



## INTEROFFICE MEMORANDUM

DATE: JULY 14, 2011

TO: RITA MCMAHON, CITY MANAGER  
CITY COUNCIL

FROM: ANDY UNETIC, DIRECTOR OF FINANCE

RE: FIRST HALF 2011 FINANCIALS

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### **First Half 2011 Financial Information**

- The June 30, 2011 total fund balance was \$41,599,504 an increase of \$866,942, 2% from June 30, 2010. The main reason for the increase was the total beginning fund balance was higher in 2011 than it was in 2010.
- Total first half 2011 revenues were \$32,649,662 an increase of \$412,769, 1% compared to the first half of 2010.
- Total first half 2011 expenses were \$31,244,172 an increase of \$955,623 3% from first half 2010 expenses. The main reason for the increase was in 2011, the City had over \$899,000 in expenses for the Vanadium Battery project, and over \$1,000,000 in expenses for the Hospital demolition project. Both of these projects' expenses are offset with grant revenues.
- Through the first half of 2011, 40% of the total budget has been spent or encumbered.
- Total 2011 first half revenues exceeded expenses by \$1,405,490.

## **101 – General Fund**

- The June 30, 2011 General Fund balance was \$3,747,455 an increase of \$164,095, 4.58% from June 30, 2010.
- The main reason for the increase was in the first half of 2011, the General Fund revenues exceeded expenditures.
- Total first half 2011 General Fund revenues were \$6,434,266 an increase of \$122,900 2% from the first half 2010 General Fund revenues. The reason for the increase was the City received over \$130,000 in inheritance tax in 2011 compared to 2010. However due to changes in the state budget, the inheritance tax will be eliminated in 2013.
- Total first half 2011 General Fund expenditures were \$6,039,009 a decrease of \$620,538, 9% from the first half 2010 General Fund expenditures. The main reason for the decrease is the 2011 General Fund budget was cut significantly from 2010 and all of the General Fund departments have been doing a great job at closely monitoring their expenses, especially overtime.
- Through the first half of 2011, 49% of the General Fund budget has been spent or encumbered.
- For the first half of 2011, General Fund revenues exceeded expenditures by \$395,257.

## **201 – Street Construction Maintenance & Repair Fund**

- The June 30, 2011 Street Construction Maint., & Repair Fund Balance was \$925,517 a decrease of \$165,796, 15%, from June 30, 2010.
- The main reason for the decrease was in 2010 the SCM&R Fund had a higher beginning fund balance than it did in 2011.
- Total first half 2011 SCM&R revenues were \$1,365,359, an increase of \$12,491, 1% from the first half of 2010.
- Through June 30, 2011 this fund is on pace to meet the 2011 budgeted revenues.
- Total first half 2011 SCM&R expenses were \$1,360,729 a decrease of \$279,159, 17% from the first half of 2010. The main reason for the decrease was that in 2010 this fund had more budgeted for capital projects than it did in 2011.
- Through June 30, 2011, this fund is on pace to spend less than the budgeted expenditures.
- For the first half of 2011, this fund's revenues exceeded expenditures.

## **710 – Water Revenue Fund**

- The June 30, 2011 Water Revenue Fund Balance was \$1,646,674 an increase of \$43,076, 3% from June 30, 2010.
- Total first half 2011 Water Revenue Fund revenues were \$2,296,920 a decrease of \$135,855, 6% from first half of 2010 Water revenues. The reason for the decrease was in 2010, this fund received over \$220,000 in grant revenues and this fund did not receive any grant revenues in 2011.
- Through June 30, 2011 this fund is on pace to meet the 2011 budgeted revenues.
- Total first half 2011 Water Revenue Fund expenses were \$1,781,717 a decrease of \$116,629 6% from the first half of 2010. One of the main reasons for the decrease is the Water Plant now sends all of their sludge over to the WPCP which has saved the Water Plant over \$30,000 for the first half of 2011. Another reason for the decrease is the Water Department is operating with less employees in 2011 and the Water Department has really been working on being as efficient as they possibly can be.
- Through the first half of 2011, the Water Department has spent 43% of their budget.
- For the first half of 2011, Water Revenue Fund revenues exceeded expenditures.

## **720 – Sewer Revenue Fund**

- The June 30, 2011 Sewer Revenue Fund balance was \$2,042,602 a decrease of \$332,823, 14%, from June 30, 2010.
- The main reason for the decrease was the Sewer Revenue Fund had a higher beginning fund balance in 2010, than it did in 2011.
- Total first half 2011 Sewer Revenue Fund revenues were \$1,743,427, an increase of \$106,098, 6%, from the first half of 2010. The main reason for the increase was the contract sewer revenues were up in June 2011. Another reason for the increase is the Sewer Department is receiving additional revenues from the Water Department for disposing of the Water Plant's sludge, which is saving both departments money.
- Through the first half of 2011 this fund is on pace to meet the 2011 budgeted revenues.
- Total first half 2011 Sewer Revenue Fund expenses were \$1,602,439, an increase of \$19,637, from the first half of 2010.
- Currently this fund is on pace to spend less than the budgeted expenditures.
- Through the first half of 2011 in this fund, total revenues exceed total expenditures by \$140,988.

### 730 – Electric Revenue Fund

- The June 30, 2011 Electric Revenue Fund balance was \$12,849,831 a decrease of \$196,372, 1.51%, from June 30, 2010.
- Total first half 2011 Electric Revenue Funds revenues were \$13,015,007, an increase of 7%, from the first half of 2010. The main reason for this was the electric sales are up compared to 2010. Through June 30, 2011 this fund is on pace to meet the 2011 budgeted revenues.
- Total first half 2011 Electric Revenue Funds expenses were \$11,273,542 an increase of 4% from the first half of 2010. The main reason for the increase was the electric consumption was up, thus the City had more expenses for purchasing/generating power.
- This fund is currently on pace to spend less than budgeted expenditures.
- For the first half of 2011, Electric Revenue Fund revenues exceeded expenditures.

### 760 – Storm Water Utility Fund

- The June 30, 2011 Storm Water Utility Fund balance was \$318,581, a decrease of \$292,824 from June 30, 2010. The reason for this is that in 2011, expenditures exceed revenues.
- Total first half 2011 Storm Water Utility Fund revenues were \$773,108, a decrease of \$50,521, 6% from the first half of 2010. The main reason for the decrease was this fund issued less debt in 2011 compared to 2010.
- Currently this fund is on pace to meet the budgeted revenues for 2011.
- Total first half 2011 Storm Water Utility Fund expenses were \$817,265, an increase of \$270,837 from the first half of 2010. The reason for the increase was this fund issued more debt in 2010 compared to 2011 and thus this fund had over \$280,000 in additional debt payments in 2011.

