, 2016
Local Roadway Rehab and State Route 58 (#SB090007)	3.00	952,201	August 26, 2019
Installment Loans:			
Campana Park Baseball Field Construction	0.00	200,000	February 15, 2011
Fire Station Improvements	4.20	50,000	November 30, 2014
Lorain County Engineer - Tower Boulevard	0.00	503,332	April 30, 2019
Enterprise General Obligation Bonds:			
1995 Various Purpose - (Water Fund portion)	3.90-5.65	2,405,110	December 1, 2013
Energy Conservation Bond-Water	4.35	73,816	December 1, 2015
Energy Conservation Bond-Sewer	4.35	226,961	December 1, 2015
Enterprise Revenue Bonds:			
1995 Water System Revenue	3.95-5.25	10,000,000	December 1, 2016
1995 Sewer System Refunding Revenue	3.80-5.60	8,035,000	December 1, 2011
Ohio Water Development Authority Loans:			
1978 SE Sewer Intercept (#1001)	6.25	2,856,352	July 1, 2011
2000 East Erie Waterlines (#2037)	5.50	2,211,916	January 1, 2020
2000 E. 28th St./Pearl Ave. Relief Sewer, Pump Station (#2321)	2.91	1,137,701	July 1, 2020
2001 Colorado Ave./Root Rd. Waterline Replacement (#3188)	6.12	449,287	January 1, 2021
2001 Colorado/Root/E. Erie Waterline Replacement (#3253)	4.38	2,712,348	January 1, 2021
2001 Westside Waterline Replacement (#3284)	4.64	2,425,073	July 1, 2021
2001 Tacoma Avenue Relief Sewer (#2322)	2.81	4,860,364	January 1, 2021
2001 Idaho Avenue SSO Elimination (#3268)	3.66	9,744,494	July 1, 2021
2003 4W Waterline Replacement (Various locations) (#3814)	4.90	3,585,574	July 1, 2034
2004 Kay Drive Retention Basin (#4150)	3.81	2,295,633	January 1, 2023
2004 Amherst Township Relief Sewer (#4151)	3.81	898,208	January 1, 2022
2004 Pearl Road & Tacoma Pump Station (#4156)	3.81	1,282,116	July 1, 2023
2006 East Central Relief Sewer (#4548)	4.59	3,400,652	July 1, 2025
2006 Westside Relief Sewer (#4586)	3.24	21,810,135	July 1, 2028
2007 Brownell Avenue Waterline (#4775)	4.47	770,575	January 1, 2028
2009 Black River Tunnel Design (#5453)	3.20	606,172	July 1, 2015

Changes in bonds and other long-term obligations of the City during 2009 were as follows:

	Principal Outstanding 12/31/08	Additions	Deletions	Principal Outstanding 12/31/09	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
Various Purpose Improvements	$100,000	$0	$100,000	$0	$0
Various Purposes	1,130,000	0	195,000	935,000	180,000
Capital Purposes	550,000	0	90,000	460,000	95,000
Accrued Pension Fund Liability	1,565,000	0	65,000	1,500,000	70,000
Safety/Service Action Plan	7,035,000	0	345,000	6,690,000	365,000
Riverfront Urban Renewal Phase II & III	4,470,000	0	120,000	4,350,000	120,000
Park and Street Improvements	977,309	0	47,344	929,965	50,725
Energy Conservation	1,878,880	0	236,533	1,642,347	245,459
Lighthouse Urban Renewal Phase I	1,510,000	0	0	1,510,000	0
2007 Riverfront Urban Renewal Refunding	4,870,000	0	75,000	4,795,000	95,000
Unamortized Discount	(43,271)	0	(2,230)	(41,041)	0
Deferred Loss on Refunding	(254,945)	0	(12,739)	(242,206)	0
2007A Colorado Avenue	490,000	0	20,000	470,000	20,000
2007A US Route 6	740,000	0	40,000	700,000	40,000
2007B Heritage Urban Renewal	1,315,000	0	5,000	1,310,000	45,000
Unamortized Discount	(5,285)	0	(267)	(5,018)	0
2008 Pellet Terminal Improvement	5,440,000	0	90,000	5,350,000	155,000
Unamortized Discount	(72,422)	0	(3,664)	(68,758)	0
Unamortized Premium	19,314	0	1,242	18,072	0
Total General Obligation Bonds	31,714,580	0	1,411,219	30,303,361	1,481,184
Special Assessment Bonds with Government Commitment:					
Park and Street Improvements	467,691	0	22,656	445,035	24,275
Street Improvement	0	390,000	0	390,000	5,000
Unamortized Premium	0	12,530	227	12,303	0
Total Special Assessment Bonds	467,691	402,530	22,883	847,338	29,275
HUD Section 108 Loans					
Community Development	1,250,000	0	125,000	1,125,000	125,000
Head Start	40,000	0	10,000	30,000	10,000
Head Start	440,000	0	110,000	330,000	110,000
Colorado Instrustrial Park	1,375,000	0	125,000	1,250,000	125,000
Land Acquisition	1,900,000	0	85,000	1,815,000	85,000
Total HUD Section 108 Loans	5,005,000	0	455,000	4,550,000	455,000
Other Obligations					
ODOD Urban Redevelopment Loans	2,296,943	0	0	2,296,943	0
OPWC Loans	2,818,314	80,446	147,096	2,751,664	342,472
ODOT State Infrastructure Bank Loans	1,454,600	1,042,921	327,370	2,170,151	456,846
Installment Loans	193,716	503,332	56,550	640,498	107,162
Capital Leases	2,385,686	266,033	502,494	2,149,225	563,868
Pollution Remediation	821,774	0	0	821,774	0
Compensated Absences	7,491,132	1,133,221	1,138,539	7,485,814	1,169,568
Total Governmental Activities	$54,649,436	$3,428,483	$4,061,151	$54,016,768	$4,605,375

	Principal Outstanding 12/31/08	Additions	Deletions	Principal Outstanding 12/31/09	Due Within One Year
Business-Type Activities					
General Obligation Bonds:					
Various Purpose - Water	$815,000	$0	$145,000	$670,000	$155,000
Energy Conservation - Water	55,494	0	6,986	48,508	7,250
Energy Conservation - Sewer	170,626	0	21,481	149,145	22,291
Total General Obligation Bonds	1,041,120	0	173,467	867,653	184,541
Revenue Bonds:					
Water System Revenue	5,210,000	0	540,000	4,670,000	565,000
Unamortized Discount	(55,355)	0	(7,632)	(47,723)	0
Sewer System Refunding Revenue	2,050,000	0	650,000	1,400,000	680,000
Unamortized Discount	(5,777)	0	(2,570)	(3,207)	0
Deferred Loss on Refunding	(124,832)	0	(55,495)	(69,337)	0
Total Revenue Bonds	7,074,036	0	1,124,303	5,949,733	1,245,000
Ohio Water Development Authority Loans:					
SE Sewer Intercept	442,190	0	168,214	273,976	178,727
East Erie Waterlines	1,497,860	0	102,709	1,395,151	108,358
E. 28th St./Pearl Ave. Relief Sewer	732,810	0	54,506	678,304	56,103
Colorado Ave./Root Rd. Waterline	330,330	0	19,326	311,004	20,529
Colorado/Root/E. Erie Waterline	1,897,320	0	123,203	1,774,117	128,658
Westside Waterline Replacement	1,762,393	0	106,858	1,655,535	111,873
Tacoma Avenue Relief Sewer	3,233,706	0	230,066	3,003,640	236,577
Idaho Avenue SSO Elimination	6,885,576	0	443,374	6,442,202	459,750
4W Waterline Replacement	3,318,927	0	67,566	3,251,361	70,917
Kay Drive Retention Basin	1,860,793	0	107,077	1,753,716	111,195
Amherst Township Relief Sewer	719,787	0	43,935	675,852	45,625
Pearl Road & Tacoma Pump Station	1,068,430	0	58,655	1,009,775	60,911
East Central Relief Sewer	3,180,555	22,910	139,116	3,064,349	145,575
Westside Relief Sewer	20,398,260	1,014,063	815,061	20,597,262	841,683
Brownell Avenue Waterline	745,882	0	25,438	720,444	27,218
Black River Tunnel Design	0	606,172	0	606,172	329,164
Total Ohio Water Development Authority Loans	48,074,819	1,643,145	2,505,104	47,212,860	2,932,863
Capital Leases	208,364	0	51,008	157,356	53,532
Compensated Absences	1,221,075	101,146	204,442	1,117,779	122,614
Total Business-Type Activities	$57,619,414	$1,744,291	$4,058,324	$55,305,381	$4,538,550

General obligation bonds will be paid from the general bond retirement debt service fund, and the police levy, police pension, and fire pension special revenue funds. 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 and Ohio Department of Development loans for economic development projects are paid from the community development special revenue fund from loan repayment revenues.

Refunding Bonds

On May 24, 2007, the City issued $4,970,000 in general obligation refunding bonds at interest rates varying from 4.0 percent to 4.3 percent. The bond issue included serial and term bonds. Proceeds were used to refund $4,440,000 of the outstanding 2000 Riverfront Urban Renewal Phase I bonds.

The bonds were sold at a discount of $46,857. Proceeds of $4,715,431 (after underwriting fees and other insurance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2000 Riverfront Urban Renewal Phase I bonds. As a result, $4,440,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the basic financial statements. On December 31, 2009, $4,085,000 of the defeased bonds is outstanding.

The serial bonds for the general obligation refunding bonds were issued for a 22 year period with a final maturity at December 1, 2028. The bonds are being retired from the general obligation bond retirement fund.

Optional Redemption The serial bonds maturing on and after December 1, 2017 are subject to prior redemption, by and at the sole option of the City, either in whole on any date or in part (in any order of maturity) on any interest payment date on or after June 1, 2017, in integral multiples of $5,000, at the redemption price of 100 percent of the principal amount redeemed plus, in each case, accrued interest to the redemption date.

Mandatory Sinking Fund Redemption The term bonds maturing on December 1, 2026 are subject to mandatory redemption, pursuant to mandatory sinking fund requirements, at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in the year and in the principal amount set forth below:

Year	Principal Amount to be Redeemed
2025	$320,000

If retired only by such mandatory redemption prior to their stated maturity, there would remain $335,000 in principal amount of the bonds maturing on December 1, 2026 to be paid at maturity.

The term bonds maturing on December 1, 2028 are subject to mandatory redemption, pursuant to mandatory sinking fund requirements, at a redemption price of 100 percent of the principal amount redeemed plus interest accrued to the redemption date, on December 1 in the year and in the principal amount set forth below:

Year	Principal Amount to be Redeemed
2027	$350,000

If retired only by such mandatory redemption prior to their stated maturity, there would remain $360,000 in principal amount of the bonds maturing on December 1, 2028 to be paid at maturity.

Selection of Bonds to be Redeemed If fewer than all of the outstanding bonds are called for redemption at one time, they may be called in any order of their maturities, and, if fewer than all of the bonds of a single maturity are to be redeemed, the selection of such bonds to be redeemed, or portions thereof in the amounts of $5,000 or any integral multiple thereof, will be made by the bond registrar by lot in such manner as the bond registrar may determine.

OPWC and ODOT State Infrastructure Bank loans will be paid from the general obligation bond retirement debt service fund.

The City has pledged a portion of future motor vehicle gas tax revenues to repay $1,747,195 in ODOT State infrastructure bank loans issued from 2006 to 2008, to finance the reconstruction and repair of local roadways. These loans are payable solely from the motor vehicle gas tax revenue in the streets fund and were projected to use approximately 28 percent of the available gas tax revenue over the life of the loans. Total principal and interest remaining on the loans is $1,236,569, payable through 2025. Principal and interest payments for the current year were $346,356 and total gas tax revenues were $1,243,353.

Installment loans will be paid from the general fund and the capital improvements fund.

Capital leases will be paid from the general fund, the street construction and health services special revenue funds, and the general sewer capital improvements fund.

In an effort to revitalize its downtown area, in 2002 the City purchased the old pellet terminal site, a total of 19 acres, on the Black River for future development. This site was previously used for storing, loading and unloading iron ore pellets onto ships and by rail for use in northeast Ohio steel production since the 1890's and was also the location of the former Brush Beryllium Plant until 1948. The City voluntarily determined that due to the nature of the previous land use an environmental assessment on the property was warranted before any development could commence. The City contracted with a certified consultant in 2006 to assess the property. It was determined by the consultant that environmental remediation was necessary due to unacceptable concentrations of beryllium, lead, and other miscellaneous chemicals and to comply with the Ohio Environmental Protection Agency's voluntary action plan standards for environmental contamination cleanup.

The cost of the remediation estimated by the consultants is $821,774 as of 2009 with the potential for additional costs in the future due to price increases. The City expects no recoveries to reduce the liability for the remediation.

Compensated absences will be paid from the general fund, the community development, street construction, health services, police levy, municipal court computer and municipal court probation special revenue funds, the municipal court improvements capital projects fund, the water works and water pollution control enterprise funds, and the garage and hospitalization internal service funds, the fund from which the employees' salaries are paid.

The revenue and general obligation bonds for water improvements and the OWDA water facility loans will be paid from water user charges. The revenue refunding and general obligation bonds for sewer improvements, OWDA sewer facility loans and the capital lease for sewer cleaning equipment will be paid from sewer user charges.

The seventeen-year sewer system revenue refunding bonds, Series 1995, were issued for $8,035,000 on October 1, 1995 at an average interest rate of 4.5 percent for the purpose of advance refunding $9,420,000 of outstanding sewer system mortgage revenue refunding bonds, Series 1988. These bonds were issued at a discount of $39,679. As of December 31, 2009, $1,975,000 of the defeased debt was outstanding.

The sewer system revenue refunding, Series 1995, bonds mature annually 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:

Redemption Dates (Dates Inclusive)	Redemption Prices
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 refunding bonds consisted of the following at December 31, 2009:

Restricted assets held by the Trustee	
Revenue Bond Current Debt Service	$1,505,301
Restricted assets held by the City	
Utility Reserve Fund	981,045
Replacement and Improvement Fund	150,000

The sewer system refunding bonds, Series 1995 had a balance at December 31, 2009 of $1,396,793 net of the unamortized discount. The refunding resulted in a difference between the acquisition price and the net carrying amount of the old debt of $856,910. This difference, reported as a deduction from bonds payable, is being charged to interest through fiscal year 2011.

The City has pledged future revenues to repay revenue bonds and OWDA loans in the Water Pollution Control fund. The debt is payable solely from net revenues and is payable through 2028. Net revenues include all revenues received by the sewer utility less all operating expenses other than depreciation expense. Annual principal and interest payments on the bonds are expected to require less than 75 percent of net revenues and less than 35 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loans is $51,914,611. Principal and interest payments for the current year were $4,233,609, net revenues were $5,655,016, and total revenues were $12,084,067.

The water system revenue bonds, 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:

Redemption Dates (Dates Inclusive)	Redemption Prices
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, 2009:

Restricted assets held by the Trustee	
Revenue Bond Current Debt Service	$1,282,409
Restricted assets held by the City	
Utility Reserve Fund	373,487
Replacement and Improvement Fund	150,000

The water revenue bonds, Series 1995, had a balance at December 31, 2009 of $4,622,277 net of the unamortized discount.

The City has pledged future revenues to repay revenue bonds and OWDA loans in the Water Works fund. The debt is payable solely from net revenues and is payable through 2034. Net revenues include all revenues received by the water utility less all operating expenses other than depreciation expense. Annual principal and interest payments on the bonds are expected to require less than 95 percent of net revenues and less than 22 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loans is $18,935,344. Principal and interest payments for the current year were $1,701,417, net revenues were $1,802,871, and total revenues were $7,848,394.

The City's overall legal debt margin was $76,599,135 at December 31, 2009. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2009 are as follows:

Governmental Activities:

	General Obligation Bonds		Special Assessment Bonds		HUD Section 108 Loans	
Years	Principal	Interest	Principal	Interest	Principal	Interest
2010	$1,481,184	$1,492,702	$29,275	$53,163	$455,000	$276,334
2011	1,535,111	1,426,248	34,275	44,946	460,000	251,698
2012	1,721,881	1,357,395	35,893	43,475	465,000	226,132
2013	1,810,270	1,279,875	40,893	41,914	306,000	199,635
2014	1,772,577	1,197,248	42,511	39,998	308,000	180,612
2015-2019	7,679,883	4,802,996	238,594	168,220	1,620,000	600,620
2020-2024	8,021,406	2,917,510	263,594	98,166	936,000	157,938
2025-2029	5,790,000	924,186	150,000	34,075	0	0
2030-2032	830,000	75,825	0	0	0	0
Total	$30,642,312	$15,473,985	$835,035	$523,957	$4,550,000	$1,892,969

	ODOD Urban Redevelopment Loan		OPWC Loans	ODOT State Infrastructure Bank Loans		Installment Loans		Total Governmental Activities	
Years	Principal	Interest	Principal	Principal	Interest	Principal	Interest	Principal	Interest
2010	$0	$5,742	$342,472	$456,846	$31,019	$107,162	$1,490	$2,871,939	$1,860,450
2011	49,542	22,969	343,598	179,278	20,488	107,451	1,200	2,709,255	1,767,549
2012	201,913	70,595	337,215	247,413	44,179	57,754	898	3,067,069	1,742,674
2013	208,039	63,959	324,256	254,891	36,701	58,068	583	3,002,417	1,622,667
2014	214,350	57,121	310,695	262,595	28,997	58,397	255	2,969,125	1,504,231
2015-2019	1,173,337	175,554	977,540	769,128	59,749	251,666	0	12,710,148	5,807,139
2020-2024	449,762	14,627	115,888	0	0	0	0	9,786,650	3,188,241
2025-2030	0	0	0	0	0	0	0	5,940,000	958,261
2030-2034	0	0	0	0	0	0	0	830,000	75,825
Total	$2,296,943	$410,567	$2,751,664	$2,170,151	$221,133	$640,498	$4,426	$43,886,603	$18,527,037

Business-Type Activities:

	General Obligation Bonds		Revenue Bonds	
Years	Principal	Interest	Principal	Interest
2010	$184,541	$46,454	$1,245,000	$287,311
2011	195,615	36,411	1,320,000	218,020
2012	202,226	25,757	630,000	165,880
2013	213,837	14,749	665,000	132,210
2014	34,911	3,107	700,000	96,720
2015-2019	36,523	1,589	1,510,000	79,560
Total	$867,653	$128,067	$6,070,000	$979,701

	OWDA Loans		Total Business-Type Activities	
Years	Principal	Interest	Principal	Interest
2010	$1,616,441	$945,585	$3,045,982	$1,279,350
2011	1,589,591	874,511	3,105,206	1,128,942
2012	1,553,293	812,883	2,385,519	1,004,520
2013	1,614,666	751,510	2,493,503	898,469
2014	1,678,565	687,611	2,413,476	787,438
2015-2019	9,447,565	2,383,315	10,994,088	2,464,464
2020-2024	3,565,375	772,209	3,565,375	772,209
2025-2029	963,262	349,131	963,262	349,131
2030-2034	916,319	115,869	916,319	115,869
Total	$22,945,077	$7,692,624	$29,882,730	$8,800,392

The City has entered into contractual agreements for construction loans from the Ohio Water Development Authority (OWDA). 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 construction interest and then add them to the total amount of the final loan. These loans will not have an accurate repayment schedule until the loans are finalized and, therefore, are not included in the schedule of future annual debt service requirements. The balances of these loans are as follows:

Enterprise Funds	
Water Pollution Control:	December 31, 2009
OWDA Sewer:	
East Central Relief Sewer	$3,064,349
Westside Relief Sewer	20,597,262
Black River Tunnel Design	606,172
Total Loans not Finalized	$24,267,783

Note 12 - Capital Leases

During 2009, the City entered into a lease for the acquisition of Fax/Printer/Copier/Scanners for multiple departments of the City, and IP phone equipment for the Health Department. In prior years, the City entered into leases for the acquisition of Street and Fire equipment, an IP phone system and software, a high pressure jet truck and TV truck for the Water Pollution Control Department, police cruisers and a sewer cleaner. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards Board No. 13, "Accounting for Leases". Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by leases have been capitalized and depreciated as follows:

	Governmental Activities	*Business-Type Activities*
Capital Assets, Being Depreciated:		
Machinery and Equipment	$4,437,085	$503,820
Less Accumulated Depreciation:		
Machinery and Equipment	(911,087)	(94,117)
Capital Assets, Net	$3,525,998	$409,703

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, 2009:

Year Ending December 31,	Governmental Activities	Business-type Activities
2010	$659,406	$61,322
2011	655,820	61,321
2012	647,025	50,000
2013	211,339	0
2014	206,175	0
Total Minimum Lease Payments	2,379,765	172,643
Less: Amount Representing Interest	(230,540)	(15,287)
Present Value of Minimum Lease Payments	$2,149,225	$157,356

Note 13 - Compensated Absences

The criteria for determining vacation and sick leave benefits 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 the 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.

