

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF LAKEWOOD
TABLE OF CONTENTS**

TITLE	PAGE
Schedule of Federal Awards Expenditures	1
Notes to the Schedule of Federal Awards Expenditures	2
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	3
Report on Compliance With Requirements Applicable to its Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	5
Schedule of Findings	7
Schedule of Prior Audit Findings	9

This page intentionally left blank.

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

Federal Grantor/ Pass-Through Grantor/Program Title	FEDERAL CFDA NUMBER	Pass-Through Entity Number	Program Or Award Amount	Receipts	Non Cash Receipts	Expenditures	Non Cash Expenditures
U.S. Department of Agriculture							
<i>Passed Through the Western Reserve Area Agency on Aging:</i>							
Nutrition Program for the Elderly	10.570	N/A	31,410	0	31,410	0	31,410
Total U.S. Department of Agriculture			<u>31,410</u>	<u>0</u>	<u>31,410</u>	<u>0</u>	<u>31,410</u>
U.S. Department of Housing & Urban Development							
<i>Direct Program</i>							
Community Development Block Grant	14.218	B-98-MC-39-0007	2,549,056	2,280,766	0	2,280,766	0
Community Development Block Grant	14.218	B-98-MC-39-0007	<u>2,560,000</u>	<u>715,480</u>	<u>0</u>	<u>715,480</u>	<u>0</u>
Total Community Development Block Grant:			5,109,056	2,996,246	0	2,996,246	0
Emergency Shelter Grant	14.231	S-98-MC-39-0007	99,000	70,343	0	70,343	0
<i>Passed Through Cuyahoga Housing Consortium:</i>							
HOME Investment Partnerships Program Grant	14.239	M-98-DC396216-AC	231,800	106,164	0	106,164	0
Total Passed Through Cuyahoga Housing Consortium			<u>231,800</u>	<u>106,164</u>	<u>0</u>	<u>106,164</u>	<u>0</u>
Total U.S. Department of Housing & Urban Development			<u>5,439,856</u>	<u>3,172,753</u>	<u>0</u>	<u>3,172,753</u>	<u>0</u>
U.S. Department of Health & Human Services							
<i>Passed Through the Western Reserve Area Agency on Aging:</i>							
Medical Assistance Program (Passport Services)	93.778	N/A	85,403	85,403	0	85,403	0
<i>Aging Cluster:</i>							
Special Programs for the Aging - Title III-B	93.044	N/A	166,511	166,511	0	166,511	0
Special Programs for the Aging - Title III-C	93.045	N/A	<u>56,651</u>	<u>11,360</u>	<u>45,291</u>	<u>11,360</u>	<u>45,291</u>
Total Aging Cluster			223,162	177,871	45,291	177,871	45,291
Total U.S. Department of Health & Human Services			<u>308,565</u>	<u>263,274</u>	<u>45,291</u>	<u>263,274</u>	<u>45,291</u>
U.S. Department of Justice							
<i>Direct Program</i>							
Local Law Enforcement Block Grant	16.592	98-LB-VX-2286	22,702	22,702	0	22,702	0
Total U.S. Department of Justice			<u>22,702</u>	<u>22,702</u>	<u>0</u>	<u>22,702</u>	<u>0</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>5,802,533</u>	<u>3,458,729</u>	<u>76,701</u>	<u>3,458,729</u>	<u>76,701</u>

Note: The accompanying notes to this schedule are an integral part of this schedule

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

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B--SUBRECIPIENTS

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

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

NOTE C--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 D--U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)/EMERGENCY SHELTER GRANT**

The City has established a revolving loan program to provide low-interest loans to persons from low-moderate income households to rehabilitate their homes. The Federal 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 the Schedule. These loans are collateralized by mortgages on the property. At December 31, 1999, the gross amount of loans outstanding under this program was \$3,385,923. Delinquent amounts due was \$276,998.

NOTE E - FOOD DISTRIBUTION

Nonmonetary assistance, meals received from the Western Reserve Area Office on Aging, is reported in the Schedule at the value of \$1.84 per meal served.

For congregate meals, the U.S. Department of Agriculture allocates \$.55 per meal and the U.S. Department of Health and Human Services allocates \$1.29 per meal. For home delivered meals, the U.S. Department of Agriculture allocates \$.55 per meal and state and local funds allocate \$1.29 per meal.

For the year ended December 31, 1999, the City served 35,109 congregate meals and 22,000 home delivered meals through the City's Office on Aging meal program. Therefore, \$31,410 was allocated to the U.S. Department of Agriculture, \$45,291 was allocated to the U.S. Department of Health and Human Services and \$28,380 was allocated to state and local funds. The allocation to state and local funds is not presented on the Schedule.

CFDA - Catalog of Federal Domestic Assistance

N/A - Not available



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

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

Honorable Mayor Madeline Cain
and Members of City Council
Cuyahoga County
City of Lakewood
12650 Detroit Avenue
Lakewood, Ohio 44107

We have audited the financial statements of the City of Lakewood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated June 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the City in a separate letter dated June 23, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 23, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

June 23, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland OH 44113 - 1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR
FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor Madeline Cain
and Members of City Council
City of Lakewood
Cuyahoga County
12650 Detroit Avenue
Lakewood, Ohio 44107

Compliance

We have audited the compliance of the City of Lakewood, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1999. 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 generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1999.

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.

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 23, 2000.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the City as of and for the year ended December 31, 1999, and have issued our report thereon dated June 23, 2000. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole

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



Jim Petro
Auditor of State

June 23, 2000

**CITY OF LAKEWOOD
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant, CFDA # 14.218
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

This page intentionally left blank.

**CITY OF LAKEWOOD
 SCHEDULE OF PRIOR AUDIT FINDINGS
 OMB CIRCULAR A -133 § .315 (b)**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-20818-001	Year 2000 Compliance	No	The Lakewood Municipal Court has a fully functional manual accounting system in place.



**CITY OF
LAKEWOOD, OHIO**

Comprehensive Annual Financial Report
for the year ended December 31, 1999

CITY OF LAKEWOOD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT ***For the year ended December 31, 1999***

Issued by the Department of Finance

Vic J. Nogalo, Director of Finance

CITY OF LAKEWOOD, OHIO
 Comprehensive Annual Financial Report
 Table of Contents
 December 31, 1999

INTRODUCTORY SECTION	Page
Title Page	1
Table of Contents	2
Certificate of Achievement for Excellence in Financial Reporting	6
Letter of Transmittal - Director of Finance	7
Elected Officials	19
Appointed Officials	20
Organizational Chart	21
FINANCIAL SECTION	
Report of Independent Accountants	24
General Purpose Financial Statements (Combined Statements-Overview):	
Combined Balance Sheet - All Fund Types and Account Groups	26
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - All Governmental Fund Types	30
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types	32
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types	34
Combined Statement of Cash Flows - All Proprietary Fund Types	35
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis) - All Proprietary Fund Types	38
Notes to the Combined Financial Statements	40
Other Financial Information (Combining and Individual Fund and Account Group Statements and Schedules):	
Special Revenue Funds:	
Combining Balance Sheet - All Special Revenue Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - All Special Revenue Funds	72
Schedules of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual (Non-GAAP Budgetary Basis):	
Streets and Highways Fund	76

CITY OF LAKEWOOD, OHIO
 Comprehensive Annual Financial Report
 Table of Contents
 December 31, 1999

Police and Fire Pensions Fund	77
Enforcement and Education Fund.....	78
Litter Control Grant Fund	79
Office on Aging Grant Fund	80
Community Development Block Grant Fund	81
Community Festival Fund.....	82
Children's Trust Grant Fund.....	83
Law and Drug Enforcement Fund	84
Emergency Shelter Fund.....	85
Indigent Drivers Alcohol Treatment Fund.....	86
Political Subdivision Fund.....	87
Bureau of Justice Grant Fund	88
Computer Research and Maintenance Fund	89
Little Links Fund	90
Lakewood Hospital Fund.....	91
Just Friends Grant Fund.....	92
St. Ann's Grant Fund.....	93
Children Who Witness Violence Grant Fund	94
Juvenile Accountability Incentive Block Grant Fund.....	95
Byrne Memorial Grant Fund.....	96
Capital Projects Funds:	
Combining Balance Sheet - All Capital Projects Funds	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - All Capital Projects Funds	99
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Capital Improvement Fund	100
Downtown Development Fund	101
Lakehouse Breakwall Fund.....	102
Enterprise Funds:	
Combining Balance Sheet - All Enterprise Funds	104

CITY OF LAKEWOOD, OHIO
 Comprehensive Annual Financial Report
 Table of Contents
 December 31, 1999

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings - All Enterprise Funds.....	106
Combining Statement of Cash Flows - All Enterprise Funds.....	107
Schedules of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Water Fund	109
Sewer and Wastewater Fund.....	110
Parking Facilities Fund	111
Congregational Living Facility Fund.....	112
Winterhurst Ice Rink Fund.....	113
Internal Service Funds:	
Combining Balance Sheet - All Internal Service Funds	115
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings (Deficit) - All Internal Service Funds	116
Combining Statement of Cash Flows - All Internal Service Funds.....	117
Schedules of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
General Insurance Fund.....	118
Recreational Insurance Fund.....	119
Hospitalization Fund.....	120
Workers Compensation Fund	121
Agency Funds:	
Combining Balance Sheet - All Agency Funds.....	123
Combining Statement of Changes in Assets and Liabilities - All Agency Funds.....	124
General Fixed Assets Account Group:	
Schedule of General Fixed Assets by Source	126
Schedule of Changes in General Fixed Assets by Function and Activity	127
Schedule of General Fixed Assets by Function and Activity	128
STATISTICAL SECTION	
General Fund Revenue by Source (Last Ten Fiscal Years)	130
General Fund Expenditures by Function (Last Ten Fiscal Years)	131
Ad Valorem Real Property Taxes - Levies and Collections (Last Ten Fiscal Years)	132

CITY OF LAKEWOOD, OHIO
Comprehensive Annual Financial Report
Table of Contents
December 31, 1999

Assessed Valuations and Estimated True Values of Taxable Property (Last Ten Fiscal Years)	133
Property Tax Rates - Direct and Overlapping Governments (Last Ten Fiscal Years)	134
Special Assessment Billings and Collections (Last Ten Fiscal Years)	135
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita (Last Ten Fiscal Years)	136
Computation of Legal Debt Margin	137
Computation of Direct and Overlapping Debt	138
Ratio of Annual Debt Principal Expenditures for General Bonded Debt to Total General Fund Expenditures (Last Ten Fiscal Years)	139
Principal Real Property Taxpayers	140
Construction and Bank Deposits (Last Ten Fiscal Years)	141
Revenue Bond Coverage - Water System Mortgage Revenue Bonds	142
Insurance Summary	143
Demographic Statistics	145
Miscellaneous Statistics	146

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, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Greg Brueck
President

Jeffrey L. Essler
Executive Director



12650 DETROIT AVENUE • 44107 • 216/529-6090 • FAX 216/521-1379

VIC J. NOGALO
DIRECTOR OF FINANCE

SUSAN M. NOBILIO
ASSISTANT DIRECTOR OF FINANCE

June 26, 2000

To: Honorable Mayor Madeline A. Cain,
City Council, and the Citizens of the
City of Lakewood, Ohio:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lakewood for the year ended December 31, 1999. This report presents comprehensive financial and operating information relating to the City's activities during 1999. The responsibility for the accuracy of all data presented, its completeness and fairness of presentation, rests with the City of Lakewood, and specifically, the Department of Finance. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The CAFR is arranged in three sections:

- the **Introductory Section** contains the table of contents, a list of principal City officials, an organizational chart, and this transmittal letter.
- the **Financial Section** includes the Report of Independent Accountants; the general purpose financial statements, the notes to these financial statements; and more detailed combining and individual fund and account group statements and schedules.
- the **Statistical Section** includes select financial, economic and demographic information about the City, which may be used to indicate trends for comparative fiscal periods.



The Reporting Entity

In evaluating the definition of the governmental reporting entity, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity."* The City's financial statements include all organizations, activities, and component units for which the City (primary government) is financially accountable. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The City's financial reporting entity includes all funds, account groups, agencies, boards and commissions that are part of the primary government, including: police and fire protection; waste collection; water and sewer service; street maintenance; street construction; cultural activities; community development and planning; and parks and recreation facilities. The City also offers extensive services for its youth and senior citizens.

The following entities are affiliated organizations of the City of Lakewood; however the City is not financially accountable for these entities. 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 admits approximately 11,000 patients annually and employs approximately 1,300 people making it the largest employer within the City.
- The Board of Education of the Lakewood City School District is a separate political sub-division of the State, the territorial boundaries of which are coterminous 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 approximately 800 employees.

City of Lakewood

Lakewood is located along the shores of Lake Erie, 5 miles west of Cleveland's Public Square. The City's 5.6 square miles are comprised primarily of a vintage residential community offering diversity in housing from modest single homes and apartments to luxury "Gold Coast" condominiums and homes of distinct architectural design located within a national historic district. Lakewood is recognized for its tree-lined streets, excellent school system, and outstanding City services. The 1990 U.S. Census shows the population to be 59,718, making it the 14th largest city in Ohio with an average household size of 2.2 persons.

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 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.

Economic Condition and Outlook

Lakewood's economy reflects the same positive direction of healthy economic growth enjoyed by Greater Cleveland and Ohio over the past several years. On a budget basis, municipal income tax collections for Lakewood have increased approximately 4.6% annually since 1996. On an annual basis, budget basis collections totaled:

<u>Year</u>	<u>Income Tax Collections</u>
1996	\$13,308,898
1997	\$14,011,296
1998	\$14,643,658
1999	\$15,230,142

Likewise, the value of real property in Lakewood has risen steadily. Properties in Lakewood were reappraised by the County Auditor in 2000 as part of a sexennial reappraisal mandated by the State of Ohio. The total assessed valuation rose by approximately 14.9%. This increase is greater than the County-wide increase of 12.8%. The impact of this increase in property values will be recognized in the property tax collection year 2001. The current levy, which will be collected in 2000, is based on a total assessed valuation of \$723,953,648.

With a light industrial and moderate commercial economic base, Lakewood is characterized overall by above-average wealth and income levels. Lakewood is home to approximately 1,100 businesses and agencies that employ over 31,000 people. Employment of Lakewood residents by sector, as supplied by the 1990 U.S. Census, shows 10,630 in managerial and professional jobs, 11,254 in technical and sales positions, and 3,902 in service industries. Almost 82% of the workforce is accounted for in these sectors. The remaining 18% includes 2,534 in the precision and craft sector and 3,257 in operations, fabrication and general labor. The average federal adjusted gross income reported on all 1998 State of Ohio tax returns was \$45,550 per return. Lakewood residents filed 28,755 State of Ohio tax returns with an average federal adjusted gross income of \$40,962 per return. While 21% of Lakewood residents work within the City boundaries, 31% work in Cleveland, and 48% work in other greater Cleveland suburbs.

The unemployment rate for Lakewood residents is consistently below the county, state and national level. The unemployment rate for the City was 3.0% in 1999 and was 2.7% as of May 2000. Comparative unemployment rates for the months of January 1999, January 2000 and May 2000 are shown below:

	<u>January 1999</u>	<u>January 2000</u>	<u>May 2000</u>
City	3.0%	3.1%	2.7%
County	4.8%	4.9%	4.2%
State	4.9%	4.7%	3.6%
Nation	4.8%	4.5%	3.9%

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 shows the number of building permits issued by the City during the period from 1995 through 1999 and the estimated cost of new construction, alterations, and repairs authorized pursuant thereto:

<u>Year</u>	<u>Number of Building Permits Issued</u>	<u>Estimated Construction Value</u>
1995	3,696	\$ 14,836,637
1996	3,547	13,657,463
1997	3,622	12,507,996
1998	3,807	18,734,237
1999	3,266	17,017,253

The City's educational and recreational programming provided by the Lakewood City School District has received positive attention and numerous awards. The Lakewood School District has been recognized as a Top 100 School Nationwide by Money magazine. In May of 1999 a school operating property tax levy for 4.9 mills was passed by the voters. The new funding will provide financial stability within the school system and consequently, will also maintain Lakewood's reputation as a desirable community for home-buyers. In fact, over the past seven years, the average price for a single-family home in Lakewood has risen faster than the increase experienced in Cuyahoga County communities as a whole. The average single-family home price increased in 1999 by 9.6% percent over similar data for 1998. In 1999, the average price of a Lakewood single-family home was \$134,707.

Lakewood Hospital has planned to expand its facilities with an 11,000 square foot addition at a cost of approximately \$6.2 million. The plans include a renovation and expansion of the emergency room; the addition of four observation rooms in the emergency room; and other changes to the ambulance entrances and critical care units. Construction is anticipated to begin in late 2000. During 1999, the emergency room at Lakewood Hospital served 34,000 patients.

The Lakewood YMCA is planning an approximate \$10 million building expansion to increase its current facility from 30,000 to 48,000 square feet. Plans include the addition of a multi-use field house, expansion and renovation of the aquatics facility, and the upgrade of fitness equipment.