### June 2011 Investments

- The City purchased the following investments in June of 2011:

| INVESTMENT       | AMOUNT         | RATE  | MATURITY DATE |
|------------------|----------------|-------|---------------|
| COMMERCIAL PAPER | \$1,000,000.00 | 0.30% | 12/12/2011    |

## City Wide Goals

### Achieved in the Month of June

#### - Stewardship

- The 2010 financial audit of the City's financial statements has been completed. The City again received an "Unqualified Opinion" from the auditors and it is the highest opinion a local government can receive from the auditors. The "Unqualified Opinion" means that everything was materially stated and that there was nothing materially incorrect with the City's financials or the City's financial procedures and the City is in compliance with the Ohio Revised Code.
- The 2010 CAFR was completed and submitted to the Government Finance Officers Association for their approval. The City anticipates the City will receive the GFOA CAFR award, for excellence in financial reporting, for the 23<sup>rd</sup> year in a row. The Finance Department also performed several parts of the conversion process in house which saved the City thousands of dollars this year.
- The City Manager, Assistant City Manager, Economic Development Coordinator and I attended a presentation on the current economy and where the economy could be in the near future.
- I attended a training, put on by the State of Ohio Treasurer, on government finances which was very informative.
- The City Manager and I met with a collection company to discuss ways to ensure that the City receives all of the revenues that are due to the City.
- Continue to work on the 2012 budget.

#### - Improve Community Service

- One of the Electric Department's employees assisted the utility department with reading the water and electric meters. This improved customer service by allowing the City to read as many meters as possible.

Respectfully Submitted,

  
Andy Unetic  
Finance Director  
City of Painesville

Attached to this memo are:

- Year to Date Fund Report as of June 30, 2011
- 2011 June collection report for the utilities
- 2011 June billing reports for utilities
- The June 2011 investment portfolio provided by Productive Portfolios

| Fund Description.....               | Beg Yr Bal.... | Ytd Receipts.. | Ytd Expenses.. | Unexp bal..... | Encumbrances.. | Unenc bal..... |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 101 GENERAL FUND                    | 3,352,199.04   | 6,434,265.69   | 6,039,009.28   | 3,747,455.45   | 585,024.09     | 3,162,431.36   |
| 151 GENERAL FUND RESERVE            | 300,000.00     | 0.00           | 0.00           | 300,000.00     | 0.00           | 300,000.00     |
| 152 EMPLOYEE HEALTH INSURANCE RES   | 372,005.00     | 0.00           | 0.00           | 372,005.00     | 0.00           | 372,005.00     |
| 153 WORKERS COMPENSATION RESERVE    | 322,245.55     | 0.00           | 0.00           | 322,245.55     | 0.00           | 322,245.55     |
| 154 COMPENSATED BALANCES RESERVE    | 460,196.15     | 0.00           | 0.00           | 405,890.44     | 0.00           | 405,890.44     |
| 201 ST CONST, MAINT & REPAIR FUND   | 920,887.04     | 1,365,359.45   | 1,360,729.29   | 925,517.20     | 209,563.94     | 715,953.26     |
| 202 STATE HIGHWAY IMPROVEMENT FUND  | 98,570.03      | 25,360.91      | 20,930.93      | 103,000.01     | 9,069.07       | 93,930.94      |
| 204 CEMETERIES FUND                 | 146,779.18     | 214,524.98     | 245,647.34     | 115,656.82     | 9,795.73       | 105,861.09     |
| 208 POLICE PENSION TRANSFER FUND    | 20,602.82      | 39,075.91      | 668.08         | 59,010.65      | 0.00           | 59,010.65      |
| 209 FIRE PENSION TRANSFER FUND      | 20,644.89      | 39,076.19      | 668.08         | 59,053.00      | 0.00           | 59,053.00      |
| 212 LAW ENFORCEMENT FUND            | 18,268.21      | 12,715.73      | 0.00           | 30,983.94      | 0.00           | 30,623.94      |
| 215 MUNI MTR VEH LICENSE TAX FUND   | 12,211.14      | 16,358.74      | 0.00           | 28,569.88      | 0.00           | 28,569.88      |
| 217 INDIGENT DRIVERS ALCHL TRTMT FD | 108,763.76     | 7,254.84       | 0.00           | 101,187.46     | 44,485.96      | 56,701.50      |
| 218 ENFORCEMENT AND EDUCATION FUND  | 49,436.88      | 7,347.50       | 0.00           | 56,784.38      | 0.00           | 56,784.38      |
| 219 CITY MOTOR VEH LICENSE TAX FD   | 12,274.43      | 32,717.50      | 0.00           | 44,991.93      | 0.00           | 44,991.93      |
| 220 FIRE LEVY FUND                  | 248,570.53     | 235,876.87     | 253,472.45     | 230,974.95     | 6,311.54       | 224,663.41     |
| 221 UNDERGROUND STORAGE TANK FUND   | 4,930.90       | 0.00           | 0.00           | 4,930.90       | 0.00           | 4,930.90       |
| 222 PROBATION SERVICES FUND         | 81,187.57      | 52,609.13      | 63,654.33      | 70,142.37      | 14,459.04      | 55,683.33      |
| 223 COPS FUND                       | 1,412.89       | 10,790.39      | 15,769.18      | -3,565.90      | 40.00          | -3,605.90      |
| 226 SKATE FACILITY FUND             | 626.83         | 0.00           | 0.00           | 626.83         | 0.00           | 626.83         |
| 227 FIRE SPECIAL REVENUE FUND       | 4,483.79       | 893.50         | 774.99         | 4,602.30       | 400.00         | 4,202.30       |
| 228 FEDERAL EMERGENCY MANAGMT FUND  | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| 229 EMERGENCY MEDICAL SERVICES FD   | 513,703.44     | 345,000.00     | 253,288.10     | 605,415.34     | 24,768.30      | 580,647.04     |
| 230 MUNI COURT COMPUTERIZATION FD   | 42,727.04      | 34,948.00      | 43,196.77      | 34,478.27      | 24,998.34      | 9,479.93       |
| 231 SHAMROCK BUSINESS CENTER TIF    | 551,990.44     | 249,968.57     | 391,057.69     | 410,901.32     | 78,644.76      | 332,256.56     |
| 232 2008 FEMA FUND                  | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| 233 BROWNFIELD GRANT FUND           | 53,965.01      | 2,000.00       | 42,148.28      | 13,816.73      | 9,587.64       | 4,229.09       |
| 234 VICTIM'S ADVOCATE GRANT FUND    | 1,127.07       | 29,095.04      | 26,433.18      | 3,788.93       | 2.61           | 3,786.32       |
| 301 GENERAL BOND RETIREMENT FUND    | 94,921.86      | 31,335.80      | 534.15         | 125,723.51     | 0.00           | 125,723.51     |
| 303 SPECIAL ASSMNT BOND RET FUND    | 152,211.24     | 46,652.94      | 36,254.36      | 162,609.82     | 44.99          | 162,564.83     |
| 304 LAND ACQUISITION NOTE RET FD    | 0.00           | 239,000.00     | 239,000.00     | 0.00           | 0.00           | 0.00           |
| 415 MUNI COURT CAPITAL PRJCTS FD    | 34,165.52      | 19,197.50      | 1,105.00       | 52,258.02      | 0.00           | 52,258.02      |
| 424 CAPITAL IMPROVEMENT FUND        | 404,617.41     | 25,509.08      | 33,428.50      | 396,697.99     | 20,335.23      | 376,362.76     |
| 425 GIRDLED RD WATER IMPRVMENTS FD  | 68,475.30      | 0.00           | 59,452.69      | 9,022.61       | 0.00           | 9,022.61       |
| 426 SHAMROCK BOULEVARD RD PROJ FD   | 121,255.99     | 0.00           | 0.00           | 121,255.99     | 0.00           | 121,255.99     |
| 427 JACKSON ST INTERCHANGE IMP FD   | 108,804.85     | 7,909.81       | 23,784.46      | 92,930.20      | 215.54         | 92,714.66      |
| 428 INDUSTRIAL PARK PROJECT FUND    | 18,514.03      | 0.00           | 3,230.00       | 15,284.03      | 0.00           | 15,284.03      |
| 429 MUNI COURT SPECIAL PROJECTS FD  | 297,525.55     | 51,771.16      | 47,128.70      | 302,168.01     | 97,359.92      | 204,808.09     |
| 430 CAPITAL EQUIPMENT RESERVE FUND  | 426,737.34     | 0.00           | 76,467.86      | 350,269.48     | 13,743.05      | 336,526.43     |
| 431 MILSTONE ACQUISITION FUND       | 245,434.81     | 232,995.00     | 234,416.14     | 244,013.67     | 245,040.00     | -1,026.33      |
| 432 GRISTMILL FMA ACQUISITION FUND  | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| 433 GRISTMILL HMGP ACQUISITION FD   | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| 434 LAKE HOSPITAL DEMOLITION FD     | 187,961.03     | 940,015.66     | 1,061,511.13   | 66,465.56      | 25,478.52      | 40,987.04      |
| 601 DEPOSIT TRUST FUND              | 549,507.99     | 19,596.50      | 23,822.72      | 545,281.77     | 162,910.57     | 382,371.20     |
| 602 PLAN REVIEW TRUST FUND          | 106,099.75     | 0.00           | 358.73         | 105,741.02     | 10,408.25      | 95,332.77      |
| 603 ZONING APPLICATION TRUST FUND   | 9,616.50       | 250.00         | 0.00           | 9,866.50       | 0.00           | 9,866.50       |
| 605 CEMETERY TRUST-OPERATIONS FUND  | 81,830.35      | 714.84         | 0.00           | 82,545.19      | 1,298.00       | 81,247.19      |
| 606 SPECIAL ENDOWMENT-OPERS FUND    | 58,972.03      | 296.30         | 0.00           | 59,268.33      | 0.00           | 59,268.33      |
| 607 COLUMBARIUM TRUST FUND          | 88.55          | 0.00           | 0.00           | 88.55          | 0.00           | 88.55          |
| 613 LAW ENFORCEMENT TRUST FUND      | 15,739.19      | 210.00         | 0.00           | 15,949.19      | 0.00           | 15,949.19      |
| 710 WATER REVENUE FUND              | 1,131,470.81   | 2,296,920.26   | 1,781,717.29   | 1,646,673.78   | 263,145.23     | 1,383,528.55   |
| 711 WATER DEPOSIT FUND              | 272,418.86     | 19,910.80      | 0.00           | 292,329.66     | 0.00           | 292,329.66     |
| 712 WATER CONSTRUCTION FUND         | 879,653.31     | 649,199.18     | 905,545.62     | 623,306.87     | 177,702.96     | 445,603.91     |
| 720 SEWER REVENUE FUND              | 1,901,613.64   | 1,743,426.83   | 1,602,438.60   | 2,042,601.87   | 182,672.21     | 1,859,929.66   |