Note 14 - Defined Benefit Pension Plans

A. Ohio Public Employee Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, the members in state and local classifications contributed 10.0 percent of covered payroll.

The City's 2009 contribution rate was 14.0 percent. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were $2,110,850, $2,108,838, and $2,181,221 respectively; 91.58 percent has been contributed for 2009, 100 percent for 2008 and 88.67 percent for 2007. Contributions to the member-directed plan for 2009 were $16,093 made by the City and $11,495 made by plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F 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. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were $1,138,125 and $1,156,997 for the year ended December 31, 2009, $1,216,307 and $1,133,283 for the year ended December 31, 2008 and $1,083,052 and $1,115,934 for the year ended December 31, 2007. 77.32 percent has been contributed for police and 77.03 percent for firefighters has been contributed for 2009. The full amount has been contributed for 2008 and 2007.

Note 15 - Post Employment Benefits

A. Ohio Public Employees Retirement System (OPERS)

Plan Description – Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local government employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be

set aside for funding post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were $899,140, $1,119,561, and $864,916 respectively; 92.15 percent has been contributed for 2009, 91.55 percent for 2008 and 79.79 percent for 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing multiple-employer defined post-employment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long-term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were $393,905 and $325,463 for the year ended December 31, 2009, $420,964 and $318,793 for the year ended December 31, 2008, and $374,844 and $313,912 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 77.32 percent has been contributed for police and 77.03 percent has been contributed for firefighters for 2009.

Note 16 – Contractual Commitments

As of December 31, 2009, the open construction contracts for the water department and the water pollution control department were $196,900 and $3,757,307 respectively.

The water department open construction contracts include $187,200 with Malcolm-Pirnie for the preliminary design of a Westside water tower. In conjunction with the Ohio Water Development Authority, the water pollution control department has an open construction contract with Malcolm-Pirnie in the amount of $3,052,000 for the design of the Black River wastewater storage and conveyance tunnel. For relief sewer and retention basin construction there are open contracts with CT Consultants for $147,235.

The City also had an open construction contract with Fabrizi Trucking and Paving Company Inc. for the Riverbend Commerce Park project in the amount of $189,263. In addition the City had an open construction contract with Majzun Construction for the renovation of the police dispatch and communications center for the sum of $90,076. The total open construction contracts for the police project totaled $193,967 at the end of 2009.

Note 17 – Jointly Governed Organization

Northeast Ohio Areawide Coordinating Agency

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 38 member board that 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 2009, the City contributed $17,525 to the agency.

Note 18 - Related Organization

Lorain Port Authority

The Lorain Port Authority was formed to promote waterborne commerce, provide economic opportunities and to enhance public access to waterways within the City of Lorain. 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.

Note 19 – Shared Risk Pool

Public Entity Risk Consortium (PERC)

The City participates in PERC, a shared risk joint self-insurance pool restricted to mid-size public entities including pools. PERC was formed as an Ohio not-for-profit corporation as authorized by Ohio Revised Code Section 2744.081 and operates a property, crime, and liability insurance program. The Public Entity Risk Consortium (PERC) is a shared risk pool comprised of Tuscarawas County, Wayne County, the City of Lorain and the member participants of four pools: the Buckeye Ohio Risk Management Association, Inc. (BORMA); the Midwest Pool Risk Management Agency, Inc. (MPRMA); the Ohio Housing Authority Property and Casualty, Inc. (OHAPCI); and the State Housing Authority Risk Pool Association, Inc. (SHARP). Each member appoints one person to represent the City on the Board of Trustees. The Board of Directors consists of five trustees as determined by Board of Trustee vote. The Board of Directors governs and administers PERC. Each member's control over the budgeting and financing of PERC is limited to its voting authority and any representation it may have on the Board of Directors. Participation in PERC is by written application subject to approval of the Board of Directors and the payment of premiums. Members are required to remain members of PERC until the end of the PERC fiscal year (November 30). Any member may withdraw from PERC at the end of the PERC fiscal year upon providing at least three months prior written notice. After withdrawal, the former member continues to be fully obligated for its portion of any claim against the assets of the joint self-insurance pool that was created during the term of its membership. In addition, any distribution of surplus PERC funds allocable to the withdrawing member are forfeited by the withdrawing member and is distributed to the then remaining members in proportion to their interest in the surplus funds or other equitable manner as determined by the Board of Directors. In 2009, the City made payments in the amount of $419,463 to

PERC. Financial information may be obtained from Arthur J. Gallagher Risk Management Services, Inc., MK Ferguson Plaza, 1500 West Third Street, Suite 405, Cleveland, OH 44113.

Note 20 - Interfund Transfers and Balances

A. Transfers

Transfers are primarily from the general fund to various funds within the City. The general fund transferred funds to help finance the various programs accounted for in other funds.

Transfers were made from the municipal court probation fund, the police levy fund and the municipal court improvement fund to the general fund for the reimbursement of expenses.
Transfers are also made to cover the various debt obligations of the City from the general fund, the community development fund, and the street construction fund to the general obligation bond retirement fund and the special assessment bond retirement fund.

The lighthouse urban renewal and riverfront urban renewal capital projects funds transferred the remaining excess bond funds in each to the general obligation bond retirement fund.

The permissive license and general sewer funds transferred monies to the capital improvements fund and the street construction fund to cover the City's portion of capital project costs.

Transfers made during the year ended December 31, 2009 were as follows:

	Transfer From			
	Governmental Activities			
Transfer To	General	Community Development	Nonmajor	Totals
Governmental Activities				
General	$0	$0	$128,813	$128,813
General Obligation Bond Retirement	466,875	5,000	511,588	983,463
Capital Improvements	237,515	0	150,000	387,515
Nonmajor Funds	933,885	0	230,412	1,164,297
Total	$1,638,275	$5,000	$1,020,813	$2,664,088

B. Balances

The interfund balances as of December 31, 2009 represent eliminating negative cash, unallocated municipal court fines, utility and petroleum costs.

	Interfund Receivable					
	Governmental Activities		Business-Type Activities		Governmental Activities-Internal Service	
Interfund Payable	Community Development	Nonmajor	Water Works	Water Pollution Control	Garage	Totals
Governmental Activities						
General	$1,826,925	$20,747	$2,208	$2,299	$14,083	$1,866,262
Community Development	0	0	33	64	571	668
Nonmajor	410,825	0	0	0	98,240	509,065
Total Governmental Activities	2,237,750	20,747	2,241	2,363	112,894	2,375,995
Business-Type Activities						
Water Works	0	0	0	0	3,827	3,827
Water Pollution Control	0	0	0	0	2,826	2,826
Total Business-Type Activities	0	0	0	0	6,653	6,653
Internal Service						
Garage	57,148	0	0	0	0	57,148
Total	$2,294,898	$20,747	$2,241	$2,363	$119,547	$2,439,796

Note 21 - 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 22 - Subsequent Events

Effective January 1, 2010, Council passed ordinance number 179-09 which amended the City's income tax regulations to reduce the income tax credit allowed to residents who work outside the City on income tax paid to another City on wages and other income earned to a maximum of one percent which is one half the City's current tax rate of two percent. This change is effective for 2010 and all future years. The primary purpose of the amendment was to avoid additional layoffs and reduction of services within the City and to reduce, and eventually eliminate, the general fund deficit.

On April 23, 2010 Moody's converted the City's bond rating to the Global Rating Scale. The rating was changed from Baa2 with a negative outlook to A2 with a negative outlook on the new scale. On May 18, 2010 a ratings review was done by Moody's in conjunction with issuance of general obligation long term debt by the City. As a result of this review the City's rating was downgraded to A3 with no outlook.

On June 16, 2010 the City issued a $5,000,000 taxable general obligation bond for the purpose of paying the City's health benefits claims for 2010 and 2011 and to establish a reserve for anticipated health benefits claims for 2010 and 2011.

Combining and Individual Fund Statements

and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Streets Fund

This fund accounts for that portion of State gasoline tax and motor vehicle registration fees used for the 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 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.

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.

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 accounts for revenues received from contractors who establish new developments in the City and is used in the development of land for parks.

Cemetery Fund

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

(continued)

Nonmajor Special Revenue Funds (continued)

Law Enforcement Fund

This fund accounts for the monies used by the police department in their enforcement of drug related laws.

Municipal Court Computer Fund

This fund accounts for court 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.

Municipal Court Security Fund

This fund accounts for court fees collected by the municipal court designated for the hiring of security bailiffs for the Lorain Municipal Court.

Municipal Court Probation Fund

This fund accounts for court fees collected by the municipal court designated for the hiring of probation officers for the Lorain Municipal Court.

Nonmajor Debt Service Fund

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

Special Assessment Bond Retirement Fund

This fund accounts for the collection of special assessments levied against benefited properties for the payment of special assessment bonds and related interest.

Nonmajor Capital Projects Funds

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

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.

Lighthouse Urban Renewal Fund

This fund accounts for monies received from the sale of bonds to be used for urban renewal activities associated with the Lighthouse Village retail development area.

Riverfront Urban Renewal Fund

This fund accounts for monies received from the sale of bonds to be used for urban renewal activities to remove blight from the riverfront.

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
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$1,617,460	$0	$493,617	$2,111,077
Accounts Receivable	0	0	42,300	42,300
Materials and Supplies Inventory	232,004	0	0	232,004
Interfund Receivable	16,404	0	4,343	20,747
Intergovernmental Receivable	984,630	0	0	984,630
Prepaid Items	9,792	0	0	9,792
Municipal Income Taxes Receivable	263,221	0	0	263,221
Property Taxes Receivable	566,740	0	0	566,740
Special Assessment Receivable	0	62,619	0	62,619
Total Assets	$3,690,251	$62,619	$540,260	$4,293,130
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$126,579	$0	$3,301	$129,880
Contracts Payable	0	0	3,100	3,100
Accrued Wages and Benefits	112,413	0	0	112,413
Matured Compensated Absences Payable	10,696	0	0	10,696
Intergovernmental Payable	203,199	0	45,643	248,842
Interfund Payable	509,065	0	0	509,065
Accrued Interest Payable	10,098	0	1,776	11,874
Deferred Revenue	1,234,331	62,619	0	1,296,950
Total Liabilities	2,206,381	62,619	53,820	2,322,820
Fund Balances				
Reserved for Encumbrances	58,732	0	4,314	63,046
Unreserved, Undesignated				
Special Revenue Funds	1,425,138	0	0	1,425,138
Capital Projects Funds	0	0	482,126	482,126
Total Fund Balances	1,483,870	0	486,440	1,970,310
Total Liabilities and Fund Balances	$3,690,251	$62,619	$540,260	$4,293,130

City of Lorain, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	$256,331	$0	$0	$256,331
Municipal Income Taxes	1,944,702	0	0	1,944,702
Charges for Services	349,659	0	597,761	947,420
Licenses and Permits	317,210	0	0	317,210
Fines and Forfeitures	388,225	0	98,086	486,311
Intergovernmental	3,142,754	0	0	3,142,754
Special Assessments	0	42,796	0	42,796
Interest	0	0	954	954
Miscellaneous	17,090	0	0	17,090
Total Revenues	6,415,971	42,796	696,801	7,155,568
Expenditures				
Current:				
General Government	324,999	1	0	325,000
Security of Persons and Property	2,798,586	0	0	2,798,586
Transportation	2,620,162	0	0	2,620,162
Public Health	1,419,265	0	0	1,419,265
Community Environment	222,857	0	0	222,857
Leisure Time Activities	7,471	0	0	7,471
Capital Outlay	0	0	496,044	496,044
Debt Service:				
Principal Retirement	480,233	22,656	50,963	553,852
Interest and Fiscal Charges	253,685	21,592	8,152	283,429
Total Expenditures	8,127,258	44,249	555,159	8,726,666
Excess of Revenues Over (Under) Expenditures	(1,711,287)	(1,453)	141,642	(1,571,098)
Other Financing Sources (Uses)				
Inception of Capital Leases	15,713	0	0	15,713
Transfers In	1,162,738	1,559	0	1,164,297
Transfers Out	(481,402)	0	(539,411)	(1,020,813)
Total Other Financing Sources (Uses)	697,049	1,559	(539,411)	159,197
Net Change in Fund Balances	(1,014,238)	106	(397,769)	(1,411,901)
Fund Balances (Deficit) Beginning of Year	2,498,108	(106)	884,209	3,382,211
Fund Balances End of Year	$1,483,870	$0	$486,440	$1,970,310

City of Lorain, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Streets	Permissive License	Health Services	Litter Control	Police Levy
Assets					
Equity in Pooled Cash and Cash Equivalents	$2,508	$23,905	$5,912	$224,302	$28,749
Materials and Supplies Inventory	164,697	0	7,444	0	59,863
Interfund Receivable	0	0	0	0	0
Intergovernmental Receivable	930,796	18,834	0	0	0
Prepaid Items	849	0	5,171	0	2,565
Municipal Income Taxes Receivable	0	0	0	0	263,221
Property Taxes Receivable	0	0	0	0	0
Total Assets	$1,098,850	$42,739	$18,527	$224,302	$354,398
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	$64,671	$0	$6,184	$33,425	$16,276
Accrued Wages and Benefits	33,393	0	26,197	0	48,441
Matured Compensated Absences Payable	0	0	10,696	0	0
Intergovernmental Payable	71,051	0	55,976	0	64,099
Interfund Payable	93,993	0	0	0	4,247
Accrued Interest Payable	10,044	0	54	0	0
Deferred Revenue	595,834	0	0	0	36,757
Total Liabilities	868,986	0	99,107	33,425	169,820
Fund Balances					
Reserved for Encumbrances	1,539	3,485	1,624	322	51,384
Unreserved, Undesignated (Deficit)	228,325	39,254	(82,204)	190,555	133,194
Total Fund Balances (Deficit)	229,864	42,739	(80,580)	190,877	184,578
Total Liabilities and Fund Balances	$1,098,850	$42,739	$18,527	$224,302	$354,398

Mandatory Drug	Police Pension	Fire Pension	Indigent Drivers	Park Land	Cemetery	Law Enforcement
$10,170	$0	$0	$108,505	$14,103	$2,558	$954,614
0	0	0	0	0	0	0
0	0	0	1,412	0	0	0
0	17,500	17,500	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	283,370	283,370	0	0	0	0
$10,170	$300,870	$300,870	$109,917	$14,103	$2,558	$954,614
$0	$0	$0	$5,423	$0	$0	$0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
797	0	0	0	0	0	2,189
0	195,785	215,040	0	0	0	0
0	0	0	0	0	0	0
0	300,870	300,870	0	0	0	0
797	496,655	515,910	5,423	0	0	2,189
0	0	0	0	0	0	0
9,373	(195,785)	(215,040)	104,494	14,103	2,558	952,425
9,373	(195,785)	(215,040)	104,494	14,103	2,558	952,425
$10,170	$300,870	$300,870	$109,917	$14,103	$2,558	$954,614

(continued)

City of Lorain, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	Municipal Court Computer	Legal Research	Municipal Court Security	Municipal Court Probation	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$164,298	$73,229	$4,397	$210	$1,617,460
Materials and Supplies Inventory	0	0	0	0	232,004
Interfund Receivable	1,022	174	6,194	7,602	16,404
Intergovernmental Receivable	0	0	0	0	984,630
Prepaid Items	1,207	0	0	0	9,792
Municipal Income Taxes Receivable	0	0	0	0	263,221
Property Taxes Receivable	0	0	0	0	566,740
Total Assets	$166,527	$73,403	$10,591	$7,812	$3,690,251
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	$600	$0	$0	$0	$126,579
Accrued Wages and Benefits	1,641	0	1,277	1,464	112,413
Matured Compensated Absences Payable	0	0	0	0	10,696
Intergovernmental Payable	3,048	0	2,843	3,196	203,199
Interfund Payable	0	0	0	0	509,065
Accrued Interest Payable	0	0	0	0	10,098
Deferred Revenue	0	0	0	0	1,234,331
Total Liabilities	5,289	0	4,120	4,660	2,206,381
Fund Balances					
Reserved for Encumbrances	378	0	0	0	58,732
Unreserved, Undesignated (Deficit)	160,860	73,403	6,471	3,152	1,425,138
Total Fund Balances (Deficit)	161,238	73,403	6,471	3,152	1,483,870
Total Liabilities and Fund Balances	$166,527	$73,403	$10,591	$7,812	$3,690,251

City of Lorain, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2009

	Streets	Permissive License	Health Services	Litter Control	Police Levy
Revenues					
Property Taxes	$0	$0	$0	$0	$0
Municipal Income Taxes	0	0	0	0	1,944,702
Charges for Services	0	0	349,659	0	0
Licenses and Permits	0	0	317,210	0	0
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	2,204,646	242,395	426,147	226,690	0
Miscellaneous	2,252	0	0	0	13,738
Total Revenues	2,206,898	242,395	1,093,016	226,690	1,958,440
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	0	2,127,813
Transportation	2,423,625	196,537	0	0	0
Public Health	0	0	1,419,265	0	0
Community Environment	0	0	0	222,857	0
Leisure Time Activities	0	0	0	0	0
Debt Service:					
Principal Retirement	245,075	0	5,158	0	165,000
Interest and Fiscal Charges	50,660	0	2,049	0	117,995
Total Expenditures	2,719,360	196,537	1,426,472	222,857	2,410,808
Excess of Revenues Over (Under) Expenditures	(512,462)	45,858	(333,456)	3,833	(452,368)
Other Financing Sources (Uses)					
Inception of Capital Leases	0	0	15,713	0	0
Transfers In	775,247	892	299,605	0	51,994
Transfers Out	(346,357)	(75,000)	0	0	(1,950)
Total Other Financing Sources (Uses)	428,890	(74,108)	315,318	0	50,044
Net Change in Fund Balances	(83,572)	(28,250)	(18,138)	3,833	(402,324)
Fund Balances (Deficit) Beginning of Year	313,436	70,989	(62,442)	187,044	586,902
Fund Balances (Deficit) End of Year	$229,864	$42,739	($80,580)	$190,877	$184,578

(continued)

City of Lorain, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2009

	Mandatory Drug	Police Pension	Fire Pension	Indigent Drivers	Park Land
Revenues					
Property Taxes	$0	$107,789	$148,542	$0	$0
Municipal Income Taxes	0	0	0	0	0
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Fines and Forfeitures	7,956	0	0	22,470	0
Intergovernmental	0	18,352	24,524	0	0
Miscellaneous	0	0	0	0	1,100
Total Revenues	7,956	126,141	173,066	22,470	1,100
Expenditures					
Current:					
General Government	0	0	0	46,856	0
Security of Persons and Property	10,850	281,929	138,369	0	0
Transportation	0	0	0	0	0
Public Health	0	0	0	0	0
Community Environment	0	0	0	0	0
Leisure Time Activities	0	0	0	0	7,471
Debt Service:					
Principal Retirement	0	22,750	42,250	0	0
Interest and Fiscal Charges	0	29,043	53,938	0	0
Total Expenditures	10,850	333,722	234,557	46,856	7,471
Excess of Revenues Over (Under) Expenditures	(2,894)	(207,581)	(61,491)	(24,386)	(6,371)
Other Financing Sources (Uses)					
Inception of Capital Leases	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	(2,894)	(207,581)	(61,491)	(24,386)	(6,371)
Fund Balances (Deficit) Beginning of Year	12,267	11,796	(153,549)	128,880	20,474
Fund Balances (Deficit) End of Year	$9,373	($195,785)	($215,040)	$104,494	$14,103