Major Initiatives

The City's 1999 operating budget focused on providing high quality services to residents and businesses. The budget provided funding for numerous programs that enhance the safety of the City's neighborhoods and strengthen the community.

During 1999, the City undertook numerous projects to ensure that the City was Year 2000 compliant. These efforts included an identification of all City hardware, software, and ancillary devices fitted with embedded chips; assessing the inventory of such items to determine Year 2000 compliance; repairing or replacing non-compliant equipment; and the testing and validation of the improvements. Through this process, the City determined that it was necessary to replace the mainframe and operating software; upgrade the citywide computer network; and replace many personal computers and peripheral equipment. In addition, new application software was implemented for the following operations:

- Public Safety including Computer-Aided Dispatch and Record Management;
- Finance including General Ledger, Purchasing, Accounts Payable, Payroll, Income Tax, and Utility Billing;
- Human Resources;
- Municipal Court Record Management;
- Building Permits and Code Enforcement; and
- Human Services Record Management.

These projects provided for the continuous delivery of services and operations through the new year while also improving the operational efficiency of numerous departments/divisions.

In 1999, the City of Lakewood transitioned the emergency medical service operation previously managed and operated by Lakewood Hospital to the City of Lakewood Division of Fire. The City, in conjunction with Lakewood Hospital, developed emergency medical improvements designed to meet the changing needs of the community and increase medical response within the City of Lakewood. The transition of emergency medical service to the City's Division of Fire resulted in the addition of a third EMS squad; improvement in the geographic distribution of squads throughout the City; doubling the number of medically trained personnel available to respond to medical emergencies; and improved response times to emergencies. Since the transition, emergency response times throughout the City have dropped dramatically. Seventy-eight percent of all EMS response times are now made within four minutes of a 911 call.

The City's economic development efforts were successful in attracting two new businesses to the City of Lakewood as well as assisting the expansion of several existing businesses. The Department of Planning and Development assisted businesses in locating suitable industrial and/or commercial space; completed a study of downtown Lakewood office space and parking; and conducted meetings with various merchants to promote the continued health of businesses along Lakewood's commercial corridors.

During 1999, the City was successful in obtaining zero-interest loan financing from the State of Ohio to support two sewer projects within the City. These projects included the repair of a breached wall between the storm and sanitary interceptors; improvements to the sewer line below West Clifton Road; and the installation of a new sanitary sewer which eliminates the combined sanitary and storm sewers on Edgewater Drive. The loan financing for these projects totaled approximately \$740,000 (which represents 90% of the total project costs).

Winterhurst Ice Rink was selected to host certain novice events and practice sessions for the 2000 U.S. Figure Skating Championships. Prior to the events, the City completed over \$1.3 million in improvements to the facility to prepare for this competition. All new mechanical systems were placed into service resulting in energy savings of approximately \$72,000 annually. In addition, the electrical supply and distribution system, sound system, lighting and flooring were replaced.

Over \$2.4 million in funds provided by the Community Development Block Grant (CDBG) program were invested in the City's residential and commercial neighborhoods in 1999. Five streets within the City's Improvement Target Area (ITA) were selected and reconstructed in 1999. These projects included the replacement of existing driving surface and underlying base, new sidewalks, curbs and driveway aprons. In addition, CDBG funds were spent on housing rehabilitation for 98 Lakewood homes and storefront renovations of three retail establishments; "Project Pride" - an inspection program for all single, multi-family, and retail occupancies located in the City's ITA; sidewalk replacement; and tree plantings. Numerous educational and recreation programs benefiting the diverse residents of the community were also funded in part with the City's CDBG allocation.

The City has been awarded several grants from various sources to offset the costs of other endeavors benefiting the community. In 1999, the City was awarded a grant from the Byrne Memorial Law Enforcement Program to fund a project called "Partners Against Crime." The objectives of this project included violence prevention targeted at middle-school aged youth and positive activity programming.

In 2000, the City will assist St. Edward High School in financing a portion of its \$15 million renovation and expansion project through the issuance of tax-exempt Industrial Revenue Bonds. The City will issue \$12.5 million of conduit debt on behalf of the school to provide funding for a new student activities center, the renovation of current educational and athletic facilities, and the construction of a new student life and leadership center. The tax-exempt financing will save the institution approximately \$5 million in interest expense over 30 years. St. Edward High School has brought national and statewide recognition to the City of Lakewood through their numerous decades of achievement in both academics and athletics.

Financial Information

Management of the City of Lakewood is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

The City of Lakewood, as a recipient of federal financial assistance, is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, and the United States Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." The Single Audit includes the Schedule of Federal Awards Expenditures, findings and recommendations, and the auditor's reports on internal control structure and compliance with applicable laws and regulations. As a part of Lakewood's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs.

The results of the City's single audit for the fiscal year ended December 31, 1998 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The City anticipates no significant findings for 1999. The Single Audit report is separate from this comprehensive annual financial report and is available from the City.

Budgetary Controls

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 shall submit an appropriation budget to Council.

The Council must adopt a permanent appropriation measure for the fiscal 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 County Budget Commission's Certificate of Estimated Resources.

The City's budget is legally adopted and controlled on a budget basis; therefore, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) reports actual cash revenues and expenditures (including encumbrances) compared to budgeted amounts. 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 which 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.

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.

Accounting System

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The types of funds utilized are defined by generally accepted accounting principles. The City maintains separate funds for those required by law and for sound financial administration.

The Governmental and Fiduciary Fund Types of the City are maintained on a modified accrual basis of accounting. Revenues and related receivables are recognized when measurable and available. Expenditures, except for principal and interest on long term obligations, are recorded as fund liabilities when incurred. The accrual basis of accounting is utilized by all Proprietary Funds. A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the Combined Financial Statements.

Governmental Funds

The following schedule presents a summary of Governmental Fund revenues on a GAAP basis, including the increases (decreases) over the prior year as restated, for the year ended December 31, 1999:

1999 GAAP BASIS REVENUES All Governmental Funds

	1999 Actual	Percent of Total	1998 Actual	Percent of Total	Percent Increase (Decrease)
Revenues					
Taxes	\$ 26,034,232	59.54%	\$ 25,490,469	59.64%	2.13%
Licenses and permits	631,768	1.44%	676,407	1.58%	(6.60)%
Intergovernmental	11,658,560	26.67%	11,115,958	26.00%	4.88%
Charges for services	1,648,298	3.77%	1,507,362	3.53%	9.35%
Fines and forfeitures	1,237,830	2.83%	1,366,319	3.19%	(9.40)%
Special assessments	100,171	.23%	75,125	.18%	33.34%
Interest	1,096,232	2.51%	1,130,587	2.65%	(3.04)%
Miscellaneous	1,315,096	3.01%	1,380,476	3.23%	(4.74)%
Total revenues	\$43,722,187	100.00%	\$42,742,701	100.00%	

The largest source of revenue was derived from taxes. Tax revenues are comprised of Municipal Income Tax, Property Tax, and Gasoline Tax (recorded exclusively in the Special Revenue Funds). Municipal income tax which comprises over 58% of the taxes collected increased in 1999 by approximately 3.8% over 1998. The income tax collections increased in 1999 due to diligent efforts to collect outstanding taxes receivable and to obtain filed tax returns from individuals who had previously not reported income taxes due the City. Property taxes, which represent approximately 38% of the taxes collected in the Governmental Funds, increased only slightly in 1999. This was due to the minimal change in property tax valuations experienced in 1999 since it was one year following Cuyahoga County's triennial reappraisal of real property.

License and permit revenue recorded in the Governmental Funds decreased in 1999 due to a decrease in the number of permits issued for one and two-family building alterations and commercial and industrial alterations. Permits issued for electrical, HVAC and plumbing work also declined in 1999. Intergovernmental revenues are comprised of: 1) revenues received from the State for the City's share of sales, income, corporate franchise and public utility excise taxes; 2) revenues received from the County for the City's portion of estate and inheritance taxes; and 3) grants including the Community Development Block Grant monies which are recorded in the Special Revenue Funds. In 1999, local government shared revenues and estate and inheritance tax revenues increased by 6% and 28%, respectively. These revenue streams comprise 45% of the total intergovernmental revenues reported.

The decrease in revenues derived from fines and forfeitures was due to a decrease in the total number of case filings in the Lakewood Municipal Court in 1999. In addition to case filings declining, the number of traffic citations decreased in 1999 by 18%.

In 1998, the City completed a capital project to replace the sewer lines and street surface on Clifton and Forest Roads. This project was funded in part with special assessments charged to the property owners on these streets. Assessments that remained uncollected were certified to the Cuyahoga County Auditor for inclusion on the property tax duplicate with balances to be collected in fiscal years 2000 through 2004. The City has adhered to the guidelines promulgated by GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement requires the City to record certain investments at fair market value. The decrease in fair market value in 1999 was recorded on the operating statement as an offset to interest income causing the decrease in revenue as compared to 1998.

The following schedule presents a summary of Governmental Fund expenditures on a GAAP basis, including the increases (decreases) over the prior year, for the year ended December 31, 1999:

**1999 GAAP BASIS EXPENDITURES
All Governmental Funds**

	1999 Actual	Percent of Total	1998 Actual	Percent of Total	Percent Increase (Decrease)
Expenditures					
Public safety	\$ 14,915,340	34.54%	\$ 14,065,155	31.48%	6.04%
Health	3,475,385	8.05%	3,515,540	7.87%	(1.14)%
Culture and recreation	1,628,933	3.77%	1,599,116	3.58%	1.86%
Community environment	5,663,246	13.11%	5,535,532	12.39%	2.31%
Sanitation	4,004,465	9.27%	3,478,201	7.79%	15.13%
Highways and streets	1,892,215	4.38%	1,783,005	3.99%	6.13%
General government	6,133,239	14.20%	5,674,800	12.70%	8.08%
Capital outlay	3,021,957	7.01%	2,783,019	6.23%	8.59%
Principal retirement	1,228,000	2.84%	4,970,390	11.13%	(75.29)%
Interest and fiscal charges	1,223,751	2.83%	1,268,227	2.84%	(3.51)%
Total expenditures	\$ 43,186,531	100.00%	\$ 44,672,985	100.00%	

The 1999 increase in expenditures was primarily due to: a 3.5% pay increase given to non-union City employees as well as union members of the American Federation of State, County, and Municipal Employees union; a 3.5% increase to union members of the International Association of Firefighters Local #382; and a 4% increase to union members of the Fraternal Order of Police Lodge #25. In 1998, the City had numerous unfilled positions within the Division of Refuse. In addition to the increase in wages, the City filled the vacated positions within this division during 1999. Consequently, Sanitation expenditures increased significantly in 1999 over the previous year. The increase in Capital outlay expenditures reflects the strategic decision to fund those capital items that have a shorter useful life with available cash. Such items included financing the acquisition of police cars with capital leases and purchasing computer equipment and software outright. The sharp decrease in principal retirement and interest and fiscal charges is due to the issuance of debt in 1998 to permanently retire bond anticipation notes that had been outstanding in 1998.

General Fund The General Fund GAAP basis fund balance for the year ended December 31, 1999 totaled \$7,230,072. This balance reflects the City's goal of providing excellent City services while maintaining an adequate fund balance to insulate the City from an economic downturn or fiscal emergency.

Special Revenue Funds The Special Revenue Funds reflect revenues of \$9.7 million dollars and net other financing sources of \$1.5 million in 1999. Expenditures and other financing uses totaled \$10.7 million. In 1998, revenues and other financing sources totaled \$11.1 million and expenditures and other financing uses totaled \$10.3 million.

Debt Service Fund The debt service payments for the City's general obligation bonds are reflected in the Debt Service Fund. The Debt Service Fund receives a portion of property taxes to provide for the City's debt service payments. Special assessments collected for the retirement of debt are also recorded in the Debt Service Fund. A list of the debt serviced by resources available in the Debt Service Fund is reflected in Note 10 in the Notes to the Combined Financial Statements.

Capital Projects Funds The Capital Projects Funds account for all major capital improvement projects of the City other than those accounted for in the Proprietary and Special Revenue Fund Types. Approximately \$2.6 million dollars was expended from the Capital Projects Funds to finance improvements and acquisitions in 1999.

The City has developed a five-year capital improvement plan which is updated annually. Revisions to the existing plan are made based on the following criterion: the impact the project has on the preservation of existing City property and facilities; revitalization of Lakewood's neighborhoods; ability to foster economic development; and potential cost savings that will result upon project completion.

Proprietary Fund Types

Enterprise Funds The City of Lakewood operates five enterprise activities including a water system, a sewer and wastewater system, parking facilities, a congregate living facility, and an ice rink facility.

The Divisions of Water and Wastewater Collection and Wastewater Treatment are responsible for the pumping, distributing and treatment of potable water to all residents of the City of Lakewood in supplies adequate to meet the fire protection, domestic and commercial needs of the community. Operating revenues generated from the water system and the sewer and wastewater system totaled \$12.5 million in 1999, a 2.8% increase over 1998 operating revenues. This increase is primarily attributable to an increase in the rates charged for water. The City of Cleveland increased purchased water rates charged to the City of Lakewood by nearly 7% in 1999. A rate increase to City of Lakewood customers was required to produce sufficient revenues to cover the Water Fund's operating expenses.

The Parking Facilities Fund accounts for the revenues collected through parking meters and the costs associated with the collection of coins and maintaining the meters and guardrails located throughout the City. Operating revenues remained consistent with the prior year's collections.

The City became responsible for the operation of Winterhurst Ice Rink in July 1996 and established an Enterprise Fund to account for the financial activity of the facility. The City has owned this facility since its construction; however, prior to 1996, the Lakewood Board of Education managed and operated the ice rink. The year end GAAP retained earnings totaled \$97,756.

Internal Service Funds Since 1987, the City of Lakewood has maintained the General Insurance and Recreational Funds for the purpose of self-funding the City's general liability insurance program. Both funds were financed with equity transfers from the General Fund, and it is the City's intention to maintain the funds equity near \$700,000. Claims paid out since 1987 have been nominal.

The City of Lakewood elected partial self-insurance for its Workers' Compensation Fund in 1991. Since that time the City has been enrolled in the State of Ohio's Retrospective Rating Plan for workers' compensation. The City pays for actual claims in addition to a minimum premium for stop loss insurance coverage which limits the City's claim liability.

The City of Lakewood maintains an Internal Service Fund to finance the cost of employee hospitalization and medical insurance on a cost reimbursement basis. Of three plans offered, one plan is funded through a minimum premium agreement. According to the terms of this plan, the City is liable for an administrative premium and actual claims up to a stop loss limit. This limit, the City's deposit liability, is determined annually based on claims experience. During 1999, the City's hospitalization costs (as reported on a budget basis) decreased by 4.5%.

Account Groups

General Fixed Assets Account Group The General Fixed Assets of the City of Lakewood are those used in the performance of general government functions, and therefore, exclude the fixed assets of the Enterprise Funds. Infrastructure is not recorded as an asset of the General Fixed Asset Account Group. The General Fixed Assets (in service) have increased from \$31.3 million in 1998 to \$32.9 million in 1999 primarily due to the acquisitions made through the Capital Projects Funds.

General Long-Term Obligation Account Group The General Long Term Obligation Account Group is used to account for the City's long-term debt obligations of its Governmental Fund Types. Principal and interest payments for Enterprise Fund debt is accounted for within the Enterprise Funds. Long-term debt of Governmental Fund Types decreased from \$22.6 million in 1998 to \$21.4 million in 1999.

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, collateralized, or secured by pledged assets consisting of eligible securities with an aggregate market value equal to 110% of the excess of all public deposits that are not insured by the Federal Deposit Insurance Corporation or any other agency or instrumentality of the Federal Government. All collateral on deposits were held by an agent of the financial institution's trust department, but not 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 instrumentalities of the U.S. Government; investment in the Ohio State Treasurer's Asset Reserve Fund (STAR Ohio); certificates of deposits with eligible institutions; bonds and other obligations of the State of Ohio; and repurchase agreements with eligible institutions.

Other Information

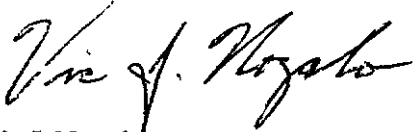
Independent Audit State statutes require an annual audit by the State Auditors Office or by a designated independent certified public accounting firm. The Auditor of State of the State of Ohio has conducted the audit for the years ended 1992 through 1999. The City of Lakewood has received an unqualified opinion from the Auditor of State for 1999 and the opinion is contained herein.

Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The City of Lakewood, Ohio has received a Certificate of Achievement for the last 17 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments The preparation of this report on a timely basis could not have been accomplished without the dedicated service of the staff of the Department of Finance. I would like to express my appreciation to all staff members who have assisted and contributed in its preparation. I would also like to thank the Mayor and Members of City Council, for, without their continued support, the Department of Finance could not have continued the financial management practices required to ensure the integrity of the City. Additionally, I express gratitude to the Auditor of State of the State of Ohio for their efforts and professional conduct throughout the audit engagement.