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| Fund Description.....              | Beg Yr Bal.... | Ytd Receipts.. | Ytd Expenses.. | Unexp bal..... | Encumbrances.. | Unenc bal..... |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 722 SEWER CONSTRUCTION FUND        | 1,146,978.85   | 21,677.72      | 139,601.45     | 1,029,055.12   | 157,353.54     | 871,701.58     |
| 730 ELECTRIC REVENUE FUND          | 11,108,366.05  | 13,015,006.90  | 11,273,541.92  | 12,849,831.03  | 3,649,101.80   | 9,200,729.23   |
| 731 ELECTRIC DEPOSIT FUND          | 559,347.50     | 28,116.10      | 0.00           | 587,463.60     | 0.00           | 587,463.60     |
| 732 ELECTRIC CONSTRUCTION FUND     | 7,138,148.83   | 0.00           | 346,740.88     | 6,791,407.95   | 731,160.19     | 6,060,247.76   |
| 733 ELECTRIC RPLCMNT & IMPRVMT FD  | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| 734 ELECTRIC UTILITY RESERVE FUND  | 2,934,646.21   | 0.00           | 0.00           | 2,934,646.21   | 0.00           | 2,934,646.21   |
| 735 SMART GRID PROJECT FUND        | 539,027.09     | 837,336.72     | 899,126.32     | 477,237.49     | 91,275.00      | 385,962.49     |
| 740 REFUSE FUND                    | 9,491.14       | 1,077.69       | 10,666.21      | -97.38         | 4,160.00       | -4,257.38      |
| 750 OFF-ST PARKING REVENUE FUND    | 144,450.77     | 51,952.52      | 73,125.10      | 123,278.19     | 18,423.64      | 104,854.55     |
| 751 OFF-ST PARKING DEBT SVE FUND   | 7,311.73       | 0.00           | 0.00           | 7,311.73       | 0.00           | 7,311.73       |
| 752 OFF-ST PARKING DEPOSIT FUND    | 3,792.00       | 41.00          | 0.00           | 3,833.00       | 0.00           | 3,833.00       |
| 760 STORM WATER UTILITY FUND       | 362,737.59     | 773,108.14     | 817,264.93     | 318,580.80     | 195,074.27     | 123,506.53     |
| 770 COMMUNITY PROGRAMS             | 3,253.59       | 20,807.56      | 6,128.44       | 17,932.71      | 4,064.00       | 13,868.71      |
| 801 FUEL AND OIL ROTARY FUND       | 41,289.41      | 128,161.18     | 208,428.68     | -38,978.09     | 15.33          | -38,993.42     |
| 802 SUPPLIES ROTARY FUND           | 30,928.62      | 21,256.25      | 17,004.44      | 35,180.43      | 4,290.53       | 30,889.90      |
| 803 EMPLOYEE HEALTH INSURANCE FUND | 11,523.51      | 1,429,641.02   | 1,662,877.62   | -221,713.09    | 30,751.88      | -252,464.97    |
| 805 WORKERS' COMP RETROSPECTIVE FD | 153,776.61     | 439,306.10     | 439,306.10     | 153,776.61     | 0.00           | 153,776.61     |
| 901 EVERGREEN CEMETERY TRUST FUND  | 403,427.35     | 480.00         | 0.00           | 403,907.35     | 0.00           | 403,907.35     |
| 902 RIVERSIDE CEMETERY TRUST FUND  | 359,026.57     | 4,320.00       | 0.00           | 363,346.57     | 0.00           | 363,346.57     |
| 903 SPECIAL ENDOWMENT TRUST FUND   | 317,770.81     | 2,880.00       | 0.00           | 320,650.81     | 0.00           | 320,650.81     |
| 952 STATE PATROL TRANSFER FUND     | 18,284.21      | 29,447.06      | 29,447.06      | 18,284.21      | 0.00           | 18,284.21      |
| 953 ELECTRONIC LICENSE FORFEITURE  | 7,206.00       | 0.00           | 0.00           | 7,206.00       | 0.00           | 7,206.00       |
| 954 J.E.D.D. FUND                  | 0.00           | 362,695.28     | 362,695.28     | 0.00           | 0.00           | 0.00           |
| 955 C.D.B.G. FUND                  | 841.75         | 2,200.00       | 1,436.75       | 1,605.00       | 0.00           | 1,605.00       |
| 960 LAND BANK FUND                 | 4,942.83       | 0.00           | 0.00           | 4,942.83       | 0.00           | 4,942.83       |
| 990 GENERAL FIXED ASSETS           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| 995 GENERAL LONG TERM DEBT         | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| ***                                | 40,194,014.56  | 32,649,661.84  | 31,244,171.95  | 41,599,504.45  | 7,103,535.67   | 34,495,968.78  |