Cemetery	Law Enforcement	Municipal Court Computer	Legal Research	Municipal Court Security	Municipal Court Probation	Total Nonmajor Special Revenue Funds
$0	$0	$0	$0	$0	$0	$256,331
0	0	0	0	0	0	1,944,702
0	0	0	0	0	0	349,659
0	0	0	0	0	0	317,210
0	151,515	31,128	13,687	66,747	94,722	388,225
0	0	0	0	0	0	3,142,754
0	0	0	0	0	0	17,090
0	151,515	31,128	13,687	66,747	94,722	6,415,971
0	0	159,801	47,004	71,338	0	324,999
0	119,571	0	0	0	120,054	2,798,586
0	0	0	0	0	0	2,620,162
0	0	0	0	0	0	1,419,265
0	0	0	0	0	0	222,857
0	0	0	0	0	0	7,471
0	0	0	0	0	0	480,233
0	0	0	0	0	0	253,685
0	119,571	159,801	47,004	71,338	120,054	8,127,258
0	31,944	(128,673)	(33,317)	(4,591)	(25,332)	(1,711,287)
0	0	0	0	0	0	15,713
0	0	0	0	10,000	25,000	1,162,738
0	0	0	0	0	(58,095)	(481,402)
0	0	0	0	10,000	(33,095)	697,049
0	31,944	(128,673)	(33,317)	5,409	(58,427)	(1,014,238)
2,558	920,481	289,911	106,720	1,062	61,579	2,498,108
$2,558	$952,425	$161,238	$73,403	$6,471	$3,152	$1,483,870

City of Lorain, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	General Sewer	Municipal Court Improvements	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$399,523	$94,094	$493,617
Accounts Receivable	42,300	0	42,300
Interfund Receivable	0	4,343	4,343
Total Assets	$441,823	$98,437	$540,260
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	$2,790	$511	$3,301
Contracts Payable	0	3,100	3,100
Intergovernmental Payable	0	45,643	45,643
Accrued Interest Payable	1,776	0	1,776
Total Liabilities	4,566	49,254	53,820
Fund Balances			
Reserved for Encumbrances	0	4,314	4,314
Unreserved, Undesignated	437,257	44,869	482,126
Total Fund Balances	437,257	49,183	486,440
Total Liabilities and Fund Balances	$441,823	$98,437	$540,260

City of Lorain, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009

	General Sewer	Lighthouse Urban Renewal	Riverfront Urban Renewal	Municipal Court Improvements	Total Nonmajor Capital Projects Funds
Revenues					
Charges for Services	$597,761	$0	$0	$0	$597,761
Fines and Forfeitures	0	0	0	98,086	98,086
Interest	0	37	904	13	954
Total Revenues	597,761	37	904	98,099	696,801
Expenditures					
Capital Outlay	138,334	32,433	19,770	305,507	496,044
Debt Service:					
Principal Retirement	50,963	0	0	0	50,963
Interest and Fiscal Charges	8,152	0	0	0	8,152
Total Expenditures	197,449	32,433	19,770	305,507	555,159
Excess of Revenues Over (Under) Expenditures	400,312	(32,396)	(18,866)	(207,408)	141,642
Other Financing Uses					
Transfers Out	(270,412)	(130)	(165,101)	(103,768)	(539,411)
Net Change in Fund Balances	129,900	(32,526)	(183,967)	(311,176)	(397,769)
Fund Balances Beginning of Year	307,357	32,526	183,967	360,359	884,209
Fund Balances End of Year	$437,257	$0	$0	$49,183	$486,440

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

This fund accounts 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

This fund accounts for the hospital/medical, prescription drug, vision, and dental benefits for its employees on a self-insured basis.

City of Lorain, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2009

	Garage	Hospitalization	Totals
Assets			
Current Assets			
Equity in Pooled Cash and Cash Equivalents	$0	$323,066	$323,066
Materials and Supplies Inventory	739,128	0	739,128
Interfund Receivable	119,547	0	119,547
Prepaid Items	2,083	0	2,083
Total Current Assets	860,758	323,066	1,183,824
Noncurrent Assets			
Depreciable Capital Assets, Net	188,361	0	188,361
Total Assets	1,049,119	323,066	1,372,185
Liabilities			
Current Liabilities			
Accounts Payable	63,707	0	63,707
Accrued Wages and Benefits	13,108	556	13,664
Intergovernmental Payable	29,062	1,008	30,070
Interfund Payable	57,148	0	57,148
Claims Payable	0	337,726	337,726
Compensated Absences Payable	25,818	0	25,818
Bonds Payable	19,796	0	19,796
Total Current Liabilities	208,639	339,290	547,929
Long-Term Liabilities (Net of Current Portion)			
Compensated Absences Payable	63,575	6,294	69,869
Bonds Payable	112,659	0	112,659
Total Long-Term Liabilities	176,234	6,294	182,528
Total Liabilities	384,873	345,584	730,457
Net Assets			
Invested in capital assets, net of related debt	55,906	0	55,906
Unrestricted (Deficit)	608,340	(22,518)	585,822
Total Net Assets (Deficit)	$664,246	($22,518)	$641,728

City of Lorain, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended December 31, 2009

	Garage	Hospitalization	Totals
Operating Revenues			
Charges for Services	$1,455,919	$4,546,882	$6,002,801
Miscellaneous	0	12,135	12,135
Total Operating Revenues	1,455,919	4,559,017	6,014,936
Operating Expenses			
Personal Services	626,547	21,430	647,977
Materials and Supplies	722,816	0	722,816
Contractual Services	1,088	0	1,088
Claims	0	4,459,728	4,459,728
Other Operating Expenses	2,421	0	2,421
Depreciation	4,720	0	4,720
Total Operating Expenses	1,357,592	4,481,158	5,838,750
Operating Income	98,327	77,859	176,186
Non-Operating Expenses			
Interest and Fiscal Charges	(6,592)	0	(6,592)
Change in Net Assets	91,735	77,859	169,594
Net Assets (Deficit) Beginning of Year	572,511	(100,377)	472,134
Net Assets (Deficit) End of Year	$664,246	($22,518)	$641,728

City of Lorain, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2009

	Garage	Hospitalization	Totals
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Transactions with Other Funds	$1,347,159	$4,546,882	$5,894,041
Cash Payments for Goods and Services	(824,891)	0	(824,891)
Cash Payments for Employee Services and Benefits	(566,238)	(22,129)	(588,367)
Cash Payments for Claims	0	(4,476,440)	(4,476,440)
Other Operating Revenues	0	12,135	12,135
Net Cash Provided By (Used for) Operating Activities	(43,970)	60,448	16,478
Cash Flows from Noncapital Financing Activities			
Advances In	57,148	0	57,148
Advances Out	(1,573)	0	(1,573)
Net Cash Provided by Noncapital Financing Activities	55,575	0	55,575
Cash Flows from Capital and Related Financing Activities			
Principal Paid on Bonds	(19,076)	0	(19,076)
Interest Paid on Bonds	(6,592)	0	(6,592)
Net Cash Used for Capital and Related Financing Activities	(25,668)	0	(25,668)
Net Increase (Decrease) in Cash and Cash Equivalents	(14,063)	60,448	46,385
Cash and Cash Equivalents Beginning of Year	14,063	262,618	276,681
Cash and Cash Equivalents End of Year	$0	$323,066	$323,066

(continued)

City of Lorain, Ohio
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended December 31, 2009

	Garage	Hospitalization	Totals
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities			
Operating Income	$98,327	$77,859	$176,186
Adjustments:			
Depreciation	4,720	0	4,720
(Increase) Decrease in Assets:			
Interfund Receivable	(108,760)	0	(108,760)
Materials and Supplies Inventory	(58,094)	0	(58,094)
Prepaid Items	297	0	297
Increase (Decrease) in Liabilities:			
Accounts Payable	22,883	0	22,883
Accrued Wages and Benefits	65	62	127
Claims Payable	0	(16,712)	(16,712)
Compensated Absences Payable	4,028	(531)	3,497
Intergovernmental Payable	(7,436)	(230)	(7,666)
Total Adjustments	(142,297)	(17,411)	(159,708)
Net Cash Provided by (Used for) Operating Activities	($43,970)	$60,448	$16,478

Fund Descriptions - Agency Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

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.

Contracts Trust Fund

This fund was established to account for charges to contractors to cover the costs 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.

Flexible Spending Fund

This fund was established to account for deposits made by employees who participate in a flexible benefits plan for unreimbursed medical and/or dependent day care.

County User Fee Fund

This fund was established to account for sewer charges collected by the City and then remitted to the cities of Avon and Avon Lake.

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.

City of Lorain, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009

	Beginning Balance 12/31/08	Additions	Deductions	Ending Balance 12/31/09
Street Excavation				
Assets				
Equity in Pooled Cash and Cash Equivalents	$11,810	$0	$0	$11,810
Liabilities				
Deposits Held and Due to Others	$11,810	$0	$0	$11,810
Allotment Improvement				
Assets				
Equity in Pooled Cash and Cash Equivalents	$64,355	$2,000	$29,100	$37,255
Liabilities				
Deposits Held and Due to Others	$64,355	$2,000	$29,100	$37,255
Deposits Held				
Assets				
Equity in Pooled Cash and Cash Equivalents	$157,750	$178,677	$158,608	$177,819
Liabilities				
Deposits Held and Due to Others	$157,750	$178,677	$158,608	$177,819
Contracts Trust				
Assets				
Equity in Pooled Cash and Cash Equivalents	$8,567	$1,975	$1,613	$8,929
Liabilities				
Deposits Held and Due to Others	$8,567	$1,975	$1,613	$8,929
Vital Statistics				
Assets				
Equity in Pooled Cash and Cash Equivalents	$21,240	$87,626	$84,272	$24,594
Liabilities				
Deposits Held and Due to Others	$21,240	$87,626	$84,272	$24,594

(continued)

City of Lorain, Ohio

Combining Statement of Changes in Assets and Liabilities

Agency Funds (continued)

For the Year Ended December 31, 2009

	Beginning Balance 12/31/08	Additions	Deductions	Ending Balance 12/31/09
Flexible Spending				
Assets				
Equity in Pooled Cash and Cash Equivalents	$35,855	$147,001	$176,489	$6,367
Liabilities				
Deposits Held and Due to Others	$35,855	$147,001	$176,489	$6,367
County User Fee				
Assets				
Equity in Pooled Cash and Cash Equivalents	$95	$57,606	$57,642	$59
Liabilities				
Deposits Held and Due to Others	$95	$57,606	$57,642	$59
State Highway Patrol				
Assets				
Equity in Pooled Cash and Cash Equivalents	$0	$18,621	$18,621	$0
Liabilities				
Deposits Held and Due to Others	$0	$18,621	$18,621	$0
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	$299,672	$493,506	$526,345	$266,833
Liabilities				
Deposits Held and Due to Others	$299,672	$493,506	$526,345	$266,833

Individual Fund Schedules of Revenues, Expenditures/Expenses

And Changes in Fund Balances/Fund Equity –

Budget (Non - GAAP Basis) and Actual

City of Lorain, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property Taxes	$2,813,109	$2,813,109	$2,640,989	($172,120)
Municipal Income Taxes	15,071,594	15,071,594	13,956,294	(1,115,300)
Charges for Services	770,613	899,693	829,521	(70,172)
Licenses and Permits	807,250	807,250	730,023	(77,227)
Fines and Forfeitures	1,306,500	1,315,756	1,327,746	11,990
Intergovernmental	6,607,787	9,469,590	6,502,484	(2,967,106)
Franchise Fees	580,000	580,000	600,702	20,702
Interest	150,500	151,500	23,707	(127,793)
Miscellaneous	178,337	204,004	282,262	78,258
Total Revenues	28,285,690	31,312,496	26,893,728	(4,418,768)
Expenditures:				
Current:				
General Government				
Civil Service:				
Wages and Benefits	91,564	101,682	97,050	4,632
Contractual Services	3,000	2,755	2,755	0
Materials and Supplies	500	427	320	107
Other	3,000	2,000	1,145	855
Total Civil Service	98,064	106,864	101,270	5,594
Council:				
Wages and Benefits	339,667	324,017	323,467	550
Contractual Services	2,500	7,870	7,114	756
Materials and Supplies	250	250	235	15
Capital Outlay	500	100	80	20
Other	6,800	6,430	6,206	224
Total Council	349,717	338,667	337,102	1,565
Mayor:				
Wages and Benefits	181,506	177,506	177,433	73
Materials and Supplies	500	500	118	382
Capital Outlay	1,000	0	0	0
Total Mayor	183,006	178,006	177,551	455
Auditor:				
Wages and Benefits	470,304	460,624	459,757	867
Contractual Services	72,978	76,658	75,214	1,444
Materials and Supplies	37,959	22,959	22,319	640
Other	2,360	2,360	1,222	1,138
Total Auditor	$583,601	$562,601	$558,512	$4,089

(continued)

City of Lorain, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Treasurer:				
Wages and Benefits	$448,163	$450,663	$449,558	$1,105
Contractual Services	16,650	17,300	15,562	1,738
Materials and Supplies	2,700	2,700	1,444	1,256
Other	9,996	27,396	25,496	1,900
Total Treasurer	477,509	498,059	492,060	5,999
Law Director:				
Wages and Benefits	718,605	687,105	685,257	1,848
Contractual Services	3,740	10,740	8,708	2,032
Materials and Supplies	12,918	14,918	13,451	1,467
Capital Outlay	6,607	6,607	5,675	932
Other	3,500	4,000	3,701	299
Total Law Director	745,370	723,370	716,792	6,578
Judges:				
Wages and Benefits	600,830	601,830	601,670	160
Contractual Services	17,171	21,771	19,944	1,827
Materials and Supplies	8,600	9,200	7,487	1,713
Other	7,705	4,805	4,164	641
Total Judges	634,306	637,606	633,265	4,341
Clerk of Courts:				
Wages and Benefits	828,138	850,138	849,761	377
Contractual Services	13,668	13,668	12,441	1,227
Materials and Supplies	75,654	72,259	66,724	5,535
Other	7,500	8,500	8,114	386
Total Clerk of Courts	924,960	944,565	937,040	7,525
Electrical:				
Wages and Benefits	441,754	438,754	437,752	1,002
Contractual Services	32,800	32,800	27,900	4,900
Materials and Supplies	37,000	23,114	21,684	1,430
Capital Outlay	0	3,200	3,200	0
Other	1,050	750	431	319
Total Electrical	$512,604	$498,618	$490,967	$7,651

(continued)

City of Lorain, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Safety/Service:				
Wages and Benefits	$634,905	$408,010	$405,945	$2,065
Contractual Services	459,780	3,435,895	1,685,856	1,750,039
Materials and Supplies	43,820	45,970	41,372	4,598
Capital Outlay	25,273	24,273	24,273	0
Other	58,200	89,300	85,436	3,864
Total Safety/Service	1,221,978	4,003,448	2,242,882	1,760,566
Engineering:				
Wages and Benefits	760,573	761,573	759,835	1,738
Contractual Services	15,156	12,156	11,378	778
Materials and Supplies	23,983	14,183	10,387	3,796
Other	2,300	4,800	3,722	1,078
Total Engineering	802,012	792,712	785,322	7,390
Data Processing:				
Wages and Benefits	208,173	208,173	207,499	674
Contractual Services	221,945	196,745	191,790	4,955
Materials and Supplies	15,500	15,500	8,144	7,356
Capital Outlay	78,043	67,043	63,668	3,375
Other	6,700	1,700	1,400	300
Total Data Processing	530,361	489,161	472,501	16,660
Total General Government	7,063,488	9,773,677	7,945,264	1,828,413
Security of Persons and Property				
Police Department:				
Wages and Benefits	8,269,779	8,487,758	8,522,554	(34,796)
Contractual Services	267,934	272,478	262,761	9,717
Materials and Supplies	504,864	433,299	416,900	16,399
Capital Outlay	7,840	16,170	16,168	2
Other	4,367	3,367	3,367	0
Total Police Department	9,054,784	9,213,072	9,221,750	(8,678)
Fire Department				
Wages and Benefits	6,914,291	6,896,291	7,153,118	(256,827)
Contractual Services	111,691	194,691	177,226	17,465
Materials and Supplies	138,094	133,537	132,396	1,141
Capital Outlay	39,104	39,104	39,104	0
Other	9,800	15,700	15,113	587
Total Fire Department	7,212,980	7,279,323	7,516,957	(237,634)
Total Security of Persons and Property	$16,267,764	$16,492,395	$16,738,707	($246,312)

(continued)

City of Lorain, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Public Health				
Cemetery:				
Wages and Benefits	$205,701	$193,701	$192,629	$1,072
Contractual Services	3,800	9,300	8,983	317
Materials and Supplies	22,700	26,500	26,152	348
Total Cemetery	232,201	229,501	227,764	1,737
Dog Warden:				
Wages and Benefits	71,777	57,377	56,856	521
Materials and Supplies	3,760	5,760	5,479	281
Total Dog Warden	75,537	63,137	62,335	802
Total Public Health	307,738	292,638	290,099	2,539
Community Environment				
Building Inspection:				
Wages and Benefits	382,033	385,033	384,399	634
Contractual Services	16,166	21,166	20,217	949
Materials and Supplies	13,050	14,450	13,951	499
Other	7,600	4,300	3,753	547
Total Community Environment	418,849	424,949	422,320	2,629
Leisure Time Activities				
Parks Department:				
Wages and Benefits	615,509	688,049	687,090	959
Contractual Services	133,747	129,247	117,014	12,233
Materials and Supplies	168,394	138,109	131,973	6,136
Capital Outlay	3,000	4,650	4,650	0
Other	3,900	3,900	3,037	863
Total Leisure Time Activities	924,550	963,955	943,764	20,191
Debt Service:				
Principal Retirement	371,349	381,681	376,515	5,166
Interest and Fiscal Charges	93,263	93,263	93,263	0
Total Debt Service	464,612	474,944	469,778	5,166
Total Expenditures	$25,447,001	$28,422,558	$26,809,932	$1,612,626

(continued)

City of Lorain, Ohio
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Excess of Revenues Over Expenditures	$2,838,689	$2,889,938	$83,796	($2,806,142)
Other Financing Sources (Uses):				
Advances In	501,573	957,763	957,763	0
Advances Out	(500,000)	(956,190)	(953,982)	2,208
Transfers In	126,863	128,813	128,813	0
Transfers Out	(1,509,136)	(1,479,434)	(1,638,275)	(158,841)
Total Other Financing Sources (Uses)	(1,380,700)	(1,349,048)	(1,505,681)	(156,633)
Net Change in Fund Balance	1,457,989	1,540,890	(1,421,885)	(2,962,775)
Fund Balance (Deficit) Beginning of Year	(1,392,958)	(1,392,958)	(1,392,958)	0
Prior Year Encumbrances Appropriated	254,921	254,921	254,921	0
Fund Balance (Deficit) End of Year	$319,952	$402,853	($2,559,922)	($2,962,775)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Community Development Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Payments in Lieu of Taxes	$0	$7,736	$173,288	$165,552
Licenses and Permits	0	0	244	244
Intergovernmental	5,642,460	9,492,114	4,299,790	(5,192,324)
Interest	32,855	32,855	18,587	(14,268)
Miscellaneous	2,000	2,000	33,675	31,675
Total Revenues	5,677,315	9,534,705	4,525,584	(5,009,121)
Expenditures:				
Current:				
Economic Development				
Wages and Benefits	1,388,362	1,814,416	1,414,107	400,309
Contractual Services	2,588,981	4,121,356	1,895,992	2,225,364
Materials and Supplies	146,242	146,242	20,917	125,325
Capital Outlay	596,995	2,748,827	919,298	1,829,529
Other	3,058,139	3,171,015	1,669,153	1,501,862
Total Economic Development	7,778,719	12,001,856	5,919,467	6,082,389
Debt Service:				
Principal Retirement	770,843	770,843	455,000	315,843
Interest and Fiscal Charges	305,599	305,599	305,599	0
Total Debt Service	1,076,442	1,076,442	760,599	315,843
Total Expenditures	8,855,161	13,078,298	6,680,066	6,398,232
Excess of Revenues Under Expenditures	(3,177,846)	(3,543,593)	(2,154,482)	1,389,111
Other Financing Uses:				
Transfers Out	0	(9,864)	(5,000)	4,864
Net Change in Fund Balance	(3,177,846)	(3,553,457)	(2,159,482)	1,393,975
Fund Balance Beginning of Year	3,711,744	3,711,744	3,711,744	0
Prior Year Encumbrances Appropriated	432,530	432,530	432,530	0
Fund Balance End of Year	$966,428	$590,817	$1,984,792	$1,393,975