Respectfully Submitted,



Vic J. Nogalo
Director of Finance



Susan Nobilio
Assistant Director of Finance

CITY OF LAKEWOOD, OHIO
1999 Elected Officials

MayorMadeline A. Cain

Municipal Court JudgePatrick Carroll

City Council At LargeEdward FitzGerald

City Council At LargePamela J. Smith

City Council At LargeMichael J. Skindell

City Council by Wards:

Ward 1Brian T. Corrigan

Ward 2Thomas J. George

Ward 3Robert M. Seelie, Council President

Ward 4Nancy J. Roth

CITY OF LAKEWOOD, OHIO
1999 Appointed Officials

Office of the Mayor

Executive Assistant to the MayorSheila Harrison

Office of Council

Clerk of CouncilMary Hagan

Municipal Court

Clerk of CourtsRichard L. Gray
MagistratesThomas O'Malley and Terease Neff

Department of Law

Director of LawKevin Spellacy

Department of Finance

Director of FinanceYvette M. Ittu*
Acting Director of Finance.....Susan Nobilio

Department of Public Works

Director of Public WorksDavid M. McGuirk

Department of Public Safety

Assistant Director of Housing and BuildingLisa Thomas
Chief of FireLawrence E. Mroz
Chief of Police.....Dan R. Clark

Department of Human Services

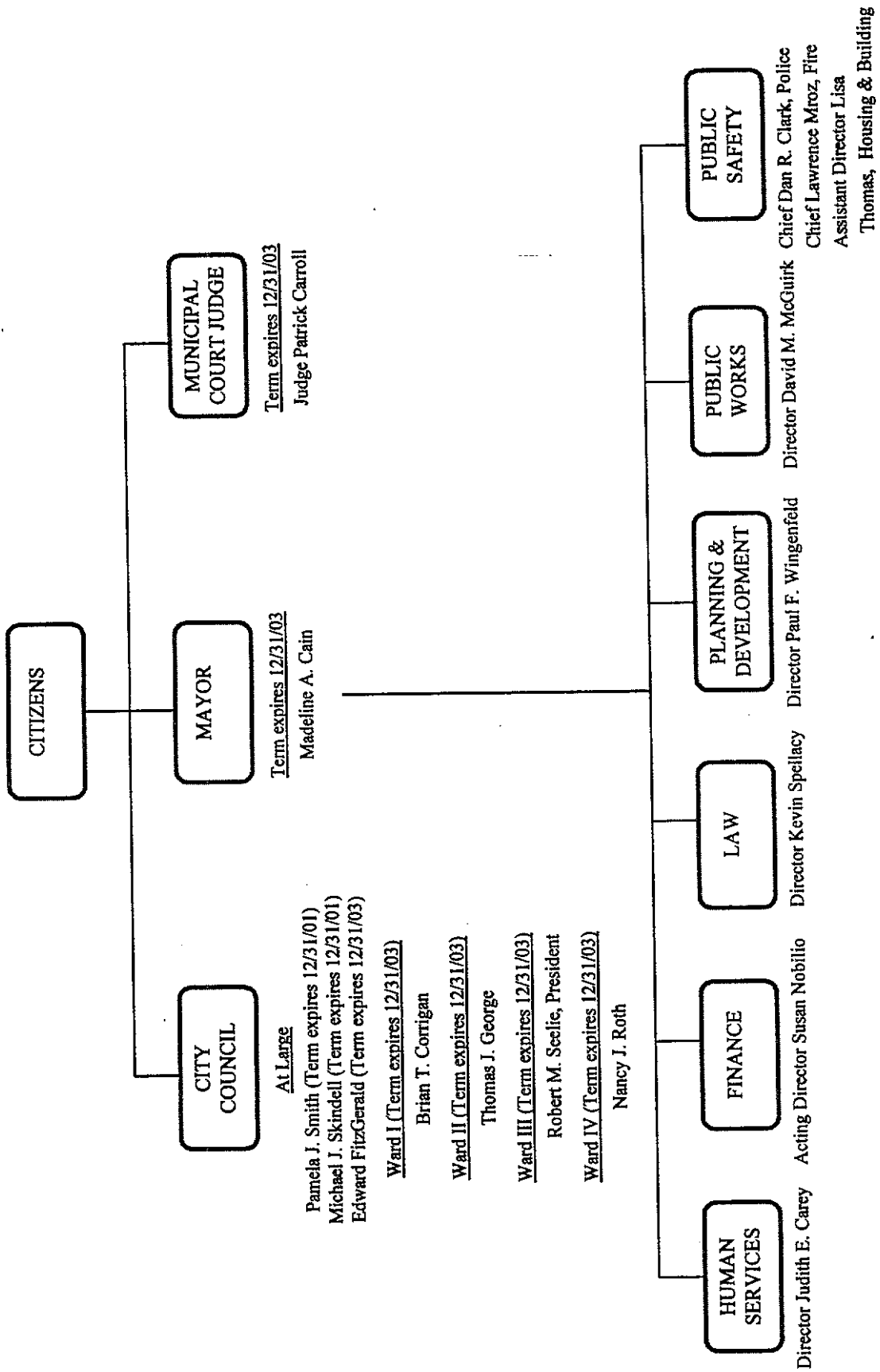
Director of Human ServicesJudith E. Carey
Health CommissionerDr. John Sanders

Department of Planning and Community Development

Director of Planning and Development..... Paul F. Wingenfeld

* through November 12, 1999

CITY OF LAKEWOOD, OHIO
 Organizational Chart
 as of December 31, 1999



This page intentionally left blank.

CITY OF LAKEWOOD, OHIO
Financial Section



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Lausche Bldg
615 W Superior Ave
Floor 12
Cleveland, Ohio 44113
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Honorable Mayor Madeline Cain
and Members of City Council
City of Lakewood
Cuyahoga County
12650 Detroit Road
Lakewood, Ohio 44107

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 23, 2000

CITY OF LAKEWOOD, OHIO
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1999

ASSETS	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Cash and cash equivalents	\$ 724,638	\$ 2,393,436	\$ 1,209,830	\$ 2,176,560	\$ 789,931	\$ 329,229
Investments	5,334,212				5,764,963	2,432,834
Receivables:						
Taxes	7,749,922	2,020,085	2,204,300		1,270,486	
Accounts	2,233	105,499			1,587,684	
Special assessments		3,525	128,802	181,925		
Loans		3,500,012				
Other	370,832	62,068				12,390
Less allowance for doubtful accounts		(3,662)			(53,794)	
Receivables, net	8,122,967	5,687,527	2,333,102	181,925	2,804,376	12,390
Due from other funds	807,665		669,823	200,900	270,067	870,931
Due from other governments	76,321	369,927				
Prepaid items	138,617	9,485				13,745
Inventories	11,853	83,286				
Restricted cash					717,036	
Deferred bond issuance costs					373,215	
Fixed assets:						
Land and land improvements					2,659,166	
Utility plant in service					52,843,120	
Buildings, structures, and improvements					4,925,688	
Machinery and equipment					9,166,359	
Construction in progress					4,367,756	
Less accumulated depreciation					(23,899,783)	
Fixed assets, net					50,062,306	
Amount available for retirement of general long-term debt						
Amount to be provided for retirement of general long-term obligations:						
Debt						
Other obligations						
Total assets	\$ 15,016,293	\$ 8,543,661	\$ 4,212,755	\$ 2,559,385	\$ 60,781,894	\$ 3,659,129

See Notes to Financial Statements.

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Obligation	1999	1998
Agency				
\$ 369,085			\$ 7,992,709	\$ 10,788,707
			13,532,009	6,537,959
			13,244,793	13,171,985
			1,695,416	1,854,737
			314,252	254,616
			3,500,012	3,498,634
			445,290	354,464
			(57,456)	(50,982)
			19,142,307	19,083,454
			2,619,386	2,292,783
			446,248	383,373
			161,847	161,201
			95,139	83,167
			717,036	687,986
			373,215	401,262
	\$ 2,927,726		5,586,892	5,497,827
	16,226,593		52,843,120	52,233,965
	13,372,774		21,152,281	20,775,057
	379,084		22,539,133	21,360,024
			4,746,840	3,133,495
			(23,899,783)	(22,238,978)
	32,906,177		82,968,483	80,761,390
		\$ 1,978,231	1,978,231	1,099,474
		19,971,969	19,971,969	22,078,726
		10,244,948	10,244,948	10,142,181
\$ 369,085	\$ 32,906,177	\$ 32,195,148	\$ 160,243,527	\$ 154,501,663

CITY OF LAKEWOOD, OHIO
Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1999

LIABILITIES	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Accounts payable	\$ 425,488	\$ 231,576		\$ 535,941	\$ 1,117,548	
Claims payable						\$ 13,612
Due to other funds	689,510	787,096		967,624	175,156	
Due to other governments	193,492				364,831	
Accrued wages and benefits	1,228,538	179,104			409,810	
Accrued interest					232,775	
Reserve for claims						1,841,940
Capital lease obligations						
Other liabilities						
Deferred revenue	5,249,193	1,933,907	\$ 2,234,524	181,925	1,213,669	
Debt:						
Loans payable					2,901,773	
Notes payable				3,445,000		
Special assessment bonds payable with governmental commitment						
General obligation and special obligation bonds payable					15,071,240	
Total debt				3,445,000	17,973,013	
Total liabilities	<u>7,786,221</u>	<u>3,131,683</u>	<u>2,234,524</u>	<u>5,130,490</u>	<u>21,486,802</u>	<u>1,855,552</u>
EQUITY AND OTHER CREDITS						
Investment in general fixed assets						
Contributed capital - City of Lakewood and others					15,370,666	750,000
Retained earnings:						
Unreserved					23,924,426	1,053,577
Total retained earnings					23,924,426	1,053,577
Fund balances (deficit):						
Reserved for loans receivable		3,500,012				
Reserved for inventories	11,853	83,288				
Reserved for prepaid items	138,617	9,485				
Reserved for encumbrances	520,475	640,071		638,444		
Undesignated and unreserved	6,559,127	1,179,124	1,978,231	(3,209,549)		
Total fund balances (deficit)	7,230,072	5,411,978	1,978,231	(2,571,105)		
Total equity and other credits	7,230,072	5,411,978	1,978,231	(2,571,105)	39,295,092	1,803,577
Total liabilities, equity and other credits	<u>\$ 15,016,293</u>	<u>\$ 8,543,661</u>	<u>\$ 4,212,755</u>	<u>\$ 2,559,385</u>	<u>\$ 60,781,894</u>	<u>\$ 3,659,129</u>

See Notes to Financial Statements.

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Obligation	1999	1998
Agency			\$ 2,310,553	\$ 1,627,006
			13,612	
			2,619,386	2,292,783
			558,323	576,187
	\$ 10,080,509		11,897,961	11,719,081
			232,775	237,337
			1,841,940	2,103,328
		164,439	164,439	77,297
\$ 369,085			369,085	297,251
			10,813,218	10,754,327
		585,200	3,486,973	2,838,029
			3,445,000	1,286,800
		245,600	245,600	308,400
		21,119,400	36,190,640	38,091,693
		21,950,200	43,368,213	42,524,922
369,085	32,195,148	74,189,505	72,209,519	
	\$ 32,906,177		32,906,177	31,325,843
			16,120,666	16,711,303
			24,978,003	22,908,548
			24,978,003	22,908,548
			3,500,012	3,433,550
			95,139	83,167
			148,102	148,207
			1,798,990	1,950,741
			6,506,933	5,730,785
			12,049,176	11,346,450
	32,906,177		86,054,022	82,292,144
\$ 369,085	\$ 32,906,177	\$ 32,195,148	\$ 160,243,527	\$ 154,501,663

CITY OF LAKEWOOD, OHIO
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) - All Governmental Fund Types
For the year ended December 31, 1999

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	1999	1998
Revenues:						
Taxes	\$ 20,884,715	\$ 2,924,592	\$ 2,224,925		\$ 26,034,232	\$ 25,490,469
Licenses and permits	582,942	48,826			631,768	676,407
Intergovernmental	6,409,187	4,948,933	292,940	\$ 7,500	11,658,560	11,115,956
Charges for services	450,622	1,197,676			1,648,298	1,507,362
Fines and forfeits	1,134,970	102,860			1,237,830	1,366,319
Special assessments	807		52,593	46,771	100,171	75,125
Interest	926,463	102,610	67,159		1,096,232	1,130,587
Miscellaneous	820,932	417,201	76,963		1,315,096	1,380,476
Total revenues	31,210,638	9,742,698	2,714,580	54,271	43,722,187	42,742,701
Expenditures:						
Current:						
Public safety	12,060,711	2,854,629			14,915,340	14,065,155
Health	1,406,487	2,068,898			3,475,385	3,515,540
Culture and recreation	1,620,581	8,352			1,628,933	1,599,116
Community environment	1,890,370	3,772,876			5,663,246	5,535,532
Sanitation	4,004,465				4,004,465	3,478,201
Highways and streets		1,892,215			1,892,215	1,783,005
General government	5,818,987	23,588	30,664	260,000	6,133,239	5,674,800
Capital outlay	329,111	101,723		2,591,123	3,021,957	2,783,019
Debt service:						
Principal retirement			1,193,000	35,000	1,228,000	4,970,390
Interest and fiscal charges			1,214,141	9,610	1,223,751	1,268,227
Total expenditures	27,130,712	10,722,281	2,437,805	2,895,733	43,186,531	44,672,985
Excess (deficiency) of revenues over (under) expenditures	4,079,926	(979,583)	276,775	(2,841,462)	535,656	(1,930,284)
Other financing sources (uses):						
Proceeds of general obligation notes						1,286,800
Proceeds of general obligation bonds						4,281,323
Proceeds of refunded debt						9,060,000
Payment to refunded debt escrow agent						(9,060,000)
Proceeds of OPWC loan						616,000
Capital lease resources	167,070				167,070	118,968
Operating transfers, in	7,000	1,532,874	762,982	1,001,000	3,303,856	2,759,709
Operating transfers, out	(2,864,767)	(9,522)	(161,000)	(268,567)	(3,303,856)	(2,759,709)
Net other financing sources (uses)	(2,690,697)	1,523,352	601,982	732,433	167,070	6,303,091
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,389,229	543,769	878,757	(2,109,029)	702,726	4,372,807
Fund balances (deficit), January 1	5,840,843	4,868,209	1,099,474	(462,076)	11,346,450	6,973,643
Fund balances (deficit), December 31	\$ 7,230,072	\$ 5,411,978	\$ 1,978,231	\$ (2,571,105)	\$ 12,049,176	\$ 11,346,450

See Notes to Financial Statements.

This page intentionally left blank.

CITY OF LAKEWOOD, OHIO
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types
For the year ended December 31, 1999

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 20,369,079	\$ 20,799,090	\$ 430,011	\$ 2,801,401	\$ 2,927,940	\$ 126,539
Licenses and permits	610,000	591,105	(18,895)	45,000	48,826	3,826
Intergovernmental	5,618,956	6,427,780	808,824	7,744,552	5,459,539	(2,285,013)
Charges for services	410,000	448,888	38,888	1,265,671	1,111,355	(154,316)
Fines and forfeits	1,250,000	1,155,789	(94,211)	98,500	95,816	(2,684)
Special assessments						
Interest	650,000	1,028,172	378,172	970	805	(165)
Miscellaneous	814,400	811,247	(3,153)	209,759	256,795	47,036
Total revenues	29,722,435	31,262,071	1,539,636	12,165,853	9,901,076	(2,264,777)
Expenditures:						
Current:						
Public safety	11,526,925	11,393,445	133,480	3,171,392	2,902,059	269,333
Health	1,428,780	1,161,285	267,495	2,078,976	2,031,049	47,927
Culture and recreation	1,637,624	1,516,623	121,001	10,000	8,352	1,648
Community environment	1,864,678	1,728,697	135,981	5,195,169	3,670,865	1,524,304
Sanitation	3,679,498	3,651,486	28,012			
Highways and streets				1,990,034	1,896,902	93,132
General government	5,354,081	5,507,716	(153,635)	65,000	23,694	41,306
Capital outlay						
Debt service						
Total expenditures	25,491,566	24,959,252	532,334	12,510,571	10,532,921	1,977,650
Excess (deficiency) of revenues over (under) expenditures	4,230,849	6,302,819	2,071,970	(344,718)	(631,845)	(287,127)
Other financing sources (uses):						
Proceeds of general obligation notes						
Other reimbursements				226,000	161,203	(64,797)
Operating transfers, in	7,000	7,000		1,524,552	1,527,289	2,737
Operating transfers, out	(5,089,721)	(4,635,982)	453,739	(301,102)	(185,781)	115,321
Net other financing sources (uses)	(5,082,721)	(4,628,982)	453,739	1,449,450	1,502,711	53,261
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(851,872)	1,673,837	2,525,709	1,104,732	870,866	(233,866)
Decertification of prior year encumbrances		26,853	26,853		45,371	45,371
Fund balances, January 1	3,962,238	3,962,238		493,963	493,963	
Fund balances, December 31	\$ 3,110,366	\$ 5,662,928	\$ 2,552,562	\$ 1,598,695	\$ 1,410,200	\$ (188,495)

See Notes to Financial Statements.

