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**City of Lakewood, Ohio
Comprehensive Annual Report
For the year ended
December 31, 2004**





**Auditor of State
Betty Montgomery**

Members of the City Council
City of Lakewood
12650 Detroit Avenue
Lakewood, Ohio 44107

We have reviewed the *Independent Auditor's Report* of the City of Lakewood, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2004 to December 31, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 25, 2005

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City of Lakewood, Ohio



Comprehensive Annual Financial Report

For the Year Ended December 31, 2004

Issued by:

City of Lakewood
Department of Finance

Vic J. Nogalo
Director of Finance

Jennifer L. Demmerle, CPA
Asst. Director of Finance

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City of Lakewood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2004
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12650 DETROIT AVENUE • 44107 • 216/529-6093 • FAX 216/529-6806

Vic J. Nogalo
Director of Finance

June 2, 2005

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Lakewood:

State law requires that all cities, counties and school districts within 150 days of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S.GAAP). Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Lakewood for the year ended December 31, 2004.

This report consists of management's representations concerning the finances of the City of Lakewood. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Lakewood has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Lakewood's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Lakewood's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section.

1. The Introductory Section includes the table of contents, this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, a list of elected officials, a list of appointed officials, and the organizational chart of the City.
2. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the city's financial position and operating results, the Combining Statements of nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents various tables reflecting social and economic information, financial trends, and fiscal capacity of the City.

The City of Lakewood's financial statements have been audited by Ciuni and Panichi, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Lakewood for the year ended December 31, 2004 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Lakewood's financial statements as of and for the year ended December 31, 2004, are fairly presented in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Lakewood was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Lakewood's separately issued Single Audit Report. U.S. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Lakewood's MD&A can be found immediately following the Independent Auditors' Report.

Reporting Entity

The City has reviewed its reporting entity definition in order insure compliance conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." For financial reporting purposes, management has considered all funds that comprise the primary government and all agencies, boards, and organizations for which the City is financially accountable. The City is financially accountable for an organization if the organization is fiscally dependent on the City or if the City appoints a majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the City. The ability to impose its will on the organization exists if the City can either remove members of the governing board at will, modify or approve the organization's governing body, or appoint, hire, reassign or dismiss persons responsible for management of the organization's day-to-day activities. A financial benefit exists if the City is legally entitled to or can otherwise access the organization's assets.

A financial burden exists if the City is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization, or if the City is obligated in some manner for the debt of the organization.

The following entities are affiliated organizations of the City of Lakewood; however the City is not financially accountable for these entities nor are they fiscally dependent on the City. Therefore, these entities have been excluded from the financial reporting entity.

- Lakewood Hospital, a full service, short-term, acute care general hospital, is located in the center of the City. Lakewood Hospital employs 1,390 people making it the largest employer within the City.
- The Lakewood City School District is a separate political subdivision of the State, the territorial boundaries of which are conterminous with the City limits. The Lakewood Board of Education provides public education for grades 1 through 12 and is the second largest employer within the City employing 1,153 employees.

The City is associated with one jointly governed organization, the West Shore Council of Governments.

Profile of the Government

The City of Lakewood is located along the shores of Lake Erie, five miles west of downtown Cleveland and enjoys close proximity to major cultural, educational and medical facilities in Northeastern Ohio. In addition to the City of Lakewood's superior recreational facilities which includes fourteen parks, playgrounds, pools and the world renowned indoor ice arena, residents are able to embrace facilities such as the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum and the Cleveland Browns Stadium. The City also abuts the Cuyahoga County Metroparks-Rocky River Reservation, which provides even more recreational facilities including horseback riding, walking, hiking and biking trails. This close proximity to Cleveland also provides close access to the University Circle area of Cleveland. University Circle is the home to major cultural, educational and medical facilities including Severance Hall, the home of the world renowned Cleveland Orchestra, the Cleveland Museum of Art, Case Western Reserve University, University Hospitals of Cleveland and the Cleveland Clinic, both world renowned medical research, teaching and treatment facilities.

The City operates under a City Charter that provides for a Mayor/Council form of government. Legislative authority is vested in a seven member council (three at-large and one for each of the four wards in the City). Council members are elected for a four-year term. The Council sets compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations and indebtedness, licensing of regulated trades, and other municipal purposes. The City's Chief Executive Officer is the Mayor, who is elected by the voters for a four-year term.

The City of Lakewood provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational facilities; refuse collection; and water and sewer services.

Factors Affecting Financial Condition

This information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Lakewood operates.

Local Economy

2004, though challenging, clearly reflects the significant effort made to maintain the fiscal integrity of the City. Income tax revenue increased by 1% in 2004. Fortunately, the City's top three employers (Lakewood Hospital, Lakewood Board of Education, and the City of Lakewood) are considered recession proof and comprise 25 percent of the City's total withholding income tax. On an annual budget basis municipal income tax collections totaled:

Year	Collections
2000	\$15,618,585
2001	\$16,826,108
2002	\$16,824,669
2003	\$16,585,743
2004	\$16,763,579

Likewise, the value of real property in Lakewood has steadily risen. Due to the reappraisal of properties in Lakewood in 2003 there was a 15 percent increase in 2004. The current levy, which was collected in 2004, is based on a total assessed valuation of \$907,188,349.

Another key indicator of Lakewood's continuing economic strength is the investment activity in its residential and commercial construction, as measured by the construction value of building permits issued. The following table illustrates the number of building permits issued by the City during the period from 1998 through 2004 and the estimated cost of new construction, alterations, and repairs authorized:

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Estimated Construction Value</u>
1998	3,807	\$18,734,237
1999	3,266	\$17,017,253
2000	3,333	\$18,536,173
2001	3,449	\$24,495,279
2002	3,401	\$19,146,896
2003	3,305	\$19,708,966
2004	2,948	\$ 21,658,746

Even though our local economy is lagging, Lakewood property owners demonstrated their commitment, dedication, and pride in the City by continuing to invest in their homes and businesses.

The 2004 building permit data indicates that \$10.8 million in private dollars were directly invested in the maintenance and improvement of residential properties. This reflects a consistent trend by property owners to re-invest in their homes. Overall, business owners invested \$10.8 million in the year 2004 in new construction and alterations to commercial properties.

The five largest construction projects on the commercial side were Hinkley Lighting of \$2.1 million in improvements, Parking Garage of \$1.5 million, Peir W remodeling of \$1.1 million, Rockport Phase I of \$724,000, and Lakewood Hospital Catherization Lab of \$654,571.

In mature first ring suburbs like Lakewood, it is essential that City government plays a major role in development activities and forges important public-private partnerships to encourage and facilitate continued private investment in our community. The City's business philosophy is based around the concept of "partnership and leveraging" that is, the City should do its best to partner with the business community and all levels of government to leverage the public resources available to us with the private investment in our community. The City's goal is to maintain a comprehensive and formal program to attract, retain and expand successful businesses in Lakewood. This can be seen through the following projects:

- Maxxum Outlets, a plastics commodities broker, recently purchased the former Christian Scientist Church located at Detroit Ave. to house its headquarters. They are anticipating renovations to facilitate the relocation of the organization's fifteen employees. Total project costs are expected to exceed \$1 million.
- Rockport Square Residential/Commercial Project.

Rockport Square LLC, Rysar Properties, on the former Koepke and Fairchild Auto Dealership sites, proposed to construct a mixed-use residential and commercial project creating 124 new for-sale units (57 attached townhomes and 67 live-work units) and approximately 18,800 square feet of retail space on the ground floor in the three live-work buildings. Underground structured parking will also be included to serve live-work units. The total value of the construction projects is expected to be nearly \$40 million. The City has provided \$4 million in TIF assistance. Rysar has started its first phase of the project. By this Spring, Rysar will have started the construction of eight townhouses and the bases for four others on the Koepke site. Rysar also plans to begin construction of the first live/work building on the southern portion of the Fairchild site.

- Aladdins Eatery.

The City through its Design Review Committee provided technical advice for a complete façade renovation of the retail center located on the northwest corner of Detroit and Bell Avenues.

- First Federal of Lakewood completed a \$2.9 million rehabilitation project encompassing the interior and exterior of its corporate offices located at 14806 Detroit Avenue to allow for more office space.

To improve the project, the City, through the Division of Neighborhood Development's Storefront Program provided \$60,000 for two buildings located adjacent to its corporate headquarters.

- Hinkley Lighting is a Lakewood-based manufacturing company that has been in existence since 1922 (in Lakewood for over 25 years). The company has responded to the ever-changing economy by re-engineering some of its work processes, but now needed to reinvest and modernize its facility plant. This project included over a \$2.5 million investment to build a new 50,000 square foot distribution facility with forty foot ceilings and associated racking and material handling equipment and software at its current headquarters and plant location of 12600 Berea Road. To assist Hinkley Lighting, the City provided a \$122,000 Economic Development Fund Loan and secured a \$387,722 Cuyahoga County grant to assist in the necessary pre-development site improvements.
- Kaiser Foundation Health Plan doubled its space in the Lakewood Center North Building through an approximately 16,000 square foot expansion costing \$160,000 and intends to add 65 new employees.
- Martindale Electric Company has operated in Lakewood for nearly 100 years. Recently, it purchased the assets of the Smith Group, Incorporated for a product line that should add \$350,000 per year to its revenue. To prepare for the new equipment, the company, using its own funds, renovated the interior and exterior of its building located at 1365 Hird Avenue. The City provided \$15,000 to subsidize the purchase of the equipment for the new product line. The subsidy helped the City retain 38 jobs and create additional full time employment opportunity.
- Lakewood Hospital expanded its emergency department while renovating its ambulatory surgery occupational health area costing approximately \$7 million.
- New York Life recently expanded in the Lakewood Center North Building to add approximately 26,000 square feet. This new square footage is needed to house an additional 100 employees the company plans to add at the site.
- Regency Construction expanded and renovated its space in the Lakewood Center North Building at a cost of \$200,000 and more than doubled its space, pushing the occupancy of Lakewood's largest office building to well over 90%.
- Vedda Printing, a long standing family owned business in Lakewood, has been working with the City since last fall regarding the company's need to relocate a single-story facility to better accommodate their existing and future printing processes and equipment. Vedda Printing planned to relocate to 12000 Berea Road. However environmental studies revealed that the previous use of the site left it unsuitable for new construction.

The maximum additional cost above normal site preparation for this site would be approximately \$1 million. The City developed an alternate solution that would accommodate the initial construction of an approximately 16,000 square foot facility and prepare a portion of the remaining site to support a modest future expansion. The cost of this alternate solution is approximately \$500,000. The City will be issuing \$400,000 in TIF Bonds to help with the financing of the project. Total project costs are expected to exceed \$1.7 million.

- Commercial Property Revitalization Program provides commercial property owners and tenants with architectural and financial assistance for façade design, signage and streetscape improvements. The CPR program included the following projects:

Brennan's Floral and Gift Shop, a full service floral and gift shop that expanded their business by moving from a small storefront at the end of 2004.

Bela Dubby, an art gallery and coffee shop renovating their newly purchased building that formerly housed the Eagle's Nest.

Waverly House Condominiums are participating in the 50/50 public right of way improvement aspect of the CPR program.

- Lakewood Public School District.

Lakewood residents recently approved an estimated \$93.6 million tax increase to begin the process of rebuilding the school's facilities.

- Lakewood Public Library

Residents also recently passed a \$12 million bond issue last spring to completely pay for a complete renovation and expansion of Lakewood's Public Library's main branch at 15425 Detroit Ave. Lakewood's Public Library System was recently rated as the top library system in the country in Hennen's American Public Libraries Report.

Major Initiatives

The City's focus is on providing high quality services to residents and businesses. We have numerous programs that enhance the safety of the City's neighborhoods and strengthen the community. The major components of the City's Capital Improvement Plan include major investments in our neighborhoods with over \$3 million in street reconstruction and deep grind and overlay and \$5 million in water and sewer improvements, of which \$738,000 and \$2.7 million, respectively, was completed in 2004. The capital improvement plan consists of the acquisition of vehicles and equipment for various departments, improvements to various buildings, and park and playground improvements.

The City has aggressively and successfully captured over \$12 million in State of Ohio Issue II infrastructure grants and zero-interest loans since 1997 as indicated below:

Madison Avenue	\$650,000
Water Main	704,000
West 117 th	220,000
Debt Support for 1995 Water System	133,650
Forest Road and Clifton Rd Reconstr	616,000
1997 Water Main Replacement	1,349,700
1998 Water Main Replacement	695,809
1998 Water Main Replacement	2,108,906
W Clifton Storm Sewer Rehab	115,101
Loan Asst. Belle Ave	57,000
Edgewater Dr Sewer Separation	654,057
2000 Water Main Replacement	1,193,831
Loan Asst. for Narragansette	58,375
Lakewood Hts Blvd Reconstruction	232,560
Loan Asst. for Street Reconstruction	62,059
2001 Water Main Replacement	1,800,000
2003 Belle Ave Improvements	600,000
2004 Sloane Ave Improvements	<u>761,280</u>
 Total	 <u>\$12,012,328</u>

The Division of Fire is dedicated to protect and safeguard life and property from fire or hazardous conditions and to provide emergency medical treatment to those in need. The Division accomplishes this through a rapid response of well-trained and equipped personnel from its three fire stations strategically located throughout the City. The Division of Fire continues oversight and training of on-site personnel for the Lakewood-Start-A-Heart Automatic External Defibrillation (AED) program. This is one of the first community accessible AED programs, in which AED's are deployed at 11 public sites throughout the community for rapid response to heart attack victims. The year 2004 marked the fifth full year of City-operated emergency medical service which was previously operated by Lakewood Hospital. Prior to October 1999, the City reimbursed the Hospital for emergency medical services. The total of this reimbursement was approximately \$400,000 to \$550,000. In October of 1999, the City of Lakewood Division of Fire absorbed the Lakewood Hospital EMS program, added an additional advance life support EMS squad and doubled the number of trained emergency medical responders.

The City continues to use Community Development Block Grant (CDBG) funds, Emergency Shelter Grant (ESG), and HOME Investment Partnership Programs to benefit the diverse community of Lakewood. In 2004 Lakewood was awarded \$2,609,000 in CDBG funds, \$95,985 in ESG funds, and \$319,000 in HOME Program Funds to support a number of successful community development programs. \$1,192,923 of the CDBG funds were used for the reconstruction of Merl Avenue, Sloane Ave., and West 117th.

The remaining CDBG funds were used to continue the Project Pride and Operation Paintbrush programs. Project pride funds the inspection of all one family, two family, three family and retail/mercantile occupancies located in the improvement target areas and low/moderate income areas. The Operation Paintbrush program provides free paint and labor to paint the exterior of very low income, owner occupied Lakewood residences. The Lakewood HOME Program assists in turning Lakewood renters into Lakewood homeowners by providing a mortgage financing package available to first-time homebuyers. In 2004 the City processed 11 first-time homebuyer applications resulting in \$80,000 in grant down payment assistance.

These programs, as well as many other initiatives to serve the needs of the entire community from early childhood programs to programs provided through the Division of Aging, improve the quality of life of Lakewood residents.

The City has been awarded several additional grants from various sources to offset the costs of other endeavors benefiting the community. In 2004, the City was awarded the “Recycle Ohio” grant to implement solid waste reduction, recycling, recycling market development and litter prevention programs. Grant funds received from the Local Law Enforcement Block Grant were used to purchase equipment for the Police Department.

In addition to grant funded programs, the City’s operating budget included funding for other projects that improve the quality of life of our citizens. In October of 2003 the City of Lakewood became the new sponsoring agency for the Lakewood USDA Family Child Day Care Home Program. Transferring the FCCH program to the City has provided direct financial reimbursement to family childcare home providers for food expenses totaling \$159,368 and salaries and benefits of early childhood personnel of \$31,872 in 2004. This program assures our involvement with 35-45 home care providers who cared for a total of 375 children in 2004.

The Department of Human Services continues the H2O (Help-to-Others) program, a community-based youth volunteer program which encourages the participation of Lakewood’s youth in addressing community needs. The participants assist in recycling activities, meal distribution programs, visiting senior citizens and planning numerous events.

Financial Information

Internal Controls: In developing the City’s accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The City utilizes a fully automated accounting system as well as automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment by the finance department of the City, increases assurance that the financial information generated is both accurate and reliable.

Budgetary Control: The annual budget serves as the foundation for the City of Lakewood's financial planning and control. Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. On or before the fifteenth day of November in each year, the Mayor, Director of Public Works, and Director of Finance submit an appropriation budget to Council.

The Council is required to hold three public hearings on the proposed budget and to adopt a permanent appropriation measure for the year by April 1. Additionally, the Cuyahoga County Auditor must certify that the City's appropriation measure does not exceed the amounts set forth in the Cuyahoga Budget Commission's Certificate of Estimated Resources. The City's budget is legally adopted and controlled on a budget basis. The City maintains budgetary control on a non-GAAP basis at the fund level. Estimated expenditure amounts are encumbered prior to the release of a purchase order to vendors or the finalization of other contracts. Encumbrances that would exceed available fund budget levels are not approved until the City Council approves additional appropriations. Any encumbrances that remain open at the end of the year are reported as a reserve of fund balance. Unencumbered appropriations lapse at year-end and revert back to the fund balance. Budget-to-actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted.

In addition to the budgetary controls noted above, City ordinances require that all professional service contracts in excess of \$5,000 be authorized by City Council. All contracts in excess of \$7,500 must be authorized by Council and approved by the Board of Control comprised of the Mayor, and the Directors of the Law Department, the Finance Department, and the Public Works Department.

Financial Condition: This is the second year the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the City's financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Discussion and Analysis of the City. This discussion follows the Independent Auditors' Report, providing an assessment of the City finances for 2004.

Cash Management

The City of Lakewood's investment policy includes minimizing credit and market risks, while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or surety bonds, or secured by pledged assets consisting of eligible securities with an aggregate market value equal to 105 percent of the excess of all public deposits that are not insured by the Federal Deposit Insurance Corporation. All collateral on deposits are held by the counterparty's trust department or agent in the City of Lakewood's name.

The City's investment policy includes the following obligations as eligible investments: obligations of the U.S. government (including bills and notes); obligations of instrumentality's of the U.S. government; investment in the Ohio State Treasurer's Asset Reserve Fund (STAR Ohio); certificates of deposit, with eligible institutions; bonds and other obligations of the State of Ohio; and repurchase agreements with eligible institutions.

Risk Management

The City insures all risk, with the exception of employee health and general liability insurance, through private insurance carriers, and workers compensation insurance through the Ohio Bureau of Workers Compensation. Property valuations are revised annually to provide insurance companies and the City with an accurate inventory of insurable property and replacement cost values.

Independent Audit

State statutes require an annual audit by the State Auditors Office or by a designated independent certified public accounting firm. This year's audit was completed by Ciuni and Panichi, Inc., along with Watson, Rice and Company. The City of Lakewood has received an unqualified opinion from Ciuni and Panichi, Inc. for 2004 and the opinion is contained herein.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its comprehensive annual financial report (CAFR) for the year ended December 31, 2003. This was the 22nd consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both U.S. GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to the City of Lakewood for its 2004 Annual Budget. The GFOA Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting. This was the first year the City has received this prestigious award. The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device.

The City was presented with its 28th consecutive Tree City USA award in 2004. Lakewood has received this award more than any other city in Ohio.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We would like to express our appreciation to all staff members who have assisted and contributed in its preparations.

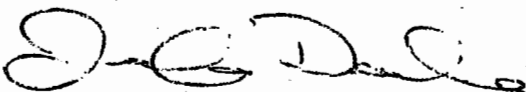
In addition, I would like to express gratitude to Ciuni and Panichi, Inc., along with Watson, Rice and Company, for their efforts and professional conduct through the audit engagement.

Finally, I would like to acknowledge the invaluable contributions made by Auditor of State Betty Montgomery's Local Government Services.

Respectfully Submitted,



Vic J. Nogalo
Director of Finance



Jennifer L. Demmerle
Assistant Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lakewood,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

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.



Nancy L. Zielle

President

Jeffrey R. Emer

Executive Director

CITY OF LAKEWOOD, OHIO
2004 Elected Officials

Mayor Thomas J. George
Municipal Court Judge Patrick Carroll
City Council At Large Edward FitzGerald
City Council At Large Denis P. Dunn
City Council At Large Michael Dever

City Council by Wards:

Ward 1 Patrick S. Corrigan
Ward 2 Ryan P. Demro
Ward 3 Robert M. Seelie, Council President
Ward 4 Mary Louise Madigan

CITY OF LAKEWOOD, OHIO
2004 Appointed Officials

Office of the Mayor

Executive Assistant to the Mayor Terry F.X. Novak

Office of Council

Clerk of Council Mary Hagan

Municipal Court

Clerk of Courts Thomas Wagner
Magistrates Thomas O'Malley and Terease Neff

Department of Law

Director of Law Brian T. Corrigan

Department of Finance

Director of Finance Vic J. Nogalo

Department of Public Works

Director of Public Works Anthony Beno

Department of Public Safety

Chief of Fire Lawrence E. Mroz
Chief of Police Timothy Malley

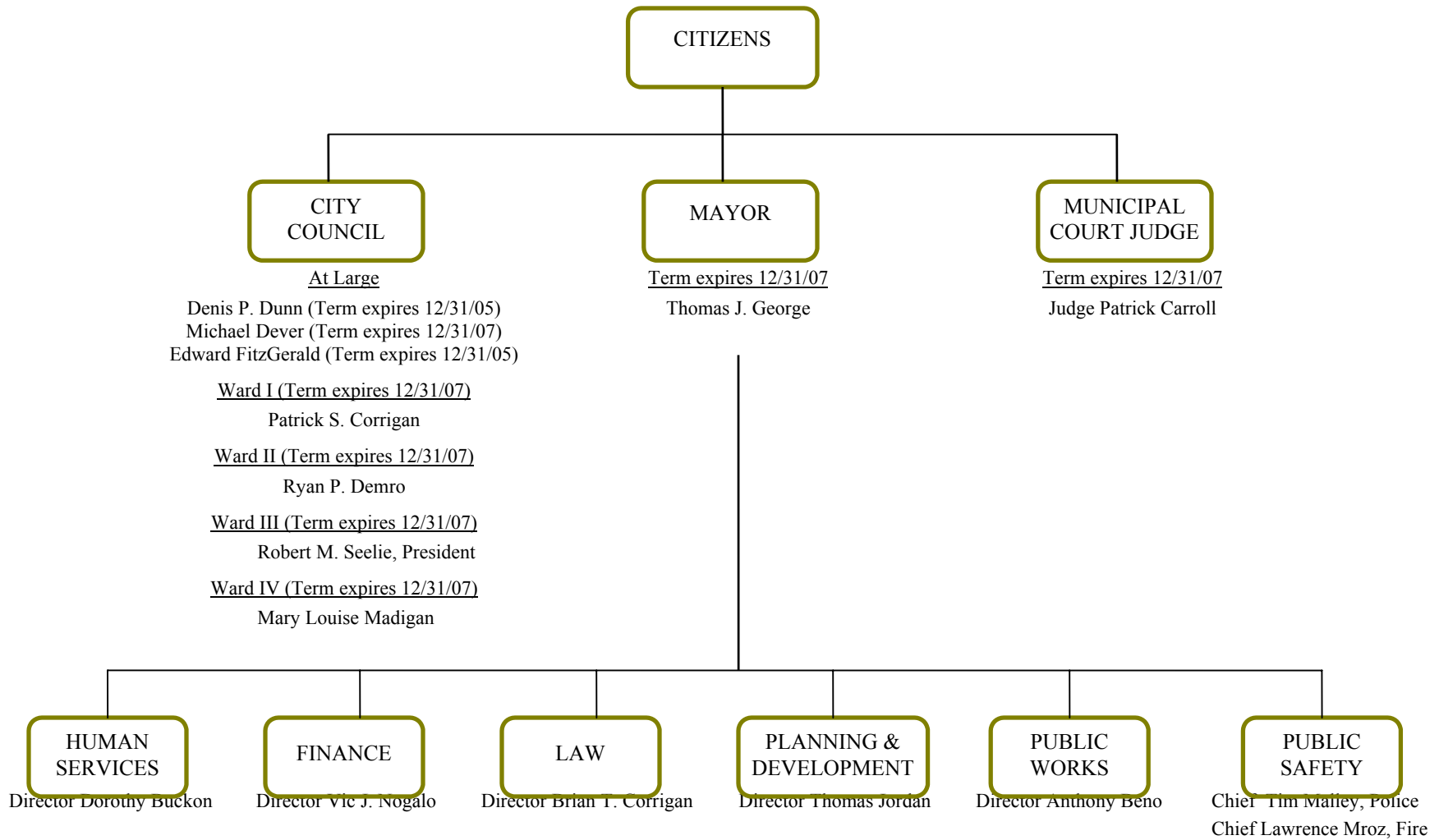
Department of Human Services

Director of Human Services Dorothy Buckon

Department of Planning and Community Development

Director of Planning and Development Thomas J. Jordan

CITY OF LAKEWOOD, OHIO
Organizational Chart
as of December 31, 2004



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Basic Financial Statements

Independent Auditors' Report

Members of the City Council
Lakewood, 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 Lakewood, Ohio as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Lakewood, Ohio's management. Our responsibility is to express an opinion 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 of Lakewood, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General, Street and Highway, Police and Fire Pension, Community Development Block Grant, Office on Aging, and the Lakewood Hospital Funds and thereof 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, 2004, the City implemented GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liability by Cost-Sharing Employers."

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2005 on our consideration of the City of Lakewood, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Members of the City Council
Lakewood, Ohio

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cini & Parichi, Inc.

Cleveland, Ohio
June 14, 2005

City of Lakewood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

The discussion and analysis of the City of Lakewood's (the City) financial performance provides and overall review of the City's financial activities for the year ended December 31, 2004. 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 and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2004 are as follows:

- The assets of the City of Lakewood exceeded its liabilities at the close of the most recent year by \$74,154,675 (net assets). Of this amount, \$17,942,328 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total Net Assets decreased \$2,574,203, or 3 percent from 2003.
- Total Assets of the City increased \$6,282,328 which represents 4% increase from 2003.
- Total Capital Assets increased \$2,402,087 or 2% over 2003.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,355,813 a increase of \$422,750 in comparison with the prior year.
- Total outstanding Long-term liabilities were \$72,442,912. This was a \$9,098,944 increase from the balance at the end of 2003.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses. The statement of net assets and statement of activities provides 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 will all other nonmajor funds presented in total in one column.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The governmental activities of the City include general government, security of persons and property, public health services, transportation, community environment, transportation, basic utility services, and leisure time activities. The City's business-type activities include Water, Sewer, the Parking Facilities, Winterhurst Ice Rink, and Congregate Living. The City also has hospitalization, workers' compensation, and general liability insurance internal service funds.

The government-wide financial statements can be found starting on page 17 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lakewood, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Lakewood maintains thirty-four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund, Streets and Highways Fund, Police and Fire Pensions Fund, Community Development Block Grant Fund, Office on Aging Fund, Lakewood Hospital Fund, Debt Service Fund, Permanent Capital Improvement Fund, and TIF Capital Improvement Fund; all of which are considered to be major funds. Data from the other twenty-five non major governmental funds are combined into a single fund, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement (non-GAAP basis) has been provided for each major and nonmajor fund to demonstrate budgetary compliance.

Proprietary Funds The City of Lakewood maintains eight proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Lakewood uses enterprise funds to account for its Water, Sewer, Parking Facilities, Winterhurst Ice Rink, and Congregate Living. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City of Lakewood's various functions. The City of Lakewood uses internal service funds to account for its Hospitalization, Workers' Compensation, and General Liability Insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer funds, both of which are considered to be major funds of the City of Lakewood. Data from the other 3 nonmajor proprietary funds are combined into a single fund, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 33-36 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because of the resources of those funds are not available to support the City of Lakewood's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37 of this report.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-74 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with nonmajor governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for nonmajor funds. This information can be found on pages 74-154 of the report.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question "How did we do financially during 2004?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis of this accounting takes into account 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 change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's 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 Revenues and Expenses
- General Revenues
- Net Assets Beginning of Year and Year End

The City of Lakewood as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2004 compared to 2003.

Table 1 Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
Assets						
Current and Other Assets	\$43,965,664	\$43,591,102	\$14,588,070	\$11,082,391	\$58,553,734	\$54,673,493
Capital Assets, Net	52,468,151	51,810,479	57,002,036	55,257,621	109,470,187	107,068,100
<i>Total Assets</i>	<u>96,433,815</u>	<u>95,401,581</u>	<u>71,590,106</u>	<u>66,340,012</u>	<u>168,023,921</u>	<u>161,741,593</u>
Liabilities						
Current Liabilities	18,524,640	18,947,255	2,901,694	2,702,210	21,426,334	21,649,465
Long Term Liabilities						
Due within One Year	3,135,111	2,871,740	1,688,895	1,571,481	4,824,006	4,443,221
Due in More than one Year	41,379,386	36,112,259	26,239,520	22,807,771	67,618,906	58,920,030
<i>Total Liabilities</i>	<u>63,039,137</u>	<u>57,931,254</u>	<u>30,830,109</u>	<u>27,081,462</u>	<u>93,869,246</u>	<u>85,012,716</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	18,645,730	18,175,551	29,906,268	31,156,117	48,551,998	49,331,668
Restricted for:						
Capital Projects	165,163	2,912,382	551,038	503,933	716,201	3,416,315
Debt Service	1,621,445	1,630,679	0	0	1,621,445	1,630,679
Streets and Highways	931,279	950,671	0	0	931,279	950,671
Police and Fire Pensions	715,709	446,933	0	0	715,709	446,933
Lakewood Hospital	548,059	919,106	0	0	548,059	919,106
Grants	2,389,784	3,062,146	0	0	2,389,784	3,062,146
Other Purposes	737,872	358,427	0	0	737,872	358,427
Unrestricted	7,639,637	9,014,433	10,302,691	7,598,500	17,942,328	16,612,933
<i>Total Net Assets</i>	<u>\$33,394,678</u>	<u>\$37,470,328</u>	<u>\$40,759,997</u>	<u>\$39,258,550</u>	<u>\$74,154,675</u>	<u>\$76,728,878</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Lakewood, assets exceeded liabilities by \$74,154,675 at the close of the most recent fiscal year.

The largest portion of the City's net assets (56 percent) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased by \$6,282,328 from 2004 to 2003, while the City's total liabilities also increased by \$8,856,530. This was caused by the additional investment in capital assets and issuing debt to finance those capital assets.

Total net assets decreased \$2,574,203 with governmental net assets comprising (\$4,075,650) and business-type activities comprising \$1,501,447 of that amount.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for 2004 compared to 2003.