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property Taxes	$1,415,605	$1,415,605	$1,187,937	($227,668)
Payments in Lieu of Taxes	526,000	526,000	515,305	(10,695)
Intergovernmental	186,100	186,100	225,407	39,307
Interest	40,000	40,000	2,227	(37,773)
Miscellaneous	306,797	306,797	24,650	(282,147)
Total Revenues	2,474,502	2,474,502	1,955,526	(518,976)
Expenditures:				
Current:				
General Government				
Other	2,000	2,000	819	1,181
Debt Service:				
Principal Retirement	1,682,698	1,682,698	1,535,600	147,098
Interest and Fiscal Charges	1,454,799	1,454,799	1,401,208	53,591
Total Debt Service	3,137,497	3,137,497	2,936,808	200,689
Total Expenditures	3,139,497	3,139,497	2,937,627	201,870
Excess of Revenues Under Expenditures	(664,995)	(664,995)	(982,101)	(317,106)
Other Financing Sources:				
Transfers In	900,042	900,042	983,463	83,421
Net Change in Fund Balance	235,047	235,047	1,362	(233,685)
Fund Balance Beginning of Year	330,439	330,439	330,439	0
Fund Balance End of Year	$565,486	$565,486	$331,801	($233,685)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Capital Improvements Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$4,434,543	$4,534,543	$2,864,987	($1,669,556)
Special Assessments	0	23,829	23,829	0
Interest	0	0	1,075	1,075
Miscellaneous	0	16,081	16,081	0
Total Revenues	4,434,543	4,574,453	2,905,972	(1,668,481)
Expenditures:				
Current:				
Capital Outlay				
Contractual Services	7,240,797	7,745,393	5,337,527	2,407,866
Capital Outlay	1,278,993	1,378,993	1,238,005	140,988
Total Capital Outlay	8,519,790	9,124,386	6,575,532	2,548,854
Debt Service:				
Principal Retirement	0	2,510,098	2,510,098	0
Interest and Fiscal Charges	0	67,829	67,828	1
Bond Issuance Costs	0	28,531	28,530	1
Total Debt Service	0	2,606,458	2,606,456	2
Total Expenditures	8,519,790	11,730,844	9,181,988	2,548,856
Excess of Revenues Under Expenditures	(4,085,247)	(7,156,391)	(6,276,016)	880,375
Other Financing Sources:				
Bonds Issued	0	390,000	390,000	0
Notes Issued	491,098	2,706,098	2,706,098	0
Installment Loan Received	0	0	503,332	503,332
ODOT-SIB Loans Received	1,146,747	1,637,845	1,042,921	(594,924)
OPWC Loans Received	80,446	80,446	80,446	0
Premium on Bonds Issued	0	12,531	12,530	(1)
Transfers In	500,000	462,515	387,515	(75,000)
Total Other Financing Sources	2,218,291	5,289,435	5,122,842	(166,593)
Net Change in Fund Balance	(1,866,956)	(1,866,956)	(1,153,174)	713,782
Fund Balance Beginning of Year	1,478,573	1,478,573	1,478,573	0
Prior Year Encumbrances Appropriated	417,748	417,748	417,748	0
Fund Balance End of Year	$29,365	$29,365	$743,147	$713,782

City of Lorain, Ohio

Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget and Actual (Non - GAAP Basis)
Water Works Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for Services	$8,802,223	$8,198,523	$7,587,300	($611,223)
OWDA Loans Received	4,454,718	4,498,718	0	(4,498,718)
Interest	26,125	26,125	195	(25,930)
Miscellaneous	23,396	23,396	33,007	9,611
Total Revenues	13,306,462	12,746,762	7,620,502	(5,126,260)
Expenses:				
Personal Services	3,583,017	3,687,317	3,684,776	2,541
Contractual Services	1,011,315	1,047,315	771,602	275,713
Materials and Supplies	663,928	913,028	856,141	56,887
Basic Utilities	689,000	704,000	629,778	74,222
Capital Outlay	5,652,743	4,825,543	482,305	4,343,238
Other Expense	158,081	180,081	146,403	33,678
Debt Service:				
Principal Retirement	1,137,836	1,137,836	1,137,086	750
Interest and Fiscal Charges	764,902	764,902	764,779	123
Total Expenses	13,660,822	13,260,022	8,472,870	4,787,152
Excess of Revenues Under Expenses Before Advances	(354,360)	(513,260)	(852,368)	(339,108)
Advances In	250,000	1,995,843	503,982	(1,491,861)
Advances Out	(250,000)	(1,995,843)	(506,190)	1,489,653
Excess of Revenues Under Expenses and Advances	(354,360)	(513,260)	(854,576)	(341,316)
Fund Equity Beginning of Year	2,790,384	2,790,384	2,790,384	0
Prior Year Encumbrances Appropriated	137,042	137,042	137,042	0
Fund Equity End of Year	$2,573,066	$2,414,166	$2,072,850	($341,316)

City of Lorain, Ohio
Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget and Actual (Non - GAAP Basis)
Water Pollution Control Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for Services	$12,424,737	$11,630,988	$11,534,383	($96,605)
OWDA Loans Received	3,882,396	3,882,396	1,643,145	(2,239,251)
Intergovernmental	67,604	433,354	433,354	0
Interest	16,574	16,574	963	(15,611)
Miscellaneous	44,531	44,531	66,776	22,245
Total Revenues	16,435,842	16,007,843	13,678,621	(2,329,222)
Expenses:				
Personal Services	4,046,407	4,319,407	4,317,293	2,114
Contractual Services	2,377,118	2,359,578	2,020,929	338,649
Materials and Supplies	549,325	515,725	438,407	77,318
Basic Utilities	785,000	785,000	735,769	49,231
Capital Outlay	3,889,804	3,256,744	2,146,672	1,110,072
Other Operating Expense	277,885	350,618	289,284	61,334
Debt Service:				
Principal Retirement	2,782,494	2,782,494	2,782,493	1
Interest and Fiscal Charges	1,541,342	1,541,342	1,541,340	2
Total Expenses	16,249,375	15,910,908	14,272,187	1,638,721
Excess of Revenues Over (Under) Expenses Before Advances	186,467	96,935	(593,566)	(690,501)
Advances In	250,000	1,995,843	450,000	(1,545,843)
Advances Out	(250,000)	(1,995,843)	(450,000)	1,545,843
Excess of Revenues Over (Under) Expenses and Advances	186,467	96,935	(593,566)	(690,501)
Fund Equity Beginning of Year	2,777,493	2,777,493	2,777,493	0
Prior Year Encumbrances Appropriated	783,728	783,728	783,728	0
Fund Equity End of Year	$3,747,688	$3,658,156	$2,967,655	($690,501)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Streets Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$2,285,000	$2,285,000	$2,216,153	($68,847)
Other	500	500	2,252	1,752
Total Revenues	2,285,500	2,285,500	2,218,405	(67,095)
Expenditures:				
Current:				
Transportation				
Wages and Benefits	1,246,881	1,524,881	1,524,072	809
Contractual Services	38,576	38,576	37,910	666
Materials and Supplies	801,556	774,002	766,155	7,847
Other	25,374	22,374	22,366	8
Total Transportation	2,112,387	2,359,833	2,350,503	9,330
Debt Service:				
Principal Retirement	245,076	245,076	245,075	1
Interest and Fiscal Charges	52,972	52,972	52,972	0
Total Debt Service	298,048	298,048	298,047	1
Total Expenditures	2,410,435	2,657,881	2,648,550	9,331
Excess of Revenues Under Expenditures	(124,935)	(372,381)	(430,145)	(57,764)
Other Financing Sources (Uses):				
Transfers In	587,979	717,979	775,247	57,268
Transfers Out	(421,357)	(346,357)	(346,357)	0
Total Other Financing Sources (Uses)	166,622	371,622	428,890	57,268
Net Change in Fund Balance	41,687	(759)	(1,255)	(496)
Fund Balance Beginning of Year	143	143	143	0
Prior Year Encumbrances Appropriated	1,112	1,112	1,112	0
Fund Balance End of Year	$42,942	$496	$0	($496)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Permissive License Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$255,000	$255,000	$246,265	($8,735)
Expenditures:				
Current:				
Transportation				
Materials and Supplies	203,908	203,908	200,095	3,813
Excess of Revenues Over Expenditures	51,092	51,092	46,170	(4,922)
Other Financing Sources (Uses):				
Transfers In	0	0	892	892
Transfers Out	(75,000)	(75,000)	(75,000)	0
Total Other Financing Sources (Uses)	(75,000)	(75,000)	(74,108)	892
Net Change in Fund Balance	(23,908)	(23,908)	(27,938)	(4,030)
Fund Balance Beginning of Year	14,030	14,030	14,030	0
Prior Year Encumbrances Appropriated	13,908	13,908	13,908	0
Fund Balance End of Year	$4,030	$4,030	$0	($4,030)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual (Non - GAAP Basis)

Health Services Fund

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for Services	$528,396	$528,396	$346,090	($182,306)
Licenses and Permits	395,030	395,030	317,210	(77,820)
Intergovernmental	336,000	336,000	446,272	110,272
Total Revenues	1,259,426	1,259,426	1,109,572	(149,854)
Expenditures:				
Current:				
Public Health				
Wages and Benefits	1,166,173	1,166,173	1,109,704	56,469
Contractual Services	247,231	247,231	228,489	18,742
Materials and Supplies	19,391	19,391	14,476	4,915
Capital Outlay	12,821	12,821	12,821	0
Other	70,360	70,360	51,091	19,269
Total Public Health	1,515,976	1,515,976	1,416,581	99,395
Debt Service:				
Principal Retirement	5,158	5,158	5,158	0
Interest and Fiscal Charges	1,995	1,995	1,995	0
Total Debt Service	7,153	7,153	7,153	0
Total Expenditures	1,523,129	1,523,129	1,423,734	99,395
Excess of Revenues Under Expenditures	(263,703)	(263,703)	(314,162)	(50,459)
Other Financing Sources:				
Transfers In	250,000	250,000	299,605	49,605
Net Change in Fund Balance	(13,703)	(13,703)	(14,557)	(854)
Fund Balance Beginning of Year	853	853	853	0
Prior Year Encumbrances Appropriated	13,704	13,704	13,704	0
Fund Balance End of Year	$854	$854	$0	($854)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Litter Control Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Intergovernmental	$226,690	$226,690	$226,690	$0
Expenditures:				
Current:				
Community Environment				
Materials and Supplies	20,000	20,000	18,001	1,999
Capital Outlay	256,544	256,544	118,241	138,303
Other	137,690	137,690	87,341	50,349
Total Expenditures	414,234	414,234	223,583	190,651
Net Change in Fund Balance	(187,544)	(187,544)	3,107	190,651
Fund Balance Beginning of Year	180,177	180,177	180,177	0
Prior Year Encumbrances Appropriated	7,367	7,367	7,367	0
Fund Balance End of Year	$0	$0	$190,651	$190,651

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Police Levy Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Municipal Income Taxes	$2,120,942	$2,120,942	$1,969,735	($151,207)
Miscellaneous	500	12,380	13,738	1,358
Total Revenues	2,121,442	2,133,322	1,983,473	(149,849)
Expenditures:				
Current:				
Security of Persons and Property				
Wages and Benefits	1,667,033	1,667,033	1,721,613	(54,580)
Contractual Services	89,209	91,709	69,052	22,657
Materials and Supplies	190,981	190,981	162,791	28,190
Capital Outlay	263,751	281,592	270,932	10,660
Other	84,542	84,933	67,535	17,398
Total Security of Persons and Property	2,295,516	2,316,248	2,291,923	24,325
Debt Service:				
Principal Retirement	165,001	165,001	165,000	1
Interest and Fiscal Charges	48,956	117,995	117,995	0
Total Debt Service	213,957	282,996	282,995	1
Total Expenditures	2,509,473	2,599,244	2,574,918	24,326
Excess of Revenue Under Expenditures	(388,031)	(465,922)	(591,445)	(125,523)
Other Financing Sources (Uses):				
Transfers In	17,394	17,394	51,994	34,600
Transfers Out	0	(1,950)	(1,950)	0
Total Other Financing Sources (Uses)	17,394	15,444	50,044	34,600
Net Change in Fund Balance	(370,637)	(450,478)	(541,401)	(90,923)
Fund Balance Beginning of Year	396,585	396,585	396,585	0
Prior Year Encumbrances Appropriated	75,374	75,374	75,374	0
Fund Balance (Deficit) End of Year	$101,322	$21,481	($69,442)	($90,923)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual (Non - GAAP Basis)

Mandatory Drug Fund

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and Forfeitures	$15,000	$15,000	$7,956	($7,044)
Expenditures:				
Current:				
Security of Persons and Property				
Other	8,000	13,000	10,053	2,947
Net Change in Fund Balance	7,000	2,000	(2,097)	(4,097)
Fund Balance Beginning of Year	12,267	12,267	12,267	0
Fund Balance End of Year	$19,267	$14,267	$10,170	($4,097)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual (Non - GAAP Basis)

Police Pension Fund

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property Taxes	$114,879	$114,879	$107,789	($7,090)
Intergovernmental	38,074	38,074	18,343	(19,731)
Other Local Tax	138,916	41,936	0	(41,936)
Total Revenues	291,869	194,889	126,132	(68,757)
Expenditures:				
Current:				
Security of Persons and Property				
Wages and Benefits	0	65,680	65,680	0
Debt Service:				
Principal Retirement	22,750	22,750	22,750	0
Interest and Fiscal Charges	29,044	29,044	29,043	1
Total Debt Service	51,794	51,794	51,793	1
Total Expenditures	51,794	117,474	117,473	1
Net Change in Fund Balance	240,075	77,415	8,659	(68,756)
Fund Balance Beginning of Year	11,796	11,796	11,796	0
Fund Balance End of Year	$251,871	$89,211	$20,455	($68,756)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Fire Pension Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property Taxes	$114,879	$114,879	$148,542	$33,663
Intergovernmental	37,073	37,073	24,510	(12,563)
Other Local Tax	51,618	51,618	0	(51,618)
Total Revenues	203,570	203,570	173,052	(30,518)
Expenditures:				
Current:				
Security of Persons and Property				
Wages and Benefits	38,916	88,916	88,916	0
Debt Service:				
Principal Retirement	42,250	42,250	42,250	0
Interest and Fiscal Charges	53,938	53,938	53,938	0
Total Debt Service	96,188	96,188	96,188	0
Total Expenditures	135,104	185,104	185,104	0
Net Change in Fund Balance	68,466	18,466	(12,052)	(30,518)
Fund Balance Beginning of Year	19,679	19,679	19,679	0
Fund Balance End of Year	$88,145	$38,145	$7,627	($30,518)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual (Non - GAAP Basis)

Indigent Drivers Fund

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and Forfeitures	$15,000	$15,000	$21,394	$6,394
Expenditures:				
Current:				
General Government				
Contractual Services	25,000	60,000	53,923	6,077
Net Change in Fund Balance	(10,000)	(45,000)	(32,529)	12,471
Fund Balance Beginning of Year	141,034	141,034	141,034	0
Fund Balance End of Year	$131,034	$96,034	$108,505	$12,471

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual (Non - GAAP Basis)

Park Land Fund

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Miscellaneous	$10,000	$10,000	$1,100	($8,900)
Expenditures:				
Current:				
Leisure Time Activities				
Contractual Services	0	15,000	7,471	7,529
Net Change in Fund Balance	10,000	(5,000)	(6,371)	(1,371)
Fund Balance Beginning of Year	20,474	20,474	20,474	0
Fund Balance End of Year	$30,474	$15,474	$14,103	($1,371)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Cemetery Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:	$0	$0	$0	$0
Expenditures:	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	2,558	2,558	2,558	0
Fund Balance End of Year	$2,558	$2,558	$2,558	$0

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual (Non - GAAP Basis)

Law Enforcement Fund

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and Forfeitures	$300,000	$300,000	$151,515	($148,485)
Expenditures:				
Current:				
Security of Persons and Property				
Other	300,000	300,000	119,295	180,705
Net Change in Fund Balance	0	0	32,220	32,220
Fund Balance Beginning of Year	922,394	922,394	922,394	0
Fund Balance End of Year	$922,394	$922,394	$954,614	$32,220

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Municipal Court Computer Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and Forfeitures	$0	$0	$35,810	$35,810
Expenditures:				
Current:				
General Government				
Wages and Benefits	68,805	70,405	70,368	37
Contractual Services	5,000	5,000	3,565	1,435
Materials and Supplies	4,950	4,950	1,670	3,280
Capital Outlay	62,709	61,109	31,501	29,608
Other	55,630	55,630	53,730	1,900
Total Expenditures	197,094	197,094	160,834	36,260
Net Change in Fund Balance	(197,094)	(197,094)	(125,024)	72,070
Fund Balance Beginning of Year	278,704	278,704	278,704	0
Prior Year Encumbrances Appropriated	10,209	10,209	10,209	0
Fund Balance End of Year	$91,819	$91,819	$163,889	$72,070

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Legal Research Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and Forfeitures	$0	$0	$16,827	$16,827
Expenditures:				
Current:				
General Government				
Other	47,004	47,004	47,004	0
Net Change in Fund Balance	(47,004)	(47,004)	(30,177)	16,827
Fund Balance Beginning of Year	103,406	103,406	103,406	0
Fund Balance End of Year	$56,402	$56,402	$73,229	$16,827

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Municipal Court Security Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and Forfeitures	$78,000	$78,000	$64,632	($13,368)
Expenditures:				
Current:				
General Government				
Wages and Benefits	75,404	75,404	71,824	3,580
Capital Outlay	3,500	3,500	0	3,500
Total Expenditures	78,904	78,904	71,824	7,080
Excess of Revenues Under Expenditures	(904)	(904)	(7,192)	(6,288)
Other Financing Sources:				
Transfers In	0	0	10,000	10,000
Net Change in Fund Balance	(904)	(904)	2,808	3,712
Fund Balance Beginning of Year	1,536	1,536	1,536	0
Fund Balance End of Year	$632	$632	$4,344	$3,712

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Municipal Court Probation Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and Forfeitures	$121,000	$121,000	$93,932	($27,068)
Expenditures:				
Current:				
Security of Persons and Property				
Wages and Benefits	119,679	122,679	122,129	550
Excess of Revenues Over (Under) Expenditures	1,321	(1,679)	(28,197)	(26,518)
Other Financing Sources (Uses):				
Transfers In	0	0	25,000	25,000
Transfers Out	(58,095)	(58,095)	(58,095)	0
Total Other Financing Sources (Uses)	(58,095)	(58,095)	(33,095)	25,000
Net Change in Fund Balance	(56,774)	(59,774)	(61,292)	(1,518)
Fund Balance Beginning of Year	61,490	61,490	61,490	0
Fund Balance End of Year	$4,716	$1,716	$198	($1,518)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Special Assessments	$44,600	$44,600	$42,796	($1,804)
Expenditures:				
Current:				
General Government				
Other	325	325	107	218
Debt Service:				
Principal Retirement	22,657	22,657	22,656	1
Interest and Fiscal Charges	21,593	21,593	21,592	1
Total Debt Service	44,250	44,250	44,248	2
Total Expenditures	44,575	44,575	44,355	220
Excess of Revenues Over (Under) Expenditures	25	25	(1,559)	(1,584)
Other Financing Sources:				
Transfers In	0	0	1,559	1,559
Net Change in Fund Balance	25	25	0	(25)
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	$25	$25	$0	($25)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
General Sewer Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for Services	$475,000	$474,400	$606,720	$132,320
Expenditures:				
Current:				
Capital Outlay				
Contractual Services	110,000	110,000	72,928	37,072
Capital Outlay	100,200	100,200	65,406	34,794
Other	5,000	5,000	0	5,000
Total Capital Outlay	215,200	215,200	138,334	76,866
Debt Service:				
Principal Retirement	50,964	50,964	50,963	1
Interest and Fiscal Charges	8,696	8,696	8,696	0
Total Debt Service	59,660	59,660	59,659	1
Total Expenditures	274,860	274,860	197,993	76,867
Excess of Revenues Over Expenditures	200,140	199,540	408,727	209,187
Other Financing Uses:				
Transfers Out	(270,412)	(270,412)	(270,412)	0
Net Change in Fund Balance	(70,272)	(70,872)	138,315	209,187
Fund Balance Beginning of Year	258,218	258,218	258,218	0
Prior Year Encumbrances Appropriated	200	200	200	0
Fund Balance End of Year	$188,146	$187,546	$396,733	$209,187