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,207,927	\$ 2,229,167	\$ 21,240				\$25,378,407	\$25,956,197	\$ 577,790
301,081	292,941	(8,140)		\$ 7,500	\$ 7,500	655,000	639,931	(15,069)
						13,664,589	12,187,760	(1,476,829)
						1,675,671	1,560,243	(115,428)
						1,348,500	1,251,605	(96,895)
9,200	52,592	43,392	\$ 45,204	46,771	1,567	54,404	99,363	44,959
50,000	67,159	17,159				700,970	1,096,136	395,166
						1,024,159	1,068,042	43,883
2,568,208	2,641,859	73,651	45,204	54,271	9,067	44,501,700	43,859,277	(642,423)
						14,698,317	14,295,504	402,813
						3,507,756	3,192,334	315,422
						1,647,624	1,524,975	122,649
						7,059,847	5,399,562	1,660,285
						3,679,498	3,651,486	28,012
37,000	30,664	6,336	260,000	260,000		1,990,034	1,896,902	93,132
			3,921,341	2,907,537	1,013,804	5,716,081	5,822,074	(105,993)
3,693,939	3,693,941	(2)	44,610	44,610		3,921,341	2,907,537	1,013,804
						3,738,549	3,738,551	(2)
3,730,939	3,724,605	6,334	4,225,951	3,212,147	1,013,804	45,959,047	42,428,925	3,530,122
(1,162,731)	(1,082,746)	79,985	(4,180,747)	(3,157,876)	1,022,871	(1,457,347)	1,430,352	2,887,699
1,125,800	1,133,085	7,285	2,345,227	2,319,200	(26,027)	3,471,027	3,452,285	(18,742)
	69,677	69,677				226,000	230,880	4,880
262,982	762,982	500,000	840,000	840,000		2,634,534	3,137,271	502,737
			(262,982)	(262,982)		(5,653,805)	(5,084,745)	569,060
1,388,782	1,965,744	576,962	2,922,245	2,896,218	(26,027)	677,756	1,735,691	1,057,935
226,051	882,998	656,947	(1,258,502)	(261,858)	996,844	(779,591)	3,166,043	3,945,634
				9,254	9,254		81,478	81,478
326,832	326,832		1,262,995	1,262,995		6,046,028	6,046,028	
\$ 552,883	\$ 1,209,830	\$ 656,947	\$ 4,493	\$ 1,010,591	\$ 1,006,098	\$ 5,266,437	\$ 9,293,549	\$ 4,027,112

CITY OF LAKEWOOD, OHIO
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings -
All Proprietary Fund Types
For the year ended December 31, 1999

	Proprietary Fund Types		Totals	
			(Memorandum Only)	
	Enterprise	Internal Service	1999	1998
Operating revenues:				
Charges for services	\$ 13,647,736	\$ 2,587,499	\$ 16,235,235	\$ 16,377,934
Other operating revenue	21,665	391,505	413,170	19,361
Total operating revenues	13,669,401	2,979,004	16,648,405	16,397,295
Operating expenses:				
Personal services	2,716,340		2,716,340	2,783,996
Benefit payments	689,313	2,779,006	3,468,319	3,378,389
Purchased water	5,329,862		5,329,862	5,002,629
Heat, light, and power	638,160		638,160	724,007
Contractual services	218,182		218,182	328,451
Supplies and materials	603,024		603,024	597,412
Depreciation	1,724,226		1,724,226	1,644,276
Other	966,887	68,769	1,035,656	1,145,586
Total operating expenses	12,885,994	2,847,775	15,733,769	15,604,746
Operating income	783,407	131,229	914,636	792,549
Nonoperating revenues (expenses):				
Interest income	48,241	8,247	56,488	120,644
Interest expense and fiscal charges	(943,525)		(943,525)	(971,652)
Tax revenue	1,282,377		1,282,377	1,289,942
Intergovernmental	168,842		168,842	173,026
Net nonoperating revenues	555,935	8,247	564,182	611,960
Net income	1,339,342	139,476	1,478,818	1,404,509
Depreciation on fixed assets acquired by contributed capital - City of Lakewood and others	590,637		590,637	600,458
Increase in retained earnings	1,929,979	139,476	2,069,455	2,004,967
Retained earnings, January 1	21,994,447	914,101	22,908,548	20,903,581
Retained earnings, December 31	\$ 23,924,426	\$ 1,053,577	\$ 24,978,003	\$ 22,908,548

See Notes to Financial Statements.

CITY OF LAKEWOOD, OHIO
Combined Statement of Cash Flows - All Proprietary Fund Types
For the year ended December 31, 1999

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	1999	1998
Cash flows from operating activities:				
Cash received from customers	\$ 13,624,395	\$ 2,710,304	\$ 16,334,699	\$ 17,847,200
Cash paid to suppliers for goods and services	(6,739,183)	(3,176,540)	(9,915,723)	(9,292,548)
Cash paid to employees for services	(3,361,611)		(3,361,611)	(3,577,570)
Other operating revenues	20,830		20,830	9,690
Other operating expenses	(853,576)	(42,975)	(896,551)	(870,981)
Net cash provided by (used for) operating activities	2,690,855	(509,211)	2,181,644	4,115,791
Cash flows from non-capital financing activities:				
Intergovernmental revenue	168,842		168,842	173,026
Tax revenue	1,284,822		1,284,822	1,273,615
Net cash provided by non-capital financing activities	1,453,664		1,453,664	1,446,641
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,437,658)		(1,437,658)	(2,903,436)
Principal paid on bonds and notes	(878,087)		(878,087)	(1,172,320)
Interest and fiscal charges paid on bonds and notes	(899,852)		(899,852)	(954,981)
Cash paid to escrow agent for refunding				(5,631,000)
Proceeds from bonds and notes				6,995,000
Net cash used for capital and related financing activities	(3,215,597)		(3,215,597)	(3,666,737)
Cash flows from investing activities:				
Earnings on investments	59,200	20,306	79,506	105,352
Purchases of investments	(5,764,963)	(2,441,992)	(8,206,955)	(4,074,095)
Proceeds from investments	2,948,106	1,532,907	4,481,013	3,996,583
Net cash provided by (used for) investing activities	(2,757,657)	(888,779)	(3,646,436)	27,840
Net increase (decrease) in cash and cash equivalents	(1,828,735)	(1,397,990)	(3,226,725)	1,923,535
Cash and cash equivalents, January 1	3,335,702	1,727,219	5,062,921	3,139,386
Cash and cash equivalents, December 31	\$ 1,506,967	\$ 329,229	\$ 1,836,196	\$ 5,062,921

See Notes to Financial Statements.

Page 1 of 2

CITY OF LAKEWOOD, OHIO
Combined Statement of Cash Flows - All Proprietary Fund Types
For the year ended December 31, 1999

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service		
			1999	1998
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 783,407	\$ 131,229	\$ 914,636	\$ 792,549
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,724,226		1,724,226	1,644,276
Increase (decrease) in allowance for doubtful accounts	2,812		2,812	(7,163)
Change in assets and liabilities:				
Increase in accounts receivable	(26,331)		(26,331)	(31,782)
(Increase) decrease in other receivables	2,155		2,155	(1,974)
(Increase) decrease in due from other funds	120	(268,700)	(268,580)	1,493,228
(Increase) decrease in prepaid items		(751)	(751)	8,160
Increase (decrease) in due to other funds	31,063		31,063	(148,405)
Increase (decrease) in accounts payable	160,544	(123,213)	37,331	305,764
Increase (decrease) in claims payable		13,612	13,612	(30,000)
Increase in accrued wages and benefits payable	12,859		12,859	33,384
Increase (decrease) in reserve for claims		(261,388)	(261,388)	57,754
Total adjustments	1,907,448	(640,440)	1,267,008	3,323,242
Net cash provided by (used for) operating activities	<u>\$ 2,690,855</u>	<u>\$ (509,211)</u>	<u>\$ 2,181,644</u>	<u>\$ 4,115,791</u>
Reconciliation of cash and cash equivalents:				
Per the balance sheet:				
Cash and cash equivalents	\$ 789,931	\$ 329,229	\$ 1,119,160	\$ 4,374,935
Restricted cash	717,036		717,036	687,986
Cash and cash equivalents per statement of cash flows	<u>\$ 1,506,967</u>	<u>\$ 329,229</u>	<u>\$ 1,836,196</u>	<u>\$ 5,062,921</u>
Supplemental schedule of non-cash activities:				
Non-cash capital and related financing activities:				
Debt service on outstanding general obligation bonds funded by the Debt Service Fund				\$ 185,000
Fixed assets contributed by the City or others				19,125
Fixed assets acquired by payments made by others on behalf of the City	\$ 742,167		\$ 742,167	2,222,029
Total non-cash capital and related financing activities	<u>742,167</u>		<u>742,167</u>	<u>2,426,154</u>
Non-cash investing activities:				
Net change in the fair value of investments		\$ (9,158)	(9,158)	1,671
Total non-cash investing activities		<u>(9,158)</u>	<u>(9,158)</u>	<u>1,671</u>
Total non-cash transactions	<u>\$ 742,167</u>	<u>\$ (9,158)</u>	<u>\$ 733,009</u>	<u>\$ 2,427,825</u>

See Notes to Financial Statements.

Page 2 of 2

This page intentionally left blank.

CITY OF LAKEWOOD, OHIO
Combined Statement of Revenues, Expenses, and Changes in Fund Equity -
Budget and Actual (Non-GAAP Budgetary Basis) - All Proprietary Fund Types
For the year ended December 31, 1999

	Enterprise Funds			Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$ 1,272,580	\$ 1,284,822	\$ 12,242			
Intergovernmental	173,534	168,842	(4,692)			
Charges for services	13,669,945	13,624,126	(45,819)			
Special assessments	1,000	1,532	532			
Interest	45,000	48,241	3,241	\$ 22,000	\$ 20,306	\$ (1,694)
Miscellaneous	8,100	8,100			391,506	391,506
Total revenues	15,170,159	15,135,663	(34,496)	22,000	411,812	389,812
Expenses:						
Current:						
Health	10,920	7,910	3,010			
Culture and recreation	907,922	793,400	114,522	10,000		10,000
Community environment				50,000	42,974	7,026
Sanitation	10,704,959	9,968,769	736,190			
Highways and streets	259,314	237,312	22,002			
General government				3,542,759	3,081,623	461,136
Capital outlay	2,401,670	824,336	1,577,334			
Debt service	1,767,841	1,771,085	(3,244)			
Total expenses	16,052,626	13,602,812	2,449,814	3,602,759	3,124,597	478,162
Excess (deficiency) of revenues over (under) expenses	(882,467)	1,532,851	2,415,318	(3,580,759)	(2,712,785)	867,974
Other financing sources (uses):						
Other reimbursements	1,500	883	(617)	110,000	117,590	7,590
Operating transfers, in				3,410,124	2,201,209	(1,208,915)
Operating transfers, out	(390,853)	(253,735)	137,118			
Net other financing sources (uses)	(389,353)	(252,852)	136,501	3,520,124	2,318,799	(1,201,325)
Excess (deficiency) of revenues and other sources over (under) expenses and other uses	(1,271,820)	1,279,999	2,551,819	(60,635)	(393,986)	(333,351)
Decertification of prior year encumbrances		371,596	371,596			
Fund equity, January 1	4,330,228	4,330,228		3,131,108	3,131,108	
Fund equity, December 31	\$ 3,058,408	\$ 5,981,823	\$ 2,923,415	\$ 3,070,473	\$ 2,737,122	\$ (333,351)

See Notes to Financial Statements.

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,272,580	\$ 1,284,822	\$ 12,242
173,534	168,842	(4,692)
13,669,945	13,624,126	(45,819)
1,000	1,532	532
67,000	68,547	1,547
8,100	399,606	391,506
<hr/>	<hr/>	<hr/>
15,192,159	15,547,475	355,316
10,920	7,910	3,010
917,922	793,400	124,522
50,000	42,974	7,026
10,704,959	9,968,769	736,190
259,314	237,312	22,002
3,542,759	3,081,623	461,136
2,401,670	824,336	1,577,334
1,767,841	1,771,085	(3,244)
<hr/>	<hr/>	<hr/>
19,655,385	16,727,409	2,927,976
(4,463,226)	(1,179,934)	3,283,292
111,500	118,473	6,973
3,410,124	2,201,209	(1,208,915)
(390,853)	(253,735)	137,118
<hr/>	<hr/>	<hr/>
3,130,771	2,065,947	(1,064,824)
(1,332,455)	886,013	2,218,468
	371,596	371,596
<hr/>	<hr/>	<hr/>
7,461,336	7,461,336	
\$ 6,128,881	\$ 8,718,945	\$ 2,590,064

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements
December 31, 1999

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies:

A. Financial 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 enterprise activities, including a water system, a local sewer system, an ice rink facility, and parking facilities.

To define the governmental entity, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity."

The financial statements present the primary government and component units and organizations for which the City (primary government) is financially accountable. Financial accountability is defined as the level of accountability that exists if a primary government appoints a voting majority of the component unit's board and is either able to impose its will on that component unit or there is potential for the component unit to provide a financial benefit to, or impose a financial burden on, the primary government. Based upon the foregoing criteria, these financial statements do not include any component units.

The following entities, which are associated with the City, are excluded from the accompanying financial statements:

- . Lakewood City School District;
- . Lakewood Public Library; and,
- . Lakewood Hospital Association.

B. Basis of Presentation

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments.

The financial transactions of the City are recorded in individual funds and account groups. The various funds and account groups are reported by type in the general purpose financial statements. Amounts in the "Totals-Memorandum Only" columns in the general purpose financial statements are presented only to facilitate analysis. The total amounts do not present changes in financial position in conformity with generally accepted accounting principles. Interfund eliminations are not made in the aggregation of this information. The information is not comparable to a consolidation.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

The City uses the following fund categories, fund types, and account groups:

Governmental Funds

General Fund - This fund, which is the major operating fund of the City, is used to account for all revenues and expenditures except those required to be accounted for in another fund.

Special Revenue Funds - These funds are used to account for revenue from specific sources (other than major capital projects) which require separate accounting because of legal restrictions.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term obligations principal and interest.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds) and to account for the financing of public improvements or services deemed to benefit specific properties on which assessments are levied.

Proprietary Funds

Enterprise Funds - These funds are used to account for operations that provide services which are financed primarily by user charges, or activities where periodic determination of revenues, expenses, and net income is appropriate for public policy, management control or other purposes.

Internal Service Funds - These funds are used to account for the goods or services provided to certain City departments and funds or to other governments on a cost reimbursement basis.

Fiduciary Funds

Agency Funds - These funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, or other funds.

Account Groups

General Fixed Assets Account Group - This account group is used to present the general fixed assets utilized in general government operations of the City, exclusive of those used in the Proprietary Funds.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

General Long-Term Obligation Account Group - This account group is used to account for all long-term obligations of the City, except for those accounted for in the Proprietary Funds.

C. Basis of Accounting

All financial transactions for Governmental and Fiduciary Funds are accounted for on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Revenues accrued at the end of the year primarily consist of reimbursements from other governments for grant expenditures, income taxes receivable arising from payroll tax withholdings for individuals in December, and investment income. Governmental fund expenditures are accrued when the related fund liability is incurred, with the exception of accumulated unpaid employee compensation, which is not payable from expendable financial resources, and general long-term obligations principal and interest, which are recorded when due. Financial transactions for Proprietary Funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

Under the guidelines of GASB Statement No. 20, the City has elected to apply all GASB pronouncements and FASB Statements and Interpretations issued on or before November 30, 1989, except those that conflict with a GASB pronouncement, to its proprietary activities.

D. Measurement Focus

Governmental Funds are accounted for on a current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. The operating statements present sources (revenues and other financing sources) available to pay liabilities in existence at the end of the period. All Proprietary Funds are accounted for on a flow of economic resources measurement focus.

E. Budgetary Accounting

An annual appropriations budget is adopted by City Council for the Governmental Funds and Proprietary Funds. Modifications to the original budget are approved by City Council throughout the year. During 1999, supplemental budgetary appropriations were approved totaling \$1,085,000. Budget amounts presented in the accompanying financial statements represent final amended amounts.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

The City maintains budgetary control by not permitting expenditures/expenses plus other financing uses to exceed appropriations for each fund (legal level) without the approval of City Council. The Director of Finance is authorized to allocate appropriations among departments within any fund. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward into the next year.

The City's budgetary process accounts for certain transactions on a basis which differs from generally accepted accounting principles (GAAP basis). The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash for budget purposes as opposed to when susceptible to accrual for GAAP purposes.
2. Expenditures are recorded when paid in cash or encumbered for budget purposes as opposed to when the liability is incurred for GAAP purposes.
3. Proceeds from and principal payment on short-term note obligations are reported on the operating statement for budget basis reporting rather than on the balance sheet for GAAP purposes.