Table 2 Changes in Net Assets

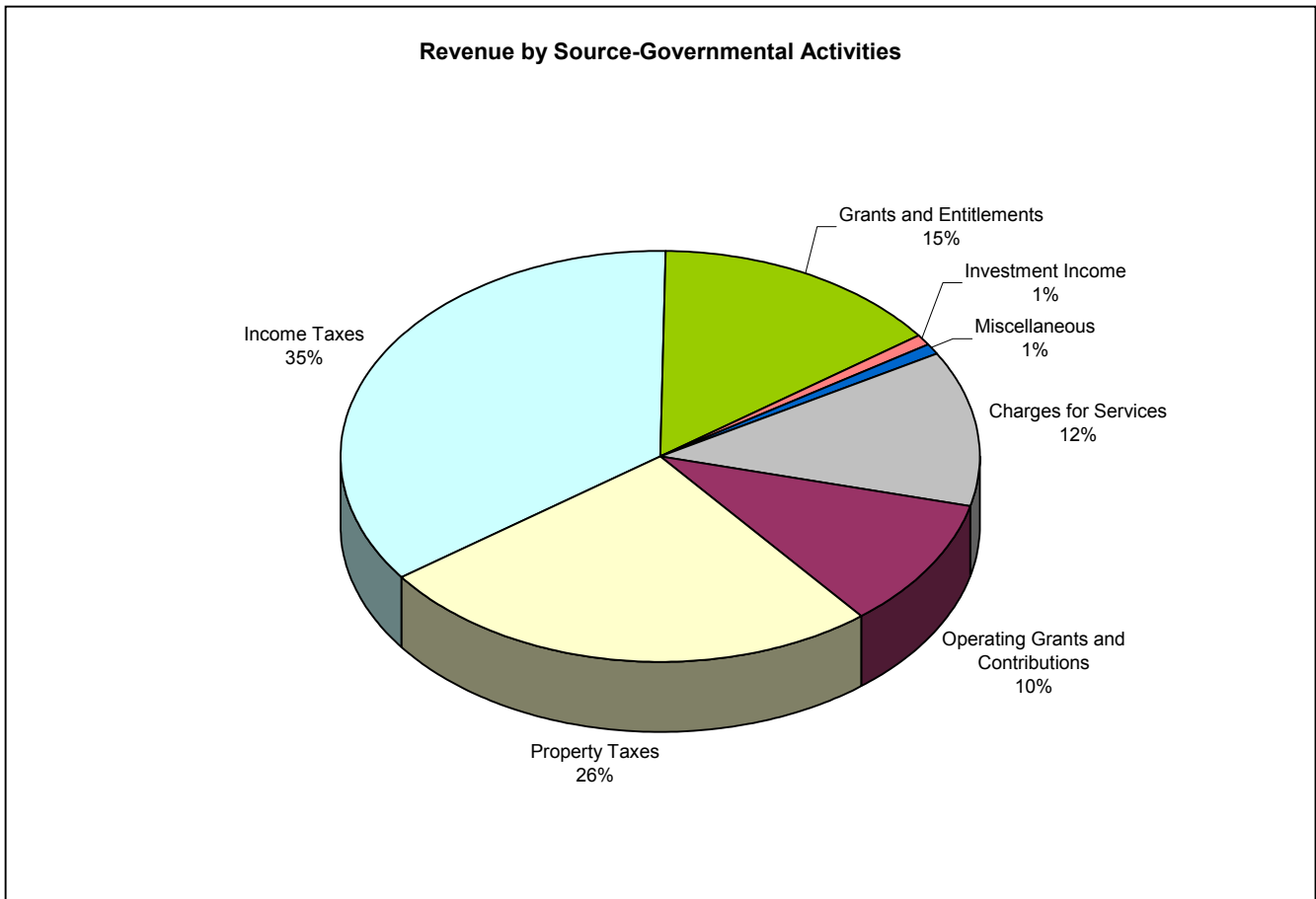
	Governmental Activities 2004	Governmental Activities 2003	Business Type Activities 2004	Business Type Activities 2003	Total 2004	Total 2003
Revenues						
Program Revenues:						
Charges for Services	\$5,917,295	\$6,214,065	\$13,284,034	\$12,764,168	\$19,201,329	\$18,978,233
Operating Grants and Contributions	4,997,145	5,165,405	0	294,659	4,997,145	5,460,064
Capital Grants and Contributions	0	243,000	0	0	0	243,000
Total Program Revenues	10,914,440	11,622,470	13,284,034	13,058,827	24,198,474	24,681,297
General Revenues:						
Property Taxes	12,417,925	10,490,540	1,612,757	1,441,091	14,030,682	11,931,631
Payment in Lieu of Taxes	100,617	0	0	0	100,617	0
Income Taxes	17,064,294	15,412,865	0	0	17,064,294	15,412,865
Grants and Entitlements	7,085,654	6,769,468	203,039	0	7,288,693	6,769,468
Investment Income	396,491	483,266	92,690	47,433	489,181	530,699
Miscellaneous	402,279	408,462	26,407	3,802	428,686	412,264
Total General Revenues	37,467,260	33,564,601	1,934,893	1,492,326	39,402,153	35,056,927
Total Revenues	48,381,700	45,187,071	15,218,927	14,551,153	63,600,627	59,738,224
Expenses						
General Government	7,759,070	8,577,222	0	0	7,759,070	8,577,222
Security of Persons and Property						
Police	10,811,935	11,390,742	0	0	10,811,935	11,390,742
Fire	9,374,854	8,654,735	0	0	9,374,854	8,654,735
Public Health Services	4,361,672	3,633,714	0	0	4,361,672	3,633,714
Transportation	2,971,847	2,774,812	0	0	2,971,847	2,774,812
Community Environment	8,478,583	5,879,833	0	0	8,478,583	5,879,833
Basic Utility Services	4,470,994	4,594,240	0	0	4,470,994	4,594,240
Leisure Time Activities	2,158,300	2,123,967	0	0	2,158,300	2,123,967
Interest and Fiscal Charges	1,565,095	1,573,622	0	0	1,565,095	1,573,622
Water	0	0	8,252,561	7,716,595	8,252,561	7,716,595
Sewer	0	0	4,669,597	4,847,124	4,669,597	4,847,124
Parking Facilities	0	0	325,724	315,941	325,724	315,941
Winterhurst Ice Rink	0	0	969,745	1,097,371	969,745	1,097,371
Congregate Living	0	0	4,853	9,346	4,853	9,346
Total Expenses	51,952,350	49,202,887	14,222,480	13,986,377	66,174,830	63,189,264
Increase (Decrease) in Net Assets before Transfers	(3,570,650)	(4,015,816)	996,447	564,776	(2,574,203)	(3,451,040)
Transfers	(505,000)	(200,000)	505,000	200,000	0	0
Increase(Decrease) in Net Assets	(\$4,075,650)	(\$4,215,816)	\$1,501,447	\$764,776	(\$2,574,203)	(\$3,451,040)

Governmental Activities

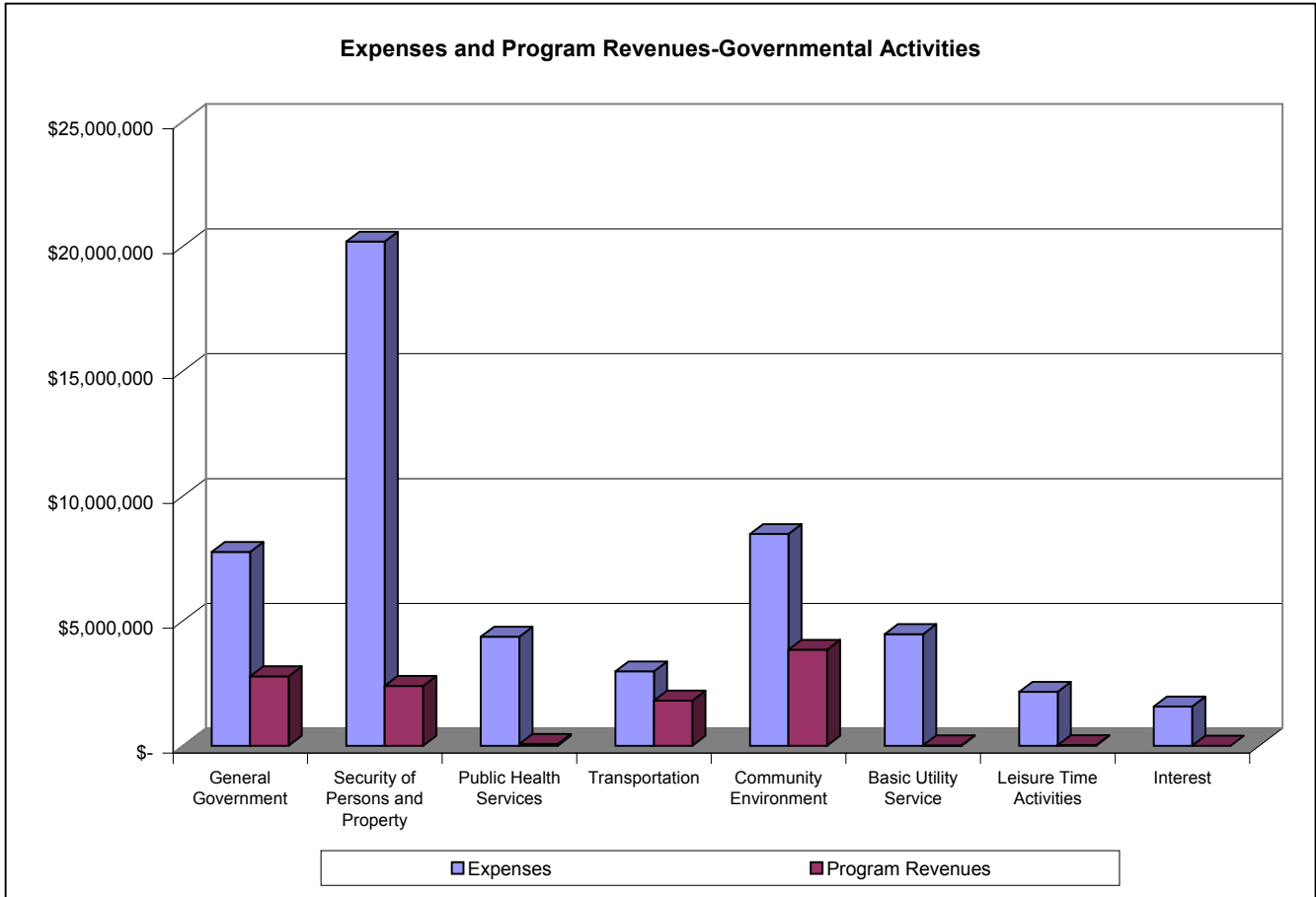
Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent for 2004. Both residents and non-residents who work inside the City are subject to the income tax.

However, if residents work in a locality that has a municipal income tax, the City provides .50 percent credit those who pay income tax to another city. The income tax revenue for 2004 was \$17,064,294. Of the \$48,381,700 in total revenues, income tax accounts for 35 percent of that total. Property taxes of \$12,417,925 account for 26 percent of total revenues, operating grants, capital grants, contributions, and general revenues from grants and entitlements account for 25 percent of total revenues, and charges for services and other revenue make up the remaining 14 percent.

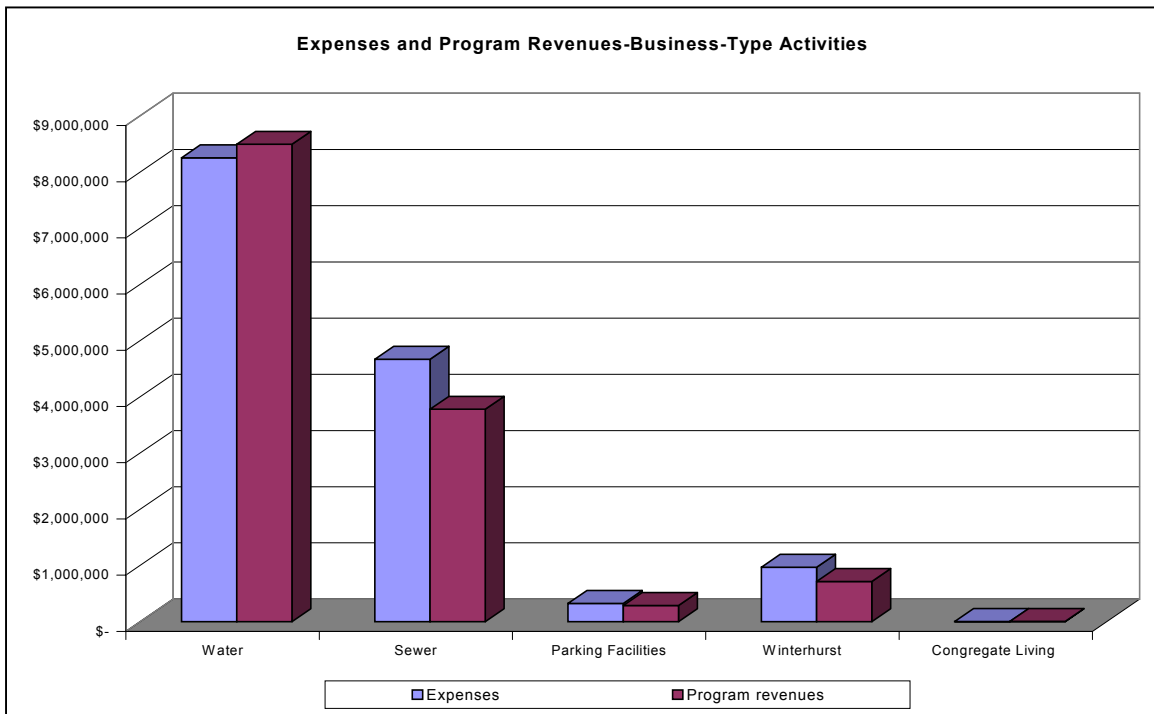
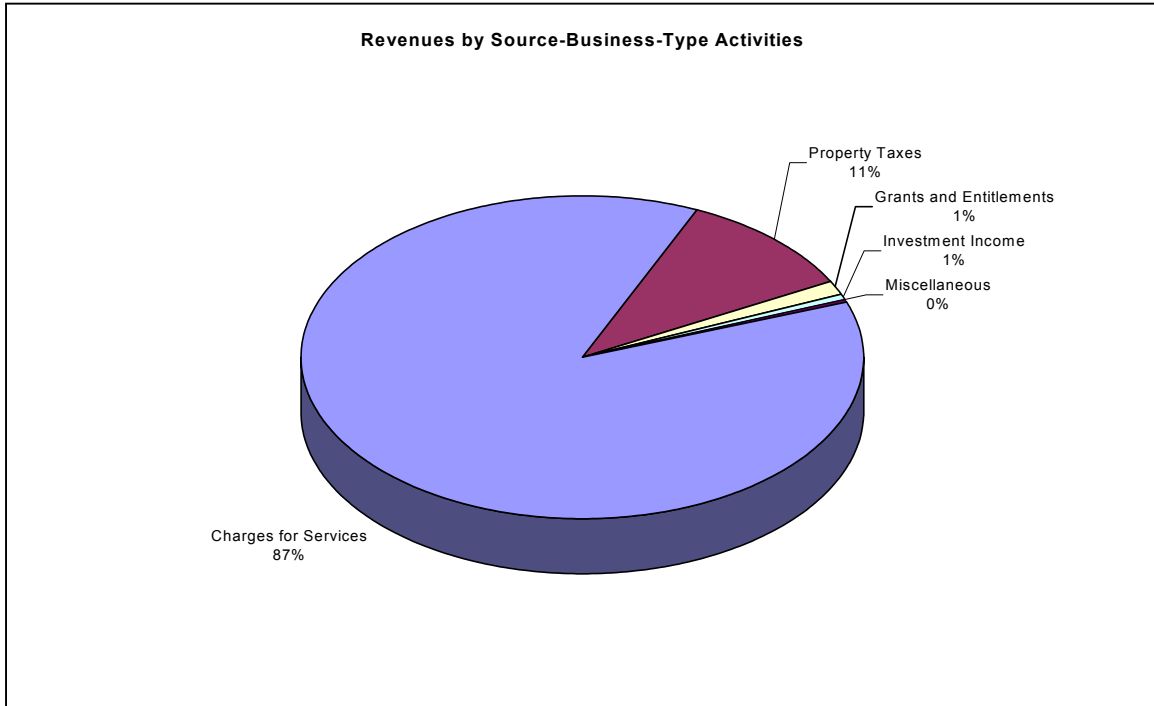
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.



Total Expenses of governmental activities for 2004 were \$51,952,350. The largest program function for the City relates to security of persons and property, which includes the police and fire departments. Security of Persons and Property accounted for program expenses of \$20,186,789, which is 39 percent of the program expenses for governmental activities. Community Environment is the next largest program expense at 16 percent, followed by General Governmental expenses of 15 percent.



Business-Type activities. Business-type activities increased the City of Lakewood’s net assets by \$1,501,447. The increase is due to the increase in Capital assets from \$55,257,621 in 2003 to \$57,002,036 in 2004; a 3 percent increase. Charges for Services increased by \$519,866. Total Expenses of business-type activities were \$14,222,480, with the Water department comprising of 58 percent of that amount followed by Sewer Department at 33 percent.



Financial Analysis of the Government's Funds

As noted earlier, the City of Lakewood uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resource available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting.

As of December 31, 2004, the City's governmental funds reported combined ending fund balances of \$ 15,355,813. Of that amount, \$9,197,478 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period.

The general fund had total revenues of \$34,237,121 and expenditures of \$33,946,237 leaving a deficit after transfers of \$1,957,700. This deficit was mainly due to an additional pay period that occurred in 2004 which approximated to \$900,000 in general fund expenditures as well as a 13% in hospitalization costs.

The general fund is the chief operating fund of the City of Lakewood. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,500,221, while total fund balance reached \$3,624,355. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 10 percent of total general fund expenditures, while total fund balance represents the same percent of that same amount.

The General Bond Retirement Fund has total revenues of \$3,267,203 and expenditures of \$7,009,528 leaving an excess after other financing sources (uses) of \$256,320. The Bond Retirement Fund pays for all the principal and interest payments on the City's long term debt. The unreserved fund balance was \$1,419,261 to be used for future debt. Unreserved fund balance represents approximately 20 percent of total expenditures.

Proprietary Funds

The City of Lakewood's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water and Sewer Funds at the end of the year amounted to \$10,042,949, and those for the Winterhurst and other funds amounted to \$259,742. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Lakewood's business-type activities.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law 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. During the course of 2004 the City amended its General fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of our major activities such as our Police and Fire Departments, Refuse Department as well as most legislative and executive activities. The General fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original budgeted revenues were \$33,975,125. The final budgeted revenues were \$33,978,125. The City's ending unencumbered cash balance in the General Fund was \$725,846 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

Table 3 Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$6,028,271	\$6,028,271	\$78,160	\$78,160	\$6,106,431	\$6,106,431
Land Improvements	1,038,211	849,983	731,173	745,132	1,769,384	1,595,115
Buildings and Improvements	9,708,874	9,623,438	7,800,987	7,948,037	17,509,861	17,571,475
Vehicles	5,165,918	5,572,951	780,166	879,536	5,946,084	6,452,487
Furniture and Equipment	2,032,043	1,963,189	3,395,648	3,386,871	5,427,691	5,350,060
Infrastructure:					0	0
Roadways	21,030,646	20,829,802	0	0	21,030,646	20,829,802
Sidewalks	1,522,095	1,546,159	0	0	1,522,095	1,546,159
Traffic Signals	1,949,191	2,024,943	0	0	1,949,191	2,024,943
Water Mains	0	0	29,589,925	27,582,057	29,589,925	27,582,057
Curbing	1,018,564	1,032,812	0	0	1,018,564	1,032,812
Sanitary Sewers	0	0	8,427,266	8,347,992	8,427,266	8,347,992
Construction in Progress	2,974,338	2,338,931	6,198,711	6,289,836	9,173,049	8,628,767
Total Capital Assets	<u>\$52,468,151</u>	<u>\$51,810,479</u>	<u>\$57,002,036</u>	<u>\$55,257,621</u>	<u>\$109,470,187</u>	<u>\$107,068,100</u>

The City of Lakewood's investment in Capital Assets for its governmental and business type activities as of December 31, 2004, amounts to \$109,470,187 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, furniture and equipment, roads, sidewalks, traffic signals, water lines, curbing, and sewer lines.

The total increase in the City's investment in capital assets for the current fiscal year was \$2,402,087 (\$657,672 increase for governmental activities and a \$1,744,415 increase for business-type activities). The most significant increase in capital assets came in the construction of new water lines in the business-type activities.

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

Debt

As of December 31, 2004, the City had \$72,442,912 in bonds, notes, loans, capital leases, and compensated absences outstanding with \$4,824,006 due within one year.

Table 4 Long Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
General Obligation Notes	\$7,064,800	\$3,555,500	\$6,148,500	\$1,155,000	\$13,213,300	\$4,710,500
General Obligation Bonds	31,443,942	28,975,232	9,728,388	10,337,311	41,172,330	39,312,543
Revenue Bonds	0	0	5,482,940	5,943,360	5,482,940	5,943,360
OPWC Loans	547,482	611,504	5,872,865	6,160,171	6,420,347	6,771,675
OWDA Loans	0	0	236,118	258,691	236,118	258,691
Special Assessment Bonds	60,000	90,000	0	0	60,000	90,000
Capital Leases	113,793	295,761	0	19,282	113,793	315,043
Compensated Absences	5,284,480	5,456,002	459,604	505,437	5,744,084	5,961,439
Total	\$44,514,497	\$38,983,999	\$27,928,415	\$24,379,252	\$72,442,912	\$63,363,251

General Obligation Notes represent unvoted general obligation bond anticipation notes payable from ad valorem property taxes.

The General Obligation Bonds outstanding are comprised of unvoted general obligation bonds of the City payable from ad valorem property taxes and special assessment general obligation bonds.

Revenue Bonds outstanding are payable from the revenues derived from the Water Fund.

The special assessment bonds outstanding consist of two bonds; \$20,000 for Belle Avenue and \$40,000 for Niagra and Narragansett streets. The principal and interest for these bonds are retired with assessments levied against property owners and/or general levies of the City based on the improvements/benefit to the respective parties. Assessments are collected by the Cuyahoga County Auditor and will be received over periods ranging from five to ten years, with interest equal to the interest on the bonds and notes issued to finance the improvements.

The Ohio Public Works Commission Loans are paid semi-annually from the Water, Sewer and Bond Retirement Funds.

The Ohio Water Development Authority Loan is paid semi-annually from the Wastewater Fund and will be paid in full in the year 2013.

The City's overall legal debt margin was \$53,473,210 at December 31, 2004.

See Note 10 of the Basic Financial Statements for additional information on the City's debt.

Current Financial Related Activities

Over the past eight years the City has enjoyed growth in revenues as a result of new industrial, commercial and residential development. The City is ideally located near the shores of Lake Erie, five miles west of downtown Cleveland and enjoys close proximity to major cultural, educational and medical facilities in Northeastern Ohio.

The City has had over \$6 million invested into the City based upon six major new construction projects within the City. Hinkley Lighting has invested \$2.1 million for building a new distribution facility. Pier W has invested \$1 million in a complete remodel to their restaurant. Rockport Phase 1 has been completed and is continuing with phase 2. Lakewood Hospital expanded its emergency department and renovated its ambulatory surgery occupational health areas costing approximately \$7 million. New York Life recently expanded its building to add 26,000 square feet for an additional 100 employees.

Lakewood Schools has recently passed a bond levy to spend an estimated \$93.6 million to rebuild the Lakewood City School Districts physical facilities. Voters also approved a \$12 million bond issue to renovate and expand the Lakewood Public Library. The library system was recently rated as the top library system in the country in Hennen's American Public Libraries Report.

The Finance Director, Mayor and City Council work extremely hard to live within our means and plan ahead knowing that responsible leadership commands we observe the budget and expend less than the revenues we receive. We have kept the size of our work force to a level where we believe we meet the needs to our residents.

The City of Lakewood has committed itself to financial excellence and is proven by the bond rating Aa2 by Moody's Investor Service. Lakewood remains one of the few suburbs in Ohio to have been awarded the Aa2 rating. The City also has a history of proving their commitment to financial excellence by receiving the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 22 years.

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. If you have any questions about this report or need financial information contact Director of Finance, Vic J. Nogalo, City of Lakewood, 12650 Detroit Ave., Lakewood, Ohio 44107, telephone (216) 529-6093.

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City of Lakewood, Ohio
Statement of Net Assets
December 31, 2004

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 14,021,869	\$ 10,418,481	\$ 24,440,350
Cash and Cash Equivalents with Fiscal Agents	52,898	176,122	229,020
Accrued Interest Receivable	93,707	15,576	109,283
Accounts Receivable	350,363	1,778,942	2,129,305
Allowance for Doubtful Accounts	0	(43,017)	(43,017)
Intergovernmental Receivable	4,370,108	100,285	4,470,393
Materials and Supplies Inventory	219,780	202,719	422,499
Prepaid Items	437,341	0	437,341
Income Tax Receivable	8,224,831	0	8,224,831
Property Taxes Receivable	12,940,626	1,680,683	14,621,309
Loans Receivable	2,687,115	0	2,687,115
Special Assessments Receivable	116,747	0	116,747
Deferred Charges	407,787	300,771	708,558
Internal Balances	42,492	(42,492)	0
Nondepreciable Capital Assets	9,002,609	6,276,871	15,279,480
Depreciable Capital Assets, Net	43,465,542	50,725,165	94,190,707
<i>Total Assets</i>	<u>96,433,815</u>	<u>71,590,106</u>	<u>168,023,921</u>
Liabilities			
Accounts Payable	1,751,846	971,965	2,723,811
Accrued Wages and Benefits	635,478	64,655	700,133
Intergovernmental Payable	1,914,597	153,589	2,068,186
Deferred Revenue	12,214,721	1,586,334	13,801,055
Accrued Interest Payable	201,949	125,151	327,100
Claims Payable	1,806,049	0	1,806,049
Long-Term Liabilities:			
Due Within One Year	3,135,111	1,688,895	4,824,006
Due in More than One Year	41,379,386	26,239,520	67,618,906
<i>Total Liabilities</i>	<u>63,039,137</u>	<u>30,830,109</u>	<u>93,869,246</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	18,645,730	29,906,268	48,551,998
Restricted for:			
Capital Projects	165,163	551,038	716,201
Debt Service	1,621,445	0	1,621,445
Streets and Highways	931,279	0	931,279
Police and Fire Pensions	715,709	0	715,709
Lakewood Hospital	548,059	0	548,059
Grants	2,389,784	0	2,389,784
Other Purposes	737,872	0	737,872
Unrestricted	7,639,637	10,302,691	17,942,328
<i>Total Net Assets</i>	<u>\$ 33,394,678</u>	<u>\$ 40,759,997</u>	<u>\$ 74,154,675</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Activities
For the Year Ended December 31, 2004

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 7,759,070	\$ 2,778,441	\$ 0	\$ 0
Security of Persons and Property				
Police	10,811,935	60,864	15,169	0
Fire	9,374,854	2,181,841	133,687	0
Public Health Services	4,361,672	2,003	68,250	0
Transportation	2,971,847	0	1,802,541	0
Community Environment	8,478,583	860,495	2,977,498	0
Basic Utility Services	4,470,994	13,181	0	0
Leisure Time Activities	2,158,300	20,470	0	0
Interest and Fiscal Charges	1,565,095	0	0	0
<i>Total Governmental Activities</i>	<u>51,952,350</u>	<u>5,917,295</u>	<u>4,997,145</u>	<u>0</u>
Business-Type Activities				
Water	8,252,561	8,494,114	0	0
Sewer	4,669,597	3,779,202	0	0
Parking	325,724	290,229	0	0
Winterhurst Ice Rink	969,745	714,895	0	0
Congregate Living	4,853	5,594	0	0
<i>Total Business-Type Activities</i>	<u>14,222,480</u>	<u>13,284,034</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u>\$ 66,174,830</u>	<u>\$ 19,201,329</u>	<u>\$ 4,997,145</u>	<u>\$ 0</u>

General Revenues

Property and Other Local Taxes Levied for:

 General Purposes

 Police and Fire Pension

 Debt Purposes

Payment in Lieu of Taxes

Municipal Income Taxes Levied for

 General Purposes

Grants and Entitlements not Restricted to

 Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year, Restated (See Note 3,

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 Activities	Total
\$ (4,980,629)	\$ 0	\$ (4,980,629)
(10,735,902)	0	(10,735,902)
(7,059,326)	0	(7,059,326)
(4,291,419)	0	(4,291,419)
(1,169,306)	0	(1,169,306)
(4,640,590)	0	(4,640,590)
(4,457,813)	0	(4,457,813)
(2,137,830)	0	(2,137,830)
(1,565,095)	0	(1,565,095)
<u>(41,037,910)</u>	<u>0</u>	<u>(41,037,910)</u>
0	241,553	241,553
0	(890,395)	(890,395)
0	(35,495)	(35,495)
0	(254,850)	(254,850)
0	741	741
<u>0</u>	<u>(938,446)</u>	<u>(938,446)</u>
<u>(41,037,910)</u>	<u>(938,446)</u>	<u>(41,976,356)</u>
6,984,616	1,612,757	8,597,373
2,644,603	0	2,644,603
2,788,706	0	2,788,706
100,617	0	100,617
17,064,294	0	17,064,294
7,085,654	203,039	7,288,693
396,491	92,690	489,181
<u>402,279</u>	<u>26,407</u>	<u>428,686</u>
37,467,260	1,934,893	39,402,153
(505,000)	505,000	0
36,962,260	2,439,893	39,402,153
(4,075,650)	1,501,447	(2,574,203)
<u>37,470,328</u>	<u>39,258,550</u>	<u>76,728,878</u>
<u>\$33,394,678</u>	<u>\$40,759,997</u>	<u>\$ 74,154,675</u>

City of Lakewood, Ohio
Balance Sheet
Governmental Funds
December 31, 2004

	<u>General Fund</u>	<u>Streets and Highways Fund</u>	<u>Police and Fire Pension Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Office on Aging Fund</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 1,029,179	\$ 447,777	\$ 1,009,479	\$ 1	\$ 130,150
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	0
Accrued Interest Receivable	76,376	0	0	0	0
Accounts Receivable	197,086	0	0	0	4,308
Intergovernmental Receivable	3,220,525	678,153	155,127	20,066	44,734
Materials and Supplies Inventory	110,592	109,188	0	0	0
Prepaid Items	323,938	0	0	2,588	0
Income Taxes Receivable	8,224,831	0	0	0	0
Property Taxes Receivable	7,436,642	0	2,756,226	0	0
Loans Receivable	0	0	0	2,687,115	0
Special Assessment Receivable	0	0	0	0	0
Interfund Receivable	99,195	0	0	0	0
<i>Total Assets</i>	<u>\$ 20,718,364</u>	<u>\$ 1,235,118</u>	<u>\$ 3,920,832</u>	<u>\$ 2,709,770</u>	<u>\$ 179,192</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ 710,920	\$ 71,215	\$ 0	\$ 33,724	\$ 12,483
Accrued Wages and Benefits	543,182	23,355	0	8,702	33,439
Intergovernmental Payable	776,883	55,679	603,575	21,798	85,755
Deferred Revenue	14,781,861	408,075	2,911,353	0	0
Interfund Payable	281,163	16,289	0	101,917	26,204
<i>Total Liabilities</i>	<u>17,094,009</u>	<u>574,613</u>	<u>3,514,928</u>	<u>166,141</u>	<u>157,881</u>
Fund Balances					
Reserved for Encumbrances	124,134	229,867	0	866,983	1,903
Reserved for Loans	0	0	0	2,687,115	0
Undesignated (Deficit), Reported In:					
General Fund	3,500,221	0	0	0	0
Special Revenue Funds	0	430,638	405,904	(1,010,469)	19,408
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
	0	0	0	0	0
<i>Total Fund Balances</i>	<u>3,624,355</u>	<u>660,505</u>	<u>405,904</u>	<u>2,543,629</u>	<u>21,311</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 20,718,364</u>	<u>\$ 1,235,118</u>	<u>\$ 3,920,832</u>	<u>\$ 2,709,770</u>	<u>\$ 179,192</u>

See accompanying notes to the basic financial statements

Lakewood Hospital Fund	Debt Service Fund	Permanent Capital Improvement Fund	TIF Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 677,219	\$ 1,411,037	\$ 3,984,653	\$ 1,562,927	\$ 1,095,599	\$ 11,348,021
0	0	52,898	0	0	52,898
0	8,224	0	3,010	0	87,610
133,082	0	0	0	15,887	350,363
0	173,996	0	0	77,507	4,370,108
0	0	0	0	0	219,780
16,832	0	0	0	0	343,358
0	0	0	0	0	8,224,831
0	2,747,758	0	0	0	12,940,626
0	0	0	0	0	2,687,115
0	116,747	0	0	0	116,747
0	0	0	0	0	99,195
<u>\$ 827,133</u>	<u>\$ 4,457,762</u>	<u>\$ 4,037,551</u>	<u>\$ 1,565,937</u>	<u>\$ 1,188,993</u>	<u>\$ 40,840,652</u>
\$ 8,802	\$ 0	\$ 345,805	\$ 399,205	\$ 74,155	\$ 1,656,309
26,800	0	0	0	0	635,478
66,182	0	0	0	0	1,609,872
0	3,038,501	0	0	0	21,139,790
15,581	0	0	0	2,236	443,390
<u>117,365</u>	<u>3,038,501</u>	<u>345,805</u>	<u>399,205</u>	<u>76,391</u>	<u>25,484,839</u>
29,433	0	1,878,344	338,936	1,620	3,471,220
0	0	0	0	0	2,687,115
0	0	0	0	0	3,500,221
680,335	0	0	0	845,202	1,371,018
0	1,419,261	0	0	100,617	1,519,878
0	0	1,813,402	827,796	165,163	2,806,361
<u>709,768</u>	<u>1,419,261</u>	<u>3,691,746</u>	<u>1,166,732</u>	<u>1,112,602</u>	<u>15,355,813</u>
<u>\$ 827,133</u>	<u>\$ 4,457,762</u>	<u>\$ 4,037,551</u>	<u>\$ 1,565,937</u>	<u>\$ 1,188,993</u>	<u>\$ 40,840,652</u>

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City of Lakewood, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2004*

Total Governmental Fund Balances		\$ 15,355,813
 <i>Amounts reported for governmental activities in statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		52,468,151
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the fund:		
Property and Other Taxes	\$ 725,905	
Municipal Income Tax	5,569,897	
Intergovernmental	2,512,520	
Special Assessments	116,747	
Total		8,925,069
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		954,304
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(201,949)
Bond Issuance costs will be amortized over the life of the bonds on the statement of net assets		407,787
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Notes Payable	(7,064,800)	
General Obligation Bonds	(31,443,942)	
Special Assessment Bonds	(60,000)	
OPWC Loan	(547,482)	
Capital Lease Payable	(113,793)	
Compensated Absences Payable	(5,284,480)	
Total		\$ (44,514,497)
 <i>Net Assets of Governmental Activities</i>		 \$ 33,394,678

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2004

	General Fund	Street and Highway Fund	Police and Fire Pension Fund	Community Development Block Grant Fund	Office on Aging Fund
Revenues					
Property and Other Local Taxes	\$ 6,958,440	\$ 0	\$ 2,638,251	\$ 0	\$ 0
Payment in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	16,842,902	0	0	0	0
Charges for Services	1,314,452	0	0	0	3,000
Licenses, Permits and Fees	849,521	0	0	0	0
Fines and Forfeitures	1,301,654	0	0	0	0
Intergovernmental	6,557,988	1,894,189	346,092	1,987,393	432,247
Special Assessments	0	0	0	0	0
Interest	284,090	0	0	61,946	0
Miscellaneous	128,074	935	0	0	173,539
<i>Total Revenues</i>	<u>34,237,121</u>	<u>1,895,124</u>	<u>2,984,343</u>	<u>2,049,339</u>	<u>608,786</u>
Expenditures					
Current:					
General Government	7,497,219	0	0	0	0
Security of Persons and Property:					
Police	9,429,470	0	1,028,089	0	0
Fire	6,360,017	0	1,235,982	0	0
Public Health Services	1,336,513	0	0	0	2,004,108
Transportation	0	2,175,057	0	0	0
Community Environment	2,848,880	0	0	2,222,733	0
Basic Utility Services	4,328,373	0	0	0	0
Leisure Time Activities	1,962,346	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	181,968	0	0	0	0
Interest and Fiscal Charges	1,451	0	0	0	0
Bond Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>33,946,237</u>	<u>2,175,057</u>	<u>2,264,071</u>	<u>2,222,733</u>	<u>2,004,108</u>
Excess of Revenues Over (Under) Expenditures	<u>290,884</u>	<u>(279,933)</u>	<u>720,272</u>	<u>(173,394)</u>	<u>(1,395,322)</u>
Other Financing Sources (Uses)					
Bonds Issued	0	0	0	0	0
Notes Issued	0	0	0	0	0
Premium on Notes	0	0	0	0	0
Sale of Assets	0	0	0	0	0
Transfers In	43,824	320,000	0	0	1,400,000
Transfers Out	(2,292,408)	0	(428,398)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,248,584)</u>	<u>320,000</u>	<u>(428,398)</u>	<u>0</u>	<u>1,400,000</u>
<i>Net Change in Fund Balances</i>	<u>(1,957,700)</u>	<u>40,067</u>	<u>291,874</u>	<u>(173,394)</u>	<u>4,678</u>
<i>Fund Balances Beginning of Year</i>					
<i>Restated (See Note 3)</i>	5,582,055	620,438	114,030	2,717,023	16,633
<i>Fund Balances End of Year</i>	<u>\$ 3,624,355</u>	<u>\$ 660,505</u>	<u>\$ 405,904</u>	<u>\$ 2,543,629</u>	<u>\$ 21,311</u>

Lakewood Hospital Fund	Debt Service Fund	Permanent Capital Improvement Fund	TIF Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 2,791,421	\$ 0	\$ 0	\$ 0	\$ 12,388,112
0	0	0	0	100,617	100,617
0	0	0	0	0	16,842,902
2,091,928	0	0	0	23,541	3,432,921
89,913	0	0	0	0	939,434
0	0	0	0	176,737	1,478,391
51,750	366,140	0	0	723,214	12,359,013
0	78,659	0	0	5,643	84,302
0	30,983	0	19,472	0	396,491
580	0	0	0	99,151	402,279
<u>2,234,171</u>	<u>3,267,203</u>	<u>0</u>	<u>19,472</u>	<u>1,128,903</u>	<u>48,424,462</u>
0	0	0	9,918	94,538	7,601,675
0	0	0	0	205,176	10,662,735
1,569,768	0	0	0	138,706	9,304,473
929,342	0	0	0	16,400	4,286,363
0	0	0	0	0	2,175,057
0	0	0	0	585,031	5,656,644
0	0	0	0	0	4,328,373
0	0	0	0	0	1,962,346
0	0	2,586,492	2,836,114	0	5,422,606
0	5,470,611	0	0	0	5,652,579
0	1,504,237	0	0	0	1,505,688
0	34,680	0	271,708	0	306,388
<u>2,499,110</u>	<u>7,009,528</u>	<u>2,586,492</u>	<u>3,117,740</u>	<u>1,039,851</u>	<u>58,864,927</u>
<u>(264,939)</u>	<u>(3,742,325)</u>	<u>(2,586,492)</u>	<u>(3,098,268)</u>	<u>89,052</u>	<u>(10,440,465)</u>
0	0	0	4,265,000	0	4,265,000
0	3,195,000	3,869,800	0	0	7,064,800
0	14,747	16,076	0	0	30,823
0	0	0	0	7,592	7,592
0	788,898	0	0	67,408	2,620,130
0	0	(360,500)	0	(43,824)	(3,125,130)
0	3,998,645	3,525,376	4,265,000	31,176	10,863,215
(264,939)	256,320	938,884	1,166,732	120,228	422,750
974,707	1,162,941	2,752,862	0	992,374	14,933,063
<u>\$ 709,768</u>	<u>\$ 1,419,261</u>	<u>\$ 3,691,746</u>	<u>\$ 1,166,732</u>	<u>\$ 1,112,602</u>	<u>\$ 15,355,813</u>

City of Lakewood, 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, 2004*

Net Change in Fund Balances - Total Government Funds \$ 422,750

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 is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Asset Additions	\$ 2,406,971	
Current Year Depreciation	<u>(1,723,122)</u>	
Total		683,849

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

(26,177)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues:

Property Taxes	29,813	
Municipal Income Taxes	221,392	
Special Assessments	(17,753)	
Intergovernmental	<u>(276,214)</u>	
Total		(42,762)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

5,470,611

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Accrued Interest	(59,899)	
Amortization of Bond Premium	6,024	
Amortization of Bond Issuance Costs	<u>(5,532)</u>	(59,407)

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures:

Compensated Absences	171,522
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Bond Issuance Costs will be amortized over the life of the bonds on the statement of net assets

306,388

Repayment of Capital Lease. Principal is an expenditure in the statement of net assets.