City of Lorain, Ohio

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

Lighthouse Urban Renewal Fund

For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Interest	$300	$300	$88	($212)
Expenditures:				
Current:				
Capital Outlay				
Contractual Services	32,475	32,434	32,433	1
Excess of Revenues Under Expenditures	(32,175)	(32,134)	(32,345)	(211)
Other Financing Uses:				
Transfers Out	0	(130)	(130)	0
Net Change in Fund Balance	(32,175)	(32,264)	(32,475)	(211)
Fund Balance Beginning of Year	32,475	32,475	32,475	0
Fund Balance End of Year	$300	$211	$0	($211)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Riverfront Urban Renewal Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Interest	$1,000	$1,399	$1,151	($248)
Expenditures:				
Current:				
Capital Outlay				
Contractual Services	293,698	130,011	130,011	0
Excess of Revenues Under Expenditures	(292,698)	(128,612)	(128,860)	(248)
Other Financing Uses:				
Transfers Out	0	(165,086)	(165,101)	(15)
Net Change in Fund Balance	(292,698)	(293,698)	(293,961)	(263)
Fund Balance Beginning of Year	293,961	293,961	293,961	0
Fund Balance End of Year	$1,263	$263	$0	($263)

City of Lorain, Ohio

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non - GAAP Basis)
Municipal Court Improvements Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Fines and Forfeitures	$54,000	$54,000	$108,821	$54,821
Interest	0	0	13	13
Total Revenues	54,000	54,000	108,834	54,834
Expenditures:				
Current:				
Capital Outlay				
Wages and Benefits	93,491	94,791	94,729	62
Contractual Services	8,022	8,022	7,234	788
Capital Outlay	6,887	190,424	161,858	28,566
Other	0	3,500	2,978	522
Total Expenditures	108,400	296,737	266,799	29,938
Excess of Revenues Under Expenditures	(54,400)	(242,737)	(157,965)	84,772
Other Financing Uses:				
Transfers Out	(68,768)	(103,768)	(103,768)	0
Net Change in Fund Balance	(123,168)	(346,505)	(261,733)	84,772
Fund Balance Beginning of Year	342,476	342,476	342,476	0
Prior Year Encumbrances Appropriated	5,409	5,409	5,409	0
Fund Balance End of Year	$224,717	$1,380	$86,152	$84,772

City of Lorain, Ohio

Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget and Actual (Non - GAAP Basis)
Garage Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for Services	$1,700,000	$1,700,000	$1,347,159	($352,841)
Expenses:				
Current:				
Personal Services	637,327	637,327	565,871	71,456
Contractual Services	1,800	1,800	791	1,009
Materials and Supplies	1,027,422	949,820	846,273	103,547
Capital Outlay	6,300	6,300	6,130	170
Other	2,700	2,171	2,421	(250)
Debt Service:				
Principal Retirement	19,076	19,076	19,076	0
Interest and Fiscal Charges	6,592	6,592	6,592	0
Total Expenses	1,701,217	1,623,086	1,447,154	175,932
Excess of Revenues Over (Under) Expenses Before Advances	(1,217)	76,914	(99,995)	(176,909)
Advances Out	(1,573)	(1,573)	(1,573)	0
Net Change in Fund Equity	(2,790)	75,341	(101,568)	(176,909)
Fund Equity Beginning of Year	4,268	4,268	4,268	0
Prior Year Encumbrances Appropriated	7,665	7,665	7,665	0
Fund Equity (Deficit) End of Year	$9,143	$87,274	($89,635)	($176,909)

City of Lorain, Ohio

Schedule of Revenues, Expenses and Changes in
Fund Equity - Budget and Actual (Non - GAAP Basis)
Hospitalization Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Charges for Services	$5,006,266	$5,006,266	$4,546,882	($459,384)
Miscellaneous	10,000	10,000	12,135	2,135
Total Revenues	5,016,266	5,016,266	4,559,017	(457,249)
Expenses:				
Personal Services	22,504	23,004	22,084	920
Claims	5,128,800	5,128,300	4,486,446	641,854
Total Expenses	5,151,304	5,151,304	4,508,530	642,774
Net Change in Fund Equity	(135,038)	(135,038)	50,487	185,525
Fund Equity Beginning of Year	256,241	256,241	256,241	0
Prior Year Encumbrances Appropriated	6,300	6,300	6,300	0
Fund Equity End of Year	$127,503	$127,503	$313,028	$185,525

SEAL OF THE CITY OF LORAIN
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OHIO

Statistical Section

This part of the City of Lorain, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page(s)**

Financial Trends **S2-S9**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **S10-S18**

These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax, and the municipal income tax.

Debt Capacity **S20-S29**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information **S30-S34**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **S36-S41**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Lorain, Ohio

Net Assets by Components
Last Seven Years
(accrual basis of accounting)

	2009	2008	2007	2006	2005	2004	2003
Governmental Activities							
Invested in Capital Assets, Net of Related Debt	$77,419,157	$85,270,139	$97,026,059	$112,337,952	$124,391,028	$138,745,022	$150,062,168
Restricted for:							
Capital Projects	747,170	2,184,529	1,235,939	1,377,196	1,414,714	4,745,648	10,820,008
Debt Service	999,595	929,267	833,898	778,135	468,373	713,569	603,071
Community Development	21,696,627	18,492,807	19,225,551	21,519,172	25,355,904	26,814,060	21,419,946
Police Levy	0	0	1,090,098	1,416,719	1,307,190	1,092,777	736,023
Streets	0	0	1,022,586	1,126,833	0	0	0
Law Enforcement	0	920,481	852,094	641,234	566,094	644,543	682,726
Municipal Court Computer	0	0	0	0	372,059	362,490	385,292
Capital Leases	0	0	991,591	0	0	0	0
Other Purposes	694,098	234,737	753,219	1,273,910	2,560,789	1,169,003	1,261,914
Unrestricted (Deficit)	(5,325,635)	(3,002,825)	(1,775,323)	(2,382,357)	(3,124,749)	(5,195,260)	(8,307,276)
Total Governmental Activities Net Assets	96,231,012	105,029,135	121,255,712	138,088,794	153,311,402	169,091,852	177,663,872
Business-Type Activities							
Invested in Capital Assets, Net of Related Debt	48,300,584	46,112,133	42,339,183	38,814,751	37,679,295	36,496,435	35,322,403
Restricted for:							
Debt Service	2,707,499	2,647,896	2,662,538	2,621,486	2,572,039	2,485,022	2,454,458
Replacement and Improvement	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Utility Reserve	1,354,532	1,394,584	1,305,744	334,744	1,305,744	1,468,618	1,364,750
Unrestricted	4,305,632	4,015,416	4,389,634	5,065,097	3,742,237	2,453,020	2,856,795
Total Business-Type Activities Net Assets	56,968,247	54,470,029	50,997,099	47,136,078	45,599,315	43,203,095	42,298,406
Primary Government							
Invested in Capital Assets, Net of Related Debt	125,719,741	131,382,277	139,365,242	151,152,703	171,228,705	175,241,457	185,384,571
Restricted	28,499,521	27,104,301	30,273,258	31,389,429	36,222,906	39,795,730	37,573,730
Unrestricted (Deficit)	(1,020,003)	1,012,591	2,614,311	2,682,740	(8,540,894)	(2,742,240)	(2,996,023)
Total Primary Government Net Assets	$153,199,259	$159,499,169	$172,252,811	$185,224,872	$198,910,717	$212,294,947	$219,962,278

City of Lorain, Ohio
Changes in Net Assets
Last Seven Years
(accrual basis of accounting)

Program Revenues	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:							
Charges for Services:							
General Government	$1,768,208	$1,833,887	$1,573,146	$1,870,561	$2,161,128	$2,707,135	$864,905
Security of Persons and Property	692,478	468,592	732,371	527,665	385,001	383,545	1,730,009
Transportation	77,203	37,877	42,063	31,289	0	0	0
Public Health	1,471,921	1,456,947	1,410,674	1,540,597	808,413	760,541	972,093
Community Environment	657,190	610,078	651,875	925,482	730,199	784,024	48,534
Economic Development	11,823	22,507	151,841	103,089	0	0	0
Leisure Time Activities	35,005	84,057	80,801	37,760	27,048	27,514	105,093
Subtotal Charges for Services	4,713,828	4,513,945	4,642,771	5,036,443	4,111,789	4,662,759	3,720,634
Operating Grants and Contributions:							
General Government	225,533	182,823	176,343	0	25,028	27,153	25,028
Security of Persons and Property	315,920	332,873	244,034	351,582	58,354	214,611	101,702
Transportation	2,438,807	2,527,797	2,604,665	2,504,273	2,516,671	2,352,792	2,106,496
Public Health	389,116	387,009	489,943	404,635	492,717	442,083	473,448
Community Environment	226,690	235,190	401,690	224,690	211,784	140,000	159,999
Economic Development	6,430,895	2,196,557	(91,116)	2,751,887	2,908,573	6,195,473	3,736,482
Subtotal Operating Grants and Contributions	10,026,961	5,862,249	3,825,559	6,237,067	6,213,127	9,372,112	6,603,155
Capital Grants and Contributions:							
Transportation	1,757,274	1,478,968	752,315	1,741,684	935,158	1,717,034	4,035,632
Public Health	0	0	159,690	0	0	0	0
Economic Development	0	0	0	0	0	0	500,000
Subtotal Capital Grants and Contributions	1,757,274	1,478,968	912,005	1,741,684	935,158	1,717,034	4,535,632
Total Governmental Activities Program Revenues	16,498,063	11,855,162	9,380,335	13,015,194	11,260,074	15,751,905	14,859,421
Business-Type Activities:							
Charges for Services:							
Water Works	7,813,777	8,250,437	7,925,938	8,145,916	8,528,739	8,306,689	8,211,209
Water Pollution Control	12,046,880	11,223,392	10,895,096	10,210,893	9,221,532	8,287,136	7,708,227
Capital Grants and Contributions:							
Water Pollution Control	0	700,813	0	225,000	0	0	0
Total Business-Type Activities Program Revenues	19,860,657	20,174,642	18,821,034	18,581,809	17,750,271	16,593,825	15,919,436
Total Primary Government Program Revenues	36,358,720	32,029,804	28,201,369	31,597,003	29,010,345	32,345,730	30,778,857

(continued)

City of Lorain, Ohio
Changes in Net Assets (continued)
Last Seven Years
(accrual basis of accounting)

Expenses	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:							
General Government	12,043,738	$12,788,107	$12,812,199	$12,267,533	$13,003,383	$11,596,965	$18,594,382
Security of Persons and Property	19,793,984	22,346,039	19,390,489	18,573,582	19,197,977	17,624,224	20,151,907
Transportation	12,665,797	13,855,345	14,435,681	14,679,897	14,881,296	15,196,365	6,704,576
Public Health	1,786,441	2,021,791	1,995,300	2,018,981	2,030,073	1,799,704	1,985,041
Community Environment	654,143	636,040	1,104,662	696,834	964,323	671,404	770,420
Economic Development	2,222,946	4,623,187	2,926,740	7,417,102	3,736,841	2,538,197	825,936
Leisure Time Activities	1,090,661	1,582,512	501,112	1,188,751	1,266,922	1,139,638	1,311,140
Intergovernmental	0	0	0	0	0	0	18,420
Interest and Fiscal Charges	2,139,598	2,114,164	1,950,140	2,028,001	1,893,394	1,831,945	1,817,193
Total Governmental Activities Expenses	52,397,308	59,967,185	55,116,323	58,870,681	56,974,209	52,398,442	52,179,015
Business-Type Activities:							
Water Works	7,579,138	7,594,813	7,614,864	7,537,738	7,161,733	7,019,598	7,701,592
Water Pollution Control	9,856,268	9,167,502	9,149,590	9,667,949	8,294,509	8,740,898	9,694,280
Total Business-Type Activities Expenses	17,435,406	16,762,315	16,764,454	17,205,687	15,456,242	15,760,496	17,395,872
Total Primary Government Expenses	69,832,714	76,729,500	71,880,777	76,076,368	72,430,451	68,158,938	69,574,887
Net (Expense)/Revenue							
Governmental Activities	(35,899,245)	(48,112,023)	(45,735,988)	(45,855,487)	(45,714,135)	(36,646,537)	(37,319,594)
Business-Type Activities	2,425,251	3,412,327	2,056,580	1,376,122	2,294,029	833,329	(1,476,436)
Total Primary Government Net Expense	(33,473,994)	(44,699,696)	(43,679,408)	(44,479,365)	(43,420,106)	(35,813,208)	(38,796,030)
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Taxes:							
Property Taxes Levied For:							
General Purposes	2,679,184	2,773,576	3,124,027	2,368,671	2,595,040	2,598,358	2,594,840
Police Pension	138,349	257,898	310,780	270,002	291,931	260,833	239,884
Fire Pension	179,102	257,898	342,860	270,001	279,497	260,833	239,884
Debt Service	1,151,160	998,299	984,638	876,357	866,125	861,309	799,822
Municipal Income Taxes Levied For:							
General Purposes	13,701,298	15,938,664	16,308,518	16,809,771	17,087,103	15,163,796	14,211,737
Police Levy	1,934,387	2,234,626	2,296,810	2,367,849	2,484,300	2,488,604	2,346,822
Payments in Lieu of Taxes	916,189	524,641	276,499	214,280	174,536	92,639	12,661
Grants and Entitlements not Restricted to Specific Programs	5,221,222	7,371,329	6,083,171	5,719,663	5,250,113	5,549,380	5,341,015
Franchise Fees	602,430	690,859	255,821	252,481	263,481	233,946	236,806
Investment Earnings	53,381	377,061	811,699	690,650	274,833	217,102	162,478
Miscellaneous	524,420	460,595	435,314	793,154	366,726	347,717	814,192
Transfers	0	0	(2,327,231)	0	0	0	0
Total Governmental Activities	$27,101,122	$31,885,446	$28,902,906	$30,632,879	$29,933,685	$28,074,517	$27,000,141

(continued)

City of Lorain, Ohio
Changes in Net Assets (continued)
Last Seven Years
(accrual basis of accounting)

	2009	2008	2007	2006	2005	2004	2003
Business-Type Activities:							
Investment Earnings	$1,158	$39,053	$110,225	$104,026	$56,689	$9,621	$88,836
Miscellaneous	71,804	21,555	60,374	56,615	45,502	61,739	58,743
Extraordinary Items	0	0	(693,389)	0	0	0	0
Transfers	0	0	2,327,231	0	0	0	0
Total Business-Type Activities	72,962	60,608	1,804,441	160,641	102,191	71,360	147,579
Total Primary Government	27,174,084	31,946,054	30,707,347	30,793,520	30,035,876	28,145,877	27,147,720
Change in Net Assets							
Governmental Activities	(8,798,123)	(16,226,577)	(16,833,082)	(15,222,608)	(15,780,450)	(8,572,020)	(10,319,453)
Business-Type Activities	2,498,213	3,472,935	3,861,021	1,536,763	2,396,220	904,689	(1,328,857)
Total Primary Government Change in Net Assets	($6,299,910)	($12,753,642)	($12,972,061)	($13,685,845)	($13,384,230)	($7,667,331)	($11,648,310)

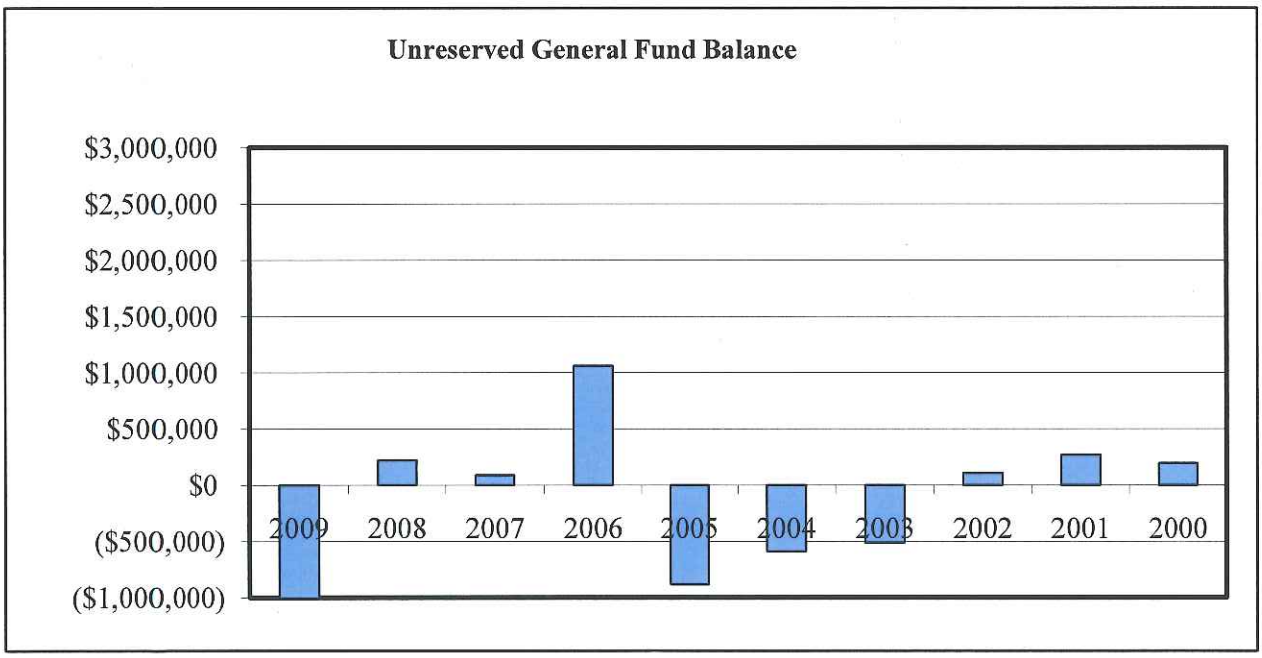
City of Lorain, Ohio

Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2009	2008	2007	2006
General Fund				
Reserved	$164,743	$246,789	$687,255	$168,006
Designated for Capital Acquisitions	0	0	525,000	0
Unreserved	(1,398,518)	222,753	88,414	1,061,018
Total General Fund	(1,233,775)	469,542	1,300,669	1,229,024
All Other Governmental Funds				
Reserved	16,892,525	15,034,853	17,348,267	17,895,624
Undesignated, Reported in:				
Special Revenue funds	3,886,549	6,407,782	6,493,381	7,034,810
Debt Service funds	454,241	330,314	219,762	188,401
Capital Projects funds	(892,831)	242,263	(2,733,331)	(2,337,652)
Total All Other Governmental Funds	20,340,484	22,015,212	21,328,079	22,781,183
Total Governmental Funds	$19,106,709	$22,484,754	$22,628,748	$24,010,207



2005	2004	2003	2002	2001	2000
$659,816	$80,690	$102,553	$187,373	$133,037	$174,508
600,000	0	0	0	0	0
(884,514)	(591,250)	(512,337)	109,712	(270,151)	1,961,481
375,302	(510,560)	(409,784)	297,085	(137,114)	2,135,989
21,566,305	21,184,019	18,108,163	15,316,367	15,951,299	11,871,733
4,454,830	5,247,036	4,311,495	4,011,279	6,045,194	5,361,983
(4,879,317)	213,668	124,402	35,518	232,339	726,354
2,802,085	4,631,159	8,948,048	7,569,861	4,724,622	8,360,691
23,943,903	31,275,882	31,492,108	26,933,025	26,953,454	26,320,761
$24,319,205	$30,765,322	$31,082,324	$27,230,110	$26,816,340	$28,456,750