CITY OF PAINESVILLE, DEPARTMENT OF FINANCE, UTILITIES OFFICE DIVISION

COMPARATIVE UTILITIES COLLECTION REPORT FOR THE MONTH OF JUNE 2011

|  | CURRENT MONTH<br>2011 | YEAR TO DATE<br>2011   | CURRENT MONTH<br>2010 | YEAR TO DATE<br>2010   |
|--|-----------------------|------------------------|-----------------------|------------------------|
| <b>WATER</b>                           |                       |                        |                       |                        |
| SALES (CHARGES FOR SERVICE)            | \$313,995.73          | \$2,117,447.89         | \$361,970.07          | \$2,030,704.76         |
| NEW SERVICES                           | \$3,681.00            | \$25,764.54            | \$18,041.00           | \$43,014.13            |
| SALES MISCELLANEOUS                    | \$21,123.99           | \$96,261.28            | \$16,116.36           | \$92,603.82            |
| LATE & RECONNECTION FEES               | \$5,207.71            | \$41,484.18            | \$5,410.76            | \$41,722.92            |
| <b>TOTAL TO WATER REVENUE FUND</b>     | <b>\$344,008.43</b>   | <b>\$2,280,957.89</b>  | <b>\$401,538.19</b>   | <b>\$2,208,045.63</b>  |
| <b>ELECTRIC</b>                        |                       |                        |                       |                        |
| SALES (CHARGES FOR SERVICE)            | \$1,855,178.02        | \$12,313,664.44        | \$1,982,337.82        | \$11,593,393.05        |
| SALES MISC. AND TEMPORARY SERVICES     | \$1,109.99            | \$14,026.67            | \$5,875.50            | \$25,583.56            |
| LATE & RECONNECTION FEES               | \$33,376.66           | \$235,353.44           | \$35,455.00           | \$227,120.02           |
| <b>TOTAL TO ELECTRIC REVENUE FUND</b>  | <b>\$1,889,664.67</b> | <b>\$12,563,044.55</b> | <b>\$2,023,668.32</b> | <b>\$11,846,096.63</b> |
| <b>REFUSE</b>                          |                       |                        |                       |                        |
| SALES (CHARGES FOR SERVICE) TOTAL      | \$236.54              | \$1,077.69             | \$287.78              | \$768.34               |
| <b>SEWER</b>                           |                       |                        |                       |                        |
| SALES (CHARGES FOR SERVICE) REGULAR    | \$217,659.74          | \$1,294,968.63         | \$234,510.76          | \$1,289,530.73         |
| SALES (CHARGES FOR SERVICE) SPECIAL    | \$62,412.55           | \$322,506.59           | \$29,449.95           | \$212,224.56           |
| SEPTIC                                 | \$10,781.55           | \$44,875.02            | \$20,931.66           | \$85,503.61            |
| LATE FEES                              | \$5,300.38            | \$36,532.73            | \$5,879.84            | \$39,361.30            |
| <b>TOTAL TO SEWER REVENUE FUND</b>     | <b>\$296,154.22</b>   | <b>\$1,698,882.97</b>  | <b>\$290,772.21</b>   | <b>\$1,626,620.20</b>  |
| <b>STORM WATER</b>                     |                       |                        |                       |                        |
| SALES (CHARGES FOR SERVICE)            | \$38,394.73           | \$215,409.81           | \$37,396.50           | \$217,763.30           |
| LATE FEES                              | \$854.19              | \$5,498.33             | \$904.60              | \$5,408.94             |
| <b>TOTAL STORM WATER COLLECTIONS</b>   | <b>\$39,248.92</b>    | <b>\$220,908.14</b>    | <b>\$38,301.10</b>    | <b>\$223,172.24</b>    |
| <b>TOTAL ALL UTILITIES COLLECTIONS</b> | <b>\$2,569,312.78</b> | <b>\$16,764,871.24</b> | <b>\$2,754,567.60</b> | <b>\$15,904,703.04</b> |

|                 |                |
|-----------------|----------------|
| YTD \$ Increase | YTD % Increase |
| From 2010       | From 2010      |
| \$860,168.20    | 5.41%          |

CITY OF PAINESVILLE, DEPARTMENT OF FINANCE, UTILITIES OFFICE DIVISION

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UTILITY BILLING FOR THE MONTH OF JUNE 2011

| ELECTRIC BILLING            | CURRENT MONTH | YEAR TO DATE | WATER BILLING                | CURRENT MONTH | YEAR TO DATE |
|-----------------------------|---------------|--------------|------------------------------|---------------|--------------|
| KWH RESIDENTIAL             | 5,812,026     | 47,949,600   | CUBIC FEET CITY RATE         | 6,025,400     | 34,453,500   |
| KWH GENERAL COMMERCIAL      | 1,519,605     | 11,254,744   | CUBIC FEET TOWNSHIP RATE     | 4,094,800     | 23,041,200   |
| KWH LARGE COMMERCIAL        | 6,269,369     | 36,211,293   | TOTAL CUBIC FEET             | 10,120,200    | 57,494,700   |
| KWH INDUSTRIAL              | 4,334,660     | 25,362,480   | CHARGES - CITY RATE          | \$171,348     | \$980,086    |
| TOTAL KWH                   | 17,935,660    | 120,778,117  | CHARGES - TOWNSHIP RATE      | \$173,476     | \$984,978    |
| CHARGE RESIDENTIAL          | \$753,657     | \$5,070,616  | CHARGES - HYDRANTS           | \$10,300      | \$61,775     |
| CHARGE GENERAL COMMERCIAL   | \$211,300     | \$1,380,982  | TOTAL CHARGES BILLED         | \$355,124     | \$2,026,839  |
| CHARGE LARGE COMMERCIAL     | \$677,125     | \$3,741,822  | ACCOUNTS - CITY RATE         | 6,480         | 38,555       |
| CHARGE INDUSTRIAL           | \$397,787     | \$2,258,920  | ACCOUNTS - TOWNSHIP RATE     | 3,821         | 22,793       |
| CHARGE SENTINEL LIGHTS      | \$34,361      | \$205,701    | TOTAL ACCOUNTS BILLED        | 10,301        | 61,348       |
| TOTAL CHARGES BILLED        | \$2,074,230   | \$12,658,041 | ACCOUNTS - HYDRANTS          | 412           |              |
| ACCOUNTS RESIDENTIAL        | 10,186        | 61,042       | SEWER BILLING                |               |              |
| ACCOUNTS GENERAL COMMERCIAL | 1,713         | 10,206       | REGULAR FLOW - CUBIC FEET    | 4,802,400     | 27,851,400   |
| ACCOUNTS LARGE COMMERCIAL   | 170           | 1,023        | CONTRACT FLOW - GALLONS      | 10,170,972    | 55,369,254   |
| ACCOUNTS INDUSTRIAL         | 6             | 36           | CHARGES - REGULAR RATE       | \$219,814     | \$1,279,548  |
| TOTAL ACCOUNTS BILLED       | 12,075        | 72,307       | CHARGES - CONTRACT RATE      | \$57,482      | \$321,465    |
| NUMBER SENTINEL LIGHTS      | 2,018         | 12,092       | TOTAL CHARGES BILLED         | \$277,297     | \$1,601,013  |
| POWER COST ADJUSTMENT CHG.  | \$916,120     | \$6,260,390  | ACCOUNTS REGULAR FLOW        | 6,188         | 37,034       |
| P.C.A. CURRENT RATE         | 0.051280      | 0.051280     | ACCOUNTS CONTRACT FLOW       | 6             | 36           |
| STORM WATER UTILITY BILLING |               |              | TOTAL UTILITY CHARGES BILLED | \$2,742,396   | \$16,500,528 |
| TOTAL CHARGES BILLED        | \$35,743,633  | \$214,635    | TOTAL ACCOUNTS BILLED        | 36,175        | 216,392      |
| TOTAL ACCOUNTS BILLED       | 7,605         | 45,667       |                              |               |              |