An analysis of the difference in excess of revenues and other financing sources over expenditures and other uses for Governmental Funds and increase in retained earnings for Proprietary Funds for the year ended December 31, 1999 as determined under the GAAP basis and budget basis follows:

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis	\$ 1,389,229	\$ 543,769	\$ 878,757	\$ (2,109,029)
Increase (decrease)				
Accrued receivables at December 31, 1999, not recognized in the 1999 budget	(2,891,925)	(626,590)	(98,579)	2,163,785
Accrued receivables at December 31, 1998, recognized in the 1999 budget	2,776,287	432,026	102,820	
Net impact of encumbrances on budget basis expenditures and other adjustments	(284,101)	383,881		(514,887)
Accrued liabilities at December 31, 1999, not recognized in the 1999 budget	1,988,341	327,712		503,488
Accrued liabilities at December 31, 1998, recognized in the 1999 budget	(1,303,994)	(189,932)		(305,015)
Budget basis for budgeted funds	\$ 1,673,837	\$ 870,866	\$ 882,998	\$ (261,658)

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

	Proprietary Fund Types	
	Enterprise Funds	Internal Service Funds
GAAP Basis	\$ 1,929,979	\$ 139,476
Increase (decrease)		
Accrued receivables at December 31, 1999, not recognized in the 1999 budget	(1,619,751)	(271,932)
Accrued receivables at December 31, 1998, recognized in the 1999 budget	1,644,658	15,292
Net impact of encumbrances on budget basis expenses and other adjustments	269,176	94,918
Change in fund debt	(624,362)	
Change in fixed assets	(307,144)	
Accrued liabilities at December 31, 1999, not recognized in the 1999 budget	1,346,581	25,867
Accrued liabilities at December 31, 1998, recognized in the 1999 budget	(1,359,138)	(397,607)
Budget basis for budgeted funds	\$ 1,279,999	\$ (393,986)

F. Cash and Cash Equivalents

Cash and cash equivalents are defined as highly liquid investments with maturities of three months or less when purchased. Cash and cash equivalents on the Combined and Combining Statements of Cash Flows - All Proprietary Fund types includes restricted cash.

G. Investments

The City has applied the provisions stated in GASB Statement No. 31 to value investments. Accordingly, the City has reported money market investments that have a remaining maturity at the time of purchase of one year or less at amortized cost. Money market investments that do not meet the criteria for reporting at amortized cost have been recorded on the financial statements at fair value.

H. Fixed Assets

Fixed assets include land and land improvements, utility plant in service, buildings, structures and improvements, and machinery and equipment owned by the City. Infrastructure pertaining to Governmental Fund type activities, including streets, bridges, and sidewalks, is not capitalized by the City.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

Fixed assets acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and capitalized in the General Fixed Assets Account Group. Property and equipment acquired by Proprietary Funds are reported in the respective funds. The City's policy is to capitalize expense (including interest, if applicable) on Proprietary Funds' construction projects until substantially completed.

All purchased fixed assets are recorded at historical cost or estimated historical cost if actual cost information is not available. All donated fixed assets are recorded at estimated fair market value on the date received.

I. Depreciation

Depreciation is not recorded in the General Fixed Assets Account Group. Depreciation, including amortization of amounts for capitalized leases, is charged to operations of Proprietary Funds over the fixed assets' estimated useful lives using the straight-line method. The following useful lives are used to calculate depreciation:

Utility plant in service	20-80 years
Buildings, structures, and improvements	20-80 years
Machinery and equipment	.5-15 years

J. Encumbrances

As part of formal budgetary control over all funds, purchase orders, contracts, and other commitments for expenditures are recorded as encumbrances to reserve the applicable portion of the appropriation. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balance since they do not represent expenditures or liabilities of the City.

K. Grants and Other Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement programs are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures (expenses) are incurred. Amounts received in excess of expenditures (expenses) are reflected as deferred revenue.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

1. Description of Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies, Continued:

L. Contributed Capital - Enterprise Funds

Contributed capital for the Enterprise Funds was estimated by assuming that as of January 1, 1981 the net fixed assets of such funds were acquired first through outstanding debt (less restricted assets) and then through capital contributions of the City or others. Contributed capital in the Enterprise Funds is reduced annually by the amount of depreciation applicable to the fixed assets acquired through such capital contributions.

M. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. Such transactions are generally reflected as operating transfers in the accompanying financial statements.

N. Inventories

Inventory is valued at cost using the first-in, first-out method. Governmental Funds account for inventories on the consumption method. Expenditures are recognized when inventory is used.

O. Reclassifications

Comparative total data for the prior year has been presented in the accompanying financial statements. Certain amounts have been reclassified to conform with 1999 classifications.

P. Compensated Absences

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, the City has accrued a liability for sick leave, vacation and/or severance for those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. The current obligations of all funds and the long-term obligations of Proprietary Funds are reported in the respective funds. For Governmental Fund types, the liability not currently due and payable at year end is reported in the General Long-Term Obligation Account Group.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

2. Equity in Pooled Cash and Investments:

The City maintains a cash and investment pool used by all funds except for the Municipal Court, which maintains its own cash and investments in segregated accounts. Each fund whose monies are included in the cash and investment pool has equity therein. Each fund's portion of total cash and investments is summarized by fund type on the combined balance sheet as "cash and cash equivalents" or "investments" except for restricted cash and investments of the Water Enterprise Fund which consist of debt proceeds whose use is restricted to construction projects. The amount of restricted assets is displayed on the combined balance sheet as "restricted cash." Amounts reported as cash and cash equivalents and investments principally consist of bank balances; obligations of the U.S. Treasury, U.S. agencies, and U.S. instrumentalities; and investments in the State Treasurer Asset Reserve Fund (STAR Ohio).

A. Deposits

Ohio Law requires that deposits be placed in eligible banks or savings and loans associations located in Ohio. The City's policy is to place deposits with federally insured banks having offices within the City. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to 110% of the excess of deposits not insured by the Federal Deposit Insurance Corporation.

At year end, the carrying amount of the City's deposits, including certificates of deposit, was \$1,199,084. The actual bank balances totaled \$1,487,328. The difference represents outstanding warrants payable and normal reconciling items. Of the bank balance, \$203,216 was fully insured by federal depository insurance. The remainder was uninsured but collateralized by a collateral pool held by an agent of the depository bank in the name of the respective depository bank which pledges a pool of collateral against all public deposits it holds.

B. Investments

The City's investment policies are governed by State statutes and City ordinances which authorize the City to invest in obligations of the U.S. Treasury, Agencies and Instrumentalities; bonds and other State of Ohio obligations; certificates of deposit; U.S. Government Money Market Mutual Funds, repurchase transactions, and the State Treasurer Asset Reserve Fund (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

2. Equity in Pooled Cash and Investments, Continued:

The City has implemented GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement established accounting and reporting guidelines for government investments and investment pools.

Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 1999. Investments in Mutual Funds are valued at the fund's current share price on December 31, 1999. Certain U.S. Government securities (those that are not money market investments as defined by GASB Statement 31) have been recorded at fair value which reflects the quoted market price for those investments on December 31, 1999. Money market investments (which include U.S. Treasury securities that had a remaining maturity at the time of purchase of one year or less) have been recorded on the financial statements at amortized cost.

Investments are classified as to credit risk by three categories: 1) Insured or registered, or securities held by the City or its agent in the City's name 2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name 3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

Type of Investment	(2) Uninsured and Unregistered, with Securities Held by the Counterparty's Trust Department or Agent in the City's Name	Carrying Value	Fair Value
U.S. Government Securities	\$13,532,009	\$13,532,009	\$13,549,860
Repurchase Agreements	786,000	786,000	786,000
Investments in Mutual Funds		2,339,267	2,339,267
State Treasurer Asset Reserve Fund (STAR Ohio)		4,385,394	4,385,394
		<u>\$21,042,670</u>	<u>\$21,060,521</u>

The amounts invested with STAR Ohio and mutual funds are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

3. Changes in Fixed Assets in Service:

A summary of changes in General Fixed Assets follows:

	Balance January 1, 1999	Additions/ Transfer In	Deletions/ Transfers Out	Balance December 31, 1999
Land and land improvements	\$ 2,838,661	\$ 89,065		\$ 2,927,726
Buildings, structures, and improvements	15,999,250	227,343		16,226,593
Machinery and equipment	12,235,979	1,366,962	\$ 230,167	13,372,774
Construction in progress	251,953	315,968	188,837	379,084
	<u>\$ 31,325,843</u>	<u>\$ 1,999,338</u>	<u>\$ 419,004</u>	<u>\$ 32,906,177</u>

A summary of changes in Enterprise Fund fixed assets follows:

	Balance January 1, 1999	Additions/ Transfer In	Deletions/ Transfers Out	Balance December 31, 1999
Land and land improvements	\$ 2,659,166			\$ 2,659,166
Utility plant in service	52,233,965	\$ 609,155		52,843,120
Buildings, structures, and improvements	4,775,807	149,881		4,925,688
Machinery and equipment	9,124,045	111,439	\$ 69,125	9,166,359
Construction in progress	2,881,542	2,146,018	659,804	4,367,756
	<u>\$ 71,674,525</u>	<u>\$ 3,016,493</u>	<u>\$ 728,929</u>	<u>\$ 73,962,089</u>
Less: Accumulated depreciation	<u>(22,238,978)</u>	<u>(1,724,226)</u>	<u>(63,421)</u>	<u>(23,899,783)</u>
	<u>\$ 49,435,547</u>	<u>\$ 1,292,267</u>	<u>\$ 665,508</u>	<u>\$ 50,062,306</u>

4. Changes in Contributed Capital:

A summary of changes in Proprietary Funds' contributed capital is as follows:

	Enterprise Funds	Internal Service Funds
Balance January 1, 1999	\$ 15,961,303	\$ 750,000
Depreciation on fixed assets acquired by contributed capital	<u>(590,637)</u>	
Balance December 31, 1999	<u>\$ 15,370,666</u>	<u>\$ 750,000</u>

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

5. Interfund Receivable and Payable Balances:

The following balances at December 31, 1999 represent individual fund interfund receivables and payables:

	Interfund Receivables	Interfund Payables
General Fund	\$ 607,665	\$ 689,510
Special Revenue Funds:		
Streets and Highways		308,544
Office on Aging Grant		275,424
Community Development Block Grant		163,390
Emergency Shelter		27,013
Lakewood Hospital		3,118
Children Who Witness Violence Grant		1,360
Byrne Memorial Grant		8,247
Total Special Revenue Funds		787,096
Debt Service Fund	669,823	
Capital Projects Funds:		
Permanent Capital Improvement		967,624
Downtown Development	200,900	
Total Capital Projects Funds	200,900	967,624
Enterprise Funds:		
Water		115,367
Sewer and Wastewater		55,308
Parking Facilities	270,067	1,439
Congregational Living Facility		2,003
Winterhurst Ice Rink		1,039
Total Enterprise Funds	270,067	175,156
Internal Service Funds:		
Hospitalization	269,904	
Workers Compensation	601,027	
Total Internal Service Funds	870,931	
TOTAL	\$ 2,619,386	\$ 2,619,386

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

6. Pension and Retirement Plans:

The City applies GASB No. 27 "Accounting for Pensions of State and Local Government Employees," which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets and note disclosures in the financial reports of state and local government employers.

The City contributes to two cost sharing multiple-employer defined benefit plans: (1) Public Employees Retirement System of Ohio (PERS), and (2) Police and Firemen's Disability and Pension Fund of Ohio (P&FDPF). Both plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in the Ohio Revised Code. PERS issues a stand-alone financial report which is available upon written request addressed to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

P&FDPF issues a publicly available stand-alone financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to 140 East Town Street, Columbus, Ohio 43215-5164. The funding policy for the above plans is as follows:

PERS: During 1999, PERS employees contributed 8.5% of their salary to the plan and the City contributed 13.55% of covered payrolls to the plan. The contributions to PERS for the years ending December 31, 1999, 1998, and 1997 were \$3,366,794, \$3,214,223, and \$3,109,823 respectively. The City paid 76% of the total 1999 contribution in 1999 and accrued the balance in the General Long-Term Obligation Account Group. Contributions for 1998 and 1997 were paid in full.

P&FDPF: During 1999, P&FDPF employees contributed 10% of their annual salary to the plan, and the City contributed 19.5% of gross salary for policemen and 24% for firemen. The contributions to P&FDPF for the years ending December 31, 1999, 1998 and 1997 were \$2,593,227, \$2,522,068, and \$2,402,935, respectively. The City paid 77% of the total 1999 contribution in 1999 and accrued the balance in the General Long-Term Obligation Account Group. Contributions for 1998 and 1997 were paid in full.

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 firefighters in 1967. As of December 31, 1999, the unfunded liability of the City was \$7,648,750, payable in semiannual payments through the year 2035. The liability is reported in the General Long-Term Obligation Account Group.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

7. Other Postemployment Benefits:

Ohio Law provides that the City fund postretirement health care benefits through employer contributions to the Public Employees Retirement System (PERS) of Ohio and the Police and Firemen's Disability and Pension Fund (P&FDPF) of Ohio.

PERS: The Public Employees Retirement System provides postretirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The Ohio Revised Code provides the statutory authority requiring the City to fund postretirement health care through its contributions to PERS. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The 1999 employer contributions rate was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care for the year 1999.

The postemployment benefits are financed through employer contributions and investment earnings thereon. The contributions allocated to retirant health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, other postemployment benefit expenditures made by PERS totaled \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for other postemployment benefits was 118,062.

The City's actual contribution to fund postemployment benefits for 1999 was \$641,285.

P&FDPF: P&FDPF operates under the authority of the Ohio Revised Code and provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. As of December 31, 1998, 11,424 policemen and 9,186 firemen were eligible to receive health care benefits.

Ohio Law provides that health care costs paid from the funds of the P&FDPF shall be included in the employer's contribution rate. The health care funding and accounting is on a pay-as-you-go basis. The Board-defined allocation used to pay retiree health care expenses for 1998, 1999, and 2000 is 6.5%, 7.0%, and 7.25%, respectively, of covered payroll. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care through a deduction from their monthly benefit payment. P&FDPF's total health care expenses for the year ended December 31, 1998, were \$78,596,790.

For 1999, actual City contributions to P&FDPF used to pay postemployment benefits were \$311,237 for police and \$264,573 for firemen.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

8. Accumulated Unpaid Employee Benefits and Overtime:

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 retirement or death.

For Governmental Fund types, the liability for accumulated vacation totaled \$966,079 at December 31, 1999. This amount has been recorded in the General Long-Term Obligation Account Group since the timing of future payments is not determinable. For Enterprise Funds, accumulated vacation leave totaled \$134,882. This amount has been recorded as a liability in the respective Enterprise Funds.

The City has recorded an estimated liability of \$87,331 for accumulated sick leave benefits payable at December 31, 1999 in accordance with GASB No. 16, "Accounting for Compensated Absences." This liability has been recorded in the General Long-Term Obligation Account Group. The estimated liability for Enterprise Funds totaled \$3,589 at December 31, 1999. This amount has been recorded in the respective Enterprise Funds.

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. The liabilities for overtime, at current pay rates and converted to straight time hours, at December 31, 1999 follow:

<u>Department</u>	<u>Hours</u>	<u>Amount</u>
Police	6,463	\$ 148,341
Fire	6,416	115,842
Other - Governmental Fund Types	3,410	90,683
Other - Proprietary Fund Types	<u>2,131</u>	<u>48,257</u>
	18,420	\$ 403,123

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. The accumulated overtime is recorded in the General Long-Term Obligation Account Group since the timing of future payments is not determinable. Proprietary Fund type amounts are recorded as liabilities in the respective Enterprise Funds.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

8. Accumulated Unpaid Employee Benefits and Overtime, Continued:

Fire Department personnel required to work a holiday shall be granted, at a later time, an eight-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 13 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 96 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

9. Leases

A. Capital Leases

The City leases police vehicles and copier equipment through capital leasing arrangements. The assets and obligations of such agreements are recorded in the General Fixed Asset Account Group and the General Long-Term Obligation Account Group, respectively. 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 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, 1999:

	Amounts
2000	\$ 97,462
2001	55,792
2002	9,582
2003	9,582
2004	9,582
Total minimum lease payments	182,000
Less: Amount representing interest	(17,561)
Present value of net minimum lease payments	\$ 164,439

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 \$152,745,000 and \$91,000,000, respectively, as of December 31, 1999. 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.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

10. Debt and Long-Term Obligations:

Debt and long-term obligations of the City as of December 31, 1999 follow:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Capital Projects Fund:				
General Obligation Notes Payable:				
3.25% Motorized equipment note	\$ 481,800	\$ 481,800	\$ 481,800	\$ 481,800
3.25% Motorized equipment note	805,000	644,000	805,000	644,000
3.25% Motorized equipment note		278,540		278,540
3.25% Police communications equipment note		536,200		536,200
3.25% Tree planting note		50,000		50,000
3.25% Street improvement note		141,000		141,000
3.60% Street improvement note		575,000		575,000
3.25% Building and facilities note		600,460		600,460
3.25% Recreation facilities note		90,000		90,000
3.25% Fire equipment note		48,000		48,000
Total Capital Projects Fund Debt	\$ 1,286,800	\$ 3,445,000	\$ 1,286,800	\$ 3,445,000

Capital Projects Fund debt is entirely comprised of notes payable with \$3,445,000 of principal and \$107,995 of interest maturing during 2000.