City of Lorain, Ohio

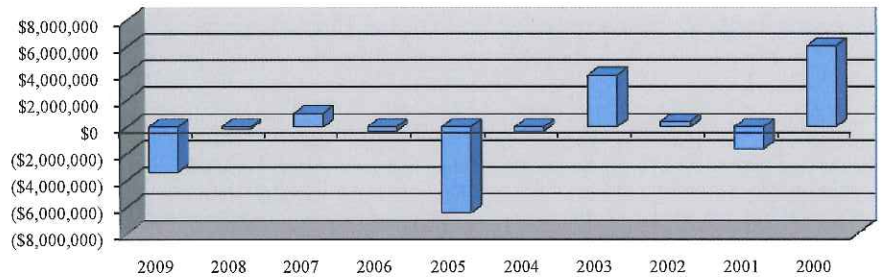
Changes in Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2009	2008	2007	2006	2005
Revenues					
Property Taxes	$4,085,257	$4,218,010	$4,547,743	$4,022,546	$4,002,419
Payments in Lieu of Taxes	688,593	524,641	276,499	214,280	174,536
Municipal Income Taxes	15,688,501	18,161,503	18,637,946	19,181,559	19,546,306
Charges for Services	1,780,212	1,533,956	1,411,545	1,623,511	1,419,251
Licenses and Permits *(includes fines 2002 and prior)*	1,047,477	1,015,843	1,188,733	1,431,398	1,098,063
Fines and Forfeitures	1,824,570	1,813,678	1,781,036	1,627,837	1,438,755
Intergovernmental	15,798,768	13,929,093	13,432,851	15,915,009	13,260,054
Franchise Fees	602,430	690,859	255,821	252,481	263,481
Special Assessments	66,625	71,717	71,842	82,614	73,280
Interest	53,381	377,061	811,699	690,650	274,833
Miscellaneous	514,802	449,983	425,077	790,843	359,769
Total Revenues	42,150,616	42,786,344	42,840,792	45,832,728	41,910,747
Expenditures					
Current:					
General Government	8,592,192	9,751,483	8,817,909	7,783,356	10,178,686
Security of Persons and Property	19,171,278	21,024,167	19,449,378	19,158,303	18,735,767
Transportation	2,620,162	3,431,181	3,284,017	2,770,818	3,002,534
Public Health	1,709,057	2,050,837	1,992,874	2,007,742	2,058,113
Community Environment	633,603	639,207	1,095,395	792,667	869,283
Economic Development	2,680,510	3,830,250	2,882,602	7,386,562	3,606,065
Leisure Time Activities	922,661	1,269,838	1,178,575	1,002,442	1,037,882
Intergovernmental	0	0	0	0	0
Capital Outlay	6,394,806	3,938,553	3,227,967	5,037,231	4,918,114
Debt Service:					
Principal Retirement	2,920,967	2,979,133	2,427,744	2,297,103	11,027,373
Interest and Fiscal Charges	2,153,744	1,970,367	1,879,931	2,010,962	1,950,882
Bond Issuance Costs	24,943	136,664	326,044	82,219	0
Total Expenditures	47,823,923	51,021,680	46,562,436	50,329,405	57,384,699
Excess of Revenues Under Expenditures	(5,673,307)	(8,235,336)	(3,721,644)	(4,496,677)	(15,473,952)
Other Financing Sources (Uses)					
Capital Lease Proceeds	266,033	23,995	1,425,000	0	1,849,994
Sale of Fixed Assets	0	0	0	20,128	0
Bonds Issued	390,000	5,440,000	2,595,000	1,510,000	2,297,663
Refunding Bonds Issued	0	0	4,970,000	0	0
Notes Issued	0	0	0	0	4,750,000
Loans Received	1,626,699	2,700,683	507,572	2,652,923	130,178
Premium on Debt Issuance	12,530	0	1,072	4,628	0
Discount on Debt Issuance	0	(73,336)	(52,476)	0	0
Payment to Refunded Bond Escrow Agent	0	0	(4,715,431)	0	0
Transfers In	2,664,088	2,188,546	2,697,744	1,749,236	1,995,288
Transfers Out	(2,664,088)	(2,188,546)	(2,697,744)	(1,749,236)	(1,995,288)
Total Other Financing Sources (Uses)	2,295,262	8,091,342	4,730,737	4,187,679	9,027,835
Net Change in Fund Balances	($3,378,045)	($143,994)	$1,009,093	($308,998)	($6,446,117)
Debt Service as a Percentage of Noncapital Expenditures	12.5%	11.2%	11.4%	10.2%	25.8%

Net Changes in Fund Balances, Governmental Funds



2004	2003	2002	2001	2000
$3,957,055	$3,659,130	$3,163,844	$3,284,047	$3,760,730
92,639	12,661	0	0	0
17,680,283	16,553,650	16,510,556	16,784,765	17,811,594
1,343,239	1,247,753	1,119,774	956,437	938,448
1,167,853	785,860	3,123,925	2,378,314	2,296,516
1,619,879	1,658,464	0	0	0
16,814,124	12,104,895	12,079,479	19,313,513	13,664,775
233,946	236,806	230,473	208,316	194,439
122,704	174,799	324,659	158,630	179,267
217,102	162,478	201,577	395,523	490,884
338,478	814,192	956,052	771,020	174,536
43,587,302	37,410,688	37,710,339	44,250,565	39,511,189
7,472,394	6,772,792	6,812,397	6,675,722	7,007,186
18,334,999	16,750,969	17,422,517	18,345,606	17,944,155
2,261,567	2,578,166	1,902,093	2,552,311	3,647,614
1,872,129	1,711,340	1,590,199	1,723,442	1,780,974
715,893	653,685	612,126	719,872	685,051
2,606,100	24,835	6,887,067	5,171,564	4,628,864
1,009,957	1,090,889	934,524	1,562,013	1,483,343
0	18,420	0	0	0
8,707,726	5,376,919	9,240,850	6,323,085	1,677,727
5,672,618	8,105,592	3,037,428	3,172,538	2,842,366
1,753,457	1,811,630	1,531,863	1,320,476	1,393,106
0	475,530	0	0	0
50,406,840	45,370,767	49,971,064	47,566,629	43,090,386
(6,819,538)	(7,960,079)	(12,260,725)	(3,316,064)	(3,579,197)
0	0	182,910	125,096	765,827
0	0	0	558	1,100
0	6,245,000	8,905,000	0	4,814,703
0	0	0	0	0
4,150,000	4,945,000	1,320,000	1,550,000	1,550,000
2,352,536	603,346	2,247,999	0	2,500,000
0	18,947	18,586	0	0
0	0	0	0	0
0	0	0	0	0
1,853,219	2,719,525	2,557,146	2,270,090	2,641,825
(1,853,219)	(2,719,525)	(2,557,146)	(2,270,090)	(2,641,825)
6,502,536	11,812,293	12,674,495	1,675,654	9,631,630
($317,002)	$3,852,214	$413,770	($1,640,410)	$6,052,433
18.6%	25.4%	12.6%	12.2%	11.4%

City of Lorain, Ohio

Assessed Valuation and Estimated True Values of Taxable Property

Last Ten Years

	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
Collection Year	Residential/ Agricultural	Commercial Industrial/PU	Estimated True Value	Assessed Value	Estimated True Value
2009	$682,370,300	$177,968,350	$2,458,110,429	$59,104,670	$67,164,398
2008	733,306,300	177,358,300	2,601,898,857	59,834,380	67,993,614
2007	746,514,550	175,555,690	2,634,486,400	62,526,510	71,052,852
2006	738,092,310	169,800,110	2,593,978,343	70,128,370	79,691,330
2005	650,032,220	162,381,030	2,321,180,714	74,269,390	84,397,034
2004	638,438,820	166,955,950	2,301,127,914	77,299,320	87,840,136
2003	627,918,840	162,388,030	2,258,019,629	79,467,680	90,304,182
2002	567,733,170	154,998,600	2,064,947,914	83,021,680	94,342,818
2001	557,481,320	156,616,820	2,040,280,400	41,909,630	47,624,580
2000	553,650,080	162,513,030	2,046,180,314	64,043,280	72,776,455

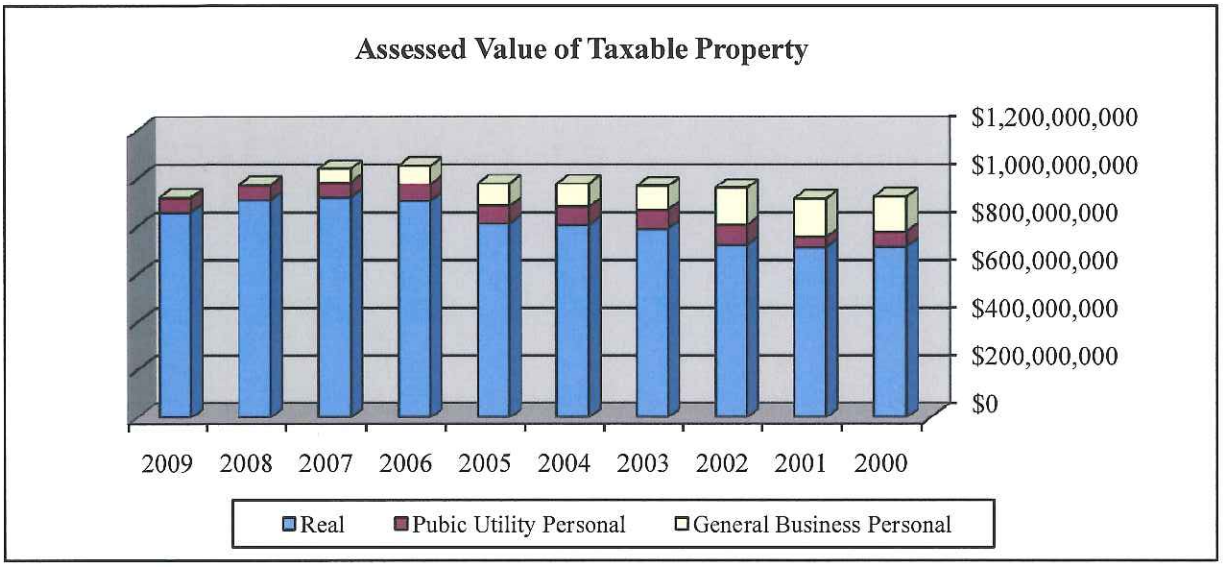
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out begining in 2006. Both types of general business tangible personal property were assessed at 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Source: Lorain County, Ohio; County Auditor

Tangible Personal Property					
General Business		Total			
Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Ratio	Tax Rate Per per $1, 000 of Assessed Value
$2,773,226	$44,371,616	$922,216,546	$2,569,646,442	35.89%	$4.96
3,281,400	52,502,400	973,780,380	2,722,394,871	35.77	4.96
56,325,250	450,602,000	1,040,922,000	3,156,141,252	32.98	4.96
75,436,138	402,326,069	1,053,456,928	3,075,995,742	34.25	4.96
94,023,132	408,796,226	980,705,772	2,814,373,974	34.85	4.96
96,508,986	419,604,287	979,203,076	2,808,572,338	34.86	4.96
99,372,980	432,056,435	969,147,530	2,780,380,245	34.86	4.96
155,635,990	676,678,217	961,389,440	2,835,968,950	33.90	4.96
161,585,020	702,543,565	917,592,790	2,790,448,545	32.88	4.96
145,004,768	630,455,513	925,211,158	2,749,412,282	33.65	4.96



City of Lorain, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per $1,000 of Assessed Valuation)
Last Eight Years (1)

	2009	2008	2007	2006
Unvoted Millage				
Operating	$3.3600	$3.3600	$3.3600	$3.3600
Bond Retirement	1.0000	1.0000	1.0000	1.0000
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	$4.9600	$4.9600	$4.9600	$4.9600
Overlapping Rates by Taxing District				
Lorain City School District				
Residential/Agricultural Real	$29.277396	$26.620358	$26.401790	$26.294987
Commerical/Industrial and Public Utility Real	49.652864	49.065013	49.460471	48.869978
General Business and Public Utility Personal	60.030000	59.680000	59.410000	59.410000
Amherst Exempted School District				
Residential/Agricultural Real	32.792363	31.747243	24.664626	24.849649
Commerical/Industrial and Public Utility Real	35.888926	35.665123	28.879896	29.412375
General Business and Public Utility Personal	67.830000	67.680000	60.560000	60.660000
Vermilion City School District				
Residential/Agricultural Real	30.724270	29.877602	31.010390	30.400024
Commerical/Industrial and Public Utility Real	54.041340	52.644888	53.885384	50.761422
General Business and Public Utility Personal	68.170000	67.670000	68.800000	68.300000
Clearview City School District				
Residential/Agricultural Real	37.404938	35.298400	35.062174	28.837199
Commerical/Industrial and Public Utility Real	37.089070	35.665762	35.385118	28.884064
General Business and Public Utility Personal	53.530000	52.510000	52.290000	46.090000
Firelands Local School District				
Residential/Agricultural Real	25.029806	24.392658	24.550690	24.210033
Commerical/Industrial and Public Utility Real	24.270006	24.602755	24.696224	24.210027
General Business and Public Utility Personal	47.070000	47.020000	47.060000	47.010000
Elyria City School District				
Residential/Agricultural Real	34.014735	31.736220	31.509357	27.570005
Commerical/Industrial and Public Utility Real	39.945772	38.753910	38.253750	34.092496
General Business and Public Utility Personal	64.320000	63.500000	63.300000	59.400000
Lorain County				
Residential/Agricultural Real	11.534565	10.937983	10.961756	10.926994
Commerical/Industrial and Public Utility Real	11.971785	11.843570	11.906101	11.818414
General Business and Public Utility Personal	13.390000	13.390000	13.390000	13.490000

Source: County Auditor

Notes:

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Information prior to 2002 is not available.

2005	2004	2003	2002
$3.3600	$3.3600	$3.3600	$3.3600
1.0000	1.0000	1.0000	1.0000
0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000
$4.9600	$4.9600	$4.9600	$4.9600
$28.904986	$28.986588	$29.418314	$31.716636
51.125934	50.102276	50.206799	52.027793
59.610000	59.610000	59.960000	59.960000
26.921603	26.982197	27.180335	27.407719
32.090072	32.488818	32.668111	32.491424
60.980000	60.980000	61.050000	59.880000
25.550044	25.607768	25.550035	27.787240
49.070040	45.305123	44.665976	46.069561
63.450000	63.450000	63.450000	64.100000
29.132649	29.854798	29.611787	30.481588
29.153153	30.021832	29.800013	30.847937
46.340000	47.340000	47.100000	47.850000
24.690030	24.690006	24.820006	28.290016
27.476008	27.556536	27.853060	32.396895
47.490000	47.490000	47.620000	51.090000
29.977001	26.237827	26.501241	27.423155
36.500243	32.767017	33.199831	34.402062
60.230000	56.480000	56.730000	56.810000
12.174480	10.759740	10.121297	10.549476
12.779647	12.030494	11.667702	11.992323
13.490000	13.190000	12.890000	12.890000

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 (3)
2009	$4,389,496	$4,044,647	92.1%	$321,682
2008	4,448,907	4,141,595	93.1	197,196
2007	4,427,436	4,135,641	93.4	179,211
2006	4,022,380	3,814,286	94.8	125,930
2005	3,996,835	3,805,202	95.2	140,840
2004	3,956,482	3,773,999	95.4	124,093
2003	3,665,134	3,483,359	95.0	132,140
2002	3,458,430	3,232,113	93.5	102,721
2001	3,569,077	3,345,912	93.7	116,101
2000	3,066,578	2,922,999	95.3	115,157

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.
(3). The Lorain County Auditor does not identify delinquent collections by year.

Total Tax Collections	Percent of Total Collections To Current Tax Levy	Accumulated Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes To Current Tax Levy
$4,366,329	99.5%	$353,563	8.1%
4,338,791	97.5	340,866	7.7
4,314,852	97.5	451,061	10.2
3,940,217	98.0	372,022	9.2
3,946,042	98.7	333,010	8.3
3,898,092	98.5	302,980	7.7
3,615,499	98.6	300,673	8.2
3,334,835	96.4	247,367	7.2
3,462,013	97.0	251,934	7.1
3,038,157	99.1	246,327	8.0

City of Lorain, Ohio
Principal Real Property Taxpayers
2009 and 2000

Taxpayer	2009 Real Property Assessed Valuation	2009 Rank	2009 Percentage of Total Real Property Assessed Valuation
Firstenergy Generation	$35,426,110	1	4.12%
Ohio Edison	16,894,670	2	1.96
Industrias CH, S.A. de C.V. (REP)	6,392,590	3	0.74
IRG Lorain LLC	5,978,760	4	0.70
American Transmission	5,969,390	5	0.69
Oster Construction Inc	4,718,370	6	0.55
Cleveland Clinic	4,425,570	7	0.51
Lexington Tramk Lorain	3,535,670	8	0.41
Columbia Gas of Ohio	2,810,000	9	0.33
Soccer Ventures LLC	2,801,650	10	0.33
	$88,952,780		10.34%
Total Real Property Assessed Valuation	$860,338,650		

	2000 Real Property Assessed Valuation	2000 Rank	2000 Percentage of Total Real Property Assessed Valuation
Ohio Edison	$47,436,630	1	6.62%
Ford Motor Company	17,433,240	2	2.44
Republic Technologies	13,209,850	3	1.84
Century Telephone Company	11,578,080	4	1.62
Columbia Gas of Ohio, Inc.	7,558,390	5	1.06
Lorain Tubular	6,253,630	6	0.87
Key Corporation	3,678,680	7	0.51
Marconi Communications	2,174,550	8	0.30
Community Health Partners	2,188,680	9	0.31
South Shore Community Development Corp.	1,925,000	10	0.27
	$113,436,730		15.84%
Total Real Property Assessed Valuation	$716,163,110		

Source: County Auditor

City of Lorain, Ohio
Principal Personal Property Taxpayers
2009 and 2000

Taxpayer	2009 Personal Property Assessed Valuation	2009 Rank	2009 Percentage of Total Personal Property Assessed Valuation
CenturyTel of Ohio, Inc	$1,830,640	1	2.96%
New Cingular Wireless	70,290	2	0.11
Sprintcom Inc.	58,800	3	0.10
Alltell Ohio Limited	52,240	4	0.09
T Mobile Central LLC	49,320	5	0.08
Cleveland Unlimited Inc	29,430	6	0.05
New Par	29,410	7	0.05
Sprint Nextel Corporation	20,680	8	0.03
TWC Digital Phone LLC	15,220	9	0.02
Level 3 Communications	7,990	10	0.01
	$2,164,020		3.50%
Total Personal Property Assessed Valuation	$61,877,896		

	2000 Personal Property Assessed Valuation	2000 Rank	2000 Percentage of Total Personal Property Assessed Valuation
Republic Technologies Int'l	$57,765,740	1	27.63%
Ford Motor Company (Lorain)	16,788,950	2	8.03
Lorain Tubular	11,583,910	3	5.54
Marconi Communications	9,152,750	4	4.38
LTV Steel	4,631,310	5	2.22
Parnassos LP	1,909,970	6	0.91
PC Campana	1,736,100	7	0.83
K-Mart Corporation	1,718,700	8	0.82
Praxair, Inc.	1,469,740	9	0.71
National Gypsum Company	1,436,160	10	0.69
	$108,193,330		51.76%
Total Personal Property Assessed Valuation	$209,048,048		

Source: County Auditor

City of Lorain, Ohio

Income Tax Revenue Base and Collections

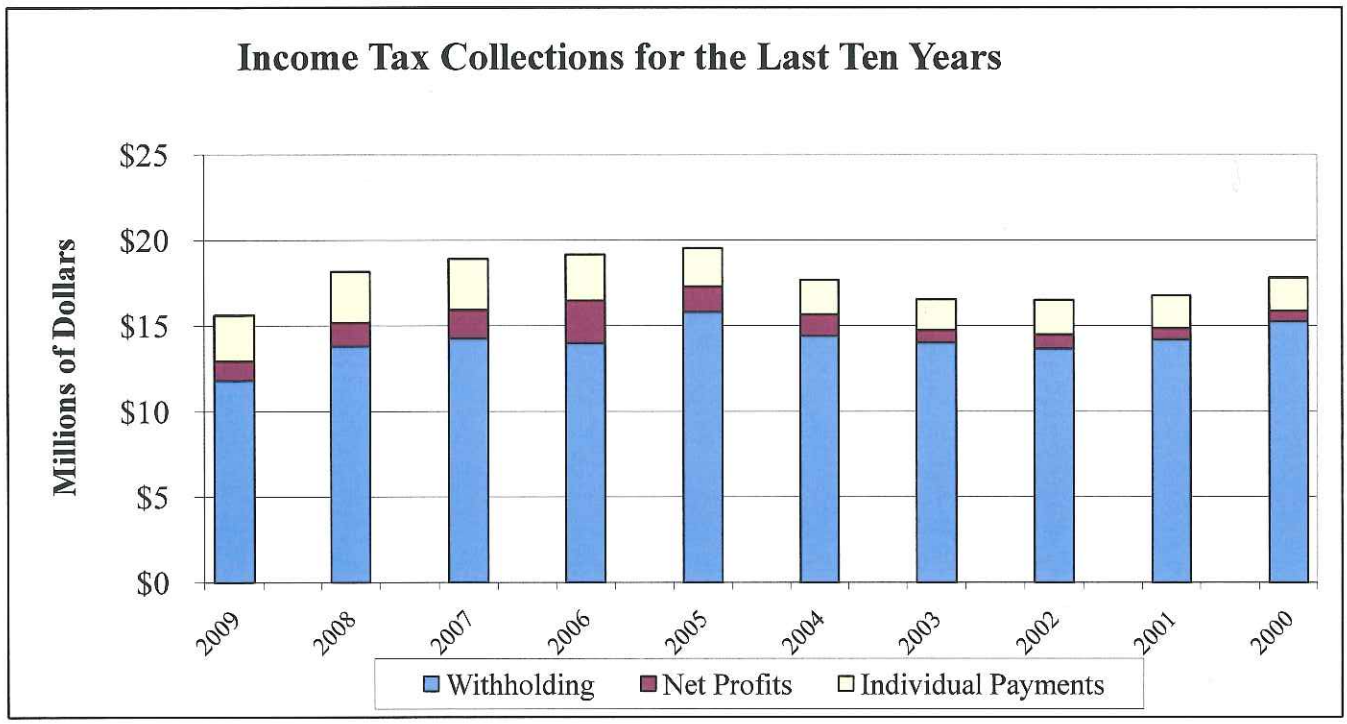
Last Ten Years

(Modified Accrual Basis of Accounting)

Tax Year	Tax Rate (1)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individual Payments	Percentage of Taxes from Individual Payments
2009	2.00 %	$15,688,501	$11,807,763	75.26%	$1,131,468	7.21%	$2,696,454	17.19%
2008	2.00	18,161,503	13,819,221	76.09	1,360,907	7.49	2,993,162	16.48
2007	2.00	18,637,946	14,273,446	76.58	1,654,349	8.88	2,996,184	16.08
2006	2.00	19,181,559	13,985,760	72.91	2,496,101	13.01	2,699,698	14.07
2005	2.00	19,546,306	15,807,433	80.87	1,492,483	7.64	2,246,390	11.49
2004	1.75	17,680,283	14,416,263	81.54	1,268,333	7.17	1,995,688	11.29
2003	1.75	16,553,650	14,024,630	84.72	723,263	4.37	1,805,758	10.91
2002	1.75	16,510,556	13,678,055	82.84	826,394	5.01	2,006,108	12.15
2001	1.75	16,784,765	14,193,981	84.56	684,904	4.08	1,905,880	11.35
2000	1.75	17,811,594	15,254,257	85.64	633,626	3.56	1,923,711	10.80

Source: City of Lorain Income Tax Department/MITS System - years are tax years.