181,968

Other financing sources in governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in statement of activities.

Bonds Issued	(4,265,000)	
Notes Issued	(7,064,800)	
Bond Premium	<u>(30,823)</u>	(11,360,623)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

176,231

Change in Net Assets of Governmental Activities \$ (4,075,650)

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$6,932,332	\$6,932,332	\$ 6,966,801	\$ 34,469
Municipal Income Taxes	16,600,000	16,600,000	16,763,579	163,579
Charges for Services	1,744,227	1,744,227	1,795,989	51,762
Licenses, Permits and Fees	750,000	750,000	849,521	99,521
Fines and Forfeitures	1,257,000	1,257,000	1,291,438	34,438
Intergovernmental	6,321,846	6,324,846	6,082,256	(242,590)
Interest	328,480	328,480	322,705	(5,775)
Miscellaneous	41,240	41,240	106,079	64,839
<i>Total Revenues</i>	<u>33,975,125</u>	<u>33,978,125</u>	<u>34,178,368</u>	<u>200,243</u>
Expenditures				
Current:				
General Government	8,705,223	8,506,900	8,126,525	380,375
Security of Persons and Property	15,572,025	15,555,025	15,720,065	(165,040)
Public Health Services	1,596,307	1,696,307	1,673,420	22,887
Community Environment	3,177,534	3,081,534	2,912,915	168,619
Basic Utility Services	4,464,905	4,464,905	4,400,106	64,799
Leisure Time Activities	2,117,032	2,127,355	1,974,197	153,158
<i>Total Expenditures</i>	<u>35,633,026</u>	<u>35,432,026</u>	<u>34,807,228</u>	<u>624,798</u>
Excess of Revenues				
Under Expenditures	<u>(1,657,901)</u>	<u>(1,453,901)</u>	<u>(628,860)</u>	<u>825,041</u>
Other Financing Sources (Uses)				
Transfers In	39,475	43,824	43,824	0
Transfers Out	(2,088,408)	(2,292,408)	(2,292,408)	0
Advances In	203,162	203,162	203,162	0
Advances Out	0	0	(99,195)	(99,195)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,845,771)</u>	<u>(2,045,422)</u>	<u>(2,144,617)</u>	<u>(99,195)</u>
<i>Net Change in Fund Balance</i>	<u>(3,503,672)</u>	<u>(3,499,323)</u>	<u>(2,773,477)</u>	<u>725,846</u>
<i>Fund Balance Beginning of Year</i>	3,642,143	3,642,143	3,642,143	0
Prior Year Encumbrances Appropriated	32,693	32,693	32,693	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 175,513</u>	<u>\$ 901,359</u>	<u>\$ 725,846</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street and Highway Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 1,825,400	\$ 1,825,400	\$ 1,816,705	\$ (8,695)
Miscellaneous	5,000	5,000	935	(4,065)
<i>Total Revenues</i>	<u>1,830,400</u>	<u>1,830,400</u>	<u>1,817,640</u>	<u>(12,760)</u>
Expenditures				
Current:				
Transportation	2,319,395	2,319,395	2,236,971	82,424
<i>Total Expenditures</i>	<u>2,319,395</u>	<u>2,319,395</u>	<u>2,236,971</u>	<u>82,424</u>
Excess of Revenues Under Expenditures	<u>(488,995)</u>	<u>(488,995)</u>	<u>(419,331)</u>	<u>69,664</u>
Other Financing Sources				
Transfers In	270,000	320,000	320,000	0
<i>Total Other Financing Sources</i>	<u>270,000</u>	<u>320,000</u>	<u>320,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(218,995)	(168,995)	(99,331)	69,664
<i>Fund Balance Beginning of Year</i>	278,336	278,336	278,336	0
Prior Year Encumbrances Appropriated	9,935	9,935	9,935	0
<i>Fund Balance End of Year</i>	<u>\$ 69,276</u>	<u>\$ 119,276</u>	<u>\$ 188,940</u>	<u>\$ 69,664</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$ 2,579,109	\$ 2,579,109	\$ 2,638,251	\$ 59,142
Intergovernmental	367,606	367,606	346,092	(21,514)
<i>Total Revenues</i>	<u>2,946,715</u>	<u>2,946,715</u>	<u>2,984,343</u>	<u>37,628</u>
Expenditures				
Current:				
Security of Persons and Property	2,342,013	2,392,013	2,347,294	44,719
<i>Total Expenditures</i>	<u>2,342,013</u>	<u>2,392,013</u>	<u>2,347,294</u>	<u>44,719</u>
Excess of Revenues Over Expenditures	<u>604,702</u>	<u>554,702</u>	<u>637,049</u>	<u>82,347</u>
Other Financing Uses				
Transfers Out	(428,398)	(428,398)	(428,398)	0
<i>Total Other Financing Uses</i>	<u>(428,398)</u>	<u>(428,398)</u>	<u>(428,398)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	176,304	126,304	208,651	82,347
<i>Fund Balance Beginning of Year</i>	198,440	198,440	198,440	0
<i>Fund Balance End of Year</i>	<u>\$ 374,744</u>	<u>\$ 324,744</u>	<u>\$ 407,091</u>	<u>\$ 82,347</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 4,987,889	\$ 5,084,848	\$ 2,437,131	\$ (2,647,717)
<i>Total Revenues</i>	<u>4,987,889</u>	<u>5,084,848</u>	<u>2,437,131</u>	<u>(2,647,717)</u>
Expenditures				
Current:				
Community Environment	4,912,925	4,912,925	3,280,419	1,632,506
<i>Total Expenditures</i>	<u>4,912,925</u>	<u>4,912,925</u>	<u>3,280,419</u>	<u>1,632,506</u>
Excess of Revenues Over (Under) Expenditures	<u>74,964</u>	<u>171,923</u>	<u>(843,288)</u>	<u>(1,015,211)</u>
Other Financing Sources (Uses)				
Advances In	0	0	96,959	96,959
Advances Out	(47,632)	(47,632)	(47,632)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(47,632)</u>	<u>(47,632)</u>	<u>49,327</u>	<u>96,959</u>
<i>Net Change in Fund Balances</i>	27,332	124,291	(793,961)	(918,252)
<i>Fund Balance (Deficit) Beginning of Year</i>	(83,037)	(83,037)	(83,037)	0
Prior Year Encumbrances Appropriated	10,016	10,016	10,016	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (45,689)</u>	<u>\$ 51,270</u>	<u>\$ (866,982)</u>	<u>\$ (918,252)</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 400,639	\$ 400,639	\$ 408,550	\$ 7,911
Miscellaneous	224,383	224,383	192,897	(31,486)
<i>Total Revenues</i>	<u>625,022</u>	<u>625,022</u>	<u>601,447</u>	<u>(23,575)</u>
Expenditures				
Current:				
Public Health Services	1,980,169	2,069,169	2,027,836	41,333
<i>Total Expenditures</i>	<u>1,980,169</u>	<u>2,069,169</u>	<u>2,027,836</u>	<u>41,333</u>
Excess of Revenues				
Under Expenditures	<u>(1,355,147)</u>	<u>(1,444,147)</u>	<u>(1,426,389)</u>	<u>17,758</u>
Other Financing Sources				
Transfers In	1,285,000	1,400,000	1,400,000	0
<i>Total Other Financing Sources</i>	<u>1,285,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(70,147)	(44,147)	(26,389)	17,758
<i>Fund Balance Beginning of Year</i>	154,668	154,668	154,668	0
Prior Year Encumbrances Appropriated	(32)	(32)	(32)	0
<i>Fund Balance End of Year</i>	<u>\$ 84,489</u>	<u>\$ 110,489</u>	<u>\$ 128,247</u>	<u>\$ 17,758</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 2,075,203	\$ 2,075,203	\$ 2,085,682	\$ 10,479
Licenses, Permits and Fees	79,290	79,290	89,913	10,623
Intergovernmental	38,845	38,845	51,750	12,905
Miscellaneous	0	0	580	580
<i>Total Revenues</i>	<u>2,193,338</u>	<u>2,193,338</u>	<u>2,227,925</u>	<u>34,587</u>
Expenditures				
Current:				
Security of Persons and Property				
Fire	1,529,999	1,535,534	1,567,768	(32,234)
Public Health Services	991,015	985,480	947,635	37,845
<i>Total Expenditures</i>	<u>2,521,014</u>	<u>2,521,014</u>	<u>2,515,403</u>	<u>5,611</u>
Excess of Revenues				
Under Expenditures	<u>(327,676)</u>	<u>(327,676)</u>	<u>(287,478)</u>	<u>40,198</u>
<i>Net Change in Fund Balances</i>	(327,676)	(327,676)	(287,478)	40,198
<i>Fund Balance Beginning of Year</i>	927,123	927,123	927,123	0
Prior Year Encumbrances Appropriated	10	10	10	0
<i>Fund Balance End of Year</i>	<u>\$ 599,457</u>	<u>\$ 599,457</u>	<u>\$ 639,655</u>	<u>\$ 40,198</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2004

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Non Major Funds	Total	
Assets					
Current Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$ 3,448,039	\$ 6,114,156	\$ 305,248	\$ 9,867,443	\$ 2,673,848
Cash and Cash Equivalents with Fiscal Agents	0	176,122	0	176,122	0
Accrued Interest Receivable	15,576	0	0	15,576	6,097
Accounts Receivable	1,134,775	598,486	45,681	1,778,942	0
Less: Allowance for Doubtful Accounts	(27,961)	(15,056)	0	(43,017)	0
Interfund Receivable	0	0	0	0	386,687
Intergovernmental Receivable	0	100,285	0	100,285	0
Materials and Supplies Inventory	64,010	46,610	92,099	202,719	0
Prepaid Items	0	0	0	0	93,983
Property Tax Receivable	0	1,680,683	0	1,680,683	0
<i>Total Current Assets</i>	<u>4,634,439</u>	<u>8,701,286</u>	<u>443,028</u>	<u>13,778,753</u>	<u>3,160,615</u>
Noncurrent Assets					
Restricted Assets:					
Cash Equivalents Held with Trustee	551,038	0	0	551,038	0
Deferred Bond Issuance Costs	152,379	136,871	11,521	300,771	0
Nondepreciable Capital Assets	930,985	5,154,396	191,490	6,276,871	0
Depreciable Capital Assets, Net	30,908,546	18,047,166	1,769,453	50,725,165	0
<i>Total Noncurrent Assets</i>	<u>32,542,948</u>	<u>23,338,433</u>	<u>1,972,464</u>	<u>57,853,845</u>	<u>0</u>
<i>Total Assets</i>	<u>37,177,387</u>	<u>32,039,719</u>	<u>2,415,492</u>	<u>71,632,598</u>	<u>3,160,615</u>
Liabilities					
Current Liabilities:					
Accounts Payable	482,004	396,252	93,709	971,965	95,537
Accrued Wages and Benefits	18,216	37,586	8,853	64,655	0
Intergovernmental Payable	44,716	86,045	22,828	153,589	304,725
Interfund Payable	13,456	26,912	2,124	42,492	0
Deferred Revenue	0	1,586,334	0	1,586,334	0
Claims Payable	0	0	0	0	1,806,049
Accrued Interest Payable	29,302	88,649	7,200	125,151	0
Compensated Absence Payable	75,724	66,059	4,061	145,844	0
Bonds Payable	510,000	0	23,200	533,200	0
OPWC Loans Payable	313,228	34,486	0	347,714	0
OWDA Loans Payable	0	23,555	0	23,555	0
<i>Total Current Liabilities</i>	<u>1,486,646</u>	<u>2,345,878</u>	<u>161,975</u>	<u>3,994,499</u>	<u>2,206,311</u>
Long-Term Liabilities					
Notes Payable	995,000	4,938,500	215,000	6,148,500	0
Compensated Absence Payable	96,059	173,190	44,511	313,760	0
Bonds Payable	4,972,940	7,847,606	1,219,000	14,039,546	0
OPWC Loans Payable	4,981,923	543,228	0	5,525,151	0
OWDA Loans Payable	0	212,563	0	212,563	0
<i>Total Long Term Liabilities</i>	<u>11,045,922</u>	<u>13,715,087</u>	<u>1,478,511</u>	<u>26,239,520</u>	<u>0</u>
<i>Total Liabilities</i>	<u>12,532,568</u>	<u>16,060,965</u>	<u>1,640,486</u>	<u>30,234,019</u>	<u>2,206,311</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	20,218,819	9,172,185	515,264	29,906,268	0
Restricted for Capital Projects	551,038	0	0	551,038	0
Unrestricted	3,874,962	6,167,987	259,742	10,302,691	954,304
<i>Total Net Assets</i>	<u>\$ 24,644,819</u>	<u>\$ 15,340,172</u>	<u>\$ 775,006</u>	<u>\$ 40,759,997</u>	<u>\$ 954,304</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2004

	<u>Business Type Activities - Enterprise Funds</u>			<u>Total</u>	<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Non Major</u>		<u>Internal Service</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>		<u>Fund</u>
Operating Revenues					
Charges for Services	\$ 7,747,128	\$ 3,777,165	\$ 1,010,718	\$ 12,535,011	\$ 4,710,796
Water Charges Pledged as Security for Revenue Bond	741,785	0	0	741,785	0
Miscellaneous	6,566	0	2,318	8,884	160,366
<i>Total Operating Revenues</i>	<u>8,495,479</u>	<u>3,777,165</u>	<u>1,013,036</u>	<u>13,285,680</u>	<u>4,871,162</u>
Operating Expenses					
Personal Services	1,174,487	2,306,479	537,505	4,018,471	0
Contractual Services	5,891,904	167,280	167,262	6,226,446	64,355
Materials and Supplies	415,280	771,164	173,846	1,360,290	0
Utilities	0	385,186	282,169	667,355	0
Depreciation	432,445	478,404	73,137	983,986	0
Workers Compensation Premium	0	0	0	0	350,054
Claims	0	0	0	0	4,283,931
<i>Total Operating Expenses</i>	<u>7,914,116</u>	<u>4,108,513</u>	<u>1,233,919</u>	<u>13,256,548</u>	<u>4,698,340</u>
<i>Operating Income (Loss)</i>	<u>581,363</u>	<u>(331,348)</u>	<u>(220,883)</u>	<u>29,132</u>	<u>172,822</u>
Non Operating Revenue (Expenses)					
Interest	83,908	25,372	933	110,213	3,409
Interest and Fiscal Charges	(338,445)	(561,084)	(66,403)	(965,932)	0
Special Assessments	5,201	2,037	0	7,238	0
Property Taxes	0	1,612,757	0	1,612,757	0
Intergovernmental	0	203,039	0	203,039	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>(249,336)</u>	<u>1,282,121</u>	<u>(65,470)</u>	<u>967,315</u>	<u>3,409</u>
<i>Net Income (Loss) before transfers</i>	<u>332,027</u>	<u>950,773</u>	<u>(286,353)</u>	<u>996,447</u>	<u>176,231</u>
Transfers In	0	0	505,000	505,000	0
<i>Change in Net Assets</i>	332,027	950,773	218,647	1,501,447	176,231
<i>Net Assets Beginning of Year, Restated (See Note 3)</i>	24,312,792	14,389,399	556,359	39,258,550	778,073
<i>Net Assets End of Year</i>	<u>\$ 24,644,819</u>	<u>\$ 15,340,172</u>	<u>\$ 775,006</u>	<u>\$ 40,759,997</u>	<u>\$ 954,304</u>

See accompanying notes to the basic financial statements

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City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

	Business Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Fund
	Water Fund	Sewer Fund	Non Major Funds		
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 8,473,574	\$ 3,639,528	\$ 1,006,588	\$ 13,119,690	\$ 0
Cash Received from Transactions with Other Funds	0	0	0	0	4,779,537
Cash Received from Other Operating Sources	6,566	0	2,318	8,884	160,366
Cash Payments to Suppliers for Goods and Services	(6,291,502)	(1,010,398)	(601,009)	(7,902,909)	(65,039)
Cash Payments for Claims	0	0	0	0	(4,562,653)
Cash Payments for Premium	0	0	0	0	(350,054)
Cash Payments for Employee Services and Benefits	(1,178,161)	(2,359,678)	(585,393)	(4,123,232)	0
<i>Net Cash Provided By (Used for)Operating Activities</i>	<u>1,010,477</u>	<u>269,452</u>	<u>(177,496)</u>	<u>1,102,433</u>	<u>(37,843)</u>
Cash Flows from Noncapital Financing Activities					
Intergovernmental Revenue	0	211,032	0	211,032	0
Property Taxes	0	1,608,887	0	1,608,887	0
Special Assessments	5,201	2,037	0	7,238	0
Transfer In	0	0	505,000	505,000	0
Advances Out	0	0	(124,073)	(124,073)	0
<i>Net Cash Provided by Non- capital Financing Activities</i>	<u>5,201</u>	<u>1,821,956</u>	<u>380,927</u>	<u>2,208,084</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(738,111)	(1,907,329)	(114,340)	(2,759,780)	0
Notes Issued	995,000	4,938,500	215,000	6,148,500	0
Loans Issued	48,293	0	0	48,293	0
Principal paid on Bonds	(490,000)	(610,711)	(23,200)	(1,123,911)	0
Principal paid on Notes	0	(1,155,000)	0	(1,155,000)	0
Principal paid on Loans	(301,113)	0	0	(301,113)	0
Interest paid on Bonds	(260,587)	(443,856)	(63,572)	(768,015)	0
Interest paid on Notes	0	(29,569)	0	(29,569)	0
Interest paid on Loans	0	(10,884)	0	(10,884)	0
<i>Net Cash Provided by (used for)Capital and Related Financing Activities</i>	<u>(746,518)</u>	<u>781,151</u>	<u>13,888</u>	<u>48,521</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest	56,766	25,372	933	83,071	(2,051)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>325,926</u>	<u>2,897,931</u>	<u>218,252</u>	<u>3,442,109</u>	<u>(39,894)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>3,673,151</u>	<u>3,449,406</u>	<u>86,996</u>	<u>7,209,553</u>	<u>2,713,742</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 3,999,077</u>	<u>\$ 6,347,337</u>	<u>\$ 305,248</u>	<u>\$ 10,651,662</u>	<u>\$ 2,673,848</u>

continued

City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2004

	Business Type Activities - Enterprise Funds			Total	Governmental
	Water Fund	Sewer Fund	Non Major Funds		Activities - Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
<i>Operating Income (Loss)</i>	\$ 581,363	\$ (331,348)	\$ (220,883)	\$ 29,132	\$ 172,822
Adjustments:					
Depreciation	432,445	478,404	73,137	983,986	0
Increase (Decrease) in Allowance for Doubtful Accour	440	3,813	0	4,253	0
(Increase) Decrease in Assets:					
Accounts Receivable	(15,779)	(141,335)	(4,130)	(161,244)	0
Accrued Interest	0	0	0	0	-
Interfund Receivable	0	0	0	0	68,741
Materials and Supplies Inventory	35,301	100,404	(291)	135,414	0
Prepaid Items	0	0	0	0	(93,983)
Increase (Decrease) in Liabilities:					
Accounts Payable	(19,620)	239,376	17,357	237,113	1,978
Accrued Wages	(17,255)	(31,599)	(13,277)	(62,131)	0
Compensated Absences	16,231	(38,562)	(23,502)	(45,833)	0
Interfund Payable	(2,695)	(2,965)	(1,913)	(7,573)	0
Intergovernmental Payable	46	(6,736)	(3,994)	(10,684)	(2,662)
Claims Payable	0	0	0	0	(184,739)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 1,010,477</u>	<u>\$ 269,452</u>	<u>\$ (177,496)</u>	<u>\$ 1,102,433</u>	<u>\$ (37,843)</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2004

Assets

Equity in Pooled Cash and Cash	
Equivalents	\$ 1,072,382
Cash and Investments in	
Segregated Accounts	<u>213,371</u>
<i>Total Assets</i>	<u><u>\$ 1,285,753</u></u>

Liabilities

Undistributed Monies	\$ 213,371
Deposits Held and Due to Others	<u>1,072,382</u>
<i>Total Liabilities</i>	<u><u>\$ 1,285,753</u></u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 1 - Description of the City and Reporting Entity

The City of Lakewood (the "City") was incorporated and chartered in 1911. The City operates under an elected Mayor/Council administrative/legislative form of government and provides the following services as authorized by its charter: public safety (police and fire protection), sanitation, planning and zoning, public improvements, culture and recreation, municipal court and general administration services. In addition the City owns and operates several business-type activities, including a water system, a local sewer system, an ice rink facility, congregate living facility and parking facilities.

Reporting Entity

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

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; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or levying of taxes, or determining the budget. The City has no component units.

The City is associated with the West Shore Council of Governments, a jointly governed organization. Additional information is included in Note 18.

The following entities are excluded from the accompanying financial statements: Lakewood City School District, Lakewood Public Library and Lakewood Hospital Association.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City 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 after November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not 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 most 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

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 activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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 identifies the extent to which each governmental program 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 the governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column 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. The City reports three categories of funds: governmental, proprietary and fiduciary.

Governmental Fund Governmental funds are those through which most governmental functions 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 accounts 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.

Street and Highway Special Revenue Fund The Street and Highway fund accounts for State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City as required by the Ohio Revised Code.

Police and Fire Pension Special Revenue Fund The Police and Fire Pension fund accounts for the revenue from property taxes levied for the partial payments of the current and accrued liability for police and firemen disability and pension.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

Community Development Block Grant Special Revenue Fund The Community Development Block Grant fund accounts for the revenues received from the federal government and expenditures as prescribed under the Community Development Block Grant program.

Office on Aging Special Revenue Fund The Office On Aging fund accounts for the revenues received from Ohio Department of Natural Resources and expenditures relative to this program.

Lakewood Hospital Special Revenue Fund The Lakewood Hospital fund accounts for revenue and expenditures related to providing emergency medical services and other health and safety services.

Debt Service Fund The Debt Service fund accounts for the accumulation of resources for, and payment of, principal and interest on general long-term obligations.

Permanent Capital Improvement Fund The Permanent Capital Improvement fund accounts for financial resources to be used for acquisition of equipment and the construction of general capital assets of the City (other than those financed by proprietary funds).

Tax Increment Financing (TIF) Capital Improvement Fund The Tax Increment Financing Capital Improvement fund accounts for the bond proceeds and all payments made to the developer of Rockport Plaza development.

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 City has two major enterprise funds.

Water Fund The Water fund accounts for the provision of water distribution to the residential and commercial users in the City.

Sewer Fund The Sewer fund accounts for the sanitary sewer services to the residential and commercial users of the City.

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's three internal service funds account for funds reserved to finance potential losses on property and liability cases, workers' compensation costs and a self insurance program for hospitalization benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. For the City, the fiduciary funds are comprised of only the agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The purpose of the agency funds are for municipal court and deposits.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of 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 are generally 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 statement for governmental funds.

Like the government-wide statements, all proprietary funds 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 fund 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. Government 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, shared revenues 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

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, fines and forfeitures, grants and fees.

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, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue.

On the 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 when 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 the governmental funds.

E. Budgetary Process

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 appropriations ordinance, 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 appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by City Council at the fund level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. The Finance Director has been authorized to allocate appropriations to the department and object level within each fund. Budgetary statements are presented beyond the legal level of control for informational purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended official certificate of estimated resources issued during 2004.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts on the budgetary statements reflect the first appropriations ordinance 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary 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 City utilizes a fiscal agent to hold monies set aside for current and future debt service payments under the provisions of the bond indenture. The balances in these accounts are presented on the statement of fund net assets as, "restricted assets- cash equivalents held with trustee.

The City also has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

During 2004, investments were limited to overnight repurchase agreements, Federal Home Loan Mortgage Bank (FHLMB) Notes, Federal Home Loan Mortgage Corporation (FHLMC) Notes, Federal National Mortgage Association (FNMA) Notes, Repurchase Agreements, Mutual Funds, and State Treasury Asset Reserve of Ohio (STAROhio).

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, 2004.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund, debt service fund, water fund, and general liabilities self-insurance funds. Interest revenue credited to the general fund during 2004 amounted to \$322,705, which includes \$107,106 assigned to other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

G. Restricted Assets

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

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

I. 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. These 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 proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are valued at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not.

All reported 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 replacements. Depreciation for governmental and business-type capital assets is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Building and Improvements	75 years
Equipment, Machinery and Furniture	10 - 20 years
Vehicles	15 years
Infrastructure	40 - 100 years

The City's infrastructure consists of roads, traffic lights, sidewalks, curbing, storm sewers and water lines, and includes infrastructure acquired prior to December 31, 1980. In addition, the City has recorded construction in progress for City road projects initiated in 2004.

J. Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". 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.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

L. 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 fund 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, compensated absences and contractually required pension contributions 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 and long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. 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. Fund balance reserves have been established for encumbrances and loans receivable.

N. 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 services, wastewater treatment, parking services, ice rink, living facility and self insurance programs. Operating expenses are necessary costs incurred to provide the service for the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 2 - Summary of Significant Accounting Policies (Continued)

Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Net assets restricted for other purposes include the city's miniature golf course and special fees and fines from the court. The government wide statement of net assets reports \$7,660,349 of restricted net assets of which \$2,243,457 is restricted by enabling legislation.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

R. 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 – Changes in Accounting Principles and Restatement of Prior Year Fund Equity

A. Changes in Accounting Principles

For 2004, the City has implemented GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Technical Bulletin No. 2004-02, "Recognition of Pension and Other Postemployment Benefit Expenditure/Expense and Liabilities by Cost-Sharing Employers."

GASB Statement No. 39 state that entities for which a primary government is not financially accountable may still be reported as component units based on the nature and significance of their relationship with the primary government.

GASB Statement No. 46 clarifies how enabling legislation should be defined for determining restricted net assets.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 39 and GASB Statement No. 46 did not affect the presentation of the financial statements of the City.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

**Note 3 – Changes in Accounting Principles and Restatement of Prior Year Fund Equity
(continued)**

B. Restatement of Fund Balance

The implementation of GASB Technical Bulletin No. 2004-02, along with an understatement of compensated absences and capital assets had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported.

Governmental Activities:

	General	Streets and Highways	Police and Fire Pensions	Community Development Block Grant	Office on Aging
Fund Balances, Decemer 31, 2003	\$ 5,982,373	\$ 657,336	\$ 708,726	\$ 2,741,900	\$ 65,258
Intergovernmental Payable Adjustments	(400,318)	(36,898)	(594,696)	(24,877)	(48,625)
Adjusted Fund Balance, December 31, 2003	<u>\$ 5,582,055</u>	<u>\$ 620,438</u>	<u>\$ 114,030</u>	<u>\$ 2,717,023</u>	<u>\$ 16,633</u>

	Lakewood Hospital	Debt Service	Permanent Capital Impr	Nonmajor	Total
Fund Balances, Decemer 31, 2003	\$ 1,024,608	\$ 1,162,941	\$ 2,752,862	\$ 996,564	\$ 16,092,568
Intergovernmental Payable Adjustments	(49,901)	0	0	(4,190)	(1,159,505)
Adjusted Fund Balance, December 31, 2003	<u>\$ 974,707</u>	<u>\$ 1,162,941</u>	<u>\$ 2,752,862</u>	<u>\$ 992,374</u>	<u>\$ 14,933,063</u>

Governmental Activities Net Assets, December 31, 2003	\$39,364,686
Compensated Absence Payable	(1,904,193)
Capital Assets	9,793
Long-Term Liabilities	42
Adjusted Governmental Activities Net Assets, December 31, 2003	<u>\$37,470,328</u>

Business Type Activities:

The implementation of these changes had no effect on net assets for business type activities at December 31, 2003; however, an understatement in compensated absences and an overstatement in bond issuance costs had the following effect on net assets at December 31, 2003.

	Water	Sewer	Nonmajor	Total Business-Type Activities
Business Type Activities Net Assets December 31, 2003	\$ 24,371,161	\$ 14,421,182	\$ 584,346	\$ 39,376,689
Deferred Bond Issue Costs	0	85,519	0	85,519
Compensated Absence Payable	(58,369)	(117,302)	(27,987)	(203,658)
Adjusted Business Type Activities Net Assets, December 31, 2003	<u>\$ 24,312,792</u>	<u>\$ 14,389,399</u>	<u>\$ 556,359</u>	<u>\$ 39,258,550</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 4- Legal Compliance

Contrary to Section 5705.39 Ohio Revised Code, the following fund had original appropriations in excess of original estimated revenue available for expenditures.