*[Signature]*  
SUBMITTED BY UTILITIES OFFICE MANAGER

*[Signature]*  
REVIEWED BY FINANCE DIRECTOR

| 2011        | 2010          |              |                |
|-------------|---------------|--------------|----------------|
| \$2,742,396 | (\$2,691,236) | \$16,500,528 | (\$15,142,678) |
| \$51,160    |               | \$1,357,850  |                |

1.90% 8.97%

**CITY OF PAINESVILLE, DEPARTMENT OF FINANCE, UTILITIES OFFICE DIVISION  
ELECTRIC KWH AND REVENUES BILLED - JUNE 2011**

|                       | CURRENT MONTH  |         |              |         | YEAR TO DATE   |         |                |         |                |         |                 |         |
|-----------------------|----------------|---------|--------------|---------|----------------|---------|----------------|---------|----------------|---------|-----------------|---------|
|                       | CITY           | PERCENT | TOWNSHIP     | PERCENT | TOTAL          | PERCENT | CITY           | PERCENT | TOWNSHIP       | PERCENT | TOTAL           | PERCENT |
| KWH RESIDENTIAL       | 4,048,966      | 27.12%  | 1,763,060    | 58.61%  | 5,812,026      | 32.40%  | 32,569,367     | 33.66%  | 15,380,233     | 64.00%  | 47,949,600      | 39.70%  |
| KWH GEN. COMMERCIAL   | 1,031,639      | 6.91%   | 487,966      | 16.22%  | 1,519,605      | 8.47%   | 7,496,559      | 7.75%   | 3,758,185      | 15.64%  | 11,254,744      | 9.32%   |
| KWH LG. COMMERCIAL    | 5,512,237      | 36.93%  | 757,132      | 25.17%  | 6,269,369      | 34.95%  | 31,318,911     | 32.37%  | 4,892,382      | 20.36%  | 36,211,293      | 29.98%  |
| KWH INDUSTRIAL        | 4,334,660      | 29.04%  | 0            | 0.00%   | 4,334,660      | 24.17%  | 25,362,480     | 26.22%  | ---            | ---     | 25,362,480      | 21.00%  |
| TOTAL KWH             | 14,927,502     | 100.00% | 3,008,158    | 100.00% | 17,935,660     | 100.00% | 96,747,317     | 100.00% | 24,030,800     | 100.00% | 120,778,117     | 100.00% |
| TOTAL PERCENT         | 83.23%         |         | 16.77%       |         |                | 100.00% | 80.10%         |         | 19.90%         |         | 100.00%         |         |
| CHG. RESIDENTIAL      | \$508,320.52   | 30.82%  | \$245,336.35 | 57.70%  | \$753,656.87   | 36.33%  | \$3,323,309.15 | 33.96%  | \$1,747,307.56 | 60.85%  | \$5,070,616.71  | 40.06%  |
| CHG. GEN. COMMERCIAL  | \$138,765.38   | 8.41%   | \$72,534.57  | 17.06%  | \$211,299.95   | 10.19%  | \$890,860.57   | 9.10%   | \$490,120.37   | 17.07%  | \$1,380,980.94  | 10.91%  |
| CHG. LG. COMMERCIAL   | \$583,046.40   | 35.36%  | \$94,078.55  | 22.13%  | \$677,124.95   | 32.64%  | \$3,186,447.12 | 32.56%  | \$555,375.11   | 19.34%  | \$3,741,822.23  | 29.56%  |
| CHG. INDUSTRIAL       | \$397,787.34   | 24.12%  | \$0.00       | 0.00%   | \$397,787.34   | 19.18%  | \$2,258,921.32 | 23.08%  | \$0.00         | 0.00%   | \$2,258,921.32  | 17.85%  |
| CHG. SENTINEL LIGHTS  | \$21,135.51    | 1.28%   | \$13,225.65  | 3.11%   | \$34,361.16    | 4.39%   | \$126,784.82   | 61.64%  | \$78,916.70    | 38.36%  | \$205,701.52    | 100.00% |
| TOTAL CHARGES BILLED  | \$1,649,055.15 | 100.00% | \$425,175.12 | 100.00% | \$2,074,230.27 | 98.34%  | \$9,786,322.98 | 98.70%  | \$2,871,719.74 | 97.25%  | \$12,658,042.72 | 98.37%  |
| TOTAL PERCENT         | 79.50%         |         | 20.50%       |         |                | 100.00% | 77.31%         |         | 22.69%         |         | 100.00%         |         |
| ACCTS. RESIDENTIAL    | 7,592          | 86.00%  | 2,594        | 79.89%  | 10,186         | 84.36%  |                |         |                |         |                 |         |
| ACCTS. COMMERCIAL     | 1,102          | 12.48%  | 611          | 18.82%  | 1,713          | 14.19%  |                |         |                |         |                 |         |
| ACCTS. LG. COMMERCIAL | 128            | 1.45%   | 42           | 1.29%   | 170            | 1.41%   |                |         |                |         |                 |         |
| ACCTS. INDUSTRIAL     | 6              | 0.07%   | 0            | 0.00%   | 6              | 0.05%   |                |         |                |         |                 |         |
| TOTAL ACCOUNTS BILLED | 8,828          | 100.00% | 3,247        | 100.00% | 12,075         | 100.00% |                |         |                |         |                 |         |
| NO. SENTINEL LIGHTS   | 1,115          | 55.25%  | 903          | 44.75%  | 2,018          | 100.00% |                |         |                |         |                 |         |