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
General Long-Term Obligation Account Group:				
Special Assessment Bonds Payable with Governmental Commitment:				
Various rates, street improvement bonds due through 2002	\$ 118,400		\$ 27,800	\$ 90,600
Various rates, breakwall improvement bonds due through 2003	190,000		35,000	155,000
Total Special Assessment Bonds Payable with Government Commitment	\$ 308,400	\$ 0	\$ 62,800	\$ 245,600
General Obligation and Refunding Bonds Payable:				
11.75% Recreational facilities bonds due through 2000	\$ 320,000		\$ 160,000	\$ 160,000
Various rates, various purpose general obligation bonds due through 2000	28,000		14,000	14,000
Various rates, refunding general obligation bonds due through 2012	8,565,000		440,000	8,125,000
Various rates, various purpose general obligation bonds due through 2015	9,375,000		340,000	9,035,000
Various rates, various purpose general obligation bonds due through 2017	3,965,800		180,400	3,785,400
Total General Obligation Bonds Payable	\$ 22,253,800	\$ 0	\$ 1,134,400	\$ 21,119,400
Total Debt in the General Long-Term Obligation Account Group	\$ 22,562,200	\$ 0	\$ 1,197,200	\$ 21,365,000

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

10. Debt and Long-Term Obligations, Continued:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Other Long-Term Obligations:				
Accrued wages and benefits (accumulated unpaid employee benefits)	\$ 9,729,510	\$ 1,028,572	\$ 1,032,439	\$ 9,725,643
Accumulated overtime	335,374	19,492		354,866
Capital lease obligations	77,297	167,070	79,928	164,439
Loans payable	616,000		30,800	585,200
Total Other Long-Term Obligations in the General Long-Term Obligation Account Group	\$ 10,758,181	\$ 1,215,134	\$ 1,143,167	\$ 10,830,148
Total Debt and Other Long-Term Obligations	\$ 33,320,381	\$ 1,215,134	\$ 2,340,367	\$ 32,195,148
	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Enterprise Funds				
General Obligation and Refunding Bonds Payable:				
Various rates, various purpose general obligation bonds due through 2000	\$ 252,000		\$ 126,000	\$ 126,000
9.00% Water main mortgage revenue bonds due through 2011	3,650,000		185,000	3,465,000
Various rates, refunding general obligations bonds due through 2011	5,325,000		315,000	5,010,000
Various rates, sewer construction bonds due through 2015	2,725,000		100,000	2,625,000
Various rates, water main mortgage revenue bonds due through 2015	2,995,000		70,000	2,925,000
Various rates, recreation facility general obligation bonds due through 2017	1,295,800		1,800	1,294,000
Total Bonds Payable in the Enterprise Funds	\$ 16,242,800	\$ 0	\$ 797,800	\$ 15,445,000
Other Long-Term Obligations:				
Loans payable	\$ 2,222,029	\$ 742,167	\$ 62,423	\$ 2,901,773
Total Other Long-Term Obligations in the Enterprise Funds	\$ 2,222,029	\$ 742,167	\$ 62,423	\$ 2,901,773
Total Debt and Other Long-Term Obligations in the Enterprise Funds	\$ 18,464,829	\$ 742,167	\$ 860,223	\$ 18,346,773

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

10. Debt and Long-Term Obligations, Continued:

Notes payable represent unvoted general obligation bond anticipation notes payable from ad valorem property taxes. Further security is provided on the general obligation bond anticipation notes by a pledge of the full faith, credit, and general revenues of the City for the re-payment of debt. The notes payable are issued by the City with one year maturity. Ohio law permits the issuance and renewal of bond anticipation notes such that the notes may remain outstanding for five years consecutively before such notes must be retired either from available funds of the City or from the proceeds of bonds issued to redeem the anticipation notes.

Special assessment projects are funded through the issuance of bonds and notes payable. Bonds and notes issued are recognized as general long-term obligations of the City and retired with assessments levied against property owners and/or general revenues of the City based on the improvements/benefit to the respective parties. Assessments 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.

A summary of the City's future debt service requirements for tax supported general obligation and special assessment bonds; Enterprise Fund general obligation and revenue bonds; and final loans payable as of December 31, 1999 follows:

	Enterprise Funds Debt		Special Assessment Bonds		Other General Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2000	\$ 895,223	\$ 823,746	\$ 64,400	\$ 11,583	\$ 1,263,600	\$ 1,098,124
2001	809,223	781,299	70,200	8,690	1,238,800	1,032,833
2002	839,223	744,911	71,000	5,447	1,308,000	981,111
2003	905,623	706,561	40,000	2,100	1,262,600	921,860
2004	945,623	664,659			1,337,600	864,977
2005 and thereafter	12,236,125	3,982,927			15,294,000	4,779,355
	<u>\$ 16,631,040</u>	<u>\$ 7,704,103</u>	<u>\$ 245,600</u>	<u>\$ 27,820</u>	<u>\$ 21,704,600</u>	<u>\$ 9,678,260</u>

The bonds payable are comprised of unvoted general obligation bonds of the City payable from ad valorem property taxes and special obligation bonds. The security for payment of the general obligation bonds of the City is the requirement of the levy by the City of ad valorem property taxes within the ten-mill limitation imposed by Ohio law. Additionally, the City has pledged its full faith and credit as security for the general obligation bonds payable. General obligation bonds issued to provide funds for additions or improvements to the fixed assets of the Enterprise Funds are general obligations of the City; however, the City's practice has been to service the debt with the revenues of the respective Enterprise Funds.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

10. Debt and Long-Term Obligations, Continued:

The City has outstanding 1991 and 1995 water mortgage revenue bonds. The debt service on the water mortgage revenue bonds is payable from the net revenues derived by the City from the operation of the water distribution system.

During 1997, the City entered into an agreement with the Ohio Public Works Commission for a street construction loan. The construction project was completed in 1998 and the loan amount totaled \$616,000. The balance of \$585,200 remaining at December 31, 1999 has been recorded as a liability in the General Long-Term Obligation Account Group and is payable from monies collected from ad valorem property taxes.

The City also entered into agreements with the Ohio Public Works Commission securing loans for water main and sewer separation construction projects. The loans will be repaid with revenues of the Water and Sewer and Wastewater Funds. At December 31, 1999, the Ohio Public Works Commission had loaned the City \$2,901,773 which has been recorded as a liability in the Water and Sewer and Wastewater Funds. Of the total liability recorded, \$1,186,040 represented loans that had been finalized at December 31, 1999. The City has received a repayment schedule for this amount and therefore included only those payments in the table illustrating the City's future debt service requirements. The balance of \$1,715,733 represents construction advances applied to current water main and sewer separation construction projects. These projects will be completed in 2000 at an estimated total cost of \$2,762,000.

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 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 Sewer and Wastewater Fund. As of December 31, 1999, \$4,685,000 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. The unamortized balance of the deferred loss totaled \$373,760 at December 31, 1999. 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. The City completed the advance refunding to reduce its total debt service payments by \$223,590 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$155,524.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

10. Debt and Long-Term Obligations, Continued:

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 with 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, 1999, \$7,515,000 of the defeased debt remained outstanding.

The City completed the advance refunding to reduce its total debt service payments by \$313,087 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$213,491.

Legal Debt Margin: Under the Uniform Bond Act of the Ohio Revised Code, the City at December 31, 1999 had the capacity to issue \$15,689,203 of additional unvoted general obligation debt.

Conduit Debt Obligations: In 1983 and 1989, the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay costs of Lakewood Hospital facility improvements. In 1989, the City also issued Hospital Improvement Refunding Revenue Bonds to advance refund the Hospital Improvement Bonds, Series 1983. The 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. As of December 31, 1999, the aggregate principal amount of conduit debt obligations outstanding was \$34,048,000.

11. Deficit Fund Balances or Retained Earnings of Individual Funds:

The following individual funds had deficit retained earnings or fund balances at December 31, 1999:

<u>Special Revenue Funds</u>	
Office on Aging Grant	\$ 209,658
<u>Capital Projects Funds</u>	
Permanent Capital Improvement	2,778,065
<u>Internal Service Funds</u>	
General Insurance	98,337
Recreational Insurance	9,488

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

11. Deficit Fund Balances or Retained Earnings of Individual Funds, Continued:

The fund balance deficit in the Office on Aging Grant Fund was caused by the accrual of certain expenditures in excess of available resources. The deficit will be eliminated through an operating transfer from the General Fund in 2000.

The Permanent Capital Improvement Fund was established to account for the acquisition and/or construction of major facilities and equipment. The fund balance deficit resulted from the use of short-term notes, which are recorded as liabilities in the fund, to finance major projects. The deficit will be eliminated through an operating transfer from the Debt Service Fund in 2000.

The retained earnings deficits in the General Insurance Fund and the Recreational Insurance Fund were caused by the accrual of claims that are estimated to be paid in the future. The funding for these claims will be obtained through an operating transfer from other funds.

12. Income Taxes:

The City currently levies a municipal income tax at the rate of 1.5 percent. The City's income tax is levied upon the net income of corporations and other business entities and on the 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 this tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and 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.

13. Property Taxes:

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the City. The assessed value upon which 1999 collections were based was \$728,814,595 (per the Cuyahoga County Auditor). Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Presently, the City levies 3.47 mills of the first 10 mills of assessed value. In addition to the 3.47 mills, 13.83 mills has been levied based upon mills voted for general operations, bond retirement, police and fire pensions, and sewage disposal.

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

13. Property Taxes, Continued:

A summary of voted millage follows:

Voter Authorized Rate (a)	Rate Levied for Current Year Collection	Purpose	Initial Collection Year	Final Collection Year
2.0 (b)	2.00	Sewage Disposal	1960	Indefinite Life
8.65 (b)	8.65	Operating	1949	Indefinite Life
Open End (c)	1.57	Police Pension	1969	Indefinite Life
Open End (c)	<u>1.61</u>	Fire Pension	1969	Indefinite Life
	<u>13.83</u>			

- (a) In mills per \$1.00 of assessed valuation.
- (b) The electors of the City have authorized Council to levy each year up to 2.0 and 8.65 mills, respectively, on all taxable property in the City without further authorization from the electors for the aforesaid purposes, but subject to change by further action of the electors. No portion of the 2.0 mills and 8.65 mills, respectively, can be preempted by an overlapping taxing subdivision.
- (c) The electors of the City have authorized the Council to levy each year an amount of millage sufficient in rate to provide all moneys required by the laws of the State of Ohio to be paid by the City into the Police and Firemen's Disability and Pension Fund of the State on all of the taxable property in the City without further authorization from the electors, but subject to change by further action of the electors. No portion of the levy can be preempted by an overlapping taxing subdivision.

Real property taxes, excluding public utility property, are all assessed at 35% of appraised market value. Pertinent real property tax dates follow:

Collection Dates	January 20 and June 20 of the current year
Lien Date	January 1 of the year preceding the collection year
Levy Date	October 1 of the year preceding the collection year

Tangible personal property taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. For the collection year 1999, the percentage used to determine taxable value of personal property and inventory was 25%. Pertinent tangible personal property tax dates follow:

Collection Dates	April 30 and September 30 of the current year
Lien Date	January 1 of the current year
Levy Date	October 1 of the year preceding the collection year

Public utility tangible personal property currently is assessed at 100% of its true value except for rural electric companies (50%) and railroads (25%). Pertinent public utility tangible personal property tax dates follow:

Collection Dates	January 20 and June 20 of the current year
Lien Date	December 31 of the second year preceding the collection year
Levy Date	October 1 of the year preceding the collection year

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

14. Loss Contingencies and Commitments:

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being allowable expenditures under federal and state regulations. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

15. Segment Information for Enterprise Funds:

The City currently maintains five Enterprise Funds which provide water, sewer, parking, housing services and an ice rink facility. Information for the year ended December 31, 1999 for the Enterprise Funds is summarized as follows:

	Water	Sewer and Wastewater	Parking Facilities	Congregational Living Facility	Winterhurst Ice Rink	Total Enterprise Funds
Operating revenues	\$ 8,732,376	\$ 3,826,803	\$ 274,685	\$ 8,100	\$ 827,437	\$ 13,669,401
Tax revenues		1,282,377				1,282,377
Intergovernmental		168,842				168,842
Depreciation	(424,827)	(1,179,780)	(69,958)	(601)	(49,060)	(1,724,226)
Operating income (loss)	1,313,307	(439,634)	(55,842)	(816)	(33,608)	783,407
Net income (loss)	938,751	569,793	(55,842)	(816)	(112,544)	1,339,342
Additions to property, plant and equipment	1,070,877	1,113,984			102,703	2,287,564
Additions to contributed capital						0
Net working capital	3,130,562	2,993,515	300,530	8,637	63,173	6,496,417
Total identifiable assets	24,130,160	30,994,444	2,449,080	54,587	3,153,623	60,781,894
Bonds and other long- term liabilities payable from operating revenues	9,002,476	6,845,537			1,292,200	17,140,213
Total equity	13,670,255	21,475,883	2,376,919	47,172	1,724,863	39,295,092

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

16. Risk Management:

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Most of these risks are covered by commercial insurance purchased from independent third parties. Settled claims from risks covered by the City's insurance policies have not exceeded the insurance coverage for the past three fiscal years. In addition to these coverages, the City has implemented a formal self-insurance program. The City has established a General Insurance Fund and the Recreational Insurance Fund to account for and finance its uninsured risk of losses. All funds of the City participate in the self-insurance program and make payments to the Internal Service Fund based on claim experience.

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 include an amount for claims that have been incurred but not reported.

Changes to the estimated claims payable recorded in the General and Recreational Insurance Funds during the years ended December 31, 1999 and 1998 were as follows:

	1999	1998
Estimated claims payable January 1	\$ 26,000	\$ 30,000
Plus: Current year claims and changes in estimates	42,975	
Less: Claim payments	(42,975)	(4,000)
Estimated claims payable December 31	\$ 26,000	\$ 26,000

The City of Lakewood maintains an Internal Service Fund to finance the cost of employee hospitalization and medical insurance on a cost reimbursement basis. The City offers three 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 employees and bills the City for the amount of actual claims paid plus administrative costs. The City is liable for claims up to a maximum premium.

At December 31, 1999, \$268,700 has been accrued for hospitalization claims representing an estimate of the amount to be paid for claims that have been incurred but not reported. Changes in the balances of claims liabilities during the past two fiscal years follows:

	1999	1998
Estimated claims payable January 1	\$ 376,230	\$ 475,374
Plus: Current year claims and changes in estimates	967,270	1,421,984
Less: Claim payments	(1,074,800)	(1,521,128)
Estimated claims payable December 31	\$ 268,700	\$ 376,230

CITY OF LAKEWOOD, OHIO
Notes to the Combined Financial Statements - Continued
December 31, 1999

17. Workers' Compensation:

The State of Ohio is one of six states having monopolistic state funds which have the exclusive authority to provide employers with workers' compensation insurance. Historically, under the Ohio Workers' Compensation System for public employer taxing districts, there have been two types of rating plans: base rating and experience rating. Ohio law was subsequently amended to include an additional plan called 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 fund 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'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, 1999, \$1,547,240 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. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	1999	1998
Estimated Claims payable January 1	\$ 1,701,098	\$ 1,570,200
Plus: Current year claims and changes in estimates	367,671	130,898
Less: Claim payments	(521,529)	
Estimated Claims payable December 31	\$ 1,547,240	\$ 1,701,098

18. Subsequent Events:

On May 10, 2000 the City issued \$4,870,000 of Various Purpose General Obligation Bond Anticipation Notes, Series 2000. The proceeds will be used to finance all or a portion of the costs of various permanent capital improvements and to refinance outstanding debt.

This page intentionally left blank.

CITY OF LAKEWOOD, OHIO

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or sources for major capital projects) that are legally restricted to expenditures for specified purposes.

Streets and Highways Fund	To account for the revenue from the City's share of state gasoline taxes and vehicle registration fees. State law requires that these taxes be used for maintenance of streets.
Police and Fire Pensions Fund	To account for the revenue from property taxes levied for the partial payment of the current and accrued liability for police and firemen disability and pension.
Enforcement and Education Fund	To account for the revenue from fines imposed by the Courts which are used for programs aimed at further education in enforcement of D.U.I. laws.
Litter Control Grant Fund	To account for the revenues received from Ohio Department of Natural Resources and expenditures relative to this program.
Office on Aging Grant Fund	To account for the revenues received through the Ohio Department on Aging from the federal government under the Older Americans Act and expenditures related to this program.
Community Development Block Grant Fund	To account for the revenues received from the federal government and expenditures as prescribed under the Community Development Block Grant program.
Community Festival Fund	To account for the revenues and expenditures relating to various community activities held during the year.
Children's Trust Grant Fund	To account for the revenue received from the Governor's Office of Criminal Justice Services which are used to implement a comprehensive community awareness and prevention program for Lakewood's youth.
Law and Drug Enforcement Fund	To account for confiscated property and forfeited bonds. Monies are designated for specific law enforcement purposes and activities.