	Resources		Appropriations	Excess
<i>Special Revenue Fund:</i>				
Community Development Block Grant Fund	\$ 4,987,889		\$ 4,912,925	\$ 45,689

The amended certificate of estimated resources was revised and all funds had sufficient revenue and fund balance to support the final appropriations at year end.

Note 5 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain 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 and major special revenue funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 5 - Budgetary Basis of Accounting (continued)

	Net Change in Fund Balance		
	General	Streets and Highways	Police and Fire Pensions
GAAP Basis	(\$1,957,700)	\$40,067	\$291,874
Net Adjustment for Revenue Accruals	(58,753)	(77,484)	0
Advances In	203,162	0	0
Net Adjustment for Expenditure Accruals	(682,481)	196,923	(83,223)
Advances Out	(99,195)	0	0
Adjustments for Encumbrances	(178,510)	(258,837)	0
Budget Basis	(\$2,773,477)	(\$99,331)	\$208,651
	Community Development Block Grant	Office on Aging	Lakewood Hospital
GAAP Basis	(\$173,394)	\$4,678	(\$264,939)
Net Adjustment for Revenue Accruals	387,792	(7,339)	(6,246)
Advances In	96,959	0	0
Net Adjustment for Expenditure Accruals	(190,703)	(21,825)	21,271
Advances Out	(47,632)	0	0
Adjustments for Encumbrances	(866,983)	(1,903)	(37,564)
Budget Basis	(\$793,961)	(\$26,389)	(\$287,478)

Note 6 - Deposits and Investments

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

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

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 6 - Deposits and Investments (Continued)

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

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

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 6 - Deposits and Investments (Continued)

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

Cash on Hand At year end, the City had \$9,675 in petty cash on hand which is included on the financial statements of the City as part of "equity in pooled cash and cash equivalents" and "cash and cash equivalents in segregated accounts."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits At year end, the carrying amount of the City's deposits was \$2,516,568 and the bank balance was \$3,551,285. Of the bank balance:

1. \$500,000 was covered by federal depository insurance;
2. \$3,051,285 was insured by surety bonds in the City's name.

Investments The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. Mutual Funds and STAROhio are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Carrying Amount	Fair Value
Federal Home Loan Mortgage Bank Notes	\$3,498,151	\$3,475,707	\$3,475,707
Federal Home Loan Mortgage Corporation Notes	2,513,082	2,488,577	2,488,577
Federal National Mortgage Association Notes	4,593,493	4,571,637	4,571,637
Federal Farmers Credit Bureau	518,025	515,975	515,975
Repurchase Agreements	12,372,623	12,372,623	12,372,623
State Treasurer Assets Reverse Fund (STAR Ohio)	0	4,361	4,361
Total Investments	\$23,495,374	\$23,428,880	\$23,428,880

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 6 - Deposits and Investments (Continued)

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined as investments with an original maturity of three months or less. Reconciliation between the classification of cash and investments on the basic financial statements and the classifications per GASB Statement No. 3, is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$25,955,123	\$0
Cash on Hand	(9,675)	
Investments:		
Federal Home Loan Mortgage Bank Notes	(3,475,707)	3,475,707
Federal Home Loan Mortgage Corporation Notes	(2,488,577)	2,488,577
Federal National Mortgage Association Notes	(4,571,637)	4,571,637
Federal Farmers Credit Bureau	(515,975)	515,975
Repurchase Agreement	(12,372,623)	12,372,623
STAROhio	(4,361)	4,361
	\$2,516,568	\$23,428,880
GASB Statement No. 3		

Note 7 - Receivables

Receivables at December 31, 2004, consisted primarily of municipal income taxes, property and other taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest, interfunds, advances, loans (community development block grant monies loaned to local businesses), and accounts (billings for user charged services).

Allowance for doubtful accounts has been recorded at \$27,961 in the water fund and \$15,056 in the sewer fund.

Special assessments expected to be collected in more than one year amount to \$86,747 in the bond retirement fund. The amount of delinquent special assessments outstanding at December 31, 2004 is \$21,311.

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 2004 for real and public utility property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 7 – Receivables (continued)

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventories.

The full tax rate for all City operations for the year ended December 31, 2004, was \$17.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax collections were based are as follows:

	<u>Assessed Value</u>
Real Estate	\$863,693,900
Public Utility Property	16,823,630
Tangible Personal	<u>26,670,819</u>
 Total Assessed Value	 <u><u>\$907,188,349</u></u>

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

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

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Lakewood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since current taxes were not levied to finance 2004 operations and the collection of delinquent taxes 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 a revenue while on the modified accrual basis the revenue is deferred.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 7 – Receivables (continued)

B. Income Tax

The City levies a municipal income tax at a rate of 1.50 percent. The City's income tax is levied upon the net income of corporations and other business entities and on wages, salaries, and other personal service compensation earned by residents of the City and non-residents working within the City. Residents of the City are granted a .50 percent credit for income taxes paid to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and other self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits tax collected for the City each month, net of a fee for their service. Collection fees for 2004 were \$645,743.

C. Intergovernmental Receivables

A summary of the governmental activities principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local Government	\$2,149,284
Gasoline Tax	513,243
Permissive Motor Vehicle License Tax	22,154
Grants	155,690
Motor Vehicle License Registration	142,756
Homestead and Rollback	758,566
Estate Tax	<u>628,415</u>
Total	<u><u>\$4,370,108</u></u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2004, was as follows:

	Restated Balance 12/31/03	Additions	Deletions	Balance 12/31/04
Governmental Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$6,028,271	\$0	\$0	\$6,028,271
Construction in Progress	2,338,931	2,084,009	(1,448,602)	2,974,338
<i>Total Capital Assets, not being Depreciated</i>	<u>8,367,202</u>	<u>2,084,009</u>	<u>(1,448,602)</u>	<u>9,002,609</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,300,291	268,978	0	2,569,269
Buildings and Improvements	12,701,000	287,820	0	12,988,820
Equipment, Machinery and Furniture	3,282,246	287,766	(63,800)	3,506,212
Vehicles	10,046,659	173,657	0	10,220,316
Infrastructure				
Roads	26,947,919	738,684	0	27,686,603
Traffic Lights	3,615,219	14,659	0	3,629,878
Sidewalks	2,408,564	0	0	2,408,564
Curbing	1,425,964	0	0	1,425,964
<i>Total Capital Assets, being Depreciated</i>	<u>62,727,862</u>	<u>1,771,564</u>	<u>(63,800)</u>	<u>64,435,626</u>
Less Accumulated Depreciation:				
Land Improvements	(1,450,308)	(80,750)	0	(1,531,058)
Buildings and Improvements	(3,077,562)	(202,384)	0	(3,279,946)
Equipment, Machinery and Furniture	(1,319,057)	(192,735)	37,623	(1,474,169)
Vehicles	(4,473,708)	(580,690)	0	(5,054,398)
Infrastructure				
Roads	(6,118,117)	(537,840)	0	(6,655,957)
Traffic Lights	(1,590,276)	(90,411)	0	(1,680,687)
Sidewalk	(862,405)	(24,064)	0	(886,469)
Curbing	(393,152)	(14,248)	0	(407,400)
Total Accumulation Depreciation	<u>(19,284,585)</u>	<u>(1,723,122)</u>	<u>37,623</u>	<u>(20,970,084)</u>
Total Capital Assets being Depreciated, Net	<u>43,443,277</u>	<u>48,442</u>	<u>(26,177)</u>	<u>43,465,542</u>
Governmental Activities Capital Assets, Net	<u>\$51,810,479</u>	<u>\$2,132,451</u>	<u>(\$1,474,779)</u>	<u>\$52,468,151</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 8 - Capital Assets (Continued)

	Balance 12/31/03	Additions	Deletions	Balance 12/31/04
Business-Type Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$78,160	\$0	\$0	\$78,160
Construction in Progress	6,289,836	2,509,786	(2,600,911)	6,198,711
<i>Total Capital Assets, not being Depreciated</i>	<u>6,367,996</u>	<u>2,509,786</u>	<u>(2,600,911)</u>	<u>6,276,871</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,104,630	0	0	1,104,630
Building and Improvements	12,079,070	0	0	12,079,070
Furniture and Equipment	6,929,337	218,888	0	7,148,225
Vehicles	1,561,087	0	0	1,561,087
Infrastructure:				
Water Lines	37,882,744	2,387,194	0	40,269,938
Sewer Lines	13,539,957	213,444	0	13,753,401
<i>Total Capital Assets, being Depreciated</i>	<u>73,096,825</u>	<u>2,819,526</u>	<u>0</u>	<u>75,916,351</u>
Less Accumulated Depreciation:				
Land Improvements	(359,495)	(13,962)	0	(373,457)
Buildings and Improvements	(4,131,033)	(147,050)	0	(4,278,083)
Furniture and Equipment	(3,542,466)	(210,111)	0	(3,752,577)
Vehicles	(681,554)	(99,367)	0	(780,921)
Infrastructure				
Water Lines	(10,300,687)	(379,326)	0	(10,680,013)
Sewer Lines	(5,191,965)	(134,170)	0	(5,326,135)
Total Accumulation Depreciation	<u>(24,207,200)</u>	<u>(983,986)</u>	<u>0</u>	<u>(25,191,186)</u>
Total Capital Assets, being Depreciated	<u>48,889,625</u>	<u>1,835,540</u>	<u>0</u>	<u>50,725,165</u>
Business - Type Activities Assets	<u>\$55,257,621</u>	<u>\$4,345,326</u>	<u>(\$2,600,911)</u>	<u>\$57,002,036</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 8 - Capital Assets (Continued)

* Depreciation expense was charged to governmental functions as follows:

General Government	\$188,328
Security of Persons and Property-Police	112,495
Security of Persons and Property-Fire	153,178
Transportation	804,287
Community Environment	10,153
Basic Utility Services	208,338
Public Health Services	41,108
Leisure Time Activities	<u>205,235</u>
Total Depreciation Expense	<u><u>\$1,723,122</u></u>

Depreciation Expense was charged to nonmajor enterprise funds as follows:

Parking Facilities Fund	\$24,498
Winterhurst Ice Rink Fund	47,844
Congregate Living Facility Fund	<u>795</u>
Total Depreciation Expense	<u><u>\$73,137</u></u>

Note 9 - Contingencies

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2004.

B. Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2004.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 10 - Long-Term Obligations

The original issue date, interest rate, original issuance amount and maturity date for each of the City's long-term obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>Governmental Activities</i>				
<i>Notes</i>				
Capital Projects	2004	2.25%	\$ 7,064,800	June 2, 2005
<i>General Obligation Bonds</i>				
Various Purpose	1995	4.40-6.60%	8,665,000	December 1, 2015
Various Purpose	1998	3.60-5.125%	3,596,700	December 1, 2017
1992 Various Purpose Refunding	1998	3.60-5.125%	7,625,000	December 1, 2012
Various Purpose	2001	3.45-5.875%	8,085,000	December 1, 2021
Various Purpose	2003	3.55-5.00%	5,219,000	December 1, 2023
<i>Tax Increments Financing</i>				
Rockport Square Development	2004	4.40-5.95%	4,265,000	July 1, 2024
<i>Special Assessment Bonds</i>				
Belle Avenue	2001	3.45-4.05%	100,000	December 1, 2006
Niagra and Narragansett Streets	2001	3.45-4.05%	120,000	December 1, 2006
<i>OPWC Loan</i>				
Forest and Clifton Road	1999	0%	616,000	December 1, 2019
Lakewood Heights Boulevard	2002	0%	232,560	July 1, 2008
<i>Business-Type Activities</i>				
<i>Notes</i>				
<i>Winterhurst Ice Rink</i>				
Various Purpose	2004	2.25%	215,000	June 2, 2005
<i>Water Fund</i>				
Watermain Improvements	2004	2.25%	995,000	June 2, 2005
<i>Sewer and Wastewater Fund</i>				
Storm Sewer Replacement	2003	1.25%	1,155,000	June 3, 2004
Various Purpose	2004	2.25%	55,000	June 2, 2005
Various Purpose	2004	2.25%	53,500	June 2, 2005
Storm Sewer Replacement	2004	2.25%	2,638,500	June 2, 2005
Storm Sewer Replacement	2004	2.50%	2,300,000	June 2, 2005
<i>Revenue Bonds</i>				
Water Main Improvements	1995	4.40-6.60%	2,850,000	December 1, 2020
Water System Refunding	2002	2.00-3.65%	4,025,000	December 1, 2011
<i>General Obligation Bonds</i>				
<i>Sewer and Wastewater Fund</i>				
Sewer Construction	1995	4.40-6.60%	2,520,000	December 1, 2015
Sewer Construction Refunding	1998	3.60-5.125%	4,680,000	December 1, 2011
Sewer Construction	2003	3.55-5.00%	3,481,000	December 1, 2023
<i>Winterhurst Ice Rink</i>				
Recreational Facility	1998	3.60-5.125%	1,292,200	December 1, 2017
<i>OPWC Loans</i>				
<i>Water Fund</i>				
Water Main Replacements	1999	0%	1,248,464	December 1, 2019
Water Main Replacements	2001	0%	1,944,012	December 1, 2021
Water Main Replacements	2003	0%	994,614	July 1, 2023
Water Main Replacements	2003	0%	1,592,840	July 1, 2023
Belle Avenue Improvements	2003	0%	484,637	December 1, 2023
<i>Sewer and Wastewater Fund</i>				
West Clifton Storm Sewer Rehab.	2000	0%	85,461	December 1, 2020
Edgewater Drive-Sewer Separation	2002	0%	604,258	December 1, 2022
Sloane Avenue Improvement	2004	0%	761,280	December 1, 2024

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 10 - Long-Term Obligations (Continued)

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<i>OWDA Loan</i>				
<i>Sewer and Wastewater Fund</i>				
Lakewood Avenue	2002	4.30%	311,097	July 1, 2013

A schedule of changes in bonds and other long-term obligations of the City during 2004 follows:

	Restated Balance January 1, 2004	Additions	Deletions	Balance December 31, 2004	Amount Due in One Year
<i>Governmental Activities</i>					
Notes Payable					
Various Purpose	\$ 3,175,500	\$0	\$ 3,175,500	\$0	\$0
Various Purpose	380,000	0	380,000	0	0
Capital Projects	0	7,064,800	0	7,064,800	0
<i>Total Notes Payable</i>	<u>3,555,500</u>	<u>7,064,800</u>	<u>3,555,500</u>	<u>7,064,800</u>	<u>0</u>
General Obligation Bonds					
Various Purpose	\$7,270,000	\$0	\$535,000	\$6,735,000	\$540,000
Various Purpose	3,019,700	0	201,800	2,817,900	206,800
1992 Various Purpose Refunding	5,880,000	0	570,000	5,310,000	600,000
Various Purpose	7,470,000	0	320,000	7,150,000	330,000
Various Purpose	5,219,000	0	194,289	5,024,711	201,418
Rockport Square Development TIF	0	4,265,000	0	4,265,000	0
Unamortized Premium	116,532	30,823	6,024	141,331	0
<i>Total General Obligation Bonds</i>	<u>28,975,232</u>	<u>4,295,823</u>	<u>1,827,113</u>	<u>31,443,942</u>	<u>1,878,218</u>
Special Assessment Bonds					
Belle Avenue	30,000	0	10,000	20,000	10,000
Niagra and Narragansett Streets	60,000	0	20,000	40,000	20,000
<i>Total Special Assessment Bonds</i>	<u>90,000</u>	<u>0</u>	<u>30,000</u>	<u>60,000</u>	<u>30,000</u>
OPWC Loans					
Forest and Clifton Road	462,000	0	30,800	431,200	30,800
Lakewood Heights Boulevard	149,504	0	33,222	116,282	33,222
<i>Total OPWC Loans</i>	<u>611,504</u>	<u>0</u>	<u>64,022</u>	<u>547,482</u>	<u>64,022</u>
Compensated Absences Payable	5,456,002	3,491,557	3,663,079	5,284,480	1,086,643
Capital Lease Payable	295,761	0	181,968	113,793	76,228
<i>Total Governmental Activities</i>	<u>\$38,983,999</u>	<u>\$14,852,180</u>	<u>\$9,321,682</u>	<u>\$44,514,497</u>	<u>\$3,135,111</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 10 - Long-Term Obligations (Continued)

	Restated Balance January 1, 2004	Additions	Deletions	Balance December 31, 2004	Amount Due in One Year
Business-Type Activities					
Notes Payable					
<i>Winterhurst Fund</i>					
Capital Projects	\$0	\$215,000	\$0	\$215,000	\$0
<i>Water Fund</i>					
Water Main Improvements	0	995,000	0	995,000	0
<i>Sewer Fund</i>					
Storm Sewer Replacement	1,155,000	0	1,155,000	0	0
Various Purpose	0	55,000	0	55,000	0
Various Purpose	0	53,500	0	53,500	0
Storm Sewer Replacement	0	2,530,000	0	2,530,000	0
Storm Sewer Replacement	0	2,300,000	0	2,300,000	0
<i>Total Notes Payable</i>	<u>1,155,000</u>	<u>6,148,500</u>	<u>1,155,000</u>	<u>6,148,500</u>	<u>0</u>
Revenue Bonds					
<i>Water Fund</i>					
Water Main Improvements	2,595,000	0	90,000	2,505,000	100,000
Water System Refunding	3,585,000	0	400,000	3,185,000	410,000
Unamortized Accounting Loss	(236,640)	0	(29,580)	(207,060)	0
<i>Total Revenue Bonds</i>	<u>5,943,360</u>	<u>0</u>	<u>460,420</u>	<u>5,482,940</u>	<u>510,000</u>
General Obligation Bonds					
<i>Sewer Fund</i>					
Sewer Construction	2,170,000	0	130,000	2,040,000	140,000
Sewer Construction Refunding	3,605,000	0	385,000	3,220,000	400,000
Unamortized Accounting Loss	(260,297)	0	(28,924)	(231,373)	0
Sewer Construction	3,481,000	0	95,711	3,385,289	98,582
Unamortized Premium	76,208	0	3,936	72,272	0
<i>Total Sewer Fund</i>	<u>9,071,911</u>	<u>0</u>	<u>585,723</u>	<u>8,486,188</u>	<u>638,582</u>
<i>Winterhurst Ice Rink</i>					
Recreational Facility	1,265,400	0	23,200	1,242,200	23,200
<i>Total General Obligation Bonds</i>	<u>10,337,311</u>	<u>0</u>	<u>608,923</u>	<u>9,728,388</u>	<u>661,782</u>
OPWC Loans					
<i>Water Fund</i>					
Water Main Replacements	936,346	0	62,424	873,922	62,424
Water Main Replacements	1,652,412	0	97,200	1,555,212	97,200
Water Main Replacements	969,749	0	49,731	920,018	49,730
Water Main Replacements	1,553,020	0	79,642	1,473,378	79,642
Belle Avenue Improvements	436,444	48,293	12,116	472,621	24,232
<i>Total Water Fund</i>	<u>5,547,971</u>	<u>48,293</u>	<u>301,113</u>	<u>5,295,151</u>	<u>313,228</u>
<i>Sewer Fund</i>					
West Clifton Storm Sewer Rehabilitat	68,367	0	4,274	64,093	4,274
Edgewater Drive-Sewer Separation	543,833	0	30,212	513,621	30,212
<i>Total Sewer Fund</i>	<u>612,200</u>	<u>0</u>	<u>34,486</u>	<u>577,714</u>	<u>34,486</u>
<i>Total OPWC Loans</i>	<u>6,160,171</u>	<u>48,293</u>	<u>335,599</u>	<u>5,872,865</u>	<u>347,714</u>
OWDA Loan					
<i>Sewer Fund</i>					
Lakewood Avenue	258,691	0	22,573	236,118	23,555
Compensated Absences Payable	505,437	320,171	366,004	459,604	145,844
Capital Lease Payable	19,282	0	19,282	0	0
<i>Total Business-Type Activities</i>	<u>\$24,379,252</u>	<u>\$6,516,964</u>	<u>\$2,967,801</u>	<u>\$27,928,415</u>	<u>\$1,688,895</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 10 - Long-Term Obligations (Continued)

General Obligation Bonds will be retired from the general obligation debt service fund, using general property tax revenue. The 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 OPWC loan will be paid from general property tax revenue. Compensated absences will be paid from the general fund, streets and highway, community development block grant, office on aging, and lakewood hospital special revenue funds, and the water, sewer, parking facilities, and winterhurst ice rink enterprise funds. The revenue bonds, general obligation bonds, OPWC loans and the OWDA loans reported in the enterprise funds will be paid from revenues derived by the City from water, sewer and ice rink user charges.

The 1998 advance refunding of the 1992 Sanitary Sewer System special obligation bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt. The refunded debt was called on December 1, 2001 and has been paid off. The unamortized balance of the deferral totaled \$231,373 at December 31, 2004. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2011 using the straight-line method.

On March 1, 1998, the City issued \$5,695,000 in general obligation bonds to advance refund \$5,195,000 of outstanding 1992 Sanitary Sewer System special obligation bonds. The net proceeds of \$5,631,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earning from the securities are sufficient to provide for all future debt service payment on the 1992 bonds. As a result are considered to be defeased and the liability for those bonds has been removed from the Sewer and Wastewater Fund. As of December 31, 2004, \$3,220,000 of the defeased debt remained outstanding.

On March 1, 1998, the City issued \$9,060,000 in general obligation bonds to advance refund \$8,170,000 of outstanding 1992 various purpose general obligation bonds. The net proceeds of \$8,960,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust and an escrow agent. The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the 1992 bonds. As a result, the 1992 bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Obligation Account Group. As of December 31, 2004, \$5,310,000 of the defeased debt remained outstanding.

In 1995, the City issued \$2,850,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.40 percent to 6.60 percent. Proceeds were used to improve the City's water mains. The revenue bonds included serial bonds. The redemption price is equal to 100 percent of the principal plus accrued interest at the redemption date. Restricted assets relating to the water main improvement revenue bonds at December 31, 2004, were as follows:

Restricted Assets Held by City:
Replacement and Improvements \$342,283

On December 12, 2002 the City issued \$4,025,000 in water revenue refunding bonds to advance refund and defease the series 1991 water revenue bonds of \$2,845,000 and advance refund a portion (\$880,000) of the series 2002 bond anticipation notes. The net proceeds were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 10 - Long-Term Obligations (Continued)

The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the series 1991 water revenue bonds and respective portion of the series 2002 bond anticipation notes. As a result, the 1991 water revenue bonds and the respective portion of the series 2002 bond anticipation notes are considered to be defeased. As of December 31 2004, \$3,185,000 of the defeased debt remained outstanding. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the accompanying financial statement as a deduction from due in more than one year, is being charged to operations through the year 2011 using the straight-line method. The unamortized balance of the deferral totaled \$207,060 at December 31, 2004. The bonds maturing on or after July 1, 2001 are subject to redemption, at the sole option of the City, either in whole on any date or in part on any interest payment date, on or after July 1, 2001, in multiples of \$5,000, at 100 percent of the redemption price plus accrued interest as of July 1, 2004 and thereafter. Restricted assets relating to the refunding water revenue bonds at December 31, 2004 were as follows:

Restricted Assets Held by City:
Replacement and Improvement \$208,755

On August 1, 2004 the City issued \$4,265,000 in General Obligation Bonds for the Rockport Square Development project. These bonds will be paid through tax increment financing where the payments in lieu of taxes (PILOTS) generated will pay the debt service payments.

Legal Debt Margin: Under the Uniform Bond Act of the Ohio Revised Code, the City at December 31, 2004 had the capacity to issue \$8,113,792 of additional unvoted general obligation debt. The City's overall debt margin was \$53,473,210 at December 31, 2004.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2004, are as follows:

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 10 - Long-Term Obligations (Continued)

	Governmental Activities			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2005	\$ 1,878,218	\$ 1,598,859	\$ 30,000	\$ 1,215
2006	1,876,154	1,528,227	30,000	1,215
2007	1,951,004	1,437,294	0	0
2008	1,976,540	1,336,567	0	0
2009	2,272,676	1,233,877		
2010-2014	10,797,183	4,363,566	0	0
2015-2019	6,520,009	2,002,309	0	0
2020-2024	4,030,827	547,123	0	0
	<u>\$ 31,302,611</u>	<u>\$ 14,047,822</u>	<u>\$ 60,000</u>	<u>\$ 2,430</u>
	OPWC Loans		Total	
	Principal	Interest	Principal	Interest
2005	64,022	0	1,972,241	1,378,717
2006	64,022	0	1,970,177	1,287,962
2007	64,022	0	2,015,027	1,195,814
2008	47,416	0	2,023,953	1,095,087
2009-2013	154,000	0	10,428,317	3,815,821
2014-2018	154,000	0	6,213,084	1,555,185
2019-2023	0	0	3,022,193	540,402
	<u>\$ 547,482</u>	<u>\$0</u>	<u>\$ 27,644,992</u>	<u>\$ 10,868,988</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 10 - Long-Term Obligations (Continued)

	Business Type Activities			
	Revenue Bonds		GO Bonds	
	Principal	Interest	Principal	Interest
2005	\$ 510,000	\$ 239,016	\$ 661,782	\$ 478,581
2006	530,000	225,466	693,846	445,917
2007	545,000	209,760	718,996	414,281
2008	565,000	167,316	818,460	378,628
2009	585,000	171,787	862,324	286,363
2010-2014	1,730,000	532,064	3,307,817	1,086,948
2015-2019	990,000	249,795	1,690,091	467,868
2020-2024	235,000	13,747	1,134,173	130,346
	<u>\$ 5,690,000</u>	<u>\$ 1,808,951</u>	<u>\$ 9,887,489</u>	<u>\$ 3,688,932</u>
	OPWC Loans		OWDA Loans	
	Principal	Interest	Principal	Interest
2005	\$ 347,714	\$0	\$ 23,555	\$ 9,903
2006	347,714	0	24,579	8,879
2007	347,714	0	25,647	7,811
2008	347,714	0	26,761	6,696
2009	347,714	0	27,925	5,533
2010-2014	1,738,571	0	107,651	9,449
2015-2019	1,676,148	0	0	0
2020-2024	719,576	0	0	0
	<u>\$ 5,872,865</u>	<u>\$0</u>	<u>\$ 236,118</u>	<u>\$ 48,271</u>
Total				
	Principal	Interest		
2005	\$ 1,543,051	\$ 727,500		
2006	1,596,139	680,262		
2007	1,637,357	631,852		
2008	1,757,935	552,640		
2009	1,822,963	463,683		
2010-2014	6,884,039	1,628,461		
2015-2019	4,356,239	717,663		
2020-2024	2,088,749	144,093		
	<u>\$ 21,686,472</u>	<u>\$ 5,546,154</u>		

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 11 – Conduit Debt Obligations

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

In 1983 and 1989 the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay the cost of Lakewood Hospital Facility improvements. In 1989, the City also issued Hospital Improvement Refunding Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On November 13, 2003, the City issued \$27,570,000 Hospital Revenue Bonds, Series 2003 to advance refund the 1989 Series. As of December 31, 2004, the aggregate principal amount of conduit debt obligation outstanding for Lakewood Hospital was \$27,365,000. On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. The aggregate principal amount of conduit debt obligations for St. Edward High School was \$10,800,000. This amount will not be paid down until 2005. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements.

Note 12 – Leases

A. Capital Leases

The City leases police vehicles and copier equipment through capital leasing arrangements. The assets of such agreements are recorded in the Government-Wide Statement of Net Assets. The lease contracts contain annual one-year renewal options that can be exercised by the City if sufficient funds are appropriated by City Council. The vehicles and equipment have been capitalized in the amounts of \$551,601 and \$92,656 respectively. The book values are \$441,067 and \$51,050 as of December 31, 2004. The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2004

	<u>Totals</u>
2005	\$ 76,622
2006	21,875
2007	15,120
2008	743
Total minimum lease payments	114,360
Less: amount representing interest	(567)
Total	\$ 113,793

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 12 – Leases (Continued)

B. Operating Leases

In 1997, the City renegotiated its lease agreement with the Lakewood Hospital Association (LHA) for its use of real and personal property owned by the City for the purpose of operating a hospital. The cost of leased assets and accumulated depreciation totaled \$156,963,000 and \$101,837,000, respectively, as of December 31, 2004. Under the terms of the lease, the City will receive amounts ranging from \$1 million to \$1.225 million commencing in 1997 and continuing through 2026. Upon expiration of the lease term or the termination of this lease, LHA will surrender the leased property to the City.

Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has insurance coverage with Federal Insurance Company who provides the boiler coverage. The City's coverage for general liability, bodily injury and property damage to others, with Arch Insurance Company, is limited to \$1,000,000 per occurrence and has a \$3,000,000 aggregate limit per year with no deductible. In addition, there is an excess umbrella coverage of \$10,000,000 per occurrence for all liability coverage with no deductible.

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence, no aggregate with a \$5,000 deductible. Vehicles are covered for \$1,000,000 per each occurrence, no aggregate, with a \$250 deductible for comprehensive, \$1,000 deductible for collision.

The boiler and machinery is covered at \$50,000,000 with a \$5,000 deductible.

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$96,434,936 with a \$1,000 deductible. Inland marine coverage for all City property that moves has a coverage of \$6,019,135 with a \$1,000 deductible and EDP equipment is covered at \$2,571,887 with a \$1,000 deductible.

Medical Professional coverage is \$1,000,000 per occurrence and \$3,000,000 aggregate with \$2,500 deductible per occurrence. Medical Professional (health department) coverage is \$1,000,000 per occurrence and \$3,000,000 aggregate with a \$2,500 deductible.

Pollution (lead abatement policy) coverage limits are \$1,000,000 per occurrence with a \$2,500 deductible and earthquake and flood are \$5,000,000 per occurrence with a \$50,000 deductible.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

The City of Lakewood maintains the Hospitalization Internal Service Fund to finance the cost of employee hospitalization and medical claims on a cost reimbursement basis. The City offers two plans to its employees. One of the insurance plans is funded through a minimum premium agreement. Under this plan the plan administrator pays claims on behalf of the employee and bills the City for the amount of actual claim paid plus administrative costs. The City is liable for claims up to a maximum premium.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 13 - Risk Management (Continued)

At December 31, 2004, \$386,687 has been accrued for hospitalization claims representing an estimate of the amount to be paid for claims that have been incurred but not reported based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balances of claims liabilities during the past two fiscal years follows:

	2004	2003
Estimated claims payable January 1	\$ 455,428	\$ 553,005
Plus: Current year claims	4,173,484	3,511,186
Less: Claim payments	<u>(4,242,225)</u>	<u>(3,608,763)</u>
Estimated claims payable December 31	<u>\$ 386,687</u>	<u>\$ 455,428</u>

The State of Ohio has the exclusive authority to provide employers with workers' compensation insurance. Historically, under the Ohio Workers' Compensations System for public employer taxing districts, there have been types of rating plans: base rating and experience rating. Ohio laws were subsequently amended to include an additional plan call retrospective rating, which is offered to Ohio employers who meet the eligibility standards. Under the terms of the State of Ohio's retrospective rating plan, an employer initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the employer's injured workers' claims are incurred, the employer must reimburse the State for those costs, subject to the plans individual claim cost limitation and the employer's premium limitation.

During 1991, the City applied for and was accepted into the State of Ohio's Retrospective Rating Plan. The City has established a Workers Compensation Self-Insurance Fund (an Internal Service Fund) to account for and pay workers' compensation claims from accumulated assets of the fund. The City's retrospective rating plan provides for an aggregate stop loss limit on premiums of 200% of the employer's normal premium in the year in which the claim occurred and a \$300,000 limit per individual claim.

At December 31, 2004, \$1,396,362 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims calculated using trends in actual claims experience based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	2004	2003
Estimated Claims payable January 1	\$ 1,512,360	\$ 1,678,590
Plus: Current year claims	191,389	40,596
Less: Claim payments	<u>(307,387)</u>	<u>(206,826)</u>
Estimated Claims payable December 31	<u>\$ 1,396,362</u>	<u>\$ 1,512,360</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 13 - Risk Management (Continued)

In accordance with GASB Statement No. 10, claims liabilities, arising from uninsured risks, are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities included an amount for claims incurred but not reported. Changes to the estimated claims payable recorded in the General Insurance Fund and during the years ended December 31, 2004 and 2003 were as follows:

	2004	2003
Estimated claims payable January 1	\$ 23,000	\$ 23,000
Plus: Current year claims	13,041	191
Less: Claim payments	(13,041)	(191)
Estimated claims payable December 31	\$ 23,000	\$ 23,000

Note 14 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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% 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 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 that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705 or 800-222-7377.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 14 - Defined Benefit Pension Plans (Continued)

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$ 2,447,440, \$ 2,499,328, and \$ 2,493,532 respectively; 73 percent has been contributed for 2004 and 100 percent for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$12,236 made by the City and \$7,676 made by the plan members.

B. Ohio Police And Fire Pension Fund

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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2004, 2003, and 2002 were \$2,264,064, \$2,226,927, and \$2,192,960 respectively, equal to the required contributions for each year. The full amount has been contributed for 2003 and 2002. 73 percent has been contributed for 2004 with the remainder being reported as a liability.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2004, the unfunded liability of the City was \$428,398 payable through the year 2021. The liability is reported as long term liabilities in the governmental activities column on the statement of net assets.