## UTILITY BILLING FOR THE MONTH OF JUNE 2011

| WATER BILLING         |               |                   |                      | HYDRANTS              |            |                             |
|-----------------------|---------------|-------------------|----------------------|-----------------------|------------|-----------------------------|
| RATE GROUP            | ACCOUNTS      | CONSUMPTION       | BILLED               | RATE GROUP            | COUNT      | BILLED                      |
| <b>ZONE 1</b>         |               |                   |                      | <b>ZONE 1</b>         |            |                             |
| C                     | 1,216         | 1,107,400         | \$31,190.80          | C                     | 20         | \$500.00                    |
| Subtotal-City         | 1,216         | 1,107,400         | 31,190.80            | Subtotal-City         | 20         | 500.00                      |
| O                     | 3             | 0                 | 0.00                 | O                     | 11         | 275.00                      |
| T                     | 1,803         | 2,210,300         | 91,637.88            | T                     | 82         | 2050.00                     |
| WF1                   | 15            | 0                 | 325.00               | W                     | 41         | 1025.00                     |
| Subtotal-TWP          | 1,821         | 2,210,300         | 91,962.88            | Subtotal-TWP          | 134        | 3350.00                     |
| <b>TOTAL - ZONE 1</b> | <b>3,037</b>  | <b>3,317,700</b>  | <b>\$ 123,153.68</b> | <b>TOTAL - ZONE 1</b> | <b>154</b> | <b>\$ 3,850.00</b>          |
| <b>ZONE 2</b>         |               |                   |                      | <b>ZONE 2</b>         |            |                             |
| C                     | 2,328         | 2,772,300         | \$77,251.81          | C                     | 67         | \$1,675.00                  |
| Subtotal-City         | 2,328         | 2,772,300         | 77,251.81            | Subtotal-City         | 67         | 1675.00                     |
| O                     | 2             | 0                 | 0                    | O                     | 0          | 0.00                        |
| T                     | 1,837         | 1,793,900         | 77,671.64            | T                     | 20         | 500.00                      |
| WF1                   | 18            | 200               | 0                    | W                     | 87         | 2175.00                     |
| Subtotal-TWP          | 1,857         | 1,794,100         | 77,671.64            | Subtotal-TWP          | 107        | 2675.00                     |
| <b>TOTAL - ZONE 2</b> | <b>4,185</b>  | <b>4,566,400</b>  | <b>\$ 154,923.45</b> | <b>TOTAL - ZONE 2</b> | <b>174</b> | <b>\$ 4,350.00</b>          |
| <b>ZONE 3</b>         |               |                   |                      | <b>ZONE 3</b>         |            |                             |
| C                     | 2,936         | 2,145,700         | \$62,905.40          | C                     | 46         | \$1,150.00                  |
| Subtotal-City         | 2,936         | 2,145,700         | 62,905.40            | Subtotal-City         | 46         | 1150                        |
| O                     | 0             | 0                 | 0                    | O                     | 0          | 0                           |
| T                     | 134           | 90,400            | 3,841.20             | T                     | 0          | 0                           |
| WF1                   | 9             | 0                 | 0                    | W                     | 38         | 950.00                      |
| Subtotal-TWP          | 143           | 90,400            | 3,841.20             | Subtotal-TWP          | 38         | 950.00                      |
| <b>TOTAL - ZONE 3</b> | <b>3,079</b>  | <b>2,236,100</b>  | <b>\$ 66,746.60</b>  | <b>TOTAL - ZONE 3</b> | <b>84</b>  | <b>\$ 2,100.00</b>          |
| <b>RECAP</b>          |               |                   |                      | <b>RECAP</b>          |            |                             |
| C                     | 6,480         | 6,025,400         | \$ 171,348.01        | C                     | 133        | \$3,325.00                  |
| Subtotal-City         | 6,480         | 6,025,400         | 171,348.01           | Subtotal-City         | 133        | 3325.00                     |
| O                     | 5             | 0                 | 0.00                 | O                     | 11         | 275                         |
| T                     | 3,774         | 4,094,600         | 173,150.72           | T                     | 102        | 2550                        |
| WF1                   | 42            | 200               | 325.00               | W                     | 166        | 4150                        |
| Subtotal-TWP          | 3,821         | 4,094,800         | 173,475.72           | Subtotal-TWP          | 279        | 6975.00                     |
| <b>TOTAL - ALL</b>    | <b>10,301</b> | <b>10,120,200</b> | <b>\$ 344,823.73</b> | <b>TOTAL - ALL</b>    | <b>412</b> | <b>\$ 10,300.00</b>         |
|                       |               |                   |                      |                       |            | <b>TOTAL CHARGES BILLED</b> |
|                       |               |                   |                      |                       |            | \$168,023.01                |
|                       |               |                   |                      |                       |            | \$168,023.01                |
|                       |               |                   |                      |                       |            | -\$275.00                   |
|                       |               |                   |                      |                       |            | \$170,600.72                |
|                       |               |                   |                      |                       |            | -\$3,825.00                 |
|                       |               |                   |                      |                       |            | \$166,500.72                |
|                       |               |                   |                      |                       |            | \$344,823.73                |

| SEWER BILLING |              |                  |                      |
|---------------|--------------|------------------|----------------------|
| RATE GROUP    | ACCOUNTS     | CONSUMPTION      | BILLED               |
| Zone 1        | 975          | 746,600          | \$ 34,707.65         |
| Zone 2        | 2,301        | 1,943,100        | 87,652.15            |
| Zone 3        | 2,912        | 2,112,700        | 97,454.45            |
| <b>TOTAL</b>  | <b>6,188</b> | <b>4,802,400</b> | <b>\$ 219,814.25</b> |

\*\*\*\*NOTE: SEWER CONTRACT FLOW INFO MUST BE PUT IN MANUALLY

**CITY OF PAINESVILLE**  
 Consolidated Investment Portfolio  
 As of: 06/30/2011

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| CASH ACCOUNTS <sup>1</sup> |           | ORIGINAL |               | BALANCES AS OF <sup>1</sup> |                        | DAYS TO MATURITY |                              |             |           |                  |
|----------------------------|-----------|----------|---------------|-----------------------------|------------------------|------------------|------------------------------|-------------|-----------|------------------|
| PAR                        | TYPE      | COUPON   | MATURITY DATE | SETTLE DATE                 | PRINCIPAL <sup>2</sup> | PURCHASE YLD     | NOTE/CALL FEATURE            | SAFEKEEPING | CUSIP     | DAYS TO MATURITY |
| 52,522                     | STAR OHIO | 0.040%   | 7/1/11        | 6/30/11                     | 52,521.61              | 0.040%           |                              |             |           | 1                |
| -                          | NOW       | 0.100%   | 7/4/11        | 6/30/11                     | -                      | 0.100%           | CHARTER ONE                  | HNB         | 31331GA25 | 13               |
| 866,402                    | SAVINGS   | 0.080%   | 7/1/11        | 6/30/11                     | 866,402.26             | 0.080%           | HUNTINGTON BANK              | HNB         | 17307SUV2 | 29               |
| 5,675,210                  | HIGH BAL  | 0.190%   | 7/1/11        | 6/30/11                     | 5,675,209.94           | 0.190%           | CHASE BANK                   | HNB         | 17307SW16 | 63               |
| -                          | SAV SWP   | 0.004%   | 7/1/11        | 6/30/11                     | -                      | 0.004%           | FIFTH THRD (closed 8/10)     | Dollar Bk   |           | 104              |
| 1,061,670                  | HIGH BAL  | 0.190%   | 7/1/11        | 6/30/11                     | 1,061,670.47           | 0.190%           | CHASE BANK - CEMETERY TRUST  | HNB         | 3133XH2V3 | 105              |
| 7,566                      | MMK       | 0.030%   | 7/1/11        | 6/30/11                     | 7,566.03               | 0.030%           | CHARTER ONE                  | HNB         | 17307SXQ0 | 116              |
| 2,878                      | MMK       | 0.030%   | 7/1/11        | 6/30/11                     | 2,878.09               | 0.030%           | CHARTER ONE - CEMETERY TRUST | HNB         | 17307SY14 | 124              |