(1) Effective March 1, 2005 City of Lorain Electors voted to increase the City income tax by .25%.



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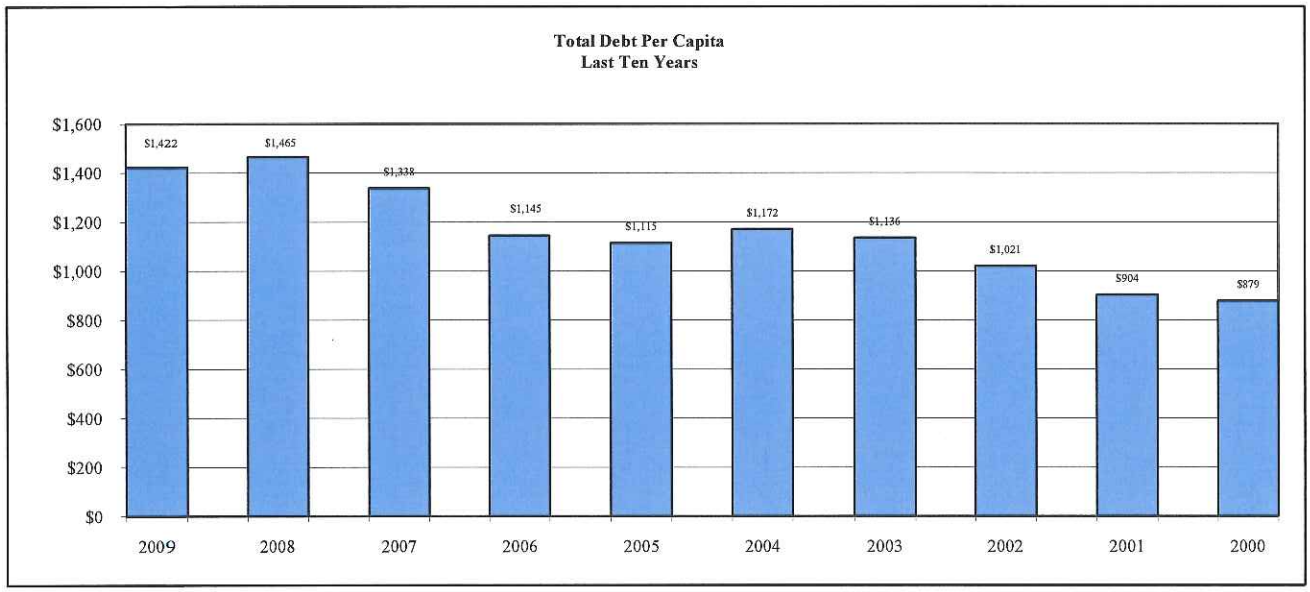
City of Lorain, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

	Governmental Activities							
Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Bond Anticipation Notes	HUD Loans	ODOD Urban Redevelopment Loans	ODOT State Infrastructure Loans
2009	$30,303,361	$847,338	$2,751,664	$2,149,225	$0	$4,550,000	$2,296,943	$2,170,151
2008	31,714,580	467,691	2,818,314	2,385,686	0	5,005,000	2,296,943	1,454,600
2007	27,731,792	567,014	2,088,849	2,832,561	0	5,455,000	1,240,041	1,062,114
2006	26,222,206	664,719	2,159,087	1,793,667	0	5,900,000	1,240,041	953,999
2005	25,998,851	762,423	1,873,525	2,099,227	0	6,345,000	0	0
2004	24,734,873	860,127	1,904,310	425,643	4,150,000	6,785,000	0	0
2003	25,967,169	1,012,831	1,855,801	592,393	3,625,000	4,955,000	0	0
2002	21,419,262	565,738	1,350,995	769,684	1,320,000	5,325,000	0	0
2001	13,518,855	693,145	1,193,584	750,112	1,550,000	3,570,000	0	0
2000	14,458,448	820,552	60,102	803,491	1,550,000	3,845,000	0	0

Note: Population and Personal Income data are presented on page S32.

	Business-Type Activities						
Installment Loans	General Obligation Bonds	Mortgage Revenue Bonds	Capital Leases	OWDA Loans	Total Debt	Percentage of Personal Income	Per Capita
$640,498	$867,653	$5,949,733	$157,356	$47,212,860	$99,896,782	7.77%	$1,422
193,716	1,041,120	7,074,036	208,364	48,074,819	102,734,869	7.86	1,465
250,000	1,207,975	8,138,159	256,966	43,621,429	94,451,900	7.60	1,338
0	1,363,756	9,147,462	0	28,225,785	77,670,722	7.01	1,145
0	1,510,777	10,106,765	119,375	27,730,126	76,546,069	6.82	1,115
0	1,550,000	11,363,032	132,395	28,524,772	80,430,152	7.17	1,172
0	1,885,000	12,282,802	144,780	25,654,980	77,975,756	6.95	1,136
0	2,215,000	13,152,600	156,561	23,846,979	70,121,819	6.25	1,021
0	2,540,000	13,992,398	0	24,258,376	62,066,470	5.53	904
0	2,865,000	14,787,196	0	21,179,116	60,368,905	5.38	879



City of Lorain, Ohio

Ratio of General Obligation Bonded Debt to Estimated
True Value and Bonded Debt Per Capita
Last Ten Years

Year	Population (1)		Estimated True Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Bonded Debt to Estimated True Value of Taxable Property	Bonded Debt Per Capita
2009	70,239	e	$2,569,646,442	$30,303,361	1.18 %	$431.43
2008	70,124	d	2,722,394,871	31,714,580	1.16	452.26
2007	70,592	c	3,156,141,252	27,731,792	0.88	392.85
2006	67,820	b	3,075,995,742	26,222,206	0.85	386.64
2005	68,652	a	2,814,373,974	25,998,851	0.92	378.70
2004	68,652	a	2,808,572,338	24,734,873	0.88	360.29
2003	68,652	a	2,780,380,245	25,967,169	0.93	378.24
2002	68,652	a	2,835,968,950	21,419,262	0.76	312.00
2001	68,652	a	2,790,448,545	13,518,855	0.48	196.92
2000	68,652	a	2,749,412,282	14,458,448	0.53	210.60

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 2000 Federal Census
(b) 2006 estimate, (b) 2007 estimate, (d) 2008 estimate
(e) 2009 estimate

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

City of Lorain, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2009

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Lorain			
General Obligation Bonds	$30,303,361	100.00 %	$30,303,361
Special Assessment Bonds	847,338	100.00	847,338
OPWC Loans	2,751,664	100.00	2,751,664
Capital Leases	2,149,225	100.00	2,149,225
HUD Loans	4,550,000	100.00	4,550,000
Public Improvement Installment Loans	640,498	100.00	640,498
ODOD Urban Redevelopment Loans	2,296,943	100.00	2,296,943
ODOT State Infrastructure Loans	2,170,151	100.00	2,170,151
Total Direct Debt	45,709,180		45,709,180
Overlapping			
Lorain City School District			
General Obligation Bonds	36,055,825	100.00%	36,055,825
Amherst Exempted School District			
General Obligation Bonds	20,899,953	28.09%	5,870,797
Vermilion City School District			
General Obligation Bonds	6,507,229		
Capital Leases	79,065	11.16%	735,030
Clearview City School District			
General Obligation Bonds	4,780,000		
Capital Leases	143,016	35.21%	1,733,394
Firelands Local School District			
General Obligation Bonds	-		
Capital Leases	50,093	1.65%	827
Elyria City School District			
General Obligation Bonds	45,754,133		
Capital Leases	5,845,974	0.23%	118,680
County			
General Obligation Bonds	30,465,000	17.78%	5,416,677
Total Overlapping Debt	150,580,288		49,931,229
Total	$196,289,468		$95,640,409

Source: County Auditor

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

City of Lorain, Ohio
Legal Debt Margin
Last Ten Years

	2009	2008	2007	2006
General Bonded Debt Outstanding:				
General Obligation Bonds	$30,642,312	$32,071,189	$28,030,011	$26,201,525
Special Assessment Bonds	835,035	467,691	567,014	664,719
Enterprise Fund General Obligation Bonds	867,653	1,041,120	1,207,975	1,363,756
Enterprise Fund Revenue Bonds	6,070,000	7,260,000	8,390,000	9,465,000
Bond Anticipation Notes	2,215,000	2,019,000	5,385,000	5,900,000
OPWC Loans	2,751,664	2,818,314	2,088,849	2,159,087
Real Estate Acquisition Loan	0	0	0	0
Public Improvement Installment Loans	640,498	193,716	250,000	0
Total Gross Indebtedness	44,022,162	45,871,030	45,918,849	45,754,087
Percentage of Estimated Actual Property Value	4.77%	4.71%	4.41%	4.34%
Assessed Property Value	$922,216,546	$973,780,380	$1,040,922,000	$1,053,456,928
Total Debt Per Capita	$627	$654	$650	$675
Population	70,239	70,124	70,592	67,820
Less Exempt Debt:				
General Obligation Bonds - Energy Conservation	(1,642,347)	(1,878,880)	(2,102,025)	(2,316,244)
General Obligation Bonds - Urban Renewal	(11,965,000)	(12,165,000)	(12,225,000)	(10,420,000)
General Obligation Bonds - Pension	(1,500,000)	(1,565,000)	(1,625,000)	(1,685,000)
Special Assessment Bonds	(835,035)	(467,691)	(567,014)	(664,719)
Bond Anticipation Notes - Special Assessment Portion	(908,525)	(1,214,439)	(297,439)	(297,439)
Enterprise Fund General Obligation Bonds	(867,653)	(1,041,120)	(1,207,975)	(1,363,756)
Enterprise Fund Revenue Bonds	(6,070,000)	(7,260,000)	(8,390,000)	(9,147,462)
Total Net Debt Applicable to Debt Limit	20,233,602	20,278,900	19,504,396	19,859,467
Overall Legal Debt Limit				
10 1/2% of Assessed Valuation	96,832,737	102,246,940	109,296,810	110,612,977
Legal Debt Margin Within 10 1/2% Limitations	$76,599,135	$81,968,040	$89,792,414	$90,753,510
Legal Debt Margin as a Percentage of the Debt Limit	79.10%	80.17%	82.15%	82.05%
Unvoted Debt Limitation				
5 1/2% of Assessed Valuation	$50,721,910	$53,557,921	$57,250,710	$57,940,131
Net Unvoted Indebtedness Authorized by Council	43,690,361	45,540,591	45,698,909	45,565,686
Less Exempt Debt:				
General Obligation Bonds - Energy Conservation	(1,642,347)	(1,878,880)	(2,102,025)	(2,316,244)
General Obligation Bonds - Urban Renewal	(11,965,000)	(12,165,000)	(12,225,000)	(10,420,000)
General Obligation Bonds - Pension	(1,500,000)	(1,565,000)	(1,625,000)	(1,685,000)
Special Assessment Bonds	(835,035)	(467,691)	(567,014)	(664,719)
Bond Anticipation Notes - Special Assessment Portion	(908,525)	(1,214,439)	(297,439)	(297,439)
Enterprise Fund General Obligation Bonds	(867,653)	(1,041,120)	(1,207,975)	(1,363,756)
Enterprise Fund Revenue Bonds	(6,070,000)	(7,260,000)	(8,390,000)	(9,147,462)
Net Debt Within 5 1/2% Limitations	19,901,801	19,948,461	19,284,456	19,671,066
Unvoted Legal Debt Margin Within 5 1/2% Limitations	$30,820,109	$33,609,460	$37,966,254	$38,269,065
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	60.76%	62.75%	66.32%	66.05%

Source: City Financial Records

2005	2004	2003	2002	2001	2000
$25,981,800	$24,734,873	$25,967,169	$21,419,262	$13,518,855	$14,458,448
762,423	860,127	1,012,831	565,738	693,145	820,552
1,510,777	1,550,000	1,885,000	2,215,000	2,540,000	2,865,000
10,398,234	11,363,032	12,282,802	13,152,600	13,992,398	14,787,196
5,495,000	4,150,000	3,625,000	4,809,000	1,850,000	1,550,000
1,873,525	1,904,310	1,855,801	1,350,995	1,193,584	60,102
0	0	17,787	63,505	108,792	78,069
0	0	0	0	0	0
46,021,759	44,562,342	46,646,390	43,576,100	33,896,774	34,619,367
4.69%	4.55%	4.81%	4.53%	3.69%	3.74%
$980,705,772	$979,203,076	$969,147,530	$961,389,440	$917,592,790	$925,211,158
$670	$649	$679	$635	$494	$504
68,652	68,652	68,652	68,652	68,652	68,652
(2,499,223)	0	0	0	0	0
(9,020,000)	(9,125,000)	(9,225,000)	(4,850,000)	(4,850,000)	(4,850,000)
(1,740,000)	(1,795,000)	(1,845,000)	(1,895,000)	(1,945,000)	(1,990,000)
(762,423)	(860,127)	(1,012,831)	(565,738)	(693,145)	(820,552)
(271,665)	0	0	(571,830)	(571,830)	(417,330)
(1,510,777)	(1,550,000)	(1,885,000)	(2,215,000)	(2,540,000)	(2,865,000)
(10,106,765)	(11,465,000)	(12,282,802)	(13,152,600)	(13,992,398)	(14,787,196)
20,110,906	19,767,215	20,395,757	20,325,932	9,304,401	8,889,289
102,974,106	102,816,323	101,760,491	100,945,891	96,347,243	97,147,172
$82,863,200	$83,049,108	$81,364,734	$80,619,959	$87,042,842	$88,257,883
80.47%	80.77%	79.96%	79.86%	90.34%	90.85%
$53,938,817	$53,856,169	$53,303,114	$52,876,419	$50,467,603	$50,886,614
46,313,228	44,695,638	46,683,596	43,456,331	33,896,774	33,970,285
(2,499,223)	0	0	0	0	0
(9,020,000)	(9,125,000)	(9,225,000)	(4,850,000)	(4,850,000)	(4,850,000)
(1,740,000)	(1,795,000)	(1,845,000)	(1,895,000)	(1,945,000)	(1,990,000)
(762,423)	(860,127)	(1,012,831)	(565,738)	(693,145)	(820,552)
(271,665)	0	0	(571,830)	(571,830)	(417,330)
(1,510,777)	(1,550,000)	(1,885,000)	(2,215,000)	(2,540,000)	(2,865,000)
(10,106,765)	(11,465,000)	(12,282,802)	(13,152,600)	(13,992,398)	(14,787,196)
20,402,375	19,900,511	20,432,963	20,206,163	9,304,401	8,240,207
$33,536,442	$33,955,658	$32,870,151	$32,670,256	$41,163,202	$42,646,407
62.17%	63.05%	61.67%	61.79%	81.56%	83.81%

City of Lorain, Ohio
Pledged Revenue Coverage
Water Works
Last Ten Years

	2009	2008	2007	2006	2005
Net Available Revenue:					
Gross Revenues	$7,848,394	$8,271,992	$7,966,168	$8,191,235	$8,555,713
Less: Operating Expenses (1)	6,045,523	6,065,246	5,963,954	5,829,936	5,590,805
Net Available Revenue	1,802,871	2,206,746	2,002,214	2,361,299	2,964,908
Debt Service - Revenue Bonds:					
Principal	540,000	510,000	485,000	465,000	440,000
Interest	257,028	283,810	308,691	331,971	353,698
Revenue Bond Coverage	2.26	2.78	2.52	2.96	3.74
Debt Service OWDA Loans:					
Principal	445,100	424,661	381,205	357,855	347,012
Interest	459,289	480,599	464,934	483,902	502,049
OWDA Coverage	1.99	2.44	2.37	2.81	3.49
Total Debt Service:					
Principal	985,100	934,661	866,205	822,855	787,012
Interest	716,317	764,409	773,625	815,873	855,747
Total Coverage	1.06	1.30	1.22	1.44	1.80

(1) Operating expenses do not include depreciation and amortization expenses.

Source: City Auditor

2004	2003	2002	2001	2000
$8,342,495	$8,249,924	$7,958,375	$7,493,865	$5,183,848
5,407,940	6,165,744	5,679,672	4,122,439	4,774,381
2,934,555	2,084,180	2,278,703	3,371,426	409,467
420,000	400,000	385,000	365,000	350,000
365,739	393,397	411,245	428,053	443,608
3.73	2.63	2.86	4.25	0.52
618,077	558,391	501,990	450,053	312,114
449,519	393,056	423,719	406,864	222,525
2.75	2.19	2.46	3.93	0.77
1,038,077	958,391	886,990	815,053	662,114
815,258	786,453	834,964	834,917	666,133
1.58	1.19	1.32	2.04	0.31

City of Lorain, Ohio
Pledged Revenue Coverage
Water Pollution Control
Last Ten Years

	2009	2008	2007	2006	2005
Net Available Revenue:					
Gross Revenues	$12,084,067	$11,223,392	$10,915,240	$10,222,189	$9,240,060
Less: Operating Expenses (1)	6,429,051	6,074,308	6,342,194	7,093,067	5,753,128
Net Available Revenue	5,655,016	5,149,084	4,573,046	3,129,122	3,486,932
Debt Service - Revenue Bonds:					
Principal	650,000	620,000	590,000	560,000	535,000
Interest	95,270	129,250	161,020	190,640	218,295
Revenue Bond Coverage	7.59	6.87	6.09	4.17	4.63
Debt Service OWDA Loans:					
Principal	2,060,004	1,595,247	1,089,047	791,991	973,131
Interest	1,428,335	1,136,529	726,942	678,730	724,605
OWDA Coverage	1.62	1.88	2.52	2.13	2.05
Total Debt Service:					
Principal	2,710,004	2,215,247	1,679,047	1,351,991	1,508,131
Interest	1,523,605	1,265,779	887,962	869,370	942,900
Total Coverage	1.34	1.48	1.78	1.41	1.42

(1) Operating expenses do not include depreciation and amortization expenses.