Note 15 - Post Employment Benefits

A. Ohio Public Employee Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 15 - Post Employment Benefits (Continued)

Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$197,497. The actual contribution and the actuarially required contribution amounts are the same. OPER's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

B. Ohio Police And Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004 and 2003. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$428,166 for police and \$382,936 for firefighters. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 16 - Other Employee Benefits

A. Compensated Absences

City employees generally earn vacation and sick leave ranging from two to five weeks and 14 to 30 days per year, respectively, based on length of service. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Accumulated vacation leave and accumulated sick days cannot exceed 50 or 120 days, respectively, at the end of any year. However, employees convert to cash, on a three-to-one basis, sick days accumulated in excess of 120 days. Twenty-five percent of unused sick leave plus any accumulated vacation leave is paid at termination, retirement or death.

In addition, employees of the City accumulate deferred compensation for a portion of overtime hours worked based upon time and a half for police and fire department employees and straight time for other employees. Employees are entitled to receive payments for their accumulated hours upon retirement or other termination from the City's payroll. Police and fire department employees can receive, on a yearly basis, payments for portions of overtime accumulated upon written request to the respective department Chief.

Fire Department personnel required to work a holiday shall be granted, at a later time, an eight or twenty-four hour off-duty period. Members hired after January 1, 1989 must take holiday time off during the year in which it is earned. Members hired before January 1, 1989 may accumulate up to fourteen 24-hour holidays which would be paid at their hourly rate at the time of retirement or termination. Members have the option of up to 144 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

B. Health and Life Insurance

Medical Mutual provides health insurance to the City and Kansa City Life Insurance provides life insurance and accidental death and dismemberment insurance to the City's employees. The options to select an HMO from Kaiser Permanente and SuperMed HMO is provided to the employees and premiums are paid by the City and partly by the employee.

Note 17 - Interfund Transfers and Balances

A. Transfers

The General Fund transfers to the major and nonmajor Governmental Funds, Winterhurst Ice Rink and Congregate Living Facility Enterprise Funds were made to provide additional resources for current operations. The transfers from Police and Fire Pension Special Revenue Fund and Permanent Capital Improvement Fund were to cover debt payments. The transfer from the Political Subdivision Special Revenue to the General Fund is for a portion of court costs to be transferred back to the general fund where court costs are originally paid.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 17 - Interfund Transfers and Balances (Continued)

Transfer To	Transfer From				Total
	General	Police and Fire Pension	Permanent Capital Imprv.	Nonmajor Funds	
Governmental Activities					
Major Funds					
General	\$0	\$0	\$0	\$43,824	\$43,824
Streets and Highways	320,000	0	0	0	320,000
Office on Aging	1,400,000	0	0	0	1,400,000
GO Bond Retirement	0	428,398	360,500	0	788,898
Nonmajor Funds					
Litter Control	18,700	0	0	0	18,700
Community Festival	5,000	0	0	0	5,000
JAIBG	1,288	0	0	0	1,288
FEMA	42,420	0	0	0	42,420
<i>Total Governmental Activities</i>	1,787,408	428,398	360,500	43,824	2,620,130
Business-Type Activities					
Winterhurst	500,000	0	0	0	500,000
Congregate Living	5,000	0	0	0	5,000
<i>Total Business Type Activities</i>	505,000	0	0	0	505,000
Total	\$2,292,408	\$428,398	\$360,500	\$43,824	\$3,125,130

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 17 - Interfund Transfers and Balances (Continued)

B. Balances

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds. It is also to cover those funds that owe the Hospitalization Fund for claims incurred. All interfund balances will be repaid within one year. Interfund balances at December 31, 2004, consist of the following:

Interfund Payable	Interfund Receivable		Total
	General	Hospitalization	
<i>Governmental Activities</i>			
Major Funds:			
General	\$0	\$281,163	\$281,163
<i>Special Revenue Funds:</i>			
Streets and Highways	0	16,289	16,289
Community Development Block Grant	96,959	4,958	101,917
Office on Aging	0	26,204	26,204
Lakewood Hospital	0	15,581	15,581
Nonmajor Funds			
<i>Special Revenue Funds:</i>			
JAIBG	2,236	0	2,236
Total Governmental Activities	99,195	344,195	443,390
<i>Business Type Activities</i>			
Major Funds:			
<i>Enterprise Funds:</i>			
Water	0	13,456	13,456
Sewer	0	26,912	26,912
Nonmajor Funds			
Parking Facilities	0	1,416	1,416
Winterhurst Ice Rink	0	708	708
Total Business Type Activities	0	42,492	42,492
Total	\$99,195	\$386,687	\$485,882

Note 18 - Jointly Governed Organization

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2004, the City contributed \$97,934 which represented 27.8 percent of total contributions.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2004

Note 19 - Subsequent Event

On May 26, 2005 the City issued \$21,210,000 in various purpose General Obligation Bonds. The bonds were issued for an interest rate of 4.6%. Of that amount, \$9,840,000 is an advance refund of the 1995 issue, \$400,000 is a 20 year TIF bond for Vedda printing, and the remaining \$11,330,000 is for 2004 bond anticipation notes that were to mature on June 2, 2005 in the amount of \$13,213,000.

On June 2, 2005, the City issued \$15,737,000 in various purpose bond anticipation notes. These notes were issued at an interest rate of 3.5%.

Note 20 – Contractual Commitments

The following were contractual commitments outstanding at December 31, 2004:

<u>Project</u>	<u>Amount Remaining</u>
Sloane Avenue Sewer Improvement	\$797,510
Merle Avenue Street Reconstruction	34,606
Franklin Road Watermain Improvement	195,671
Detroit Road Sanitary Sewer Improvement	158,652
Warren Road Sanitary and Storm Sewer Replacement	<u>278,629</u>
Total	<u>\$1,465,068</u>

Combining Statements-Nonmajor Governmental Funds

Fund Descriptions

Nonmajor Special Revenue Funds

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

Litter Control Grant Fund	To account for the revenues received from Ohio Department of Natural Resources and expenditures relative to this litter control program.
Community Festival Fund	To account for the revenues and expenditures relating to various community activities held during the year.
Law and Drug Enforcement Trust Fund	To account for confiscated property and forfeited bonds. Monies are designated for specific law enforcement purposes and activities.
Bureau of Justice Grant Fund	To account for grant proceeds from the federal government and the expenditures relative to this program.
Federal Forfeiture Fund	To account for profits forfeited by illegal enterprises. These are the result of joint investigations between the Lakewood Police Department and Federal Agencies. The revenues in this fund may only be used per specific requirements of the federal code to support law enforcement investigations, and to provide necessary technology, equipment and training.
Indigent Drivers Alcohol Treatment Fund	To account fines from persons convicted of “Driving while under the influence of alcohol (D.U.I.)”
Enforcement and Education Fund	To account for fines imposed by the Courts which are used for programs aimed at further education and enforcement of D.U.I. laws.
Political Subdivision Fund	To account for fines imposed by the Courts which is distributed to the political subdivision responsible for housing the D.U.I. offender to offset related costs.
Computer Research and Maintenance Fund	To account for fines imposed by the Courts which is used to provide computerized research services and maintenance of the Court’s computer system.

Court Special Projects Fund	To account for fines imposed by the Courts which is used for special projects of the Lakewood Municipal Court.
Court Probation Services Fund	To account for fines imposed by the Courts which is used for the operations of the Probation Department of the Lakewood Municipal Court.
Emergency Shelter Grant Fund	To account for grants issued to the City by the United States Department of Housing and Urban Development (HUD) to fund the renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless.
HOME Investment Program Fund	To account for the revenues used to help first-time homebuyer with low and moderate income to purchase a new home.
Lead-Based Paint Hazard Control Fund	To account for grant funds used to assist families with low to moderate income and who have children under the age of six who are at risk for lead paint poisoning.
Childrens' Trust Grant Fund	To account for the revenue received from the Governor's Office of Criminal Justice Services used to implement a comprehensive community awareness and crime prevention program for Lakewood's youth.
Little Links Fund	To account for the operation and maintenance of the City's miniature golf course.
Juvenile Accountability Incentive Block Grant Fund	To account for grant proceeds from the State used to decrease the number of juveniles entering the court system.
Byrne Memorial Grant Fund	To account for grant proceeds from the State used to expand the community safety outreach program.
Help-to-Others Fund	To account for camp registrations and donations used to fund a youth program that promotes volunteerism.
Juvenile Diversion Fund	To account for monies received from Cuyahoga County used to establish or expand community policing programs.
Family Day Care Program Fund	To account for grant proceeds received from the State of Ohio USDA to provide reimbursements to home daycare providers for food and snacks served to eligible children in their care.
Federal Emergency Management Fund	To account for Federal and State monies used for the restoration of areas hit by natural disasters.

NonMajor Debt Service Fund

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

Tax Increment Financing (TIF) Bond Retirement Fund	To account for the principal and interest payments on tax increment financing general obligation bonds.
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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).

Lakehouse Breakwall Fund	To account for the construction of a permanent breakwall to protect the property of the citizens of the City.
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Land Acquisition Fund	To account for the acquisition of properties to be developed for recreation, economic or other purposes as deemed appropriate by City Council and the Mayor.
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City Park Improvement Fund	To account for resources for the improvement of the City Park.
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City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 829,819	\$ 100,617	\$ 165,163	\$ 1,095,599
Accounts Receivable	15,887	0	0	15,887
Intergovernmental Receivable	77,507	0	0	77,507
<i>Total Assets</i>	<u>\$ 923,213</u>	<u>\$ 100,617</u>	<u>\$ 165,163</u>	<u>\$ 1,188,993</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 74,155	\$ 0	\$ 0	\$ 74,155
Interfund Payable	2,236	0	0	2,236
<i>Total Liabilities</i>	<u>76,391</u>	<u>0</u>	<u>0</u>	<u>76,391</u>
Fund Balances				
Reserved for Encumbrances	1,620	0	0	1,620
Unreserved, Undesignated Reported In:				
Special Revenue Funds	845,202	0	0	845,202
Debt Service Fund	0	100,617	0	100,617
Capital Projects Funds	0	0	165,163	165,163
<i>Total Fund Balances</i>	<u>846,822</u>	<u>100,617</u>	<u>165,163</u>	<u>1,112,602</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 923,213</u>	<u>\$ 100,617</u>	<u>\$ 165,163</u>	<u>\$ 1,188,993</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Payment in Lieu of Taxes	\$ 0	\$ 100,617	\$ 0	\$ 100,617
Charges for Services	23,541	0	0	23,541
Fines and Forfeitures	176,737	0	0	176,737
Intergovernmental	723,214	0	0	723,214
Special Assessments	0	0	5,643	5,643
Miscellaneous	99,151	0	0	99,151
<i>Total Revenues</i>	<u>1,022,643</u>	<u>100,617</u>	<u>5,643</u>	<u>1,128,903</u>
Expenditures				
Current:				
General Government	94,538	0	0	94,538
Security of Persons and Property				
Police	205,176	0	0	205,176
Fire	138,706	0	0	138,706
Public Health Services	16,400	0	0	16,400
Community Environment	585,031	0	0	585,031
<i>Total Expenditures</i>	<u>1,039,851</u>	<u>0</u>	<u>0</u>	<u>1,039,851</u>
Excess of Revenues Over (Under) Expenditures	<u>(17,208)</u>	<u>100,617</u>	<u>5,643</u>	<u>89,052</u>
Other Financing Sources (Uses)				
Sale of Assets	7,592	0	0	7,592
Transfers In	67,408	0	0	67,408
Transfers Out	(43,824)	0	0	(43,824)
<i>Total Other Financing Sources</i>	<u>31,176</u>	<u>0</u>	<u>0</u>	<u>31,176</u>
<i>Net Change in Fund Balances</i>	<u>13,968</u>	<u>100,617</u>	<u>5,643</u>	<u>120,228</u>
<i>Fund Balances Beginning of Year</i>	<u>832,854</u>	<u>0</u>	<u>159,520</u>	<u>992,374</u>
<i>Fund Balances End of Year</i>	<u>\$ 846,822</u>	<u>\$ 100,617</u>	<u>\$ 165,163</u>	<u>\$ 1,112,602</u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	Litter Control <u>Grant Fund</u>	Community <u>Festival Fund</u>	Law and Drug Enforcement <u>Trust Fund</u>	Bureau of Justice <u>Grant Fund</u>	Federal <u>Forfeiture Fund</u>
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$ 1,966	\$ 3,896	\$ 277,623	\$ 22,884	\$ 32,657
Receivables:					
Accounts	0	0	697	0	6,433
Intergovernmental	9,826	0	0	0	0
<i>Total Assets</i>	<u>\$ 11,792</u>	<u>\$ 3,896</u>	<u>\$ 278,320</u>	<u>\$ 22,884</u>	<u>\$ 39,090</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 18,145	\$ 22,881	\$ 0
Interfund Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>18,145</u>	<u>22,881</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	312	0	1,308	0	0
Unreserved, Undesignated	11,480	3,896	258,867	3	39,090
<i>Total Fund Balances</i>	<u>11,792</u>	<u>3,896</u>	<u>260,175</u>	<u>3</u>	<u>39,090</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 11,792</u>	<u>\$ 3,896</u>	<u>\$ 278,320</u>	<u>\$ 22,884</u>	<u>\$ 39,090</u>

Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Political Subdivision Fund	Computer Research and Maintenance Fund	Court Special Projects Fund	Court Probation Services Fund
\$ 128,321	\$ 170,159	\$ 283	\$ 52,014	\$ 56,648	\$ 40,913
425	1,431	65	1,406	2,473	2,957
0	0	0	0	0	0
<u>\$ 128,746</u>	<u>\$ 171,590</u>	<u>\$ 348</u>	<u>\$ 53,420</u>	<u>\$ 59,121</u>	<u>\$ 43,870</u>
\$ 0	\$ 27,706	\$ 0	\$ 2,190	\$ 0	\$ 0
0	0	0	0	0	0
0	27,706	0	2,190	0	0
0	0	0	0	0	0
128,746	143,884	348	51,230	59,121	43,870
128,746	143,884	348	51,230	59,121	43,870
<u>\$ 128,746</u>	<u>\$ 171,590</u>	<u>\$ 348</u>	<u>\$ 53,420</u>	<u>\$ 59,121</u>	<u>\$ 43,870</u>

continued

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2004

	Emergency Shelter Grant Fund	HOME Investment Program Fund	Little Links Fund	Juvenile Accountability Incentive Block Grant Fund	Help-to-Others Fund
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$ 2,487	\$ 30,000	\$ 6,700	\$ 0	\$ 1,445
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	3,233	32,500	0	2,693	0
<i>Total Assets</i>	<u>\$ 5,720</u>	<u>\$ 62,500</u>	<u>\$ 6,700</u>	<u>\$ 2,693</u>	<u>\$ 1,445</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 3,233	\$ 0	\$ 0	\$ 0	\$ 0
Interfund Payable	0	0	0	2,236	0
<i>Total Liabilities</i>	<u>3,233</u>	<u>0</u>	<u>0</u>	<u>2,236</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	0
Unreserved, Undesignated	2,487	62,500	6,700	457	1,445
<i>Total Fund Balances</i>	<u>2,487</u>	<u>62,500</u>	<u>6,700</u>	<u>457</u>	<u>1,445</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 5,720</u>	<u>\$ 62,500</u>	<u>\$ 6,700</u>	<u>\$ 2,693</u>	<u>\$ 1,445</u>

Juvenile Diversion Fund	Family Day Care Program Fund	Federal Emergency Management Fund	Total Nonmajor Special Revenue Funds
\$ 100	\$ 914	\$ 809	\$ 829,819
0	0	0	\$ 15,887
0	29,255	0	\$ 77,507
<u>\$ 100</u>	<u>\$ 30,169</u>	<u>\$ 809</u>	<u>\$ 923,213</u>
\$ 0	\$ 0	\$ 0	\$ 74,155
0	0	0	2,236
<u>0</u>	<u>0</u>	<u>0</u>	<u>76,391</u>
0	0	0	1,620
100	30,169	809	845,202
<u>100</u>	<u>30,169</u>	<u>809</u>	<u>846,822</u>
<u>\$ 100</u>	<u>\$ 30,169</u>	<u>\$ 809</u>	<u>\$ 923,213</u>

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Litter Control Grant Fund	Community Festival Fund	Law and Drug Enforcement Trust Fund	Bureau of Justice Grant Fund	Federal Forfeiture Fund
Revenues					
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines and Forfeitures	0	0	6,193	0	46,430
Intergovernmental	55,105	0	15,169	0	0
Miscellaneous	0	3,000	62,182	0	0
<i>Total Revenues</i>	<u>55,105</u>	<u>3,000</u>	<u>83,544</u>	<u>0</u>	<u>46,430</u>
Expenditures					
Current:					
General Government	0	10,745	0	0	0
Security of Persons and Property					
Police	0	0	93,640	36,451	38,866
Fire	0	0	0	0	0
Public Health Services	0	0	0	0	0
Community Environment	67,159	0	0	0	0
<i>Total Expenditures</i>	<u>67,159</u>	<u>10,745</u>	<u>93,640</u>	<u>36,451</u>	<u>38,866</u>
Excess of Revenues Over (Under) Expenditures	<u>(12,054)</u>	<u>(7,745)</u>	<u>(10,096)</u>	<u>(36,451)</u>	<u>7,564</u>
Other Financing Sources (Uses)					
Sale of Assets	0	0	7,592	0	0
Transfers In	18,700	5,000	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>18,700</u>	<u>5,000</u>	<u>7,592</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>6,646</u>	<u>(2,745)</u>	<u>(2,504)</u>	<u>(36,451)</u>	<u>7,564</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,146</u>	<u>6,641</u>	<u>262,679</u>	<u>36,454</u>	<u>31,526</u>
<i>Fund Balances End of Year</i>	<u>\$ 11,792</u>	<u>\$ 3,896</u>	<u>\$ 260,175</u>	<u>\$ 3</u>	<u>\$ 39,090</u>

Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Political Subdivision Fund	Computer Research and Maintenance Fund	Court Special Projects Fund	Court Probation Services Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
13,832	8,241	3,355	22,908	40,579	35,199
0	0	0	0	0	0
0	6,400	0	0	0	0
<u>13,832</u>	<u>14,641</u>	<u>3,355</u>	<u>22,908</u>	<u>40,579</u>	<u>35,199</u>
8,465	0	0	32,648	0	42,680
0	36,219	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>8,465</u>	<u>36,219</u>	<u>0</u>	<u>32,648</u>	<u>0</u>	<u>42,680</u>
5,367	(21,578)	3,355	(9,740)	40,579	(7,481)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	(5,000)	0	0	0
0	0	(5,000)	0	0	0
5,367	(21,578)	(1,645)	(9,740)	40,579	(7,481)
123,379	165,462	1,993	60,970	18,542	51,351
<u>\$ 128,746</u>	<u>\$ 143,884</u>	<u>\$ 348</u>	<u>\$ 51,230</u>	<u>\$ 59,121</u>	<u>\$ 43,870</u>

continued

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2004

	Emergency Shelter Grant Fund	HOME Investment Program Fund	Lead-Based Paint Hazard Control Fund	Childrens Trust Grant Fund	Little Links Fund
Revenues					
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,066
Fines and Forfeitures	0	0	0	0	0
Intergovernmental	81,148	75,000	152,777	0	0
Miscellaneous	0	0	0	0	260
<i>Total Revenues</i>	<u>81,148</u>	<u>75,000</u>	<u>152,777</u>	<u>0</u>	<u>16,326</u>
Expenditures					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property					
Police	0	0	0	0	0
Fire	0	0	0	0	0
Public Health Services	0	0	0	0	0
Community Environment	80,306	80,000	147,892	0	15,722
<i>Total Expenditures</i>	<u>80,306</u>	<u>80,000</u>	<u>147,892</u>	<u>0</u>	<u>15,722</u>
Excess of Revenues Over (Under) Expenditures	<u>842</u>	<u>(5,000)</u>	<u>4,885</u>	<u>0</u>	<u>604</u>
Other Financing Sources (Uses)					
Sale of Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	(324)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(324)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	842	(5,000)	4,885	(324)	604
<i>Fund Balances (Deficit) Beginning of Year</i>	1,645	67,500	(4,885)	324	6,096
<i>Fund Balances End of Year</i>	<u>\$ 2,487</u>	<u>\$ 62,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,700</u>

Juvenile Accountability Incentive Block Grant Fund	Byrne Memorial Grant Fund	Help-to-Others Fund	Juvenile Diversion	Family Day Care Program Fund	Federal Emergency Management	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 7,475	\$ 0	\$ 0	\$ 0	\$ 23,541
0	0	0	0	0	0	176,737
11,596	0	0	16,500	182,232	133,687	723,214
0	0	20,918	0	6,391	0	99,151
<u>11,596</u>	<u>0</u>	<u>28,393</u>	<u>16,500</u>	<u>188,623</u>	<u>133,687</u>	<u>1,022,643</u>
0	0	0	0	0	0	94,538
0	0	0	0	0	0	205,176
0	0	0	0	0	138,706	138,706
0	0	0	16,400	0	0	16,400
11,791	0	28,393	0	153,768	0	585,031
<u>11,791</u>	<u>0</u>	<u>28,393</u>	<u>16,400</u>	<u>153,768</u>	<u>138,706</u>	<u>1,039,851</u>
(195)	0	0	100	34,855	(5,019)	(17,208)
0	0	0	0	0	0	7,592
1,288	0	0	0	0	42,420	67,408
0	(1,908)	0	0	0	(36,592)	(43,824)
<u>1,288</u>	<u>(1,908)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,828</u>	<u>31,176</u>
1,093	(1,908)	0	100	34,855	809	13,968
(636)	1,908	1,445	0	(4,686)	0	832,854
<u>\$ 457</u>	<u>\$ 0</u>	<u>\$ 1,445</u>	<u>\$ 100</u>	<u>\$ 30,169</u>	<u>\$ 809</u>	<u>\$ 846,822</u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004

	<u>Lakehouse Breakwall Fund</u>	<u>Land Acquisition Fund</u>	<u>City Park Improvement Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$ 15,153	\$ 150,000	\$ 10	\$ 165,163
<i>Total Assets</i>	<u>\$ 15,153</u>	<u>\$ 150,000</u>	<u>\$ 10</u>	<u>\$ 165,163</u>
Liabilities and Fund Balance				
Liabilities				
<i>Total Liabilities</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances				
Reserved for Encumbrances				0
Unreserved, Undesignated	15,153	150,000	10	165,163
<i>Total Fund Balances</i>	<u>15,153</u>	<u>150,000</u>	<u>10</u>	<u>165,163</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 15,153</u>	<u>\$ 150,000</u>	<u>\$ 10</u>	<u>\$ 165,163</u>

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004

	Lakehouse Breakwall Fund	Land Acquisition Fund	City Park Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues				
Special Assessments	\$ 5,643	\$ 0	\$ 0	\$ 5,643
<i>Total Revenues</i>	5,643	0	0	5,643
<i>Total Expenditures</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	5,643	0	0	5,643
<i>Fund Balances Beginning of Year</i>	9,510	150,000	10	159,520
<i>Fund Balances End of Year</i>	\$ 15,153	\$ 150,000	\$ 10	\$ 165,163

Combining Statements-Nonmajor Proprietary Funds

Fund Descriptions

Nonmajor Enterprise Funds

Enterprise Funds are established to account for operations that are financed by user charges for goods or services provided primarily to the general public.

Parking Facilities Fund	To account for the off-street parking services provided by the City.
Winterhurst Ice Rink Fund	To account for the revenues and costs of operating the municipal ice rink facility.
Congregate Living Facility Fund	To account for residential accommodations for senior citizens provided by the City.

Internal Service Funds

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

Hospitalization Fund	To account for the premiums charged to City funds and the payments incurred for claims.
Workers' Compensation Fund	To account for workers' compensation costs incurred under the State's retrospectively rated workers' compensation program.
General Liability Fund	To account for the funds reserved to finance potential losses on property and liability cases.

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2004

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Assets				
Current Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$ 78,908	\$ 221,665	\$ 4,675	\$ 305,248
Accounts Receivable	0	45,681	0	45,681
Materials and Supplies Inventory	48,949	43,150	0	92,099
Total Current Assets	<u>127,857</u>	<u>310,496</u>	<u>4,675</u>	<u>443,028</u>
Noncurrent Assets				
Deferred Bond Issuance Costs	0	11,521	0	11,521
Nondepreciable Assets	77,130	114,350	10	191,490
Depreciable Assets, Net	148,541	1,577,996	42,916	1,769,453
Total Noncurrent Assets	<u>225,671</u>	<u>1,703,867</u>	<u>42,926</u>	<u>1,972,464</u>
<i>Total Assets</i>	<u>353,528</u>	<u>2,014,363</u>	<u>47,601</u>	<u>2,415,492</u>
Liabilities				
Current Liabilities				
Accounts Payable	55,281	37,683	745	93,709
Accrued Wages and Benefits	3,038	5,815	0	8,853
Intergovernmental payable	7,061	15,767	0	22,828
Interfund Payable	1,416	708	0	2,124
Accrued Interest Payable	0	7,200	0	7,200
Compensated Abscense Payable	3,051	1,010	0	4,061
Bonds Payable	0	23,200	0	23,200
Total Current Liabilities	<u>69,847</u>	<u>91,383</u>	<u>745</u>	<u>161,975</u>
Long Term Liabilities:				
Notes Payable	0	215,000	0	215,000
Compensated Absence Payable	14,969	29,542	0	44,511
Bonds Payable	0	1,219,000	0	1,219,000
Total Long Term Liabilities	<u>14,969</u>	<u>1,463,542</u>	<u>0</u>	<u>1,478,511</u>
<i>Total Liabilities</i>	<u>84,816</u>	<u>1,554,925</u>	<u>745</u>	<u>1,640,486</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	225,671	246,667	42,926	515,264
Unrestricted	43,041	212,771	3,930	259,742
Total Net Assets	<u>\$ 268,712</u>	<u>\$ 459,438</u>	<u>\$ 46,856</u>	<u>\$ 775,006</u>

City of Lakewood, Ohio
Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2004

	Parking Facilities Fund	Winterhurst Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for Services	\$ 290,229	\$ 714,895	\$ 5,594	\$ 1,010,718
Miscellaneous	2,318	0	0	2,318
<i>Total Operating Revenues</i>	<u>292,547</u>	<u>714,895</u>	<u>5,594</u>	<u>1,013,036</u>
Operating Expenses				
Personal Services	182,133	355,372	0	537,505
Contractual Services	29,749	137,219	294	167,262
Materials and Supplies	69,714	104,132	0	173,846
Heat, Light, Power	19,630	258,775	3,764	282,169
Depreciation	24,498	47,844	795	73,137
<i>Total Operating Expenses</i>	<u>325,724</u>	<u>903,342</u>	<u>4,853</u>	<u>1,233,919</u>
Operating Income (loss)	<u>(33,177)</u>	<u>(188,447)</u>	<u>741</u>	<u>(220,883)</u>
Non Operating Revenues (Expenses)				
Interest	0	933	0	933
Interest and Fiscal Charges	0	(66,403)	0	(66,403)
<i>Total Nonoperating Revenues (Expenses)</i>	<u>0</u>	<u>(65,470)</u>	<u>0</u>	<u>(65,470)</u>
Net Income (Loss) Before Transfers	(33,177)	(253,917)	741	(286,353)
Transfers In	0	500,000	5,000	505,000
<i>Change in Net Assets</i>	(33,177)	246,083	5,741	218,647
<i>Net Assets Beginning of Year</i>	301,889	213,355	41,115	556,359
<i>Net Assets End of Year</i>	<u>\$ 268,712</u>	<u>\$ 459,438</u>	<u>\$ 46,856</u>	<u>\$ 775,006</u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2004

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 290,229	\$ 710,765	\$ 5,594	\$ 1,006,588
Cash Received from Other Operating Sources	2,318	0	0	2,318
Cash Payments to Suppliers for Goods and Services	(111,674)	(486,001)	(3,334)	(601,009)
Cash Payments for Employee Services and Benefits	(186,344)	(393,847)	(5,202)	(585,393)
<i>Net Cash Used for Operating Activities</i>	<u>(5,471)</u>	<u>(169,083)</u>	<u>(2,942)</u>	<u>(177,496)</u>
Cash Flows from Noncapital Financing Activities				
Transfer In	0	500,000	5,000	505,000
Advances Out	0	(124,073)	0	(124,073)
<i>Net Cash Provided by Non-capital Financing Activities</i>	<u>0</u>	<u>375,927</u>	<u>5,000</u>	<u>380,927</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	0	(114,340)	0	(114,340)
Proceeds From Notes	0	215,000	0	215,000
Principal paid on Bonds and Notes	0	(23,200)	0	(23,200)
Interest and Fiscal Charges Paid on Bonds	0	(63,572)	0	(63,572)
<i>Net Cash Provided by Capital and Related Financing Activities</i>	<u>0</u>	<u>13,888</u>	<u>0</u>	<u>13,888</u>
Cash Flows from Investing Activities				
Interest	0	933	0	933
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(5,471)	221,665	2,058	218,252
<i>Cash and Cash Equivalents Beginning of Year</i>	84,379	0	2,617	86,996
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 78,908</u>	<u>\$ 221,665</u>	<u>\$ 4,675</u>	<u>\$ 305,248</u>

continued

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended December 31, 2004

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities				
<i>Operating Income (Loss)</i>	\$ (33,177)	\$ (188,447)	\$ 741	\$ (220,883)
Adjustments:				
Depreciation	24,498	47,844	795	73,137
(Increase) Decrease in Assets:				
Accounts Receivable	0	(4,130)	0	(4,130)
Materials and Supplies Inventory	3,773	(4,064)	0	(291)
Increase (Decrease) in Liabilities:				
Accounts Payable	3,646	18,189	(4,478)	17,357
Accrued Wages	(2,782)	(10,495)	0	(13,277)
Compensated Absences	(386)	(23,116)	0	(23,502)
Interfund Payable	(1,006)	(907)	0	(1,913)
Intergovernmental Payable	(37)	(3,957)	0	(3,994)
<i>Net Cash Used for Operating Activities</i>	<u>\$ (5,471)</u>	<u>\$ (169,083)</u>	<u>\$ (2,942)</u>	<u>\$ (177,496)</u>

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2004

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Assets				
Current Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$ 669,657	\$ 1,891,197	\$ 112,994	\$ 2,673,848
Accrued Interest Receivable	0	0	6,097	6,097
Prepaid Items	93,983	0	0	93,983
Interfund Receivable	386,687	0	0	386,687
<i>Total Assets</i>	<u>1,150,327</u>	<u>1,891,197</u>	<u>119,091</u>	<u>3,160,615</u>
Liabilities				
Current Liabilities				
Accounts Payable	85,537	0	10,000	95,537
Intergovernmental Payable	0	304,725	0	304,725
Claims Payable	386,687	1,396,362	23,000	1,806,049
<i>Total Liabilities</i>	<u>472,224</u>	<u>1,701,087</u>	<u>33,000</u>	<u>2,206,311</u>
Net Assets				
Unrestricted	678,103	190,110	86,091	954,304
<i>Total Net Assets</i>	<u>\$ 678,103</u>	<u>\$ 190,110</u>	<u>\$ 86,091</u>	<u>\$ 954,304</u>

City of Lakewood, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2004

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Operating Revenues				
Charges for Services	\$ 4,010,796	\$ 700,000	\$ 0	\$ 4,710,796
Miscellaneous	158,828	1,538	0	160,366
<i>Total Operating Revenues</i>	<u>4,169,624</u>	<u>701,538</u>	<u>0</u>	<u>4,871,162</u>
Operating Expenses				
Contractual Services	38,725	25,630	0	64,355
Workers Compensation Premium	0	350,054	0	350,054
Claims	4,079,501	191,389	13,041	4,283,931
<i>Total Operating Expenses</i>	<u>4,118,226</u>	<u>567,073</u>	<u>13,041</u>	<u>4,698,340</u>
<i>Operating Income (Loss)</i>	<u>51,398</u>	<u>134,465</u>	<u>(13,041)</u>	<u>172,822</u>
Non Operating Revenue				
Interest	0	0	3,409	3,409
<i>Total Non Operating Revenue</i>	<u>0</u>	<u>0</u>	<u>3,409</u>	<u>3,409</u>
<i>Change in Net Assets</i>	51,398	134,465	(9,632)	176,231
<i>Net Assets Beginning of Year</i>	<u>626,705</u>	<u>55,645</u>	<u>95,723</u>	<u>778,073</u>
<i>Net Assets at End of Year</i>	<u>\$ 678,103</u>	<u>\$ 190,110</u>	<u>\$ 86,091</u>	<u>\$ 954,304</u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2004

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Transactions with Other Funds	\$ 4,079,537	\$ 700,000	\$ 0	\$ 4,779,537
Cash Received from Other Operating Sources	158,828	1,538	0	160,366
Cash Payments to Suppliers for Goods and Services	(34,670)	(28,292)	(2,077)	(65,039)
Cash Payments for Claims	(4,242,225)	(307,387)	(13,041)	(4,562,653)
Cash Payments for Workers Compensation Premium	0	(350,054)	0	(350,054)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(38,530)</u>	<u>15,805</u>	<u>(15,118)</u>	<u>(37,843)</u>
Cash Flows from Investing Activities				
Interest	0	0	(2,051)	(2,051)
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>0</u>	<u>(2,051)</u>	<u>(2,051)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalent</i>	(38,530)	15,805	(17,169)	(39,894)
<i>Cash and Cash Equivalents Beginning of Year</i>	708,187	1,875,392	130,163	2,713,742
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 669,657</u>	<u>\$ 1,891,197</u>	<u>\$ 112,994</u>	<u>\$ 2,673,848</u>

continued

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended December 31, 2004

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	\$ 51,398	\$ 134,465	\$ (13,041)	\$ 172,822
Adjustments:				
(Increase) Decrease in Assets:				
Interfund Receivable	68,741	0	0	68,741
Prepaid Items	(93,983)	0	0	(93,983)
Increase (Decrease) in Liabilities:				
Accounts Payable	4,055	0	(2,077)	1,978
Intergovernmental Payable	0	(2,662)	0	(2,662)
Claims Payable	(68,741)	(115,998)	0	(184,739)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ (38,530)</u>	<u>\$ 15,805</u>	<u>\$ (15,118)</u>	<u>\$ (37,843)</u>

Combining Statements-Fiduciary Funds

Fund Descriptions

Agency Funds

Agency Funds are established to account for assets received and disbursed by the City acting in the capacity of an agent or custodian.