Emergency Shelter 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.
Indigent Drivers Alcohol Treatment Fund	To account for the revenue from fines imposed by the persons convicted of "Driving while under the influence of alcohol (D.U.I.)."
Political Subdivision Fund	To account for the revenue from fines imposed by the Courts which is distributed to the political subdivision responsible for housing the D.U.I. offender to offset related costs.
Bureau of Justice Grant Fund	To account for grant proceeds from the federal government and the expenditures relative to this program.
Computer Research and Maintenance Fund	To account for the revenue from fines imposed by the Courts which is used to provide for computerized research services and maintenance of the Court's computer system.
Little Links Fund	To account for the revenues and expenditures to maintain the City's miniature golf course.
Lakewood Hospital Fund	To account for the revenues and expenditures related to providing emergency medical service and other health and safety services.
Just Friends Grant Fund	To account for grant proceeds from the State which fund youth programming.
St. Ann's Grant Fund	To account for the revenues received from the St. Ann's Foundation which are used to expand Family Room programming in the southeastern quadrant of the City.
Children Who Witness Violence Grant Fund	To account for grant proceeds from the County used to provide case management services to children who witness violence.
Juvenile Accountability Incentive Block Grant Fund	To account for grant proceeds from the State used to decrease the number of juveniles entering the court systems.
Byrne Memorial Grant Fund	To account for grant proceeds from the State used to expand the community safety outreach program.

CITY OF LAKEWOOD, OHIO
Combining Balance Sheet - All Special Revenue Funds
December 31, 1999

	Streets and Highways Fund	Police and Fire Pensions Fund	Enforcement and Education Fund	Litter Control Grant Fund	Office on Aging Grant Fund
Assets:					
Cash and cash equivalents	\$ 706,140	\$ 523,348	\$ 47,451	\$ 32,001	\$ 61,512
Receivables:					
Taxes		2,020,085			
Accounts	4,513				675
Special assessments					
Loans					
Other			505		51,212
Less allowance for doubtful accounts					
Receivables, net	4,513	2,020,085	505		51,887
Due from other governments	92,694				6,519
Prepaid items					
Inventories	83,286				
Total assets	\$ 886,633	\$ 2,543,433	\$ 47,956	\$ 32,001	\$ 119,918
Liabilities:					
Accounts payable	\$ 72,290				\$ 6,654
Due to other funds	308,544				275,424
Accrued wages and benefits	46,766			\$ 439	47,498
Deferred revenue		\$ 1,929,746			
Total liabilities	427,600	1,929,746		439	329,576
Fund balance (deficit):					
Reserved for loans receivable					
Reserved for inventories	83,286				
Reserved for prepaid items					
Reserved for encumbrances	255,274		\$ 3,790	11,793	6,410
Undesignated and unreserved	120,473	613,687	44,166	19,769	(216,068)
Total fund balance (deficit)	459,033	613,687	47,956	31,562	(209,658)
Total liabilities and fund balance	\$ 886,633	\$ 2,543,433	\$ 47,956	\$ 32,001	\$ 119,918

Community Development Block Grant Fund	Community Festival Fund	Children's Trust Grant Fund	Law and Drug Enforcement Fund	Emergency Shelter Fund	Indigent Drivers Alcohol Treatment Fund	Political Subdivision Fund
	\$ 4,199	\$ 13,355	\$ 169,404		\$ 129,921	\$ 4,830
\$ 28,812						
3,500,012			457		550	415
5,000						
3,533,824			457		550	415
214,015				\$ 36,585		
<u>\$ 3,747,839</u>	<u>\$ 4,199</u>	<u>\$ 13,355</u>	<u>\$ 169,861</u>	<u>\$ 36,585</u>	<u>\$ 130,471</u>	<u>\$ 5,245</u>
\$ 113,538	\$ 308			\$ 9,572		
163,390				27,013		
34,722						
636						
312,286	308			36,585		
3,500,012						
278,585		\$ 780	\$ 9,280	\$ 38,742		
(343,044)	3,891	12,575	160,581	(38,742)	\$ 130,471	\$ 5,245
3,435,553	3,891	13,355	169,861	0	130,471	5,245
<u>\$ 3,747,839</u>	<u>\$ 4,199</u>	<u>\$ 13,355</u>	<u>\$ 169,861</u>	<u>\$ 36,585</u>	<u>\$ 130,471</u>	<u>\$ 5,245</u>

CITY OF LAKEWOOD, OHIO
Combining Balance Sheet - All Special Revenue Funds
December 31, 1999

	Bureau of Justice Grant Fund	Computer Research and Maintenance Fund	Little Links Fund	Lakewood Hospital Fund	Just Friends Grant Fund
Assets:					
Cash and cash equivalents	\$ 6,592	\$ 210,810	\$ 2,813	\$ 430,790	\$ 1,866
Receivables:					
Taxes					
Accounts				71,499	
Special assessments				3,525	
Loans					
Other	194	3,735			
Less allowance for doubtful accounts				(3,662)	
Receivables, net	194	3,735		71,362	
Due from other governments					
Prepaid items				9,485	
Inventories					
Total assets	\$ 6,786	\$ 214,545	\$ 2,813	\$ 511,637	\$ 1,866
Liabilities:					
Accounts payable				\$ 26,927	
Due to other funds				3,118	
Accrued wages and benefits				46,225	
Deferred revenue				3,525	
Total liabilities				79,795	
Fund balance (deficit):					
Reserved for loans receivable					
Reserved for inventories					
Reserved for prepaid items				9,485	
Reserved for encumbrances		\$ 106		30,458	
Undesignated and unreserved	\$ 6,786	214,439	\$ 2,813	391,899	\$ 1,866
Total fund balance (deficit)	6,786	214,545	2,813	431,842	1,866
Total liabilities and fund balance	\$ 6,786	\$ 214,545	\$ 2,813	\$ 511,637	\$ 1,866

St. Ann's Grant Fund	Children Who Witness Violence Grant Fund	Juvenile Accountability Incentive Block Grant Fund	Byrne Memorial Grant Fund	Totals	
				1999	1998
\$ 30,028		\$ 18,376		\$ 2,393,436	\$ 1,872,749
				2,020,085	2,024,308
				105,499	31,151
				3,525	
				3,500,012	3,498,634
				62,068	13,273
				(3,662)	
				5,687,527	5,567,366
	\$ 2,700		\$ 17,414	369,927	293,574
				9,485	10,127
				83,286	71,314
<u>\$ 30,028</u>	<u>\$ 2,700</u>	<u>\$ 18,376</u>	<u>\$ 17,414</u>	<u>\$ 8,543,661</u>	<u>\$ 7,815,130</u>
\$ 9	\$ 1,360	\$ 2,278	\$ 8,247	\$ 231,576	\$ 190,995
183	570		2,701	787,096	709,324
				179,104	116,521
				1,933,907	1,930,081
192	1,930	2,278	10,948	3,131,683	2,946,921
				3,500,012	3,433,550
				83,286	71,314
				9,485	10,127
28		4,356	469	640,071	1,095,225
29,808	770	11,742	5,997	1,179,124	257,993
29,836	770	16,098	6,466	5,411,978	4,868,209
<u>\$ 30,028</u>	<u>\$ 2,700</u>	<u>\$ 18,376</u>	<u>\$ 17,414</u>	<u>\$ 8,543,661</u>	<u>\$ 7,815,130</u>

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) -
All Special Revenue Funds
For the year ended December 31, 1999

	Streets and Highways Fund	Police and Fire Pensions Fund	Enforcement and Education Fund	Litter Control Grant Fund	Office on Aging Grant Fund
Revenues:					
Taxes	\$ 885,613	\$ 2,038,979			
Licenses and permits					
Intergovernmental	606,738	268,459		\$ 51,545	\$ 335,340
Charges for services					
Fines and forfeits			\$ 10,598		
Interest					
Miscellaneous	150,553				218,905
Total revenues	1,642,904	2,307,438	10,598	51,545	554,245
Expenditures:					
Current:					
Public safety		2,193,969	4,820		
Health					1,570,904
Culture and recreation					
Community environment				49,422	
Highways and streets	1,892,215				
General government					
Capital outlay	10,008			558	7,418
Total expenditures	1,902,223	2,193,969	4,820	49,980	1,578,322
Excess (deficiency) of revenues over (under) expenditures	(259,319)	113,469	5,778	1,565	(1,024,077)
Other financing sources (uses):					
Operating transfers, in	485,585			18,345	1,017,000
Operating transfers, out					
Net other financing sources (uses)	485,585			18,345	1,017,000
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	226,266	113,469	5,778	19,910	(7,077)
Fund balance (deficit), January 1	232,767	500,218	42,178	11,652	(202,581)
Fund balance (deficit), December 31	\$ 459,033	\$ 613,687	\$ 47,956	\$ 31,562	\$ (209,658)

Community Development Block Grant Fund	Community Festival Fund	Children's Trust Grant Fund	Law and Drug Enforcement Fund	Emergency Shelter Fund	Indigent Drivers Alcohol Treatment Fund	Political Subdivision Fund
\$ 3,362,081		\$ 41,868		\$ 106,928		
102,281			\$ 9,042		\$ 22,466	\$ 8,006
<u>3,464,362</u>	\$ 4,000	<u>41,868</u>	<u>13,280</u>	<u>106,928</u>	<u>22,466</u>	<u>8,006</u>
			23,978			
3,462,172	8,352	41,364		106,928		
2,190			1,550		6,526	
<u>3,464,362</u>	<u>8,352</u>	<u>41,364</u>	<u>25,528</u>	<u>106,928</u>	<u>6,526</u>	
0	(4,352)	504	(3,206)	0	15,940	8,006
	5,000		(2,522)			(7,000)
	<u>5,000</u>		<u>(2,522)</u>			<u>(7,000)</u>
0	648	504	(5,728)	0	15,940	1,006
<u>3,435,553</u>	<u>3,243</u>	<u>12,851</u>	<u>175,589</u>	<u>0</u>	<u>114,531</u>	<u>4,239</u>
<u>\$ 3,435,553</u>	<u>\$ 3,891</u>	<u>\$ 13,355</u>	<u>\$ 169,861</u>	<u>\$ 0</u>	<u>\$ 130,471</u>	<u>\$ 5,245</u>

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) -
All Special Revenue Funds
For the year ended December 31, 1999

	Bureau of Justice Grant Fund	Computer Research and Maintenance Fund	Little Links Fund	Lakewood Hospital Fund	Just Friends Grant Fund
Revenues:					
Taxes					
Licenses and permits				\$ 48,826	
Intergovernmental	\$ 22,702			18,723	\$ 57,020
Charges for services			\$ 13,773	1,183,903	
Fines and forfeits		\$ 52,748			
Interest	329				
Miscellaneous			420	43	
Total revenues	23,031	52,748	14,193	1,251,495	57,020
Expenditures:					
Current:					
Public safety				631,862	
Health				456,630	
Culture and recreation					
Community environment			16,563		65,913
Highways and streets					
General government		17,062			
Capital outlay	24,200			53,521	
Total expenditures	24,200	17,062	16,563	1,142,013	65,913
Excess (deficiency) of revenues over (under) expenditures	(1,169)	35,686	(2,370)	109,482	(8,893)
Other financing sources (uses):					
Operating transfers, in	2,522				
Operating transfers, out					
Net other financing sources (uses)	2,522				
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,353	35,686	(2,370)	109,482	(8,893)
Fund balance (deficit), January 1	5,433	178,859	5,183	322,360	10,759
Fund balance (deficit), December 31	\$ 6,786	\$ 214,545	\$ 2,813	\$ 431,842	\$ 1,866

St. Ann's Grant Fund	Children Who Witness Violence Grant Fund	Juvenile Accountability Incentive Block Grant Fund	Byrne Memorial Grant Fund	Totals	
				1999	1998
				\$ 2,924,592	\$ 2,912,548
				48,826	49,484
	\$ 6,452	\$ 19,554	\$ 51,523	4,948,933	4,930,589
				1,197,676	1,099,688
				102,860	107,938
				102,610	121,352
\$ 30,000				417,201	405,823
30,000	6,452	19,554	51,523	9,742,698	9,627,422
				2,854,629	2,650,082
				2,068,898	1,956,274
				8,352	7,382
15,539	5,682	5,600	45,057	3,772,876	3,706,074
				1,892,215	1,783,005
				23,588	19,206
		2,278		101,723	178,569
15,539	5,682	7,878	45,057	10,722,281	10,300,592
14,461	770	11,676	6,466	(979,583)	(673,170)
		4,422		1,532,874	1,519,914
				(9,522)	(7,000)
		4,422		1,523,352	1,512,914
14,461	770	16,098	6,466	543,769	839,744
15,375	0	0	0	4,868,209	4,028,465
\$ 29,836	\$ 770	\$ 16,098	\$ 6,466	\$ 5,411,978	\$ 4,868,209

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Streets and Highways Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 778,000	\$ 885,073	\$ 107,073
Intergovernmental	660,000	606,737	(53,263)
Miscellaneous	12,000	3,636	(8,364)
Total revenues	<u>1,450,000</u>	<u>1,495,446</u>	<u>45,446</u>
Expenditures			
Current			
Streets and highways	1,990,034	1,896,902	93,132
Total expenditures	<u>1,990,034</u>	<u>1,896,902</u>	<u>93,132</u>
Deficiency of revenues under expenditures	(540,034)	(401,456)	138,578
Other financing sources (uses)			
Other reimbursements	195,000	142,404	(52,596)
Operating transfers, in	480,000	480,000	
Operating transfers, out	(140,303)	(91,807)	48,496
Net other financing sources	<u>534,697</u>	<u>530,597</u>	<u>(4,100)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(5,337)	129,141	134,478
Decertification of prior year encumbrances		15,972	15,972
Fund balance, January 1	<u>268,391</u>	<u>268,391</u>	
Fund balance, December 31	<u>\$ 263,054</u>	<u>\$ 413,504</u>	<u>\$ 150,450</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Police and Fire Pensions Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 2,023,401	\$ 2,042,867	\$ 19,466
Intergovernmental	275,918	268,459	(7,459)
Total revenues	<u>2,299,319</u>	<u>2,311,326</u>	<u>12,007</u>
Expenditures			
Current			
Public safety	2,270,238	2,193,969	76,269
Total expenditures	<u>2,270,238</u>	<u>2,193,969</u>	<u>76,269</u>
Excess of revenues over expenditures	29,081	117,357	88,276
Fund balance, January 1	<u>405,991</u>	<u>405,991</u>	
Fund balance, December 31	<u>\$ 435,072</u>	<u>\$ 523,348</u>	<u>\$ 88,276</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Enforcement and Education Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and forfeits	\$ 11,000	\$ 11,051	\$ 51
Total revenues	<u>11,000</u>	<u>11,051</u>	<u>51</u>
Expenditures			
Current			
Public safety	10,000	5,493	4,507
Total expenditures	<u>10,000</u>	<u>5,493</u>	<u>4,507</u>
Excess of revenues over expenditures	1,000	5,558	4,558
Fund balance, January 1	<u>38,103</u>	<u>38,103</u>	
Fund balance, December 31	<u>\$ 39,103</u>	<u>\$ 43,661</u>	<u>\$ 4,558</u>