Source: City Auditor

2004	2003	2002	2001	2000
$8,313,069	$7,728,255	$7,673,262	$7,963,116	$8,739,907
6,224,953	7,399,650	6,057,938	6,381,124	6,347,621
2,088,116	328,605	1,615,324	1,581,992	2,392,286
510,000	480,000	465,000	440,000	420,000
244,165	268,180	290,547	311,675	331,245
2.77	0.44	2.14	2.10	3.18
826,682	735,466	708,476	497,339	125,340
608,693	587,486	614,475	449,202	120,154
1.45	0.25	1.22	1.67	9.74
1,336,682	1,215,466	1,173,476	937,339	545,340
852,858	855,666	905,022	760,877	451,399
0.95	0.16	0.78	0.93	2.40

City of Lorain, Ohio
Principal Employers
2009 and 2000

Employer	2009 Employees	2009 % of Total Employment
Community Health Partners *	1,629	5.60 %
Lorain City School District	1,022	3.51
City of Lorain	538	1.85
Lorain Tubular	523	1.80
Industrias CH, S.A. de C.V (REP)	400	1.38
Grace Management Services	298	1.02
The Nord Center	276	0.95
K-Mart	270	0.93
Lorain National Bank	248	0.85
Cleveland Clinic-Lorain	208	0.71
	5,412	18.60 %
Total Employment Within the City	29,100	

	2000 Employees	2000 % of Total Employment
Lorain Community/St.Joseph Regional Health Center	2,178	7.40
Ford Motor Company-Lorain Assembly	1,730	5.88
Republic Technologies Int'l	1,585	5.39
Marconi Communications	1,250	4.25
Lorain City School District	1,200	4.08
May Department Stores	600	2.04
City of Lorain	590	2.00
Lorain Tubular	500	1.70
P.C. Campana, Inc.	390	1.33
Lorain County Community Action	290	0.99
	10,313	35.06 %
Total Employment Within the City	29,416	

*Lorain Community/St. Joseph Regional Health Center in 2000

Source: City Auditor

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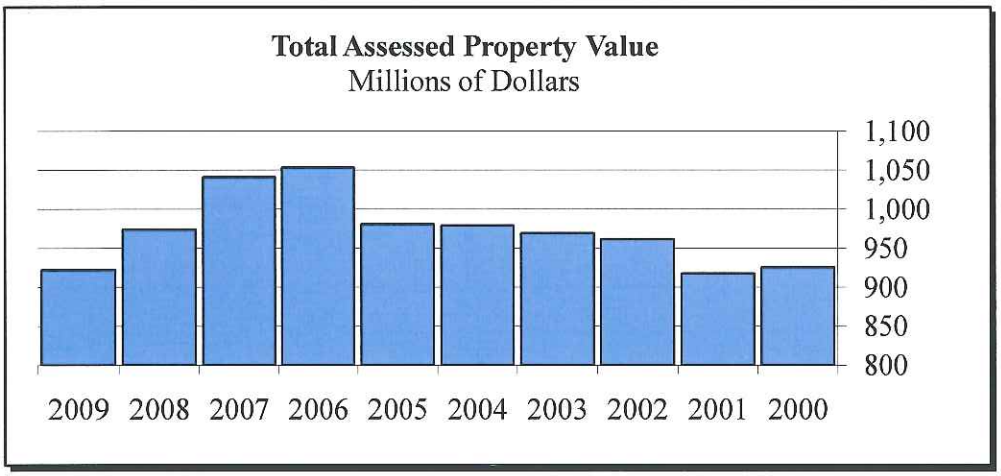
City of Lorain

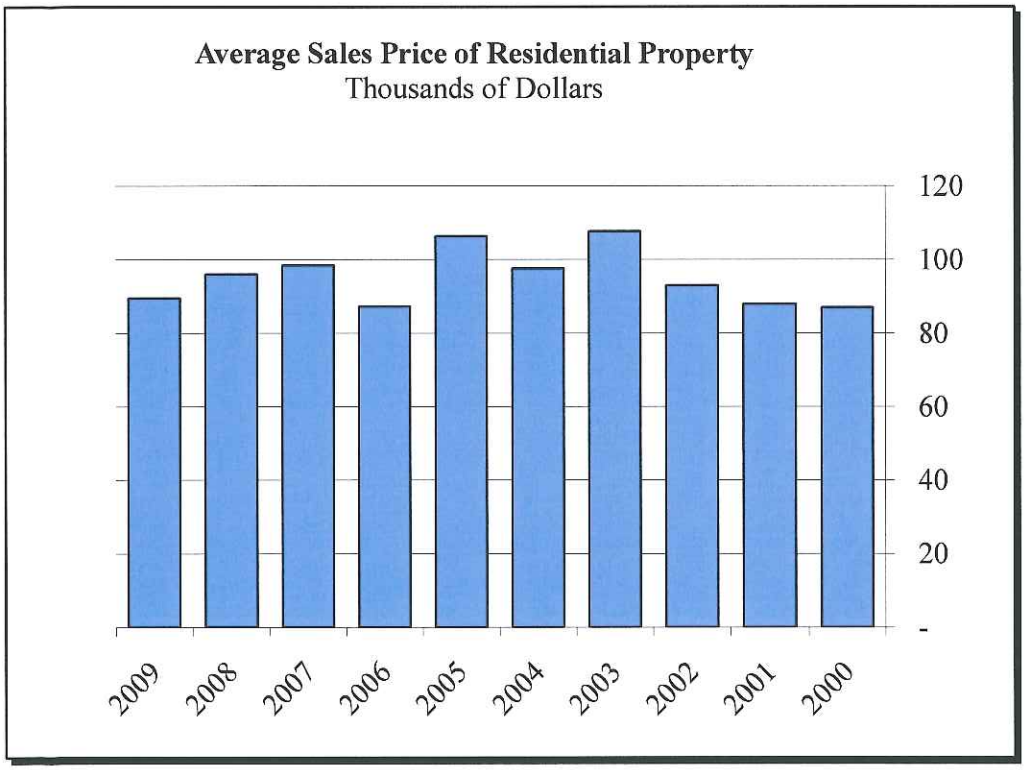
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2009	70,239	$1,285,233,222	$18,298	$38,033	35.1
2008	70,124	1,307,251,608	18,642	35,908	35.3
2007	70,592	1,242,489,792	17,601	37,670	33.9
2006	67,820	1,108,178,800	16,340	33,917	34.4
2005	68,652	1,121,773,680	16,340	33,917	34.4
2004	68,652	1,121,773,680	16,340	33,917	34.4
2003	68,652	1,121,773,680	16,340	33,917	34.4
2002	68,652	1,121,773,680	16,340	33,917	34.4
2001	68,652	1,121,773,680	16,340	33,917	34.4
2000	68,652	1,121,773,680	16,340	33,917	34.4



(1) Source: U. S. Census (a) Years 2000 through 2005 - 2000 Federal Census
(b) Year 2006 US Census Bureau estimate
(c) Year 2007 US Census Bureau estimate
(d) Year 2008 US Census Bureau estimate
(e) Year 2009 US Census Bureau estimate
(2) Source: Ohio Department of Education Website: "http://www.ode.state.oh.us/data/"
(3) Ohio Department of Job and Family Services
(4) Source: Lorain County Auditor-Chief Appraiser
(5) Computation of per capita personal income multiplied by population

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value
10.8%	8,288	10.9%	$89,544	$922,216,546
10.6	8,557	9.3	96,045	973,780,380
12.6	8,897	7.4	98,458	1,040,922,000
9.9	8,975	6.7	87,227	1,053,456,928
9.9	9,719	6.9	106,379	980,705,772
9.9	9,909	5.8	97,594	979,203,076
9.9	10,322	6.6	107,676	969,147,530
9.9	10,655	6.6	93,033	961,389,440
9.9	10,813	5.8	87,951	917,592,790
9.9	10,619	5.4	86,982	925,211,158



City of Lorain

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Years

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Government										
Auditor	7.00	7.00	7.00	7.00	7.00	7.00	7.00	9.00	9.00	9.00
Civil Service	4.00	4.00	4.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerk of Courts	17.00	17.00	16.00	15.00	19.00	13.00	14.00	15.00	19.00	15.00
Council	14.00	14.00	14.00	15.00	14.00	13.00	15.00	15.00	15.00	15.00
Electrical	7.00	7.00	8.00	7.00	8.00	6.00	7.00	6.00	6.00	8.00
Engineering	11.00	12.00	12.00	10.00	10.00	10.00	11.00	10.00	10.00	9.00
Income Tax/Treasurer	10.00	10.00	9.00	9.00	8.00	8.00	8.00	10.00	8.00	10.00
Judges	13.00	13.00	14.00	14.00	16.00	13.00	12.00	16.00	13.00	12.00
Law Department	13.00	13.00	11.00	12.00	13.00	10.00	11.00	12.00	11.00	11.00
Muni Court Computer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Muni Court Security/Improvement	1.00	5.00	5.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
Muni Court Probation	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Mayor	2.00	2.00	2.50	2.50	2.50	2.50	2.50	2.50	3.00	3.00
MIS/Data Processing	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Safety/Service Director	6.77	8.45	6.30	6.85	7.30	6.04	7.75	8.75	10.25	11.20
Security of Persons and Property										
Police	100.00	99.00	105.00	105.00	101.00	83.00	94.00	106.00	109.50	109.00
Police - Corrections	6.00	6.00	-	-	2.00	9.00	11.00	12.00	13.50	9.00
Police - Dispatchers/Office/Other	22.00	23.00	22.00	22.00	22.00	19.00	21.00	22.00	25.00	25.00
Fire	80.00	80.00	79.00	82.00	84.00	83.00	86.00	85.00	92.00	88.00
Fire - Secretary/Other	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation										
Street Department	22.00	24.00	24.00	23.00	23.00	19.00	21.00	22.00	26.00	34.00
Public Health										
Cemetery	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00
Dog Warden	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00	2.00
Health Department	20.00	23.00	19.00	25.00	23.00	22.00	22.00	21.00	24.00	24.00
Community Environment										
Building Inspection	6.00	9.00	8.00	10.00	10.00	8.00	8.00	8.00	9.00	8.00
Economic Development										
Community Development	22.00	22.00	21.00	22.00	19.00	19.71	22.00	22.00	22.00	20.00
Leisure Time Activities										
Parks & Recreation	7.00	10.00	9.00	9.00	6.00	4.00	10.00	6.00	14.00	23.00
Basic Utility Services										
Water	62.93	57.58	55.42	56.64	59.42	56.20	64.20	71.20	73.20	58.48
Water Pollution Control	64.00	66.67	60.48	66.71	66.48	69.25	73.25	76.25	76.25	66.52
Internal Services										
Garage	9.00	9.00	9.00	11.00	13.00	10.00	9.00	7.00	9.00	11.30
Hospitalization	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.50
Totals:	538	552	531	545	544	500	546	572	606	590

Source: City of Lorain, Ohio Auditor's Office

Method: Does not include Police Auxilary or seasonal employees. Includes full time and permanent part-time employees only.

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City of Lorain
Operating Indicators by Function/Program
Last Ten Years

Function/program	2009	2008	2007
General Government (3)			
Purchase Orders Issued	2,874	3,628	3,591
Security of Persons and Property			
Police (4) (a)			
Total Arrests	3,784	4,115	4,043
Offenses (major offenses such as murder and rape)	76	36	24
Offenses (major offenses such as robbery and agg. assault)	322	150	295
Offenses (major offenses such as vehicle theft)	169	46	145
DUI Arrests	237	159	166
Prisoners	4,139	2,427	0
Motor Vehicle Accidents	1,145	1,531	1,646
Calls for Service	59,891	50,583	59,070
Fire (5)			
Emergency responses	1,659	1,676	1,620
Fire Safety Inspections/Re-Inspections	810	1,110	627
Fire Protection Systems Inspected	64	40	46
Building/Fire Protection Plan Review	35	70	30
Transportation (6)			
Road Maintenance (man hours)*	21,028	26,783	28,868
Asphalt (hot/cold) used in road maintenance (tons)	1,282	1,824	1,423
Concrete used in road maintenance (yards)	2,529	561	2,684
Number of Trees Removed	64	41	62
Truckloads of leaves picked-up	150	132	743
Cubic Yards of leaf humus delivered/sold	502	486	307
Cubic Yards of wood chips delivered/sold	135	125	241
Tons of snow melting salt purchased	3,671	4,898	10,081
Public Health			
Help Me Grow Visits (0-3 years of age) (2)	2,232	3,886	2,797
Adult Immunizations (2)	5,280	1,180	1,032
Children Immunizations (2)	2,329	2,569	2,651
Child Health Clinics (0-21 years) (2)	376	433	440
HIV testing (2)	545	425	561
Number of Births (2)	1,016	1,105	1,112
Number of Deaths (2)	892	875	896

* Estimated n/a = not available

(a) Methodology changed

(1) City of Lorain Building Department
(2) City of Lorain Health Department
(3) City of Lorain Auditor's Office
(4) City of Lorain Police Department
(5) City of Lorain Fire Department
(6) City of Lorain Street Department
(7) City of Lorain Recreation Dept.
(8) City of Lorain Utilities Department
(9) City of Lorain Mayor's Office
(10) City of Lorain Community Development Department

2006	2005	2004	2003	2002	2001	2000
3,398	3,824	3,813	3,942	4,097	4,314	4,947
6,455	2,536	2,345	2,801	3,139	3,205	3,214
10	20	27	15	16	23	26
283	316	286	261	255	256	253
146	161	89	100	97	149	140
123	171	155	175	250	239	289
0	0	2,612	4,121	4,754	3,205	3,214
1,521	1,620	1,683	1,805	2,018	2,011	2,095
64,344	46,321	45,663	43,543	45,384	43,234	41,345
2,446	3,382	3,127	3,514	3,300	3,502	1,921
795	437	763	732	321	841	926
53	32	37	13	10	33	11
n/a	n/a	n/a	n/a	n/a	n/a	n/a
14,932	18,364	17,844	19,830	15,882	23,592	24,545
1,188	1,801	1,421	1,061	873	1,160	1,917
1,530	965	1,721	1,670	867	1,986	3,482
91	77	66	113	96	93	83
129	231	223	217	230	227	219
139	262	209	52	10	175	n/a
23	177	152	260	221	214	191
3,892	5,797	3,940	8,761	6,253	8,060	7,401
2,257	2,459	2,170	2,758	2,464	n/a	n/a
1,783	2,660	1,700	2,625	3,100	n/a	n/a
2,681	2,616	2,831	3,014	2,476	n/a	n/a
517	581	700	838	81	n/a	n/a
561	591	586	557	823	n/a	n/a
1,250	1,134	1,188	1,215	1,333	1,507	1,390
903	890	954	943	980	891	886

(Continued)

City of Lorain

Operating Indicators by Function/Program

Last Ten Years (*continued)*

Function/program	2009	2008	2007
Public Health (continued)			
Number of Environmental Inspections (2)	2,047	2,884	3,287
City of Lorain's Recycling Activity-in tons (10)	899	1,113	1,224
Cemetery Internments (9)	105	130	149
Cemetery Spaces/Lots purchased (9)	$66,625	$72,440	$63,075
Internment Fess/Misc. Fees (9)	$117,575	$114,175	$106,875
Community Environment (1)			
Construction Permits Issued	4,359	4,146	4,406
Estimated Value of Construction	$56,464,393	$31,317,509	$40,752,431
Number of Planning Commission docket items	43	48	21
Economic Development (10)			
Number of Loans - Home In-Fill	3	0	6
Number of Loans - Home Rehab	5	7	3
Number of Loans - Business	0	1	4
Number of Loans/Projects - 108	2	0	1
Number of Loans/Projects - CDBG	0	1	1
Number of Loans/Projects - EDA Title IX	3	0	3
Number of Loans/Projects - Rental Rehab	1	0	1
Number of Loans/Projects - UDAG	0	0	0
Economic Development Projects approved (square feet)	429,000	1,200	154,538
Leisure Time Activities (7)			
No. of People attending Summer Rec Programs	0	270	206
Attendance at Santa land	3,032	2,756	2,482
Water/Water Pollution Control			
Water/Sewer Bills mailed (8)	289,409	295,357	296,971
Number of Loans -Emergency Loan Program (10)	0	3	6

* Estimated n/a = not available

(1) City of Lorain Building Department
(2) City of Lorain Health Department
(3) City of Lorain Auditor's Office
(4) City of Lorain Police Department
(5) City of Lorain Fire Department
(6) City of Lorain Street Department
(7) City of Lorain Recreation Dept.
(8) City of Lorain Utilities Department
(9) City of Lorain Mayor's Office
(10) City of Lorain Community Development Department

2006	2005	2004	2003	2002	2001	2000
2,761	2,805	2,693	2,770	2,417	4,278	7,679
953	1,178	1,218	1,133	1,092	1,265	1,283
153	160	155	160	176	192	151
$54,300	$56,750	$62,725	$51,580	$47,645	$48,535	$39,570
$111,682	$110,300	$74,370	$76,680	$81,420	$85,720	$63,975
5,763	5,502	5,529	6,140	6,006	6,704	4,559
$68,451,638	$48,208,912	$92,157,798	$67,034,093	$48,218,378	$39,501,474	$33,866,860
48	n/a	26	9	18	27	28
4	12	7	6	4	1	0
16	5	7	14	7	12	23
1	2	5	4	5	5	5
0	1	0	1	6	4	0
0	1	0	2	3	2	2
1	2	4	3	4	8	8
1	2	1	1	1	1	1
1	0	0	2	2	1	1
10,820	24,200	63,242	98,202	205,188	107,455	34,986
233	144	n/a	133	121	116	n/a
2,469	3,232	1,962	1,183	2,786	2,701	1,927
295,889	288,314	290,530	287,669	286,844	285,373	284,675
0	0	0	0	0	0	0

City of Lorain, Ohio
Capital Asset Statistics by Function/Program
Last Ten Years

Function/program	2009	2008	2007	2006
General Government				
Engineering Vehicles (2)	8	8	8	8
Mayor Vehicles (10)	0	0	1	1
Security of Persons and Property				
Police (5)				
Stations	2	2	2	4
Vehicles	113	113	113	111
Fire (6)				
Stations	4	4	4	4
Vehicles	20	20	23	28
Transportation				
Streets (miles) (7)	285	285	285	285
Number of Traffic lights (2)	488	488	410	518
Vehicles (7)	78	78	71	52
Community Environment				
Inspection Vehicles (1)	8	8	9	9
Economic Development				
Community Development Vehicles (4)	8	10	8	7
Leisure Time Activities (8)				
Number of Parks	56	56	56	56
Number of Pools	3	3	3	3
Vehicles Parks Department	17	17	17	18
Water/Water Pollution Control (9)				
Sanitary sewers (miles)	278	278	277	277
Water lines (miles)	294	294	293	293
Vehicles	90	82	82	85

Sources:

(1) City of Lorain Building Department
(2) City of Lorain Engineering Department
(3) City of Lorain Auditor's Office
(4) City of Lorain Community Development Department
(5) City of Lorain Police Department
(6) City of Lorain Fire Department
(7) City of Lorain Street Department
(8) City of Lorain Recreation Department
(9) City of Lorain Utilities Department
(10) City of Lorain Mayor's Office

n/a: Information not available

2005	2004	2003	2002	2001	2000
7	6	6	6	6	6
1	1	1	1	1	1
3	3	4	2	2	3
101	92	92	112	n/a	n/a
4	4	4	4	4	4
26	27	28	28	27	26
285	281	279	279	265	220
528	528	528	528	522	522
38	44	45	45	43	41
7	7	6	6	6	6
8	7	7	7	7	6
57	57	57	57	57	56
3	3	3	3	3	3
22	n/a	n/a	n/a	26	n/a
280	280	280	271	267	267
310	310	310	299	297	297
86	90	90	90	90	85

SEAL OF THE CITY OF LORAIN
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