Municipal Court Fund To account for assets received and disbursed by the Municipal Court as agent or custodian relative to civil or criminal court matters.

Deposits To hold funds received from a contractor, developer, or individual to insure compliance with the ordinances of the City of Lakewood.

City of Lakewood, Ohio
Combining Statement of Assets and Liabilities
All Agency Funds
December 31, 2004

	Municipal Court Fund	Deposits Fund	Total Agency Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 1,072,382	\$ 1,072,382
Cash and Investments in Segregated Accounts	213,371	0	213,371
<i>Total Assets</i>	<u>\$ 213,371</u>	<u>\$ 1,072,382</u>	<u>\$ 1,285,753</u>
Liabilities			
Undistributed Monies	\$ 213,371	\$ 0	\$ 213,371
Deposits Held and Due to Others	0	1,072,382	1,072,382
<i>Total Liabilities</i>	<u>\$ 213,371</u>	<u>\$ 1,072,382</u>	<u>\$ 1,285,753</u>

City of Lakewood, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2004

	Balance 12/31/03	Additions	Reductions	Balance 12/31/04
<i>Municipal Court Fund</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$ 205,667	\$ 2,885,695	\$ 2,877,991	\$ 213,371
Liabilities				
Undistributed Monies	\$ 205,667	\$ 2,885,695	\$ 2,877,991	\$ 213,371
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,012,395	\$ 203,777	\$ 143,790	\$ 1,072,382
Liabilities				
Deposits Held and Due to Others	\$ 1,012,395	\$ 203,777	\$ 143,790	\$ 1,072,382
<i>Total Liabilities</i>	<u>\$ 1,012,395</u>	<u>\$ 203,777</u>	<u>\$ 143,790</u>	<u>\$ 1,072,382</u>
<i>Totals - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,012,395	\$ 203,777	\$ 143,790	\$ 1,072,382
Cash and Investments in Segregated Accounts	205,667	2,885,695	2,877,991	213,371
<i>Total Assets</i>	<u>\$ 1,218,062</u>	<u>\$ 3,089,472</u>	<u>\$ 3,021,781</u>	<u>\$ 1,285,753</u>
Liabilities				
Undistributed Monies	\$ 205,667	\$ 2,885,695	\$ 2,877,991	\$ 213,371
Deposits Held and Due to Others	1,012,395	203,777	143,790	1,072,382
<i>Total Liabilities</i>	<u>\$ 1,218,062</u>	<u>\$ 3,089,472</u>	<u>\$ 3,021,781</u>	<u>\$ 1,285,753</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES
EXPENDITURES/EXPENSES AND CHANGES IN
FUND BALANCE/EQUITY - BUDGET (NON-GAAP
BASIS) AND ACTUAL**

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 6,932,332	\$ 6,932,332	\$ 6,966,801	\$ 34,469
Municipal Income Taxes	16,600,000	16,600,000	16,763,579	163,579
Charges for Services	1,744,227	1,744,227	1,795,989	51,762
Licenses, Permits and Fees	750,000	750,000	849,521	99,521
Fines and Forfeitures	1,257,000	1,257,000	1,291,438	34,438
Intergovernmental	6,321,846	6,324,846	6,082,256	(242,590)
Interest	328,480	328,480	322,705	(5,775)
Miscellaneous	41,240	41,240	106,079	64,839
<i>Total Revenues</i>	33,975,125	33,978,125	34,178,368	200,243
Expenditures				
General Government:				
Council				
Salaries	135,615	135,615	135,882	(267)
Fringe Benefits	49,512	49,512	58,149	(8,637)
Travel and Transportation	8,500	8,650	2,740	5,910
Professional Services	33,600	20,100	1,733	18,367
Communications	3,520	3,520	2,245	1,275
Materials and Supplies	2,945	4,745	2,432	2,313
Capital Outlay	0	1,290	2,486	(1,196)
Other	11,700	11,610	6,666	4,944
Total Council	245,392	235,042	212,333	22,709
Municipal Court				
Salaries	917,425	917,425	884,076	33,349
Fringe Benefits	263,727	304,722	294,987	9,735
Travel and Transportation	8,500	6,200	1,930	4,270
Professional Services	46,800	46,800	25,986	20,814
Communications	58,250	58,250	40,433	17,817
Materials and Supplies	25,600	24,278	20,251	4,027
Capital Outlay	0	122	121	1
Other	12,050	15,550	12,955	2,595
Total Municipal Court	1,332,352	1,373,347	1,280,739	92,608
Civil Service				
Salaries	59,820	59,820	58,644	1,176
Fringe Benefits	16,137	16,137	18,710	(2,573)
Professional Services	50,835	26,635	25,296	1,339
Communications	1,000	1,000	740	260
Materials and Supplies	1,500	1,500	199	1,301
Other	1,450	1,650	1,045	605
Total Civil Service	\$ 130,742	\$ 106,742	\$ 104,634	\$ 2,108

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Mayor's Office				
Salaries	\$ 220,193	\$ 222,683	\$ 222,181	\$ 502
Fringe Benefits	51,461	52,461	55,557	(3,096)
Travel and Transportation	4,500	4,600	3,679	921
Professional Services	9,500	8,650	7,875	775
Communications	4,200	2,800	2,235	565
Materials and Supplies	3,550	2,650	2,365	285
Capital Outlay	4,500	4,800	6,605	(1,805)
Other	3,200	2,460	1,603	857
Total Mayor's Office	301,104	301,104	302,100	(996)
Human Resources				
Salaries	223,586	214,586	203,468	11,118
Fringe Benefits	59,037	59,037	63,342	(4,305)
Travel and Transportation	1,000	1,000	202	798
Professional Services	40,291	27,791	21,083	6,708
Communications	3,478	3,478	3,288	190
Materials and Supplies	5,834	5,834	4,117	1,717
Capital Outlay	2,000	2,000	2,000	0
Other	28,898	23,898	15,728	8,170
Total Human Resources	364,124	337,624	313,228	24,396
Community Relations				
Salaries	55,498	55,498	53,982	1,516
Fringe Benefits	11,514	11,514	20,248	(8,734)
Professional Services	15,344	3,014	1,709	1,305
Communications	16,800	3,300	2,225	1,075
Contractual Services	5,000	5,130	5,128	2
Materials and Supplies	3,700	8,500	7,322	1,178
Capital Outlay	0	0	800	(800)
Other	48,750	17,650	9,892	7,758
Total Community Relations	156,606	104,606	101,306	3,300
Public Works Administration				
Salaries	178,399	178,399	170,191	8,208
Fringe Benefits	56,141	56,141	61,712	(5,571)
Professional Services	60	60	63	(3)
Communications	3,500	3,500	2,989	511
Materials and Supplies	3,450	2,590	1,525	1,065
Capital Outlay	0	1,160	2,759	(1,599)
Other	4,000	3,700	1,998	1,702
Total Public Works Administration	\$ 245,550	\$ 245,550	\$ 241,237	\$ 4,313

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Buildings and Facilities				
Salaries	\$ 369,146	\$ 369,146	\$ 358,055	\$ 11,091
Fringe Benefits	91,511	91,511	101,431	(9,920)
Professional Services	665	665	35	630
Communications	9,075	9,075	9,081	(6)
Contractual Services	14,000	16,550	13,562	2,988
Materials and Supplies	27,850	25,987	14,020	11,967
Capital Outlay	0	1,190	2,435	(1,245)
Other	201,583	199,883	195,999	3,884
Total Buildings and Facilities	<u>713,830</u>	<u>714,007</u>	<u>694,618</u>	<u>19,389</u>
Fleet Management				
Salaries	641,000	641,000	611,082	29,918
Fringe Benefits	185,338	185,338	208,883	(23,545)
Professional Services	2,115	2,115	875	1,240
Communications	3,624	3,624	4,196	(572)
Contractual Services	3,100	3,855	3,777	78
Materials and Supplies	33,973	33,818	19,551	14,267
Capital Outlay	4,000	4,000	7,634	(3,634)
Other	40,603	40,003	28,577	11,426
Total Fleet Management	<u>913,753</u>	<u>913,753</u>	<u>884,575</u>	<u>29,178</u>
Engineering				
Salaries	380,525	380,525	349,657	30,868
Fringe Benefits	104,733	104,733	114,807	(10,074)
Travel and Transportation	300	300	139	161
Professional Services	13,000	13,000	1,343	11,657
Communications	5,000	5,000	4,599	401
Contractual Services	100	100	0	100
Materials and Supplies	6,500	6,500	2,642	3,858
Capital Outlay	0	0	3,200	(3,200)
Other	18,050	18,050	9,971	8,079
Total Engineering	<u>528,208</u>	<u>528,208</u>	<u>486,358</u>	<u>41,850</u>
Finance				
Salaries	587,905	587,905	569,258	18,647
Fringe Benefits	175,429	175,429	186,055	(10,626)
Travel and Transportation	4,000	4,000	1,437	2,563
Professional Services	122,893	129,553	89,058	40,495
Communications	16,600	16,600	15,975	625
Materials and Supplies	7,160	8,100	6,500	1,600
Capital Outlay	0	13,300	17,677	(4,377)
Other	662,050	641,150	665,508	(24,358)
Total Finance	<u>\$ 1,576,037</u>	<u>\$ 1,576,037</u>	<u>\$ 1,551,468</u>	<u>\$ 24,569</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Information Systems				
Salaries	\$ 327,560	\$ 292,565	\$ 291,663	\$ 902
Fringe Benefits	70,409	70,409	75,462	(5,053)
Travel and Transportation	100	775	932	(157)
Professional Services	7,300	7,300	6,146	1,154
Communications	4,503	4,503	3,978	525
Materials and Supplies	4,400	4,400	3,089	1,311
Capital Outlay	0	0	2,400	(2,400)
Other	260,000	234,325	205,154	29,171
Total Information Systems	674,272	614,277	588,824	25,453
General Administration				
Fringe Benefits	5,000	5,000	3,742	1,258
Professional Services	61,000	69,025	27,959	41,066
Communications	10,000	10,000	1,141	8,859
Contractual Services	20,000	0	0	0
Materials and Supplies	32,500	21,000	11,852	9,148
Capital Outlay	0	0	10,000	(10,000)
Other	771,800	678,625	707,536	(28,911)
Total General Administration	900,300	783,650	762,230	21,420
Law				
Salaries	359,005	359,005	337,139	21,866
Fringe Benefits	87,653	87,653	99,139	(11,486)
Travel and Transportation	150	150	147	3
Professional Services	155,500	204,500	146,645	57,855
Communications	5,500	6,034	4,972	1,062
Contractual Services	250	0	0	0
Materials and Supplies	11,470	11,936	9,359	2,577
Capital Outlay	0	0	3,200	(3,200)
Other	3,425	3,675	2,274	1,401
Total Law	622,953	672,953	602,875	70,078
Total General Government	8,705,223	8,506,900	8,126,525	380,375
Security of Persons and Property:				
Police				
Salaries	6,233,591	6,133,591	5,898,236	235,355
Fringe Benefits	712,025	712,025	954,744	(242,719)
Travel and Transportation	3,500	4,500	2,252	2,248
Professional Services	32,985	25,885	18,517	7,368
Communications	42,800	42,800	42,220	580
Contractual Services	70,300	79,340	79,064	276
Materials and Supplies	107,881	113,341	128,075	(14,734)
Capital Outlay	1,875	1,875	30,713	(28,838)
Other	209,120	208,820	190,611	18,209
Total Police	\$ 7,414,077	\$ 7,322,177	\$ 7,344,432	\$ (22,255)

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Safety Administration				
Salaries	\$ 79,554	\$ 79,554	\$ 77,801	\$ 1,753
Fringe Benefits	7,902	7,902	11,218	(3,316)
Professional Services	160	160	150	10
Materials and Supplies	750	750	0	750
Other	1,350	1,350	0	1,350
Total Safety Administration	<u>89,716</u>	<u>89,716</u>	<u>89,169</u>	<u>547</u>
Police Communications				
Salaries	479,383	479,383	461,558	17,825
Fringe Benefits	115,684	115,684	130,668	(14,984)
Professional Services	1,500	1,500	1,106	394
Materials and Supplies	1,825	1,725	502	1,223
Capital Outlay	1,000	1,100	1,006	94
Other	67,120	59,020	58,495	525
Total Police Communications	<u>666,512</u>	<u>658,412</u>	<u>653,335</u>	<u>5,077</u>
School Guards				
Salaries	219,955	219,955	219,317	638
Fringe Benefits	33,135	33,135	32,505	630
Other	3,400	3,400	2,800	600
Total School Guards	<u>256,490</u>	<u>256,490</u>	<u>254,622</u>	<u>1,868</u>
Fire				
Salaries	5,498,894	5,498,894	5,459,435	39,459
Fringe Benefits	593,080	593,080	826,864	(233,784)
Travel and Transportation	5,000	950	519	431
Professional Services	5,600	5,460	3,622	1,838
Communications	15,500	15,500	14,278	1,222
Contractual Services	21,000	20,245	19,858	387
Materials and Supplies	59,900	60,555	38,532	22,023
Capital Outlay	2,200	1,525	19,030	(17,505)
Other	251,700	339,665	312,701	26,964
Total Fire	<u>\$ 6,452,874</u>	<u>\$ 6,535,874</u>	<u>\$ 6,694,839</u>	<u>\$ (158,965)</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire Communications				
Professional Services	\$ 0	\$ 2,040	\$ 2,040	\$ 0
Communications	0	0	275	(275)
Materials and Supplies	6,000	3,960	4,120	(160)
Total Fire Communications	6,000	6,000	6,435	(435)
Street Lighting				
Other	504,000	504,000	491,429	12,571
Total Street Lighting	504,000	504,000	491,429	12,571
Animal Control				
Salaries	116,750	117,350	117,425	(75)
Fringe Benefits	39,725	39,725	46,515	(6,790)
Professional Services	2,050	2,400	2,521	(121)
Communications	1,800	2,025	1,652	373
Contractual Services	500	360	283	77
Materials and Supplies	4,050	3,425	2,838	587
Capital Outlay	0	0	800	(800)
Other	17,481	17,071	13,770	3,301
Total Animal Control	182,356	182,356	185,804	(3,448)
<i>Total Security of Persons and Property</i>	15,572,025	15,555,025	15,720,065	(165,040)
Public Health Services:				
Support of Prisoners				
Salaries	480,126	480,126	448,113	32,013
Fringe Benefits	84,095	84,095	107,073	(22,978)
Professional Services	80,200	83,200	79,730	3,470
Contractual Services	160,000	252,400	237,822	14,578
Materials and Supplies	58,610	63,210	58,026	5,184
Capital Outlay	500	500	1,674	(1,174)
Other	8,200	8,200	1,699	6,501
Total Support of Prisoners	871,731	971,731	934,137	37,594
Traffic Signs and Signals				
Salaries	280,412	276,412	271,649	4,763
Fringe Benefits	71,799	71,799	81,696	(9,897)
Travel and Transportation	100	100	0	100
Professional Services	800	800	70	730
Communications	2,820	2,820	2,084	736
Contractual Services	300	300	112	188
Materials and Supplies	26,060	26,345	23,060	3,285
Capital Outlay	11,500	0	2,000	(2,000)
Other	15,110	30,325	28,965	1,360
Total Traffic Signs and Signals	\$ 408,901	\$ 408,901	\$ 409,636	\$ (735)

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Human Services Administration				
Salaries	\$ 130,461	\$ 130,487	\$ 130,436	\$ 51
Fringe Benefits	33,785	33,785	39,586	(5,801)
Travel and Transportation	2,400	1,303	1,173	130
Professional Services	1,700	1,200	1,220	(20)
Communications	2,000	2,084	1,862	222
Materials and Supplies	1,700	1,937	1,342	595
Capital Outlay	0	1,556	2,731	(1,175)
Other	3,155	2,849	2,338	511
Total Human Services Administration	<u>175,201</u>	<u>175,201</u>	<u>180,688</u>	<u>(5,487)</u>
Communications				
Salaries	104,760	104,760	106,720	(1,960)
Fringe Benefits	31,428	31,428	37,078	(5,650)
Professional Services	225	225	80	145
Communications	941	941	870	71
Materials and Supplies	1,300	1,300	801	499
Capital Outlay	0	0	2,000	(2,000)
Other	1,820	1,820	1,410	410
Total Communications	<u>140,474</u>	<u>140,474</u>	<u>148,959</u>	<u>(8,485)</u>
Total Public Health Services	<u>1,596,307</u>	<u>1,696,307</u>	<u>1,673,420</u>	<u>22,887</u>
Community Environment:				
Housing and Building				
Salaries	869,704	859,512	830,720	28,792
Fringe Benefits	275,939	286,131	322,185	(36,054)
Travel and Transportation	300	300	0	300
Professional Services	30,212	30,212	10,697	19,515
Communications	14,420	14,420	11,821	2,599
Materials and Supplies	7,388	7,388	4,764	2,624
Capital Outlay	4,649	4,649	9,488	(4,839)
Other	30,220	30,220	26,266	3,954
Total Housing and Building	<u>\$ 1,232,832</u>	<u>\$ 1,232,832</u>	<u>\$ 1,215,941</u>	<u>\$ 16,891</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Forestry				
Salaries	\$ 293,338	\$ 293,338	\$ 267,458	\$ 25,880
Fringe Benefits	84,678	84,678	94,171	(9,493)
Professional Services	1,100	1,100	507	593
Communications	730	730	305	425
Contractual Services	6,200	6,200	5,001	1,199
Materials and Supplies	18,215	19,015	12,440	6,575
Capital Outlay	5,000	5,000	0	5,000
Other	16,850	16,050	6,576	9,474
Total Forestry	<u>426,111</u>	<u>426,111</u>	<u>386,458</u>	<u>39,653</u>
Child Care				
Salaries	73,807	73,267	73,251	16
Fringe Benefits	18,164	18,164	21,684	(3,520)
Travel and Transportation	500	500	0	500
Professional Services	210	305	218	87
Communications	2,300	2,300	2,054	246
Contractual Services	2,370	2,502	1,920	582
Materials and Supplies	300	300	307	(7)
Capital Outlay	0	0	1,200	(1,200)
Other	1,210	1,523	1,415	108
Total Child Care	<u>98,861</u>	<u>98,861</u>	<u>102,049</u>	<u>(3,188)</u>
Youth				
Salaries	462,309	464,609	445,364	19,245
Fringe Benefits	113,098	113,439	132,611	(19,172)
Travel and Transportation	1,000	0	0	0
Professional Services	1,000	1,000	326	674
Communications	7,616	7,616	6,562	1,054
Contractual Services	3,180	3,253	3,253	0
Materials and Supplies	3,200	4,079	2,514	1,565
Capital Outlay	0	0	5,200	(5,200)
Other	54,042	54,449	47,818	6,631
Total Youth	<u>645,445</u>	<u>648,445</u>	<u>643,648</u>	<u>4,797</u>
Planning and Development				
Salaries	162,254	133,254	125,910	7,344
Fringe Benefits	30,659	30,659	26,814	3,845
Travel and Transportation	2,000	2,000	168	1,832
Professional Services	155,500	85,500	19,249	66,251
Communications	4,600	6,100	5,497	603
Contractual Services	387,722	387,722	364,719	23,003
Materials and Supplies	15,600	14,100	3,727	10,373
Capital Outlay	2,000	2,000	10,727	(8,727)
Other	13,950	13,950	8,008	5,942
Total Planning and Development	<u>774,285</u>	<u>675,285</u>	<u>564,819</u>	<u>110,466</u>
Total Community Environment	<u>\$ 3,177,534</u>	<u>\$ 3,081,534</u>	<u>\$ 2,912,915</u>	<u>\$ 168,619</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Basic Utility Services:				
Refuse and Recycling				
Salaries	\$ 2,442,015	\$ 2,330,590	\$ 2,298,109	\$ 32,481
Fringe Benefits	708,046	708,046	783,213	(75,167)
Travel and Transportation	0	50	20	30
Professional Services	860	1,020	210	810
Communications	6,855	6,895	5,761	1,134
Contractual Services	914,416	954,206	908,339	45,867
Materials and Supplies	133,119	177,115	164,356	12,759
Capital Outlay	0	220	1,819	(1,599)
Other	259,594	286,763	238,279	48,484
Total Basic Utility Services	4,464,905	4,464,905	4,400,106	64,799
Leisure Time Activities:				
Security				
Salaries	70,000	70,000	61,724	8,276
Fringe Benefits	10,500	10,500	9,258	1,242
Total Security	80,500	80,500	70,982	9,518
Parks				
Salaries	748,026	748,026	708,307	39,719
Fringe Benefits	204,815	204,815	229,038	(24,223)
Travel and Transportation	0	8	8	0
Professional Services	2,200	2,192	175	2,017
Communications	8,100	8,100	7,105	995
Contractual Services	17,750	17,750	13,786	3,964
Materials and Supplies	71,726	63,713	53,445	10,268
Capital Outlay	700	1,536	5,990	(4,454)
Other	155,585	162,585	119,709	42,876
Total Parks	1,208,902	1,208,725	1,137,563	71,162
Construction				
Salaries	415,651	415,651	388,455	27,196
Fringe Benefits	128,805	128,805	133,135	(4,330)
Total Construction	\$ 544,456	\$ 544,456	\$ 521,590	\$ 22,866
Swimming Pools				
Communications	\$ 500	\$ 500	\$ 0	\$ 500
Materials and Supplies	28,995	28,995	23,220	5,775
Capital Outlay	1,000	1,000	0	1,000
Other	122,938	122,938	110,133	12,805
Total Swimming Pools	\$ 153,433	\$ 153,433	\$ 133,353	\$ 20,080

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Band Concerts				
Salaries	\$ 13,000	\$ 13,000	\$ 8,592	\$ 4,408
Fringe Benefits	1,950	1,950	1,464	486
Professional Services	10,678	19,978	14,044	5,934
Materials and Supplies	1,715	1,715	1,415	300
Other	4,500	4,500	4,665	(165)
Total Band Concerts	31,843	41,143	30,180	10,963
Museums				
Contractual Services	4,352	4,453	4,453	0
Materials and Supplies	3,596	3,495	1,344	2,151
Other	7,200	7,200	5,372	1,828
Total Museums	15,148	15,148	11,169	3,979
July 4th Festival				
Salaries	11,000	11,000	10,876	124
Fringe Benefits	1,650	1,650	1,781	(131)
Contractual Services	32,656	34,670	34,225	445
Materials and Supplies	3,000	2,186	1,960	226
Other	308	308	143	165
Total July 4th Festival	48,614	49,814	48,985	829
Tennis Courts				
Contractual Services	1,570	1,570	0	1,570
Materials and Supplies	6,625	6,625	2,392	4,233
Other	25,941	25,941	17,983	7,958
Total Tennis Courts	34,136	34,136	20,375	13,761
<i>Total Leisure Time Activities</i>	<i>2,117,032</i>	<i>2,127,355</i>	<i>1,974,197</i>	<i>153,158</i>
<i>Total Expenditures</i>	<i>35,633,026</i>	<i>35,432,026</i>	<i>34,807,228</i>	<i>624,798</i>
<i>Excess of Revenues Under Expenditures</i>	<i>(1,657,901)</i>	<i>(1,453,901)</i>	<i>(628,860)</i>	<i>825,041</i>
Other Financing Sources (Uses)				
Transfers In	39,475	43,824	43,824	0
Transfers Out	(2,088,408)	(2,292,408)	(2,292,408)	0
Advances In	203,162	203,162	203,162	0
Advances Out	0	0	(99,195)	(99,195)
<i>Total Other Sources (Uses)</i>	<i>(1,845,771)</i>	<i>(2,045,422)</i>	<i>(2,144,617)</i>	<i>(99,195)</i>
<i>Net Change in Fund Balance</i>	<i>(3,503,672)</i>	<i>(3,499,323)</i>	<i>(2,773,477)</i>	<i>725,846</i>
<i>Fund Balance Beginning of Year</i>	<i>3,642,143</i>	<i>3,642,143</i>	<i>3,642,143</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>32,693</i>	<i>32,693</i>	<i>32,693</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$ 171,164</i>	<i>\$ 175,513</i>	<i>\$ 901,359</i>	<i>\$ 725,846</i>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street and Highway Fund

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 1,825,400	\$ 1,825,400	\$ 1,816,705	\$ (8,695)
Miscellaneous	5,000	5,000	935	(4,065)
<i>Total Revenues</i>	1,830,400	1,830,400	1,817,640	(12,760)
Expenditures				
Transportation:				
Salaries	1,095,383	1,095,383	1,095,612	(229)
Fringe Benefits	333,452	333,452	343,932	(10,480)
Professional Services	1,100	706	323	383
Communications	5,410	5,410	4,078	1,332
Contractual Services	186,400	186,400	156,321	30,079
Materials and Supplies	352,300	352,390	336,870	15,520
Capital Outlay	0	604	4,199	(3,595)
Other	345,350	345,050	295,636	49,414
<i>Total Expenditures</i>	2,319,395	2,319,395	2,236,971	82,424
<i>Excess of Revenues Under Expenditures</i>	(488,995)	(488,995)	(419,331)	69,664
Other Financing Sources				
Transfers In	270,000	320,000	320,000	0
<i>Total Other Sources</i>	270,000	320,000	320,000	0
<i>Net Change in Fund Balance</i>	(218,995)	(168,995)	(99,331)	69,664
<i>Fund Balance Beginning of Year</i>	278,336	278,336	278,336	0
<i>Prior Year Encumbrances Appropriated</i>	9,935	9,935	9,935	0
<i>Fund Balance End of Year</i>	\$ 69,276	\$ 119,276	\$ 188,940	\$ 69,664

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$ 2,579,109	\$ 2,579,109	\$ 2,638,251	\$ 59,142
Intergovernmental	367,606	367,606	346,092	(21,514)
<i>Total Revenues</i>	<u>2,946,715</u>	<u>2,946,715</u>	<u>2,984,343</u>	<u>37,628</u>
Expenditures				
Security of Persons and Property				
Fringe Benefits	2,342,013	2,392,013	2,347,294	44,719
<i>Total Expenditures</i>	<u>2,342,013</u>	<u>2,392,013</u>	<u>2,347,294</u>	<u>44,719</u>
<i>Excess of Revenues Over Expenditures</i>	<u>604,702</u>	<u>554,702</u>	<u>637,049</u>	<u>82,347</u>
Other Financing (Uses)				
Transfers Out	(428,398)	(428,398)	(428,398)	0
<i>Total Other Financing (Uses)</i>	<u>(428,398)</u>	<u>(428,398)</u>	<u>(428,398)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	176,304	126,304	208,651	82,347
<i>Fund Balance Beginning of Year</i>	198,440	198,440	198,440	0
<i>Fund Balance End of Year</i>	<u>\$ 374,744</u>	<u>\$ 324,744</u>	<u>\$ 407,091</u>	<u>\$ 82,347</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 4,987,889	\$ 5,084,848	\$ 2,437,131	\$ (2,647,717)
<i>Total Revenues</i>	<u>4,987,889</u>	<u>5,084,848</u>	<u>2,437,131</u>	<u>(2,647,717)</u>
Expenditures				
Community Environment				
Salaries	830,933	832,007	696,089	135,918
Fringe Benefits	181,578	180,504	163,006	17,498
Travel and Transportation	8,040	7,890	677	7,213
Professional Services	121,032	121,032	31,824	89,208
Communications	18,500	18,500	7,114	11,386
Contractual Services	2,316,946	2,316,946	1,015,684	1,301,262
Materials and Supplies	11,871	12,071	10,239	1,832
Capital Outlay	1,200,773	1,200,773	1,194,636	6,137
Other	223,252	223,202	161,150	62,052
<i>Total Community Environment</i>	<u>4,912,925</u>	<u>4,912,925</u>	<u>3,280,419</u>	<u>1,632,506</u>
<i>Total Expenditures</i>	<u>4,912,925</u>	<u>4,912,925</u>	<u>3,280,419</u>	<u>1,632,506</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>74,964</u>	<u>171,923</u>	<u>(843,288)</u>	<u>(1,015,211)</u>
Other Financing Sources (Uses)				
Advances In	0	0	96,959	(96,959)
Advances out	(47,632)	(47,632)	(47,632)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(47,632)</u>	<u>(47,632)</u>	<u>49,327</u>	<u>(96,959)</u>
<i>Net Change in Fund Balance</i>	27,332	124,291	(793,961)	(918,252)
<i>Fund Balance(Deficit) Beginning of Year</i>	(83,037)	(83,037)	(83,037)	0
<i>Prior Year Encumbrances Appropriated</i>	10,016	10,016	10,016	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (45,689)</u>	<u>\$ 51,270</u>	<u>\$ (866,982)</u>	<u>\$ (918,252)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 400,639	\$ 400,639	\$ 408,550	\$ 7,911
Miscellaneous	224,383	224,383	192,897	(31,486)
<i>Total Revenues</i>	625,022	625,022	601,447	(23,575)
Expenditures				
Public Health Services:				
Salaries	1,347,299	1,372,313	1,345,710	26,603
Fringe Benefits	439,672	487,639	489,256	(1,617)
Travel and Transportation	7,000	700	590	110
Professional Services	7,511	2,831	1,572	1,259
Communications	17,800	18,425	18,898	(473)
Contractual Services	1,370	3,635	3,347	288
Materials and Supplies	62,330	66,943	61,820	5,123
Capital Outlay	0	14,800	14,800	0
Other	97,187	101,883	91,843	10,040
<i>Total Expenditures</i>	1,980,169	2,069,169	2,027,836	41,333
<i>Excess of Revenues (Under) Expenditures</i>	(1,355,147)	(1,444,147)	(1,426,389)	17,758
Other Financing Sources				
Transfers In	1,285,000	1,400,000	1,400,000	0
<i>Total Other Financing Sources</i>	1,285,000	1,400,000	1,400,000	0
<i>Net Change in Fund Balance</i>	(70,147)	(44,147)	(26,389)	17,758
<i>Fund Balance Beginning of Year</i>	154,668	154,668	154,668	0
<i>Prior Year Encumbrances Appropriated</i>	(32)	(32)	(32)	0
<i>Fund Balance End of Year</i>	\$ 84,489	\$ 110,489	\$ 128,247	\$ 17,758

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 2,075,203	\$ 2,075,203	\$ 2,085,682	\$ 10,479
Licenses, Permits and Fees	79,290	79,290	89,913	10,623
Intergovernmental	38,845	38,845	51,750	12,905
Miscellaneous	0	0	580	580
<i>Total Revenues</i>	2,193,338	2,193,338	2,227,925	34,587
Expenditures				
Security of Persons and Property				
Fire				
Salaries	1,061,068	1,061,068	1,062,682	(1,614)
Fringe Benefits	204,506	204,506	292,383	(87,877)
Travel and Transportation	3,000	3,000	819	2,181
Professional Services	98,100	98,100	63,885	34,215
Communications	2,200	2,050	1,832	218
Materials and Supplies	43,800	43,550	33,193	10,357
Capital Outlay	76,600	76,600	73,739	2,861
Other	40,725	46,660	39,235	7,425
<i>Total Security of Persons and Property</i>	1,529,999	1,535,534	1,567,768	(32,234)
Public Health Services				
Health				
Salaries	692,697	692,697	664,917	27,780
Fringe Benefits	144,377	144,377	168,894	(24,517)
Travel and Transportation	4,300	3,550	2,701	849
Professional Services	10,480	10,110	4,449	5,661
Communications	9,370	8,595	7,466	1,129
Contractual Services	35,500	21,467	11,832	9,635
Materials and Supplies	33,125	40,022	33,026	6,996
Capital Outlay	6,425	13,949	10,997	2,952
Other	54,741	50,713	43,353	7,360
<i>Total Public Health Services</i>	991,015	985,480	947,635	37,845
<i>Total Expenditures</i>	2,521,014	2,521,014	2,515,403	5,611
Excess of Revenues				
Under Expenditures	(327,676)	(327,676)	(287,478)	40,198
<i>Net Change in Fund Balance</i>	(327,676)	(327,676)	(287,478)	40,198
<i>Fund Balance Beginning of Year</i>	927,123	927,123	927,123	0
<i>Prior Year Encumbrances Appropriated</i>	10	10	10	0
<i>Fund Balance End of Year</i>	\$ 599,457	\$ 599,457	\$ 639,655	\$ 40,198