**SECURITIES**

**ORIGINAL**

| PAR       | TYPE   | COUPON | MATURITY DATE | SETTLE DATE | PRINCIPAL <sup>2</sup> | PURCHASE YLD | NOTE/CALL FEATURE       | SAFEKEEPING | CUSIP     | DAYS TO MATURITY |
|-----------|--------|--------|---------------|-------------|------------------------|--------------|-------------------------|-------------|-----------|------------------|
| 500,000   | FFCB   | 1.200% | 07/13/11      | 07/16/09    | 499,950.00             | 1.205%       |                         | HNB         | 31331GA25 | 13               |
| 2,000,000 | CP     | 0.000% | 07/29/11      | 04/31/11    | 1,996,420.00           | 0.366%       | Citigroup Funding       | HNB         | 17307SUV2 | 29               |
| 1,000,000 | CP     | 0.000% | 09/01/11      | 03/03/11    | 998,129.44             | 0.376%       | Citigroup Funding Inc.  | HNB         | 17307SW16 | 63               |
| 525,000   | CD     | 0.450% | 10/12/11      | 10/12/10    | 525,000.00             | 0.450%       |                         | Dollar Bk   |           | 104              |
| 975,000   | CD     | 0.450% | 10/12/11      | 10/12/10    | 975,000.00             | 0.450%       |                         | Dollar Bk   |           | 104              |
| 680,000   | FHLB   | 5.000% | 10/13/11      | 12/12/08    | 724,893.60             | 2.570%       |                         | HNB         | 3133XH2V3 | 105              |
| 1,000,000 | CP     | 0.000% | 10/24/11      | 04/27/11    | 998,450.00             | 0.315%       | Citigroup Fdg Inc.      | HNB         | 17307SXQ0 | 116              |
| 1,500,000 | CP     | 0.000% | 11/01/11      | 05/05/11    | 1,497,675.00           | 0.315%       | Citigroup Funding Inc.  | HNB         | 17307SY14 | 124              |
| 1,000,000 | CP     | 0.000% | 11/14/11      | 05/19/11    | 1,497,837.08           | 0.294%       | Citigroup Funding, Inc. | HNB         | 17307SYE6 | 137              |
| 1,000,000 | CP     | 0.000% | 12/12/11      | 06/15/11    | 998,500.00             | 0.305%       | Citigroup Funding, Inc. | HNB         | 17307SZC9 | 165              |
| 1,000,000 | T NOTE | 1.000% | 12/31/11      | 07/08/10    | 1,007,187.50           | 0.511%       |                         | HNB         | 912828ML1 | 184              |
| 425,000   | T NOTE | 1.000% | 03/31/12      | 03/31/10    | 424,269.53             | 1.087%       |                         | HNB         | 912828MU1 | 275              |
| 1,000,000 | FFCB   | 1.200% | 04/16/12      | 04/24/10    | 1,001,600.00           | 1.118%       |                         | HNB         | 31331LKR3 | 291              |
| 600,000   | FFCB   | 2.125% | 06/18/12      | 07/01/09    | 602,010.00             | 2.008%       |                         | HNB         | 31331GVP8 | 354              |
| 500,000   | FHLB   | 0.875% | 08/22/12      | 09/10/10    | 501,885.00             | 0.680%       |                         | HNB         | 3133XWV7  | 419              |
| 850,000   | FFCB   | 0.490% | 10/26/12      | 11/12/10    | 849,005.50             | 0.550%       | 7/08/11 continuous      | HNB         | 3133LIT78 | 484              |
| 1,000,000 | FHLB   | 1.625% | 11/21/12      | 04/27/10    | 1,002,680.00           | 1.518%       |                         | HNB         | 3133XVEM9 | 510              |
| 500,000   | FFCB   | 1.875% | 12/07/12      | 02/22/10    | 503,815.00             | 1.594%       |                         | HNB         | 31331G2R9 | 526              |
| 1,000,000 | T NOTE | 1.125% | 12/15/12      | 03/25/10    | 989,375.00             | 1.524%       |                         | HNB         | 912828MB3 | 534              |
| 1,000,000 | T NOTE | 0.625% | 01/31/13      | 05/09/11    | 1,002,539.06           | 0.477%       |                         | HNB         | 912828PR5 | 581              |
| 500,000   | FFCB   | 1.750% | 02/21/13      | 03/03/10    | 502,555.00             | 1.573%       |                         | HNB         | 31331BV4  | 602              |
| 1,000,000 | T NOTE | 1.375% | 03/15/13      | 03/25/10    | 992,265.63             | 1.643%       |                         | HNB         | 912828MT4 | 624              |
| 1,000,000 | FFCB   | 0.840% | 04/04/13      | 04/04/11    | 999,650.00             | 0.858%       |                         | HNB         | 31331KGC8 | 644              |
| 500,000   | FHLB   | 0.750% | 05/09/13      | 05/09/11    | 500,000.00             | 0.750%       | 4/4/12 continuous       | HNB         | 313373S86 | 679              |
| 1,000,000 | FHLB   | 0.700% | 05/22/13      | 03/24/11    | 995,850.00             | 0.894%       | 8/9/11 qtrly            | HNB         | 313371MR4 | 692              |
| 1,000,000 | T NOTE | 1.125% | 06/15/13      | 07/12/10    | 1,003,281.25           | 1.010%       | 8/22/11 qtrly           | HNB         | 912828NH9 | 716              |
| 750,000   | T NOTE | 1.000% | 07/15/13      | 03/03/11    | 752,548.83             | 0.855%       |                         | HNB         | 912828NN6 | 746              |

<sup>1</sup>Balances for Cash accounts are based on information provided by the client and may not reflect true balances as of the date of this report.  
<sup>2</sup>Does not include accrued interest, if any, paid at time of purchase.

**CITY OF PAINESVILLE**

Consolidated Investment Portfolio

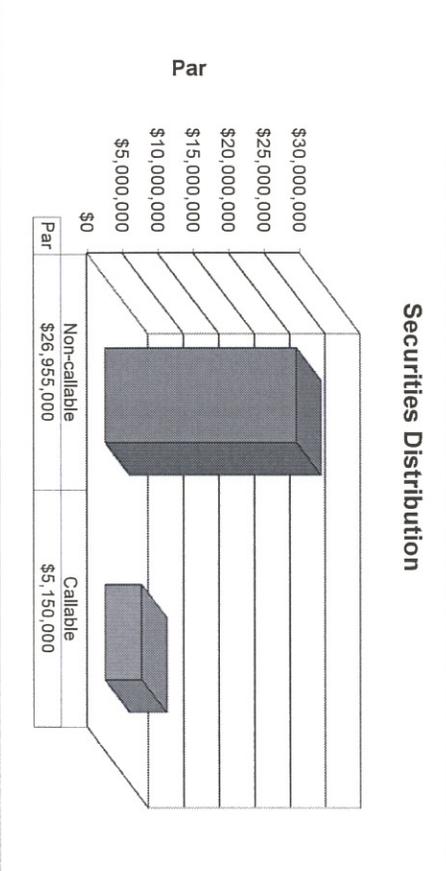
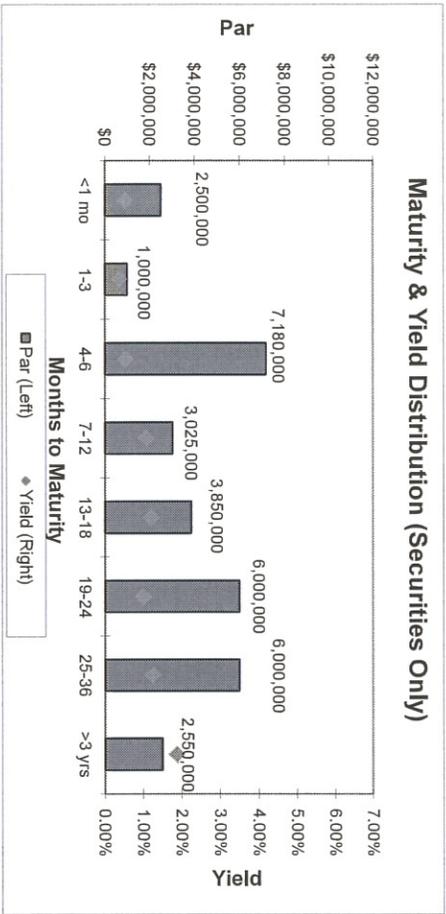
As of: 06/30/2011