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$ 2,766,022	\$ 2,766,022	\$ 2,791,421	\$ 25,399
Intergovernmental	351,387	351,387	366,140	14,753
Special Assessments	50,000	50,000	78,659	28,659
Interest	21,040	21,040	32,293	11,253
<i>Total Revenues</i>	<u>3,188,449</u>	<u>3,188,449</u>	<u>3,268,513</u>	<u>80,064</u>
Expenditures				
General Government				
Professional Services	70,000	70,000	0	70,000
<i>Total General Government</i>	<u>70,000</u>	<u>70,000</u>	<u>0</u>	<u>70,000</u>
Debt Service				
Principal Retirement	5,470,612	5,470,612	5,470,612	0
Interest and Fiscal Charges	1,504,713	1,504,713	1,504,236	477
Bond Issuance Costs	60,000	60,000	34,680	25,320
<i>Total Debt Service</i>	<u>7,035,325</u>	<u>7,035,325</u>	<u>7,009,528</u>	<u>25,797</u>
<i>Total Expenditures</i>	<u>7,105,325</u>	<u>7,105,325</u>	<u>7,009,528</u>	<u>95,797</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,916,876)</u>	<u>(3,916,876)</u>	<u>(3,741,015)</u>	<u>175,861</u>
Other Financing Sources				
Notes Issued	3,555,500	3,195,000	3,195,000	0
Premium on Notes	0	14,747	14,747	0
Transfers In	428,398	788,898	788,898	0
<i>Total Other Financing Sources</i>	<u>3,983,898</u>	<u>3,998,645</u>	<u>3,998,645</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	67,022	81,769	257,630	175,861
<i>Fund Balance Beginning of Year</i>	1,018,687	1,018,687	1,018,687	0
<i>Fund Balance End of Year</i>	<u>\$ 1,085,709</u>	<u>\$ 1,100,456</u>	<u>\$ 1,276,317</u>	<u>\$ 175,861</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Permanent Capital Improvement Fund
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 1,038,523	\$ 1,038,523	\$ 0	\$ (1,038,523)
Miscellaneous	123,112	123,112	0	(123,112)
<i>Total Revenues</i>	<u>1,161,635</u>	<u>1,161,635</u>	<u>0</u>	<u>(1,161,635)</u>
Expenditures				
General Government				
Capital Outlay	451,479	403,479	192,902	210,577
<i>Total General Government</i>	<u>451,479</u>	<u>403,479</u>	<u>192,902</u>	<u>210,577</u>
Public Safety				
Capital Outlay	1,079,665	1,127,665	932,958	194,707
<i>Total Public Safety</i>	<u>1,079,665</u>	<u>1,127,665</u>	<u>932,958</u>	<u>194,707</u>
Public Health				
Capital Outlay	615,577	615,577	473,303	142,274
<i>Total Public Health</i>	<u>615,577</u>	<u>615,577</u>	<u>473,303</u>	<u>142,274</u>
Streets and Highways				
Capital Outlay	2,128,366	2,044,777	1,066,442	978,335
<i>Total Streets and Highways</i>	<u>2,128,366</u>	<u>2,044,777</u>	<u>1,066,442</u>	<u>978,335</u>
Community Environment				
Capital Outlay	70,100	70,100	58,175	11,925
<i>Total Community Environment</i>	<u>70,100</u>	<u>70,100</u>	<u>58,175</u>	<u>11,925</u>
Sanitation				
Capital Outlay	283,388	373,388	338,396	34,992
<i>Total Sanitation</i>	<u>283,388</u>	<u>373,388</u>	<u>338,396</u>	<u>34,992</u>
Culture and Recreation				
Capital Outlay	2,234,788	999,230	752,805	246,425
<i>Total Culture and Recreation</i>	<u>2,234,788</u>	<u>999,230</u>	<u>752,805</u>	<u>246,425</u>
<i>Total Expenditures</i>	<u>6,863,363</u>	<u>5,634,216</u>	<u>3,814,981</u>	<u>1,819,235</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,701,728)</u>	<u>(4,472,581)</u>	<u>(3,814,981)</u>	<u>657,600</u>
Other Financing Sources (Uses)				
Notes Issued	3,869,800	3,869,800	3,869,800	0
Premium on Notes	0	16,077	16,077	
Transfers Out	(276,911)	(360,500)	(360,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,592,889</u>	<u>3,525,377</u>	<u>3,525,377</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(2,108,839)</u>	<u>(947,204)</u>	<u>(289,604)</u>	<u>657,600</u>
<i>Fund Balance Beginning of Year</i>	2,120,837	2,120,837	2,120,837	0
<i>Prior Year Encumbrances Appropriated</i>	421,517	421,517	421,517	0
<i>Fund Balance End of Year</i>	<u>\$ 433,515</u>	<u>\$ 1,595,150</u>	<u>\$ 2,252,750</u>	<u>\$ 657,600</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TIF Capital Improvement Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$ 6,708	\$ 6,708	\$ 18,418	\$ 11,710
<i>Total Revenues</i>	<u>6,708</u>	<u>6,708</u>	<u>18,418</u>	<u>11,710</u>
Expenditures				
General Government:				
General Administration				
Professional Services	9,918	9,918	9,918	0
Capital Outlay	3,990,082	3,990,082	3,175,050	815,032
Debt Service				
Debt Issuance Costs	271,708	271,708	271,708	0
<i>Total Expenditures</i>	<u>4,271,708</u>	<u>4,271,708</u>	<u>3,456,676</u>	<u>815,032</u>
Excess of Revenues Under Expenditures	<u>(4,265,000)</u>	<u>(4,265,000)</u>	<u>(3,438,258)</u>	<u>(803,322)</u>
Other Financing Sources				
Bonds Issued	4,265,000	4,265,000	4,265,000	0
<i>Total Other Financing Sources</i>	<u>4,265,000</u>	<u>4,265,000</u>	<u>4,265,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	826,742	826,742
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 826,742</u>	<u>\$ 826,742</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 9,226,453	\$ 9,226,453	\$ 8,473,574	\$ (752,879)
Interest	55,280	59,528	66,885	7,357
Special Assessments	4,970	4,970	5,201	231
Notes Issued	995,000	995,000	995,000	0
OPWC Loans Issued	0	48,294	48,294	0
Miscellaneous	350	350	6,566	6,216
<i>Total Revenues</i>	<u>10,282,053</u>	<u>10,334,595</u>	<u>9,595,520</u>	<u>(739,075)</u>
Expenses				
Salaries	944,366	899,507	877,659	21,848
Fringe Benefits	273,351	311,810	297,497	14,313
Travel and Transportation	1,250	780	365	415
Professional Services	53,925	56,401	55,876	525
Communications	50,335	53,390	52,471	919
Contractual Services	6,055,354	6,055,354	5,862,180	193,174
Materials and Supplies	46,110	44,391	32,129	12,262
Capital Outlay	1,012,890	1,020,229	738,421	281,808
Other	455,095	450,814	352,066	98,748
Debt Service:				
Principal Retirement	793,996	1,048,996	791,113	257,883
Interest and Fiscal Charges	251,785	371,292	251,784	119,508
Bond Issuance Costs	24,000	24,000	8,805	15,195
<i>Total Expenses</i>	<u>9,962,457</u>	<u>10,336,964</u>	<u>9,320,366</u>	<u>1,016,598</u>
<i>Net Change in Fund Equity</i>	319,596	(2,369)	275,154	277,523
<i>Fund Equity Beginning of Year</i>	3,544,459	3,544,459	3,544,459	0
<i>Prior Year Encumbrances Appropriated</i>	17,034	17,034	17,034	0
<i>Fund Equity End of Year</i>	<u>\$ 3,881,089</u>	<u>\$ 3,559,124</u>	<u>\$ 3,836,647</u>	<u>\$ 277,523</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$ 1,617,100	\$ 1,617,100	\$ 1,608,887	\$ (8,213)
Intergovernmental	179,678	179,678	211,032	31,354
Charges for Services	3,585,587	3,585,587	3,639,528	53,941
Special Assessments	630	630	2,037	1,407
Notes Issued	2,845,000	4,938,500	4,938,500	0
Interest	0	12,342	25,372	13,030
<i>Total Revenues</i>	<u>8,227,995</u>	<u>10,333,837</u>	<u>10,425,356</u>	<u>91,519</u>
Expenses				
Salaries	1,864,240	1,864,242	1,744,831	119,411
Fringe Benefits	563,646	563,645	611,017	(47,372)
Travel and Transportation	0	3,425	3,227	198
Professional Services	58,870	63,820	50,494	13,326
Communications	7,930	7,930	7,054	876
Contractual Services	206,600	186,600	134,952	51,648
Materials and Supplies	201,600	196,600	155,227	41,373
Capital Outlay	2,253,699	4,833,699	3,327,141	1,506,558
Other	919,532	916,157	841,769	74,388
Debt Service:				
Principal Retirement	1,822,771	1,822,771	1,822,770	1
Interest and Fiscal Charges	469,217	469,217	472,579	(3,362)
Bond Issuance Costs	0	0	11,730	(11,730)
<i>Total Expenses</i>	<u>8,368,105</u>	<u>10,928,106</u>	<u>9,182,791</u>	<u>1,745,315</u>
<i>Net Change in Fund Equity</i>	(140,110)	(594,269)	1,242,565	1,836,834
<i>Fund Equity Beginning of Year</i>	2,383,966	2,383,966	2,383,966	0
<i>Prior Year Encumbrances Appropriated</i>	327,668	327,668	327,668	0
<i>Fund Equity End of Year</i>	<u>\$ 2,571,524</u>	<u>\$ 2,117,365</u>	<u>\$ 3,954,199</u>	<u>\$ 1,836,834</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Litter Control Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 56,600	\$ 56,600	\$ 52,710	\$ (3,890)
<i>Total Revenues</i>	<u>56,600</u>	<u>56,600</u>	<u>52,710</u>	<u>(3,890)</u>
Expenditures				
Community Environment				
Refuse:				
Salaries	22,800	22,800	22,911	(111)
Fringe Benefits	3,468	3,468	3,437	31
Travel and Transportation	4,552	2,902	2,649	253
Professional Services	1,400	2,098	2,084	14
Communications	0	0	7	(7)
Communications	11,236	11,236	10,681	555
Capital Outlay	12,675	12,675	12,601	74
Other	14,335	15,287	14,561	726
<i>Total Expenditures</i>	<u>70,466</u>	<u>70,466</u>	<u>68,931</u>	<u>1,535</u>
Excess of Revenues				
Under Expenditures	(13,866)	(13,866)	(16,221)	(2,355)
Other Financing Sources (Uses)				
Transfers In	14,700	18,700	18,700	0
Advances Out	(825)	(825)	(825)	0
<i>Total Other Financing Sources (Uses)</i>	<u>13,875</u>	<u>17,875</u>	<u>17,875</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	9	4,009	1,654	(2,355)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 9</u>	<u>\$ 4,009</u>	<u>\$ 1,654</u>	<u>\$ (2,355)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Festival Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
<i>Total Revenues</i>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Expenditures				
General Government:				
Mayor's Office:				
Salaries	7,536	9,384	9,384	0
Fringe Benefits	1,130	1,361	1,361	0
<i>Total Expenditures</i>	<u>8,666</u>	<u>10,745</u>	<u>10,745</u>	<u>0</u>
Excess of Revenues				
Under Expenditures	<u>(5,666)</u>	<u>(7,745)</u>	<u>(7,745)</u>	<u>0</u>
Other Financing Sources				
Transfers In	5,000	5,000	5,000	0
<i>Total Other Financing Source</i>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(666)	(2,745)	(2,745)	0
<i>Fund Balance Beginning of Year</i>	6,641	6,641	6,641	0
<i>Fund Balance End of Year</i>	<u>\$ 5,975</u>	<u>\$ 3,896</u>	<u>\$ 3,896</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law and Drug Enforcement Trust Fund
For the Year Ended December 31, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 0	\$ 0	\$ 15,169	\$ 15,169
Fines & Forfeitures	5,000	5,000	6,334	1,334
Miscellaneous	20,000	20,000	62,182	42,182
<i>Total Revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>83,685</u>	<u>58,685</u>
Expenditures				
Security of Persons and Property				
Police:				
Salaries	10,000	10,000	0	10,000
Fringe Benefits	145	145	0	145
Travel and Transportation	16,000	16,000	4,271	11,729
Professional Services	32,000	32,000	29,592	2,408
Communications	2,000	2,000	271	1,729
Contractual Services	0	2,000	1,500	500
Materials and Supplies	64,000	47,000	9,888	37,112
Capital Outlay	82,568	82,568	4,226	78,342
Other	43,000	58,000	36,889	21,111
<i>Total Expenditures</i>	<u>249,713</u>	<u>249,713</u>	<u>86,637</u>	<u>163,076</u>
Excess of Revenues				
Under Expenditures	(224,713)	(224,713)	(2,952)	221,761
Other Financing Sources (Uses)				
Sale of Assets	250	250	7,592	7,342
Transfers Out	(4,737)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,487)</u>	<u>250</u>	<u>7,592</u>	<u>7,342</u>
<i>Net Change in Fund Balance</i>	(229,200)	(224,463)	4,640	229,103
<i>Fund Balance Beginning of Year</i>	254,451	254,451	254,451	0
<i>Unexpended Prior Year Encumbrances</i>	1,619	1,619	1,619	0
<i>Fund Balance End of Year</i>	<u>\$ 26,870</u>	<u>\$ 31,607</u>	<u>\$ 260,710</u>	<u>\$ 229,103</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Bureau of Justice Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 42,277	\$ 42,277	\$ 0	\$ (42,277)
<i>Total Revenues</i>	<u>42,277</u>	<u>42,277</u>	<u>0</u>	<u>(42,277)</u>
Expenditures				
Security of Persons and Property:				
Police:				
Capital Outlay	43,784	22,884	22,881	3
Other	26,114	0	0	0
<i>Total Expenditures</i>	<u>69,898</u>	<u>22,884</u>	<u>22,881</u>	<u>3</u>
Excess of Revenues Over (Under) Expenditures	<u>(27,621)</u>	<u>19,393</u>	<u>(22,881)</u>	<u>(42,274)</u>
Other Financing Sources				
Transfers In	4,737	0	0	0
<i>Total Other Financing Sources</i>	<u>4,737</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(22,884)</u>	<u>19,393</u>	<u>(22,881)</u>	<u>(42,274)</u>
<i>Fund Balance Beginning of Year</i>	<u>22,884</u>	<u>22,884</u>	<u>22,884</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 42,277</u>	<u>\$ 3</u>	<u>\$ (42,274)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Federal Forfeiture Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 0	\$ 40,000	\$ 39,997	\$ (3)
<i>Total Revenues</i>	<u>0</u>	<u>40,000</u>	<u>39,997</u>	<u>(3)</u>
Expenditures				
Security of Persons and Property:				
Police:				
Capital Outlay	31,526	56,429	38,867	17,562
<i>Total Expenditures</i>	<u>31,526</u>	<u>56,429</u>	<u>38,867</u>	<u>17,562</u>
<i>Net Change in Fund Balance</i>	(31,526)	(16,429)	1,130	17,559
<i>Fund Balance Beginning of Year</i>	31,526	31,526	31,526	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 15,097</u>	<u>\$ 32,656</u>	<u>\$ 17,559</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 15,000	\$ 15,000	\$ 14,035	\$ (965)
<i>Total Revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>14,035</u>	<u>(965)</u>
Expenditures				
General Government:				
Municipal Court:				
Contractual Services	137,751	133,951	8,465	125,486
<i>Total Expenditures</i>	<u>137,751</u>	<u>133,951</u>	<u>8,465</u>	<u>125,486</u>
<i>Net Change in Fund Balance</i>	(122,751)	(118,951)	5,570	(126,451)
<i>Fund Balance Beginning of Year</i>	122,751	122,751	122,751	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 3,800</u>	<u>\$ 128,321</u>	<u>\$ (126,451)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 7,500	\$ 7,500	\$ 7,397	\$ (103)
Miscellaneous	0	0	6,400	6,400
<i>Total Revenues</i>	<u>7,500</u>	<u>7,500</u>	<u>13,797</u>	<u>6,297</u>
Expenditures				
Security of Persons and Property:				
Police:				
Contractual Services	0	2,000	300	1,700
Materials and Supplies	100,000	98,000	5,553	92,447
Capital Outlay	64,875	64,875	30,366	34,509
<i>Total Expenditures</i>	<u>164,875</u>	<u>164,875</u>	<u>36,219</u>	<u>128,656</u>
<i>Net Change in Fund Balance</i>	(157,375)	(157,375)	(22,422)	134,953
<i>Fund Balance Beginning of Year</i>	164,875	164,875	164,875	0
<i>Fund Balance End of Year</i>	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 142,453</u>	<u>\$ 134,953</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Political Subdivision Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 5,000	\$ 5,000	\$ 3,945	\$ (1,055)
<i>Total Revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>3,945</u>	<u>(1,055)</u>
 <i>Total Expenditures</i>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 Excess of Revenues Over Expenditures	 <u>5,000</u>	 <u>5,000</u>	 <u>3,945</u>	 <u>(1,055)</u>
 Other Financing Uses				
Transfers Out	(5,000)	(5,000)	(5,000)	0
<i>Total Other Financing Uses</i>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>0</u>	<u>(1,055)</u>	<u>(1,055)</u>
<i>Fund Balance Beginning of Year</i>	<u>1,338</u>	<u>1,338</u>	<u>1,338</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,338</u>	<u>\$ 1,338</u>	<u>\$ 283</u>	<u>\$ (1,055)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Computer Research and Maintenance Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 23,500	\$ 23,500	\$ 23,375	\$ (125)
<i>Total Revenues</i>	<u>23,500</u>	<u>23,500</u>	<u>23,375</u>	<u>(125)</u>
Expenditures				
General Government:				
Municipal Court:				
Contractual Services	50,000	49,835	34,406	15,429
Materials and Supplies	0	40	40	0
Capital Outlay	38,610	38,610	2,024	36,586
<i>Total Expenditures</i>	<u>88,610</u>	<u>88,485</u>	<u>36,470</u>	<u>52,015</u>
<i>Net Change in Fund Balance</i>	(65,110)	(64,985)	(13,095)	51,890
<i>Fund Balance Beginning of Year</i>	65,110	65,110	65,110	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 125</u>	<u>\$ 52,015</u>	<u>\$ 51,890</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 35,000	\$ 32,000	\$ 40,687	\$ 8,687
<i>Total Revenues</i>	<u>35,000</u>	<u>32,000</u>	<u>40,687</u>	<u>8,687</u>
Expenditures				
General Government:				
Municipal Court:				
Salaries	0	982	982	0
Fringe Benefits	0	147	147	0
Professional Services	0	500	500	0
Contractual Services	15,000	13,371	0	13,371
Capital Outlay	34,589	34,589	0	34,589
<i>Total Expenditures</i>	<u>49,589</u>	<u>49,589</u>	<u>1,629</u>	<u>47,960</u>
<i>Net Change in Fund Balance</i>	(14,589)	(17,589)	39,058	56,647
<i>Fund Balance Beginning of Year</i>	17,589	17,589	17,589	0
<i>Fund Balance End of Year</i>	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 56,647</u>	<u>\$ 56,647</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Court Probation Services Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 32,000	\$ 32,000	\$ 34,957	\$ 2,957
<i>Total Revenues</i>	<u>32,000</u>	<u>32,000</u>	<u>34,957</u>	<u>2,957</u>
Expenditures				
General Government:				
Municipal Court:				
Salaries	30,000	29,626	31,179	(1,553)
Fringe Benefits	4,500	4,849	4,655	194
Travel and Transportation	0	1,000	244	756
Professional Services	500	6,525	5,304	1,221
Contractual Services	10,000	3,000	0	3,000
Materials and Supplies	2,000	2,000	1,297	703
Capital Outlay	33,636	33,636	0	33,636
<i>Total Expenditures</i>	<u>80,636</u>	<u>80,636</u>	<u>42,679</u>	<u>37,957</u>
<i>Net Change in Fund Balance</i>	(48,636)	(48,636)	(7,722)	40,914
<i>Fund Balance Beginning of Year</i>	48,636	48,636	48,636	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 40,914</u>	<u>\$ 40,914</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Emergency Shelter Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 138,602	\$ 138,602	\$ 77,914	\$ (60,688)
<i>Total Revenues</i>	<u>138,602</u>	<u>138,602</u>	<u>77,914</u>	<u>(60,688)</u>
Expenditures				
Community Environment:				
Planning and Development:				
Salaries	25,269	25,269	16,466	8,803
Fringe Benefits	3,526	3,526	2,496	1,030
Contractual Services	109,807	109,807	58,952	50,855
<i>Total Expenditures</i>	<u>138,602</u>	<u>138,602</u>	<u>77,914</u>	<u>60,688</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	2,485	2,485	2,485	0
<i>Fund Balance End of Year</i>	<u>\$ 2,485</u>	<u>\$ 2,485</u>	<u>\$ 2,485</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
HOME Investment Program Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 1,073,362	\$ 42,500	\$ 42,500	\$ 0
<i>Total Revenues</i>	<u>1,073,362</u>	<u>42,500</u>	<u>42,500</u>	<u>0</u>
Expenditures				
Community Environment:				
Planning and Development:				
Other	690,362	80,000	80,000	0
<i>Total Expenditures</i>	<u>690,362</u>	<u>80,000</u>	<u>80,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	383,000	(37,500)	(37,500)	0
<i>Fund Balance Beginning of Year</i>	67,500	67,500	67,500	0
<i>Fund Balance End of Year</i>	<u>\$ 450,500</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lead-Based Paint Hazard Control Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 185,757	\$ 175,777	\$ 175,777	\$ 0
<i>Total Revenues</i>	<u>185,757</u>	<u>175,777</u>	<u>175,777</u>	<u>0</u>
Expenditures				
Community Environment:				
Planning and Development:				
Other	157,872	147,892	147,892	0
<i>Total Expenditures</i>	<u>157,872</u>	<u>147,892</u>	<u>147,892</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>27,885</u>	<u>27,885</u>	<u>27,885</u>	<u>0</u>
Other Financing Uses				
Advances Out	(27,885)	(27,885)	(27,885)	0
<i>Total Other Financing Uses</i>	<u>(27,885)</u>	<u>(27,885)</u>	<u>(27,885)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Childrens Trust Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
<i>Total Revenues</i>	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
<i>Total Expenditures</i>	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0
Other Financing Uses				
Transfers Out	(324)	(324)	(324)	0
<i>Total Other Financing Uses</i>	(324)	(324)	(324)	0
<i>Net Change in Fund Balance</i>	(324)	(324)	(324)	0
<i>Fund Balance Beginning of Year</i>	324	324	324	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Little Links Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 16,740	\$ 16,740	\$ 16,065	\$ (675)
Miscellaneous	1,400	1,400	260	(1,140)
<i>Total Revenues</i>	<u>18,140</u>	<u>18,140</u>	<u>16,325</u>	<u>(1,815)</u>
Expenditures				
Community Environment:				
Youth				
Salaries	11,998	11,998	9,642	2,356
Fringe Benefits	1,800	1,800	1,446	354
Communications	220	220	0	220
Materials and Supplies	1,720	1,720	1,376	344
Other	3,550	3,550	3,258	292
<i>Total Expenditures</i>	<u>19,288</u>	<u>19,288</u>	<u>15,722</u>	<u>3,566</u>
<i>Net Change in Fund Balance</i>	(1,148)	(1,148)	603	1,751
<i>Fund Balance Beginning of Year</i>	6,095	6,095	6,095	0
<i>Fund Balance End of Year</i>	<u>\$ 4,947</u>	<u>\$ 4,947</u>	<u>\$ 6,698</u>	<u>\$ 1,751</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Juvenile Accountability Incentive Block Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 11,596	\$ 11,596	\$ 8,903	\$ (2,693)
<i>Total Revenues</i>	<u>11,596</u>	<u>11,596</u>	<u>8,903</u>	<u>(2,693)</u>
Expenditures				
Community Environment:				
Youth				
Salaries	11,500	11,500	11,103	397
Fringe Benefits	1,725	1,725	1,665	60
<i>Total Expenditures</i>	<u>13,225</u>	<u>13,225</u>	<u>12,768</u>	<u>457</u>
Excess of Revenues				
Under Expenditures	<u>(1,629)</u>	<u>(1,629)</u>	<u>(3,865)</u>	<u>(2,236)</u>
Other Financing Sources				
Transfers In	1,288	1,288	1,288	0
Advances In	0	2,236	2,236	0
<i>Total Other Financing Sources</i>	<u>1,288</u>	<u>3,524</u>	<u>3,524</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(341)	1,895	(341)	(2,236)
<i>Fund Balance Beginning of Year</i>	341	341	341	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 2,236</u>	<u>\$ 0</u>	<u>\$ (2,236)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Byrne Memorial Grant Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
<i>Total Revenues</i>	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
<i>Total Expenditures</i>	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0
Other Financing Uses				
Transfers Out	(1,908)	(1,908)	(1,908)	0
<i>Total Other Financing Uses</i>	(1,908)	(1,908)	(1,908)	0
<i>Net Change in Fund Balance</i>	(1,908)	(1,908)	(1,908)	0
<i>Fund Balance Beginning of Year</i>	1,908	1,908	1,908	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Help-to-Others Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 6,750	\$ 6,750	\$ 7,475	\$ 725
Miscellaneous	39,055	39,055	20,918	(18,137)
<i>Total Revenues</i>	<u>45,805</u>	<u>45,805</u>	<u>28,393</u>	<u>(17,412)</u>
Expenditures				
Community Environment:				
Youth				
Salaries	30,249	30,249	22,304	7,945
Fringe Benefits	4,538	4,538	3,346	1,192
Travel and Transportation	300	0	0	0
Professional Services	550	550	50	500
Communications	520	630	225	405
Materials and Supplies	3,850	3,850	2,047	1,803
Other	910	1,100	421	679
<i>Total Expenditures</i>	<u>40,917</u>	<u>40,917</u>	<u>28,393</u>	<u>12,524</u>
<i>Net Change in Fund Balance</i>	4,888	4,888	0	(4,888)
<i>Fund Balance Beginning of Year</i>	1,445	1,445	1,445	0
<i>Fund Balance End of Year</i>	<u>\$ 6,333</u>	<u>\$ 6,333</u>	<u>\$ 1,445</u>	<u>\$ (4,888)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 16,500	\$ 16,500	\$ 16,500	\$ 0
<i>Total Revenues</i>	<u>16,500</u>	<u>16,500</u>	<u>16,500</u>	<u>0</u>
Expenditures				
Public Health Services:				
Youth				
Salaries	12,913	12,913	13,024	(111)
Fringe Benefits	1,937	1,937	1,912	25
Travel and Transportation	225	0	0	0
Professional Services	200	0	0	0
Materials and Supplies	725	75	0	75
Capital Outlay	500	1,350	1,350	0
Other	0	225	114	111
<i>Total Expenditures</i>	<u>16,500</u>	<u>16,500</u>	<u>16,400</u>	<u>100</u>
<i>Net Change in Fund Balance</i>	0	0	100	(100)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100</u>	<u>\$ (100)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Family Day Care Program Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 178,747	\$ 178,747	\$ 152,977	\$ (25,770)
Miscellaneous	0	0	6,391	6,391
<i>Total Revenues</i>	<u>178,747</u>	<u>178,747</u>	<u>159,368</u>	<u>(19,379)</u>
Expenditures				
Community Environment:				
Youth				
Salaries	26,633	27,184	27,714	(530)
Fringe Benefits	3,995	4,079	4,157	(78)
Travel and Transportation	550	514	310	204
Professional Services	35	380	331	49
Communications	500	250	111	139
Contractual Services	144,287	141,674	121,608	20,066
Materials and Supplies	0	1,219	934	285
Other	0	700	542	158
<i>Total Expenditures</i>	<u>176,000</u>	<u>176,000</u>	<u>155,707</u>	<u>20,293</u>
Excess of Revenues Over Expenditures	<u>2,747</u>	<u>2,747</u>	<u>3,661</u>	<u>914</u>
Other Financing Uses				
Advances Out	(2,747)	(2,747)	(2,747)	
<i>Total Other Financing Uses</i>	<u>(2,747)</u>	<u>(2,747)</u>	<u>(2,747)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	914	914
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 914</u>	<u>\$ 914</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 131,224	\$ 133,687	\$ 133,687	\$ 0
<i>Total Revenues</i>	<u>131,224</u>	<u>133,687</u>	<u>133,687</u>	<u>0</u>
Expenditures				
Security of Persons and Property:				
Fire				
Capital Outlay	141,400	138,705	138,705	0
<i>Total Expenditures</i>	<u>141,400</u>	<u>138,705</u>	<u>138,705</u>	<u>0</u>
Excess of Revenues				
(Under) Expenditures	<u>(10,176)</u>	<u>(5,018)</u>	<u>(5,018)</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfers In	42,420	42,420	42,420	0
Transfers Out	<u>(32,244)</u>	<u>(36,592)</u>	<u>(36,592)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>10,176</u>	<u>5,828</u>	<u>5,828</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	810	810	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 810</u>	<u>\$ 810</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TIF Bond Retirement Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Payment in Lieu of Taxes	\$ 0	\$ 100,617	\$ 100,617	\$ 0
<i>Total Revenues</i>	<u>0</u>	<u>100,617</u>	<u>100,617</u>	<u>0</u>
Expenditures				
General Government:				
General Administration				
Interest and Fiscal Charges	0	100,617	0	100,617
<i>Total Expenditures</i>	<u>0</u>	<u>100,617</u>	<u>0</u>	<u>100,617</u>
<i>Net Change in Fund Balance</i>	0	0	100,617	100,617
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,617</u>	<u>\$ 100,617</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakehouse Breakwall Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$ 0	\$ 3,274	\$ 5,643	\$ 2,369
<i>Total Revenues</i>	<u>0</u>	<u>3,274</u>	<u>5,643</u>	<u>2,369</u>
Expenditures				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	3,274	5,643	2,369
<i>Fund Balance Beginning of Year</i>	9,511	9,511	9,511	0
<i>Fund Balance End of Year</i>	<u>\$ 9,511</u>	<u>\$ 12,785</u>	<u>\$ 15,154</u>	<u>\$ 2,369</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
<i>Total Revenues</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 150,000</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ 0</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
City Park Improvement Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
<i>Total Revenues</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 0</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Parking Facilities Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 272,000	\$ 272,000	\$ 290,229	\$ 18,229
Miscellaneous	0	0	2,318	2,318
<i>Total Revenues</i>	<u>272,000</u>	<u>272,000</u>	<u>292,547</u>	<u>20,547</u>
Expenses				
Personal Services	173,216	173,216	186,345	(13,129)
Contractual Services	141,109	138,109	103,297	34,812
Materials and Supplies	6,150	9,150	5,985	3,165
Capital Outlay	20,000	20,000	0	20,000
<i>Total Expenses</i>	<u>340,475</u>	<u>340,475</u>	<u>295,627</u>	<u>44,848</u>
<i>Net Change in Fund Equity</i>	(68,475)	(68,475)	(3,080)	65,395
<i>Fund Equity Beginning of Year</i>	81,984	81,984	81,984	0
<i>Fund Equity End of Year</i>	<u>\$ 13,509</u>	<u>\$ 13,509</u>	<u>\$ 78,904</u>	<u>\$ 65,395</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Winterhurst Ice Rink Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 705,800	\$ 705,800	\$ 710,765	\$ 4,965
Notes Issued	200,000	215,000	215,000	0
Premium on Notes	0	933	933	0
<i>Total Revenues</i>	<u>905,800</u>	<u>921,733</u>	<u>926,698</u>	<u>4,965</u>
Expenses				
Personal Services	451,876	437,154	393,848	43,306
Contractual Services	20,146	20,638	18,088	2,550
Materials and Supplies	13,900	11,700	10,105	1,595
Capital Outlay	215,000	220,500	154,770	65,730
Utilities	459,926	470,346	429,973	40,373
Advances Out	124,073	124,073	124,073	0
Debt Service:				
Principal Retirement	23,200	23,200	23,200	0
Interest and Fiscal Charges	63,062	63,062	63,062	0
Debt Issuance Costs	0	510	510	0
<i>Total Expenses</i>	<u>1,371,183</u>	<u>1,371,183</u>	<u>1,217,629</u>	<u>153,554</u>
Excess of Revenues				
Under Expenses	(465,383)	(449,450)	(290,931)	158,519
Transfers In	470,000	500,000	500,000	0
<i>Net Change in Fund Equity</i>	4,617	50,550	209,069	158,519
<i>Fund Equity Beginning of Year</i>	0	0	0	0
<i>Fund Equity End of Year</i>	<u>\$ 4,617</u>	<u>\$ 50,550</u>	<u>\$ 209,069</u>	<u>\$ 158,519</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Congregate Living Facility Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 8,100	\$ 8,100	\$ 5,594	\$ (2,506)
<i>Total Revenues</i>	<u>8,100</u>	<u>8,100</u>	<u>5,594</u>	<u>(2,506)</u>
Expenses				
Contractual Services	995	335	294	41
Materials and Supplies	9,508	10,168	8,242	1,926
<i>Total Expenses</i>	<u>10,503</u>	<u>10,503</u>	<u>8,536</u>	<u>1,967</u>
Excess of Revenues				
Under Expenses	(2,403)	(2,403)	(2,942)	(539)
Transfers In	0	5,000	5,000	0
<i>Net Change in Fund Equity</i>	<u>(2,403)</u>	<u>2,597</u>	<u>2,058</u>	<u>(539)</u>
<i>Fund Equity Beginning of Year</i>	<u>2,617</u>	<u>2,617</u>	<u>2,617</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 214</u>	<u>\$ 5,214</u>	<u>\$ 4,675</u>	<u>\$ (539)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 3,620,000	\$ 4,079,537	\$ 4,079,537	\$ 0
Miscellaneous	15,000	135,000	158,828	23,828
<i>Total Revenues</i>	<u>3,635,000</u>	<u>4,214,537</u>	<u>4,238,365</u>	<u>23,828</u>
Expenses				
Claims	4,168,121	4,458,121	4,242,225	215,896
Contractual Services	35,000	41,879	46,863	(4,984)
<i>Total Expenses</i>	<u>4,203,121</u>	<u>4,500,000</u>	<u>4,289,088</u>	<u>210,912</u>
<i>Net Change in Fund Equity</i>	(568,121)	(285,463)	(50,723)	(187,084)
<i>Fund Equity Beginning of Year</i>	677,529	677,529	677,529	0
<i>Unexpended Prior Year Encumbrances</i>	5,500	5,500	5,500	0
<i>Fund Equity End of Year</i>	<u>\$ 114,908</u>	<u>\$ 397,566</u>	<u>\$ 632,306</u>	<u>\$ (187,084)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 0	\$ 600,000	\$ 700,000	\$ 100,000
Miscellaneous	0	0	1,538	1,538
<i>Total Revenues</i>	<u>0</u>	<u>600,000</u>	<u>701,538</u>	<u>101,538</u>
Expenses				
Claims	152,565	307,912	307,386	526
Premiums	488,702	350,055	350,054	1
Contractual Services	28,000	28,300	28,292	8
<i>Total Expenses</i>	<u>669,267</u>	<u>686,267</u>	<u>685,732</u>	<u>535</u>
<i>Net Change in Fund Equity</i>	(669,267)	(86,267)	15,806	101,003
<i>Fund Equity Beginning of Year</i>	<u>1,875,392</u>	<u>1,875,392</u>	<u>1,875,392</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 1,206,125</u>	<u>\$ 1,789,125</u>	<u>\$ 1,891,198</u>	<u>\$ 101,003</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
General Liability Insurance Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$ 3,200	\$ 3,200	\$ 1,910	\$ (1,290)
<i>Total Revenues</i>	<u>3,200</u>	<u>3,200</u>	<u>1,910</u>	<u>(1,290)</u>
Expenses				
Claims	25,000	25,000	15,118	9,882
<i>Total Expenses</i>	<u>25,000</u>	<u>25,000</u>	<u>15,118</u>	<u>9,882</u>
<i>Net Change in Fund Equity</i>	(21,800)	(21,800)	(13,208)	8,592
<i>Fund Equity Beginning of Year</i>	130,163	130,163	130,163	0
<i>Fund Equity End of Year</i>	<u>\$ 108,363</u>	<u>\$ 108,363</u>	<u>\$ 116,955</u>	<u>\$ 8,592</u>

Statistical Section

City of Lakewood, Ohio
*Governmental Activities Revenues by Source
and Expenses by Function (1)*
Last Two Years

	<u>2004</u>	<u>2003</u>
Program Revenues		
<i>Governmental Activities:</i>		
Charges for Services:		
General Government	\$ 2,778,441	\$ 3,024,746
Security of Persons and Property	2,242,705	2,459,973
Public Health Services	2,003	55,906
Transportation	0	0
Community Environment	860,495	646,650
Basic Utility Services	13,181	20,127
Leisure Time Activities	20,470	6,663
Operating Grants and Contributions	4,997,145	5,165,405
Capital Grants and Contributions	<u>0</u>	<u>243,000</u>
Total Governmental Activities Program Revenues	<u>10,914,440</u>	<u>11,622,470</u>
Expenses		
<i>Governmental Activities:</i>		
General Government	7,759,070	8,577,222
Security of Persons and Property	20,186,789	20,045,477
Public Health Services	4,361,672	3,633,714
Transportation	2,971,847	2,774,812
Community Environment	8,478,583	5,879,833
Basic Utility Services	4,470,994	4,594,240
Leisure Time Activities	2,158,300	2,123,967
Interest and Fiscal Charges	<u>1,565,095</u>	<u>1,573,622</u>
Total Governmental Activities Expenses	<u>51,952,350</u>	<u>49,202,887</u>
Net (Expense) Revenue	<u>(41,037,910)</u>	<u>(37,580,417)</u>
General Revenues and Other Changes in Net Assets		
<i>Governmental Activities:</i>		
Taxes:		
Property and Other Local Taxes Levied For:		
General Purposes	6,984,616	5,863,577
Other Purposes	2,644,603	2,247,896
Debt Purpose	2,788,706	2,379,067
Payment in Lieu of Taxes	100,617	0
Municipal Income Taxes Levied For:		
General Purposes	17,064,294	15,412,865
Grants and Entitlements not Restricted to Specific Programs	7,085,654	6,769,468
Investment Earnings	396,491	483,266
Miscellaneous	402,279	408,462
Transfers	<u>(505,000)</u>	<u>(200,000)</u>
Total Governmental Activities	<u>36,962,260</u>	<u>33,364,601</u>
Change in Net Assets	<u>\$ (4,075,650)</u>	<u>\$ (4,215,816)</u>

City of Lakewood
*General Governmental Revenues by Source
and Expenditures by Function (1)
Last Ten Years*

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Revenues										
Taxes	\$ 29,231,014	\$ 26,959,567	\$ 27,936,619	\$ 29,200,745	\$ 26,402,731	\$ 26,034,232	\$ 25,490,469	\$ 23,902,222	\$ 23,567,526	\$ 23,640,358
Payment in Lieu of Taxes	100,617	0	0	0	0	0	0	0	0	0
Charges for Services	3,432,921	3,776,654	2,684,835	2,584,971	2,415,852	1,648,298	1,507,362	1,586,422	435,942	427,789
Licenses, Permits and Fees	939,434	718,147	698,661	765,485	632,935	631,768	676,407	630,359	524,842	494,786
Fines and Forfeitures	1,478,391	1,594,776	1,235,195	1,163,004	1,180,221	1,237,830	1,366,319	1,335,419	1,258,374	1,102,146
Intergovernmental	12,359,013	12,180,349	12,821,281	11,344,560	10,538,724	11,658,560	11,115,956	8,893,521	9,139,319	9,232,199
Special Assessments	84,302	196,560	167,359	115,561	96,663	100,171	75,125	97,745	118,089	152,627
Interest	396,491	483,266	839,181	1,166,804	1,808,779	1,096,232	1,114,273	784,784	665,181	775,871
Miscellaneous	402,279	408,462	1,137,725	325,033	1,228,711	1,315,096	1,396,790	1,441,451	1,666,400	1,564,646
Total	\$ 48,424,462	\$ 46,317,781	\$ 47,520,856	\$ 46,666,163	\$ 44,304,616	\$ 43,722,187	\$ 42,742,701	\$ 38,671,923	\$ 37,375,673	\$ 37,390,422
Expenditures										
General Government	\$ 7,601,675	\$ 8,335,408	\$ 7,132,996	\$ 6,137,933	\$ 6,231,767	\$ 6,133,239	\$ 5,674,800	\$ 5,678,394	\$ 5,348,489	\$ 5,688,446
Security of Persons and Property	-	-	17,408,734	21,757,271	16,041,238	14,915,340	14,065,155	13,766,277	13,926,743	12,425,334
Police	10,662,735	10,118,491	NA	NA	NA	NA	NA	NA	NA	NA
Fire	9,304,473	9,394,378	NA	NA	NA	NA	NA	NA	NA	NA
Public Health Services	4,286,363	3,532,193	3,137,717	3,074,905	3,667,836	3,475,385	3,515,540	3,363,386	3,335,468	3,400,716
Transportation	2,175,057	2,337,498	1,912,861	2,252,170	2,018,050	1,892,215	1,783,005	1,887,794	2,437,848	2,184,838
Community Environment	5,656,644	6,060,535	6,420,753	5,519,228	4,356,872	5,663,246	5,535,532	4,745,928	4,560,362	4,684,217
Basic Utility Services	4,328,373	4,340,840	4,172,822	3,840,908	4,000,709	4,004,465	3,478,201	3,478,512	3,404,363	3,549,232
Leisure Time Activities	1,962,346	1,930,211	1,904,606	1,869,277	1,801,349	1,628,933	1,599,116	1,676,056	2,281,561	2,256,905
Capital Outlay	5,422,606	2,848,800	3,510,525	3,810,178	3,087,475	3,021,957	2,783,019	755,171	877,016	1,852,111
Debt Service	7,464,655	3,714,992	3,371,003	5,724,977	2,699,299	2,451,751	6,238,617	5,471,169	4,864,305	13,780,132
Total	\$ 58,864,927	\$ 52,613,346	\$ 48,972,017	\$ 53,986,847	\$ 43,904,595	\$ 43,186,531	\$ 44,672,985	\$ 40,822,687	\$ 41,036,155	\$ 49,821,931

Source: City Financial Records

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.
Modified Accrual Basis.

City of Lakewood
Real Property Taxes – Levies and Collections
Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Total Tax Levy Collected</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percent of Accumulated Delinquent Taxes to Total Tax Levy</u>
1995	\$ 11,418,201	\$ 11,022,758	96.5%	\$ 320,934	2.8%
1996	11,566,075	11,157,257	96.5%	382,558	3.3%
1997	11,594,830	10,903,108	94.0%	378,054	3.3%
1998	12,473,945	11,784,898	94.5%	457,346	3.7%
1999	12,587,879	11,630,669	92.4%	436,824	3.5%
2000	12,007,848	11,715,488	97.6%	420,589	3.5%
2001	14,025,782	13,088,922	93.3%	585,260	4.2%
2002	14,093,147	12,965,025	92.0%	608,167	4.3%
2003	14,158,214	13,011,236	91.8%	786,456	6.0%
2004	16,101,736	14,778,062	91.7%	820,139	5.5%

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood
Assessed Valuations and Estimated True Values of Taxable Property
Last Ten Years

Collection Year	Assessed Valuations			Total	Estimated True Value Taxable Property
	Real Property	Public Utility Property	Tangible Personal Property		
1995	\$ 622,501,030	\$ 28,842,580	\$ 28,955,261	\$ 680,298,871	\$ 1,927,171,075
1996	619,624,830	26,532,660	28,143,010	674,300,500	1,913,079,447
1997	621,449,470	25,640,400	29,693,104	676,782,974	1,923,479,148
1998	674,651,070	24,653,550	28,969,777	728,274,397	2,071,468,991
1999	674,308,020	24,235,630	30,270,945	728,814,595	2,075,218,611
2000	672,238,960	22,218,700	29,495,988	723,953,648	2,063,915,218
2001	762,193,100	21,740,390	30,919,012	814,852,502	2,326,075,608
2002	762,148,140	16,758,320	31,518,033	810,424,493	2,322,681,791
2003	760,550,790	16,001,560	28,345,579	804,897,929	2,299,708,369
2004	863,693,900	16,823,630	26,670,819	907,188,349	2,584,999,786

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property – 35 percent; tangible personal property – 25 percent of true value for capital assets and 23 percent of true value for inventory; public utility tangible personal property 88 percent or 100 percent of the true value, depending on the nature of the public utility.

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood

*Property Tax Rates – Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation)
Last Ten Years*

<u>Year</u>	<u>City</u>	<u>Cuyahoga County (1)</u>	<u>Lakewood City School District</u>	<u>Special Taxing Districts (2)</u>	<u>Total</u>
1995	\$17.30	\$ 12.12	\$ 91.60	\$ 4.48	\$ 125.50
1996	17.30	12.12	91.60	4.48	125.50
1997	17.30	12.12	91.40	4.48	125.30
1998	17.30	10.82	91.40	4.48	124.00
1999	17.30	10.82	96.20	4.48	128.80
2000	17.30	11.72	95.80	4.48	129.30
2001	17.30	14.65	93.45	3.80	129.20
2002	17.30	14.65	93.45	3.80	129.20
2003	17.40	13.52	101.60	7.98	140.50
2004	17.40	13.52	107.40	8.28	146.60

(1) Includes:Cuyahoga Community College; and Cleveland-Cuyahoga County Port Authority

(2) Includes:Lakewood Public Library and Cleveland Metropolitan Park District

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood
Special Assessment Billings and Collections
Last Ten Years

<u>Collection Year</u>	<u>Billed Amount</u>	<u>Collected Amount</u>	<u>Percent Collected</u>
1995	\$140,481	\$137,719	98.03%
1996	125,426	124,671	99.40%
1997	95,303	97,402	102.20%
1998	74,820	76,185	101.82%
1999	55,867	53,027	94.92%
2000	67,378	64,553	95.81%
2001	93,531	96,100	102.75%
2002	80,874	83,561	103.32%
2003	157,611	146,678	93.06%
2004	75,342	80,826	107.28%

All amounts reflect only special assessments certified to the Cuyahoga County Auditor and do not include amounts billed and collected directly by the City.

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood
*Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
 Last Ten Years*

<u>Year</u>	<u>Population*</u>	<u>Assessed Value (1)</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Bonded Debt Payable from Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
1995	59,718	\$ 680,298,871	\$ 38,010,000	\$ -	\$ 17,718,000	\$ 20,295,000	2.98%	\$ 339.85
1996	59,718	674,300,500	36,055,000	1,255,410	16,299,000	18,500,590	2.74%	309.80
1997	59,718	676,782,974	34,120,000	1,465,329	15,398,000	17,256,671	2.55%	288.97
1998	59,718	728,274,397	38,805,000	1,099,474	16,242,800	21,462,726	2.95%	359.40
1999	59,718	728,814,595	36,810,000	1,978,231	15,445,000	19,386,769	2.66%	324.64
2000	56,646	723,953,648	34,680,000	2,023,608	14,612,200	18,044,192	2.49%	318.54
2001	56,646	814,852,502	40,880,000	784,864	13,865,400	26,229,736	3.21%	463.04
2002	56,646	810,424,493	39,610,000	868,636	14,268,600	24,472,764	3.02%	432.03
2003	56,646	804,897,929	45,560,100	1,162,940	16,701,400	27,695,760	3.44%	488.93
2004	56,646	907,188,349	46,880,100	1,419,261	15,577,489	29,883,351	3.29%	527.55

* U. S. Bureau of Census, Census of Population

(1) Cuyahoga County, Ohio; County Auditor

City of Lakewood
Computation of Legal Debt Margin
December 31, 2004

Gross Indebtedness		\$	60,153,400
Less:			
Water Revenue Bonds/Notes	\$		6,685,000
Sewer Bonds/Notes			2,300,000
Police & Fire Disability & Pension Fund			4,730,000
Special Assessment Bonds/Notes			391,833
TIF-Rockport Square			<u>4,265,000</u>
Total Exempt Debt	\$		<u>18,371,833</u>
Net Indebtedness Subject to 10-1/2% Debt Limitation		\$	<u>41,781,567</u>
Net Indebtedness Subject to 5-1/2% Debt Limitation		\$	<u>41,781,567</u>
Assessed Valuation of City		\$	907,188,349
Aggregate permitted net indebtedness incurred with and without a vote Of the electors (101/2% of tax valuation)		\$	95,254,777
Net Indebtedness Subject to 10-1/2% Debt Limitation			<u>41,781,567</u>
Legal 10-1/2% Margin		\$	<u>53,473,210</u>
Aggregate permitted net indebtedness incurred without a vote of the Electors (5-1/2% of tax valuation)		\$	49,895,359
Net Indebtedness Subject to 5-1/2% Debt Limitation			<u>41,781,567</u>
Legal 5-1/2% Margin		\$	<u>8,113,792</u>

City of Lakewood
Computation of Direct and Overlapping Debt
 December 31, 2004

<u>Jurisdiction</u>	<u>Gross Indebtedness</u>	<u>Percentage Applicable to City*</u>	<u>Direct</u>	<u>Overlapping Estimated Debt Applicable to City</u>	<u>Total</u>
City	\$ 46,880,100	100.00%	\$ 46,880,100	\$ -	\$ 46,880,100
Lakewood School District	100,429,975	100.00%	-	100,429,975	100,429,975
Cuyahoga County	251,154,636	2.99%	-	7,509,523	7,509,523
Greater Cleveland Regional Transit Authority	<u>147,025,000</u>	2.99%	<u>-</u>	<u>4,396,047</u>	<u>4,396,047</u>
	\$ <u><u>545,489,711</u></u>		\$ <u><u>46,880,100</u></u>	\$ <u><u>112,335,545</u></u>	\$ <u><u>159,215,645</u></u>

* The percentage of Gross Indebtedness of the City's overlapping political subdivisions was determined by dividing the overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Lakewood
*Ratio of Annual Debt Principal Expenditures for General Obligation Bonded Debt to
Total Governmental Fund Expenditures
Last Ten Years*

<u>Fiscal Year</u>	<u>Debt Principal Expenditures</u>	<u>Governmental Fund Expenditures</u>	<u>Ratio of Debt Principal to Total Governmental Fund Expenditures</u>
1995	\$1,094,000	\$49,821,931	2.20%
1996	879,000	41,036,155	2.14%
1997	1,004,000	40,822,687	2.46%
1998	9,484,800	(1) 44,672,985	21.23%
1999	1,134,400	43,186,531	2.63%
2000	1,232,800	43,904,595	2.81%
2001	1,208,000	53,986,847	2.24%
2002	1,577,200	48,972,017	3.22%
2003	1,506,800	52,613,345	2.86%
2004	1,821,089	58,864,927	3.09%

- General obligations supported from Debt Service Fund, which excludes special assessments and enterprise obligations.

(1) Includes \$8,170,000 of advance refunded general obligation principal

City of Lakewood
Principal Real Property Taxpayers
 December 31, 2004

<u>Taxpayer</u>	2003 Assessed Valuation (Tax Duplicate) <u>For Collection in 2004</u>	<u>Percentage of Total Assessed Valuation</u>
1. Cleveland Electric Illuminating Company	\$ 7,007,540	0.77%
2. Ohio Bell Telephone Company	5,599,240	0.62%
3. Lakewood Operating Associates	2,309,130	0.25%
4. Lakewood Senior Citizens, Inc.	2,231,010	0.25%
5. Marine Towers	2,096,990	0.23%
6. Castlewood Association	1,994,760	0.22%
7. Fame-Midamco Company	1,720,990	0.19%
8. Lakewood Health Care	1,690,860	0.19%
9. Lakewood Association	1,641,230	0.18%
10. Lakeshore Associates	<u>1,596,360</u>	<u>0.18%</u>
	\$ <u><u>27,888,110</u></u>	<u>3.08%</u>
Total Assessed Valuation	\$ <u><u>907,188,349</u></u>	

Assessed valuation is based upon a review of the 25 largest parcels in the City. The total valuation listed for each taxpayer does not include all parcels owned by the entity in the County.

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood
Property Values, Construction and Bank Deposits
Last Ten Years

<u>Year</u>	<u>Residential Construction Value</u>	<u>Commercial Construction Value</u>	<u>Bank Deposits in the County[^] (in thousands)</u>	<u>Deposits of Financial Institutions Headquartered in the City * (in thousands)</u>
1995	\$ 6,148,509	\$ 6,557,742	\$ 22,694,304	\$ 615,975
1996	7,587,079	4,361,563	27,068,211	675,661
1997	6,921,499	3,427,818	53,941,971	722,417
1998	8,167,951	5,911,359	58,904,596	757,514
1999	6,613,136	5,928,044	57,816,942	796,092
2000	8,492,331	7,501,961	61,942,764	833,343
2001	10,814,661	13,680,618	63,893,769	882,031
2002	10,852,908	8,293,988	95,761,917	940,277
2003	10,184,576	9,524,390	97,238,973	948,764
2004	10,847,664	10,811,082	358,741,404	978,653

[^] Federal Reserve Bank of Cleveland (Total Demand, Time and Savings Deposits) for banks headquartered in Cuyahoga County, Ohio.

* First Federal Savings and Loan Association of Lakewood (headquartered in Lakewood, Ohio)

City of Lakewood
Revenue Bond Coverage – Water System Mortgage Revenue Bonds
Last Ten Years

<u>Year</u>	<u>Gross Revenues (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Annual Debt Service Requirements (3)</u>	<u>Coverage</u>
1994	\$ 7,976,981	\$ 6,035,217	\$ 1,941,764	\$ 426,270	4.56
1996	7,451,692	6,095,646	1,356,046	657,896	2.06
1997	7,857,587	6,250,920	1,606,667	635,645	2.53
1998	8,466,107	6,966,612	1,499,495	649,175	2.31
1999	8,780,617	6,994,242	1,786,375	650,788	2.74
2000	8,563,531	6,523,005	2,040,526	645,893	3.16
2001	8,651,628	7,084,088	1,567,540	645,442	4.12
2002	8,803,266	8,156,070	647,196	648,857	(10.02)
2003	8,520,217	7,085,228	1,434,989	740,501	5.16
2004	8,584,588	7,481,671	1,102,917	741,785	6.72

(1) Gross revenues include operating revenues, intergovernmental revenues, interest income and special assessments.

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

(3) Annual debt service requirements include principal and interest on revenue bonds issued in 1995.

City of Lakewood
Insurance Summary
December 31, 2004

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Liability Limits</u>	<u>Deductible</u>	<u>Effective Date</u>	
General Liability	Arch	\$ 1,000,000 per occurrence	\$ 0	10/01/04	09/30/05
		3,000,000 aggregate	0	10/01/04	09/30/05
Automobile	Arch	1,000,000 Liability	0	10/01/04	09/30/05
		Comprehensive	250	10/01/04	09/30/05
		Collision	1,000	10/01/04	09/30/05
Law Enforcement	Arch	1,000,000 Liability	5,000	10/01/04	09/30/05
Public Officials	Arch	1,000,000 Liability	5,000	10/01/04	09/30/05
Professional (Health Dept)	Admiral	1,000,000 per occurrence	2,500	10/01/04	09/30/05
		3,000,000 aggregate	0	10/01/04	09/30/05
Employee Bonds	Hartford Fire	100,000 Director of Finance	0	01/03/05	01/03/06
	Brook Stafford	25,000 Court Employees	0	08/02/02	09/01/05
	Brook Stafford	50,000 Clerk of Courts	0	06/01/04	06/01/05
	Arch	100,000 Employee Dishonesty	250	10/01/04	09/30/05
Blanket Building & Contents	Arch	96,434,936	1,000	10/01/04	09/30/05
Inland Marine	Arch	6,019,135	1,000	10/01/04	09/30/05
		2,571,887 EDP Equipment	1,000	10/01/04	09/30/05
Boiler & Machinery	Federal Insurance Co.	50,000,000	5,000	10/01/04	09/30/05
Umbrella	Arch	10,000,000 per occurrence	0	10/01/04	09/30/05
Medical Professional	Admiral Insurance Co.	1,000,000 per occurrence	2,500	10/01/04	09/30/05
		3,000,000 aggregate	0		
Pollution (Lead Abatement Policy) Earthquake and Flood	Hudson Specialty	1,000,000	2,500	10/01/04	10/01/05
	Arch	5,000,000	50,000	10/01/04	10/01/05

City of Lakewood
Top Ten Largest Employers
December 31, 2004

	<u>Number Of Employees*</u>
Lakewood Hospital	1,390
Lakewood Board of Education	1,153
City of Lakewood	645
First Federal Saving & Loan Association of Lakewood	201
New York Life Insurance Company	194
Aristocrat Lakewood	192
Graph-Tech, Inc	112
Bonne Bell Inc.	112
Galaxy Balloons	111
United Transportation Union	108

* includes part-time/seasonal employees

City of Lakewood
Miscellaneous Statistics
 December 31, 2004

Date of Incorporation	1911
Form of Government	Mayor - Council
Area	5.66 square miles
Miles of streets	93
Number of street lights	3,554
 <u>Fire Protection</u>	
Number of fire stations	3
Number of firemen and officers	85
 <u>Police Protection</u>	
Number of police stations	1
Number of policemen and officers	86
 Lakewood Hospital	 400 beds
 <u>Education (K-5 only):</u>	
Number of teachers	136
Number of students	2,672
 <u>Education (6-8 only):</u>	
Number of teachers	95
Number of students	1,578
 <u>Education (9-12 only):</u>	
Number of teachers	124
Number of students	2,166
 <u>Municipal Water Department</u>	
Number of water accounts	14,327
Average daily consumption (cubic feet)	612,619
Miles of water mains	111
 <u>Sewers</u>	
Sanitary sewers	74.53 miles
Storm sewers	65.91 miles
Combined	<u>25.28 miles</u>
Total Sewers	165.72 miles
 Building permits issued	 2,948
 Number of full-time employees	 540
 Number of part-time employees	 105

City of Lakewood
Demographic Statistics
 December 31, 2004

Population

<u>Census</u>	<u>City</u>	<u>Cuyahoga County</u>	<u>State</u>
1970	70,173	1,721,300	10,652,017
1980	61,963	1,498,400	10,797,630
1990	59,718	1,412,140	10,847,115
2000	56,646	1,393,978	11,353,140

Age Distribution (Per 2000 Census)

	<u>Number</u>	<u>Percentage</u>
Under 5 years	3,340	5.90%
5 – 9 years	3,202	5.60%
10 – 14 years	3,408	6.00%
15 – 19 years	3,327	5.90%
20 – 24 years	4,023	7.10%
25 – 34 years	11,728	20.70%
35 – 44 years	9,364	16.50%
45 – 54 years	7,378	13.00%
55 – 59 years	2,245	4.00%
60 – 64 years	1,743	3.10%
65 – 74 years	3,207	5.70%
75 – 84 years	2,584	4.60%
85 years and over	<u>1,097</u>	<u>1.90%</u>
Total	56,646	100.00%

Median Age = 34.2 years

Population by Gender

Males	27,275
Females	29,371

City Of Lakewood, Ohio

Single Audit Reports

December 31, 2004

City of Lakewood, Ohio

For The Year Ended December 31, 2004

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**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Mayor Thomas George and
Members of the City Council of the
City of Lakewood, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Ohio, (the City) as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 14, 2005, wherein we noted the City of Lakewood adopted Government Accounting Standards Board Technical Bulletin No. 2004-2. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 14, 2005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 04-1 and 04-2.

Honorable Mayor Thomas George and
Members of the City Council of the
City of Lakewood, Ohio

This report is intended solely for the information and use of management, City Council, finance committee, Auditor of State's Office and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Parichi, Inc.

Cleveland, Ohio
June 14, 2005

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

Honorable Mayor Thomas George and
Members of the City Council of the
City of Lakewood, Ohio

Compliance

We have audited the compliance of the City of Lakewood, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A- 133, Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2004. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2004.

Honorable Mayor Thomas George and
Members of the City Council of the
City of Lakewood, Ohio

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Ohio, as of and for the year ended December 31, 2004, and have issued our report thereon dated June 14, 2005, wherein we noted the City of Lakewood adopted Government Accounting Standards Board Technical Bulletin No. 2004-2.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of management, City Council, finance committee, Auditor of State's Office and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Cini & Panichi, Inc.

Cleveland, Ohio
June 14, 2005

City of Lakewood, Ohio

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2004

Program Title Federal Grantor and/or Pass-Through Grantor	Federal CFDA No.	Pass-Through Entity/Grant Number	Receipts	Non-cash Receipts	Expenditures	Non-cash Expenditures
U.S. Department of Agriculture Passed through the Western Reserve Area Agency on Aging Nutrition Program for the Elderly	10.570	N/A	-	31,488	-	31,488
U.S. Department of Housing and Urban Development Direct Program						
Community Development Block Grant	14.218	B-03-MC-39-007	1,848,272	-	1,706,316	-
Community Development Block Grant	14.218	B-04-MC-39-007	<u>588,859</u>	-	<u>780,140</u>	-
Total Community Development Block Grant			<u>2,437,131</u>	-	<u>2,486,456</u>	-
Emergency Shelter Grant	14.231	S-03-MC-39-007	42,116	-	42,618	-
Emergency Shelter Grant	14.231	S-04-MC-39-007	<u>35,798</u>	-	<u>35,296</u>	-
Total Emergency Shelter Grant			<u>77,914</u>	-	<u>77,914</u>	-
Passed-Through Cuyahoga County Housing Consortium						
HOME Investment Partnerships Program Grant	14.239	M-01-DC396216-AC	<u>25,000</u>	-	<u>80,000</u>	-
Total U.S. Department of Housing and Urban Development			<u>2,540,045</u>	-	<u>2,644,370</u>	-
U.S. Department of Justice Local Law Enforcement Block Grant	16.592	02-LB-VX-2286	-	-	<u>13,570</u>	-
U.S. Department of Health and Human Services Passed through the Western Reserve Area Agency on Aging						
Special Programs for the Aging – Title IIIB	93.044	N/A	135,128	-	135,128	-
Special Programs for the Aging – Title IIIC	93.045	N/A	43,771	61,178	43,771	61,178
Medical Assistance Program (Passport Services)	93.778	N/A	<u>113,696</u>	-	<u>113,696</u>	-
Total U.S. Department of Health and Human Services			<u>292,595</u>	<u>61,178</u>	<u>292,595</u>	<u>61,178</u>

The accompanying notes are an integral part of this schedule

City of Lakewood, Ohio

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2004

Program Title <u>Federal Grantor and/or Pass-Through Grantor</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Entity/Grant Number</u>	<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Expenditures</u>	<u>Non-cash Expenditures</u>
Federal Emergency Management Agency						
Disaster Assistance	97.036	EM-3187-OH	32,244	-	32,244	-
Disaster Assistance	97.036	DR-1519-OH	4,349	-	4,349	-
Emergency Management Agency Equipment Grant	97.036	EMW-2003-FG-11517	97,094	-	97,094	-
Total Federal Emergency Management Agency			<u>133,687</u>	<u>-</u>	<u>133,687</u>	<u>-</u>
 Total Federal Assistance			\$ <u>2,966,327</u>	\$ <u>92,666</u>	\$ <u>3,084,222</u>	\$ <u>92,666</u>

The accompanying notes are an integral part of this schedule

City of Lakewood, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2004

Note 1: Significant Accounting Policies

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City of Lakewood's (the City) federal award programs. The Schedule has been prepared on the cash basis of accounting.

Note 2: Subrecipients

The City passes-through certain Federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note 1, the City records expenditures of Federal awards to subrecipients when paid in cash.

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

Note 3: Matching Requirements

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support Federally funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

Note 4: U.S. Department of Housing and Urban Development and Home Program Grants

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The U.S. Department of Housing and Urban Development (HUD) grants money for these loans directly to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2004, the gross amount of loans outstanding under this program is \$2,687,115. The Emergency Shelter grant is directly received by the City. The U.S. Department of Housing and Urban Development HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

Note 5: U.S. Department of Health and Human Services

The U.S. Department of Health and Human Services grants are passed through the Western Reserve Area Agency on Aging.

City of Lakewood, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2004

Note 6: U.S. Department of Justice

The U.S. Department of Justice grant is a direct grant.

Note 7: Food Distribution

Non-monetary assistance, such as meals received from the Western Reserve Area Office on Aging, is reported in the Schedule at the value of \$2.28 per meal served. Of the value of an individual meal served, the U.S. Department of Agriculture allocates \$.59 per meal and the U.S. Department of Health and Human Services allocates \$2.32 per meal. For the year ended December 31, 2004, the City served 27,000 and 26,370 meals through the City's Office on Aging congregate meal program and home delivered meal program; therefore, the U.S. Department of Agriculture allocation was \$31,488 and the U.S. Department of Health and Human Services allocation was \$61,178.

City Of Lakewood, Ohio

Schedule of Findings
OMB Circular A-133, Section .505

December 31, 2004

1. Summary of Auditor's Results

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	No
(d)(I)(vii)	Major Programs	Community Development Block Grant; CFDA # 14.218
(d)(I)(viii)	Dollar Threshold: Type A and B Programs	Type A: >\$300,000 Type B: All others
(d)(I)(ix)	Low Risk Auditee?	Yes

2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

04-1 Contrary to Section 5705.39 Ohio Revised Code, the Community Development Block Grant Fund had original appropriations in excess of original estimated revenue available for expenditures.

	<u>Certificate of Estimated Resources</u>		<u>Original Appropriations</u>		<u>Excess</u>
Special Revenue Fund:					
Community Development Block Grant Fund	\$ 4,987,889	\$	4,912,925	\$	45,689

04-2 Ohio Revised Code 5705.10 states that money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The Community Development Block Grant Fund had a negative fund balance in the amount of \$866,982.

City of Lakewood, Ohio

Schedule Of Findings
OMB Circular A-133, Section .505 (Continued)

December 31, 2004

3. Findings for Federal Awards

None.

City of Lakewood, Ohio

Schedule of Prior Audit Findings
OMB Circular A-133, Section .315(B)

December 31, 2004

Finding No.	Finding Summary	Fully Corrected	Explanation
03-1	Contrary to Section 5705.39 Ohio Revised Code, the following funds had original appropriations in excess of original estimated revenue available for expenditures: Community Development Block Grant Fund, Court Probation Services Fund, Emergency Shelter Grant Fund, HOME Investment Program Fund, Help-To-Others Fund, Permanent Capital Improvement Fund, Winterhurst Ice Rink Fund, and the Hospitalization Fund.	No.	The City had noncompliance in this area again in 2004.

City Of Lakewood

12650 Detroit Avenue
Lakewood, Ohio 44107
(216) 529-6093

Response to Findings Associated with Audit Conducted
in Accordance with *Government Auditing Standards*
for the Year Ended December 31, 2004

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
04-1	The City will monitor appropriations and estimated resources.	Immediately.	Vic Nogalo, Finance Director
04-2	The City will monitor cash balances.	Immediately.	Vic Nogalo, Finance Director



**Auditor of State
Betty Montgomery**

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

CITY OF LAKEWOOD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 4, 2005**