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|                                  | PAR                  | ORIGINAL PRINCIPAL      | WTD MATURITY | WTD YIELD    |     |           |       |
|----------------------------------|----------------------|-------------------------|--------------|--------------|-----|-----------|-------|
| 500,000 FHLB                     | 09/13/13             | 08/16/10                | 500,179.00   | 0.988%       | HNB | 313370LB2 | 806   |
| 1,000,000 T NOTE                 | 12/15/13             | 12/15/10                | 992,656.25   | 0.999%       | HNB | 912828FL8 | 899   |
| 1,000,000 FHLB                   | 12/30/13             | 03/15/11                | 1,000,000.00 | 1.200%       | HNB | 313372VR2 | 914   |
| 500,000 FCGB                     | 02/10/14             | 03/03/10                | 500,785.00   | 2.083%       | HNB | 31331DVB6 | 956   |
| 1,000,000 FCGB                   | 02/10/14             | 02/10/11                | 997,250.00   | 1.470%       | HNB | 31331KCA6 | 956   |
| 750,000 T NOTE                   | 03/31/14             | 08/27/10                | 771,621.09   | 0.932%       | HNB | 912828KJ8 | 1,005 |
| 500,000 FHLB                     | 06/13/14             | 06/14/10                | 509,410.00   | 2.008%       | HNB | 3133XWE70 | 1,079 |
| 500,000 FCGB                     | 07/08/14             | 07/08/10                | 500,000.00   | 1.770%       | HNB | 31331LVB6 | 1,104 |
| 750,000 FCGB                     | 12/11/14             | 07/08/10                | 774,112.50   | 1.840%       | HNB | 31331GGH7 | 1,260 |
| 500,000 FHLB                     | 05/26/15             | 09/02/10                | 500,000.00   | 1.850%       | HNB | 313370MB1 | 1,426 |
| 800,000 FCGB                     | 08/06/15             | 08/06/10                | 800,000.00   | 2.000%       | HNB | 31331XFR9 | 1,498 |
| <b>TOTALS</b>                    |                      |                         |              |              |     |           |       |
| <b>CASH ACCOUNTS<sup>1</sup></b> | <b>\$ 7,666,248</b>  | <b>\$ 7,666,248.40</b>  | <b>1</b>     | <b>0.18%</b> |     |           |       |
| <b>SECURITIES</b>                | <b>\$ 32,105,000</b> | <b>\$ 32,188,386.26</b> | <b>516</b>   | <b>1.00%</b> |     |           |       |
| <b>TOTAL</b>                     | <b>\$ 39,771,248</b> | <b>\$ 39,854,634.66</b> | <b>417</b>   | <b>0.84%</b> |     |           |       |

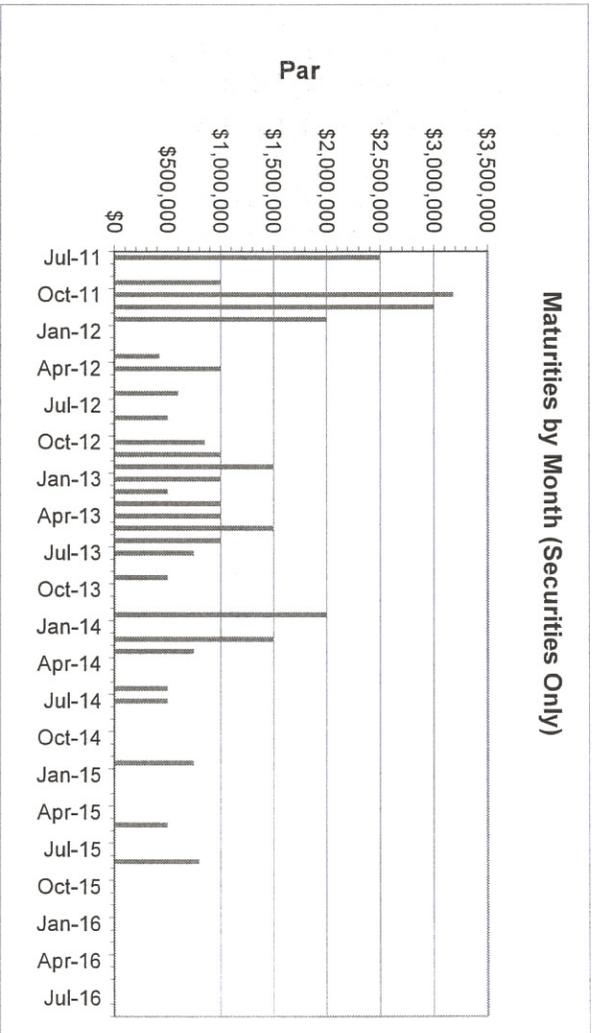
<sup>1</sup>Balances for Cash accounts are based on information provided by the client and may not reflect true balances as of the date of this report.  
<sup>2</sup>Does not include accrued interest, if any, paid at time of purchase.

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### Diversification by Asset Class

| Policy limit | Par                                 | %             |
|--------------|-------------------------------------|---------------|
| 55.0%        | Cash Equivalents \$7,666,248        | 19.3%         |
|              | Cash Equivalents \$7,666,248        | 19.3%         |
| 100.0%       | US Treasury \$7,925,000             | 19.9%         |
|              | US Treasury \$7,925,000             | 19.9%         |
|              | Agencies \$14,680,000               | 36.9%         |
| 30.0%        | FFCB \$8,500,000                    | 21.4%         |
| 30.0%        | FHLB \$6,180,000                    | 15.5%         |
| 25.0%        | FHLMC \$0                           | 0.0%          |
| 25.0%        | FNMA \$0                            | 0.0%          |
| 25.0%        | GNMA \$0                            | 0.0%          |
| 55.0%        | Certificates of Deposit \$1,500,000 | 3.8%          |
|              | CD \$1,500,000                      | 3.8%          |
|              | Other \$8,000,000                   | 20.1%         |
| 25.0%        | BA \$0                              | 0.0%          |
| 25.0%        | CP \$8,000,000                      | 20.1%         |
|              | Other \$0                           | 0.0%          |
|              | <b>Grand Total</b> \$39,771,248     | <b>100.0%</b> |



<sup>1</sup>Balances for Cash accounts are based on information provided by the client and may not reflect true balances as of the date of this report.  
<sup>2</sup>Does not include accrued interest, if any, paid at time of purchase.