CITY OF LAKEWOOD, OHIO
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 (Non-GAAP Budgetary Basis) - Litter Control Grant Fund
 For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 55,000	\$ 51,545	\$ (3,455)
Total revenues	<u>55,000</u>	<u>51,545</u>	<u>(3,455)</u>
Expenditures			
Current			
Community environment	75,000	58,614	16,386
Total expenditures	<u>75,000</u>	<u>58,614</u>	<u>16,386</u>
Deficiency of revenues under expenditures	(20,000)	(7,069)	12,931
Other financing sources			
Operating transfers, in	20,000	18,345	(1,655)
Total other financing sources	<u>20,000</u>	<u>18,345</u>	<u>(1,655)</u>
Excess of revenues and other sources over expenditures	0	11,276	11,276
Decertification of prior year encumbrances		77	77
Fund balance, January 1	<u>8,855</u>	<u>8,855</u>	
Fund balance, December 31	<u>\$ 8,855</u>	<u>\$ 20,208</u>	<u>\$ 11,353</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Office on Aging Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 355,847	\$ 310,245	\$ (45,602)
Miscellaneous	173,709	194,586	20,877
Total revenues	<u>529,556</u>	<u>504,831</u>	<u>(24,725)</u>
Expenditures			
Current			
Health	1,580,766	1,567,114	13,652
Total expenditures	<u>1,580,766</u>	<u>1,567,114</u>	<u>13,652</u>
Deficiency of revenues under expenditures	(1,051,210)	(1,062,283)	(11,073)
Other financing sources			
Other reimbursements	6,000	5,705	(295)
Operating transfers, in	1,017,000	1,017,000	
Total other financing sources	<u>1,023,000</u>	<u>1,022,705</u>	<u>(295)</u>
Deficiency of revenues and other sources under expenditures	(28,210)	(39,578)	(11,368)
Decertification of prior year encumbrances		924	924
Fund balance, January 1	<u>93,941</u>	<u>93,941</u>	
Fund balance, December 31	<u>\$ 65,731</u>	<u>\$ 55,287</u>	<u>\$ (10,444)</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget and Actual
(Non-GAAP Budgetary Basis) - Community Development Block Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 5,865,946	\$ 3,894,216	\$ (1,971,730)
Total revenues	<u>5,865,946</u>	<u>3,894,216</u>	<u>(1,971,730)</u>
Expenditures			
Current			
Community environment	4,776,446	3,378,658	1,397,788
Total expenditures	<u>4,776,446</u>	<u>3,378,658</u>	<u>1,397,788</u>
Excess of revenues over expenditures	1,089,500	515,558	(573,942)
Other financing uses			
Operating transfers, out	(64,529)	(42,039)	22,490
Total other financing uses	<u>(64,529)</u>	<u>(42,039)</u>	<u>22,490</u>
Excess of revenues over expenditures and other uses	1,024,971	473,519	(551,452)
Decertification of prior year encumbrances		19,852	19,852
Fund deficit, January 1	<u>(1,024,902)</u>	<u>(1,024,902)</u>	
Fund balance (deficit), December 31	<u>\$ 69</u>	<u>\$ (531,531)</u>	<u>\$ (531,600)</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Community Festival Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous	\$ 4,000	\$ 4,000	
Total revenues	<u>4,000</u>	<u>4,000</u>	
Expenditures			
Current			
Culture and recreation	10,000	8,352	\$ 1,648
Total expenditures	<u>10,000</u>	<u>8,352</u>	<u>1,648</u>
Deficiency of revenues under expenditures	(6,000)	(4,352)	1,648
Other financing sources			
Operating transfers, in	5,000	5,000	
Total other financing sources	<u>5,000</u>	<u>5,000</u>	
Excess (deficiency) of revenues and other sources over (under) expenditures	(1,000)	648	1,648
Fund balance, January 1	<u>3,243</u>	<u>3,243</u>	
Fund balance, December 31	<u>\$ 2,243</u>	<u>\$ 3,891</u>	<u>\$ 1,648</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Children's Trust Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 47,000	\$ 41,868	\$ (5,132)
Total revenues	<u>47,000</u>	<u>41,868</u>	<u>(5,132)</u>
Expenditures			
Current			
Health	59,606	42,145	17,461
Total expenditures	<u>59,606</u>	<u>42,145</u>	<u>17,461</u>
Deficiency of revenues under expenditures	(12,606)	(277)	12,329
Decertification of prior year encumbrances		88	88
Fund balance, January 1	<u>12,763</u>	<u>12,763</u>	
Fund balance, December 31	<u>\$ 157</u>	<u>\$ 12,574</u>	<u>\$ 12,417</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Law and Drug Enforcement Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous	\$ 500	\$ 9,288	\$ 8,788
Total revenues	500	9,288	8,788
Expenditures			
Current			
Public safety	55,500	34,618	20,882
Total expenditures	55,500	34,618	20,882
Deficiency of revenues under expenditures	(55,000)	(25,330)	29,670
Other financing sources (uses)			
Other reimbursements	25,000	13,094	(11,906)
Operating transfers, out	(2,552)	(2,522)	30
Total other financing sources	22,448	10,572	(11,876)
Deficiency of revenues and other sources over expenditures and other uses	(32,552)	(14,758)	17,794
Decertification of prior year encumbrances		391	391
Fund balance, January 1	174,492	174,492	
Fund balance, December 31	\$ 141,940	\$ 160,125	\$ 18,185

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget and Actual
(Non-GAAP Budgetary Basis) - Emergency Shelter Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 163,391	\$ 70,343	\$ (93,048)
Total revenues	<u>163,391</u>	<u>70,343</u>	<u>(93,048)</u>
Expenditures			
Current			
Community environment	94,064	74,443	19,621
Total expenditures	<u>94,064</u>	<u>74,443</u>	<u>19,621</u>
Excess (deficiency) of revenues over (under) expenditures	69,327	(4,100)	(73,427)
Decertification of prior year encumbrances		6,358	6,358
Fund deficit, January 1	<u>(69,325)</u>	<u>(69,325)</u>	
Fund balance (deficit), December 31	<u>\$ 2</u>	<u>\$ (67,067)</u>	<u>\$ (67,069)</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Indigent Drivers Alcohol Treatment Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and forfeits	\$ 18,000	\$ 22,959	\$ 4,959
Total revenues	18,000	22,959	4,959
Expenditures			
Current			
General government	10,000	6,526	3,474
Total expenditures	10,000	6,526	3,474
Excess of revenues over expenditures	8,000	16,433	8,433
Fund balance, January 1	113,488	113,488	
Fund balance, December 31	\$ 121,488	\$ 129,921	\$ 8,433

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Political Subdivision Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and forfeits	\$ 6,000	\$ 8,183	\$ 2,183
Total revenues	<u>6,000</u>	<u>8,183</u>	<u>2,183</u>
Expenditures			
Total expenditures	<u>0</u>	<u>0</u>	
Excess of revenues over expenditures	6,000	8,183	2,183
Other financing uses			
Operating transfers, out	<u>(7,000)</u>	<u>(7,000)</u>	
Total other financing uses	<u>(7,000)</u>	<u>(7,000)</u>	
Excess (deficiency) of revenues over (under) expenditures and other uses	(1,000)	1,183	2,183
Fund balance, January 1	<u>3,647</u>	<u>3,647</u>	
Fund balance, December 31	<u>\$ 2,647</u>	<u>\$ 4,830</u>	<u>\$ 2,183</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Bureau of Justice Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 25,000	\$ 22,702	\$ (2,298)
Interest	970	805	(165)
Total revenues	<u>25,970</u>	<u>23,507</u>	<u>(2,463)</u>
Expenditures			
Current			
Public safety	25,224	24,348	876
Total expenditures	<u>25,224</u>	<u>24,348</u>	<u>876</u>
Excess (deficiency) of revenues over (under) expenditures	746	(841)	(1,587)
Other financing sources			
Operating transfers, in	2,552	2,522	(30)
Total other financing sources	<u>2,552</u>	<u>2,522</u>	<u>(30)</u>
Excess of revenues and other sources over expenditures	3,298	1,681	(1,617)
Fund balance, January 1	<u>4,911</u>	<u>4,911</u>	
Fund balance, December 31	<u>\$ 8,209</u>	<u>\$ 6,592</u>	<u>\$ (1,617)</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Computer Research and Maintenance Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Fines and forfeits	\$ 63,500	\$ 53,623	\$ (9,877)
Total revenues	<u>63,500</u>	<u>53,623</u>	<u>(9,877)</u>
Expenditures			
Current			
General government	55,000	17,168	37,832
Total expenditures	<u>55,000</u>	<u>17,168</u>	<u>37,832</u>
Excess of revenues over expenditures	8,500	36,455	27,955
Fund balance, January 1	<u>174,249</u>	<u>174,249</u>	
Fund balance, December 31	<u>\$ 182,749</u>	<u>\$ 210,704</u>	<u>\$ 27,955</u>

CITY OF LAKEWOOD, OHIO
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 (Non-GAAP Budgetary Basis) - Little Links Fund
 For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous	\$ 19,550	\$ 14,192	\$ (5,358)
Total revenues	<u>19,550</u>	<u>14,192</u>	<u>(5,358)</u>
Expenditures			
Current			
Community environment	19,573	16,562	3,011
Total expenditures	<u>19,573</u>	<u>16,562</u>	<u>3,011</u>
Deficiency of revenues under expenditures	(23)	(2,370)	(2,347)
Fund balance, January 1	<u>5,183</u>	<u>5,183</u>	
Fund balance, December 31	<u>\$ 5,160</u>	<u>\$ 2,813</u>	<u>\$ (2,347)</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Lakewood Hospital Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Licenses and permits	\$ 45,000	\$ 48,826	\$ 3,826
Intergovernmental	19,000	18,723	(277)
Charges for services	1,265,671	1,111,355	(154,316)
Miscellaneous		1,093	1,093
Total revenues	<u>1,329,671</u>	<u>1,179,997</u>	<u>(149,674)</u>
Expenditures			
Current			
Public safety	810,430	643,631	166,799
Health	438,604	421,790	16,814
Total expenditures	<u>1,249,034</u>	<u>1,065,421</u>	<u>183,613</u>
Excess of revenues over expenditures	80,637	114,576	33,939
Other financing uses			
Operating transfers, out	(86,718)	(42,413)	44,305
Total other financing uses	<u>(86,718)</u>	<u>(42,413)</u>	<u>44,305</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	(6,081)	72,163	78,244
Decertification of prior year encumbrances		1,696	1,696
Fund balance, January 1	<u>313,949</u>	<u>313,949</u>	
Fund balance, December 31	<u>\$ 307,868</u>	<u>\$ 387,808</u>	<u>\$ 79,940</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget and Actual
(Non-GAAP Budgetary Basis) - Just Friends Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 192,282	\$ 117,286	\$ (74,996)
Total revenues	<u>192,282</u>	<u>117,286</u>	<u>(74,996)</u>
Expenditures			
Current			
Community environment	129,543	67,042	62,501
Total expenditures	<u>129,543</u>	<u>67,042</u>	<u>62,501</u>
Excess of revenues over expenditures	62,739	50,244	(12,495)
Decertification of prior year encumbrances		13	13
Fund deficit, January 1	<u>(48,391)</u>	<u>(48,391)</u>	
Fund balance, December 31	<u>\$ 14,348</u>	<u>\$ 1,866</u>	<u>\$ (12,482)</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - St. Ann's Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous		\$ 30,000	\$ 30,000
Total revenues	\$ 0	30,000	30,000
Expenditures			
Current			
Community environment	15,375	15,375	
Total expenditures	15,375	15,375	
Excess (deficiency) of revenues over (under) expenditures	(15,375)	14,625	30,000
Fund balance, January 1	15,375	15,375	
Fund balance, December 31	\$ 0	\$ 30,000	\$ 30,000

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget and Actual
(Non-GAAP Budgetary Basis) - Children Who Witness Violence Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 13,800	\$ 3,752	\$ (10,048)
Total revenues	<u>13,800</u>	<u>3,752</u>	<u>(10,048)</u>
Expenditures			
Current			
Community environment	13,800	5,112	8,688
Total expenditures	<u>13,800</u>	<u>5,112</u>	<u>8,688</u>
Deficiency of revenues under expenditures	0	(1,360)	(1,360)
Fund balance, January 1	<u>0</u>	<u>0</u>	
Fund balance (deficit), December 31	<u>\$ 0</u>	<u>\$ (1,360)</u>	<u>\$ (1,360)</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Juvenile Accountability Incentive Block Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 19,554	\$ 19,554	
Total revenues	<u>19,554</u>	<u>19,554</u>	
Expenditures			
Current			
Community environment	19,554	12,234	\$ 7,320
Total expenditures	<u>19,554</u>	<u>12,234</u>	<u>7,320</u>
Excess of revenues over expenditures	0	7,320	7,320
Other financing sources			
Operating transfers, in		4,422	4,422
Total other financing sources	<u>0</u>	<u>4,422</u>	<u>4,422</u>
Excess of revenues and other sources over expenditures	0	11,742	11,742
Fund balance, January 1	<u>0</u>	<u>0</u>	
Fund balance, December 31	<u>\$ 0</u>	<u>\$ 11,742</u>	<u>\$ 11,742</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance (Deficit) - Budget and Actual
(Non-GAAP Budgetary Basis) - Byrne Memorial Grant Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 51,814	\$ 34,109	\$ (17,705)
Total revenues	<u>51,814</u>	<u>34,109</u>	<u>(17,705)</u>
Expenditures			
Current			
Community environment	51,814	42,825	8,989
Total expenditures	<u>51,814</u>	<u>42,825</u>	<u>8,989</u>
Deficiency of revenues under expenditures	0	(8,716)	(8,716)
Fund balance, January 1	<u>0</u>	<u>0</u>	
Fund balance (deficit), December 31	<u>\$ 0</u>	<u>\$ (8,716)</u>	<u>\$ (8,716)</u>

CITY OF LAKEWOOD, OHIO

Capital Projects Funds

Capital projects funds are established to account for the acquisition and construction of major capital facilities and equipment other than those financed by Proprietary Funds.

Permanent Capital Improvement Fund

To account for the acquisition of equipment and the construction of general fixed assets of the City.

Downtown Development Fund

To account for the acquisition and demolition of properties necessary to proceed with the development of a downtown shopping center.

Lakehouse Breakwall Fund

To account for the construction of a permanent breakwall to protect the property of the citizens of the City.

CITY OF LAKEWOOD, OHIO
Combining Balance Sheet - All Capital Projects Funds
December 31, 1999

	Permanent Capital Improvement Fund	Downtown Development Fund	Lakehouse Breakwall Fund	Totals	
				1999	1998
Assets:					
Cash and cash equivalents	\$ 2,170,500		\$ 6,060	\$ 2,176,560	\$ 1,663,104
Accounts receivable					260,000
Special assessments receivable			181,925	181,925	227,201
Due from other funds		\$ 200,900		200,900	200,900
Total assets	\$ 2,170,500	\$ 200,900	\$ 187,985	\$ 2,559,385	\$ 2,351,205
Liabilities:					
Accounts payable	\$ 535,941			\$ 535,941	\$ 331,656
Due to other funds	967,624			967,624	967,624
Deferred revenue			\$ 181,925	181,925	227,201
Notes payable	3,445,000			3,445,000	1,286,800
Total liabilities	4,948,565		181,925	5,130,490	2,813,281
Fund balance (deficit):					
Reserved for encumbrances	638,444			638,444	328,449
Undesignated and unreserved	(3,416,509)	\$ 200,900	6,060	(3,209,549)	(790,525)
Total fund balance (deficit)	(2,778,065)	200,900	6,060	(2,571,105)	(462,076)
Total liabilities and fund balance	\$ 2,170,500	\$ 200,900	\$ 187,985	\$ 2,559,385	\$ 2,351,205

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) -
All Capital Projects Funds
For the year ended December 31, 1999

	Permanent	Downtown	Lakehouse	Totals	
	Capital Improvement Fund	Development Fund	Breakwall Fund	1999	1998
Revenues:					
Intergovernmental	\$ 7,500			\$ 7,500	
Special assessments			\$ 46,771	46,771	\$ 45,065
Total revenues	7,500		46,771	54,271	45,065
Expenditures:					
Current:					
General government		\$ 260,000		260,000	
Capital outlay	2,591,123			2,591,123	2,397,610
Debt service:					
Principal retirement			35,000	35,000	1,321,800
Interest and fiscal charges			9,610	9,610	11,273
Total expenditures	2,591,123	260,000	44,610	2,895,733	3,730,683
Excess (deficiency) of revenues over (under) expenditures	(2,583,623)	(260,000)	2,161	(2,841,462)	(3,685,618)
Other financing sources (uses):					
Proceeds of general obligation notes					1,286,800
Proceeds of general obligation bonds					1,938,800
Proceeds of OPWC loan					616,000
Operating transfers, in	1,001,000			1,001,000	1,010,154
Operating transfers, out	(268,567)			(268,567)	(22,641)
Net other financing sources	732,433			732,433	4,829,113
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,851,190)	(260,000)	2,161	(2,109,029)	1,143,495
Fund balance (deficit), January 1	(926,875)	460,900	3,899	(462,076)	(1,605,571)
Fund balance (deficit), December 31	\$ (2,778,065)	\$ 200,900	\$ 6,060	\$ (2,571,105)	\$ (462,076)

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Permanent Capital Improvement Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental		\$ 7,500	\$ 7,500
Total revenues	\$ 0	7,500	7,500
Expenditures			
Capital outlay	3,921,341	2,907,537	1,013,804
Total expenditures	3,921,341	2,907,537	1,013,804
Deficiency of revenues under expenditures	(3,921,341)	(2,900,037)	1,021,304
Other financing sources (uses)			
Proceeds of general obligation notes	2,345,227	2,319,200	(26,027)
Operating transfers, in	840,000	840,000	
Operating transfers, out	(262,982)	(262,982)	
Net other financing sources	2,922,245	2,896,218	(26,027)
Deficiency of revenues and other sources over (under) expenditures and other uses	(999,096)	(3,819)	995,277
Decertification of prior year encumbrances		9,254	9,254
Fund balance, January 1	999,096	999,096	
Fund balance, December 31	\$ 0	\$ 1,004,531	\$ 1,004,531

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Downtown Development Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Total revenues	\$ 0	\$ 0	
Expenditures			
Current			
General government	260,000	260,000	
Total expenditures	260,000	260,000	
Excess of revenues under expenditures	(260,000)	(260,000)	
Fund balance, January 1	260,000	260,000	
Fund balance, December 31	\$ 0	\$ 0	\$ 0

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Lakehouse Breakwall Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Special assessments	\$ 45,204	\$ 46,771	\$ 1,567
Total revenues	<u>45,204</u>	<u>46,771</u>	<u>1,567</u>
Expenditures			
Debt service	44,610	44,610	
Total expenditures	<u>44,610</u>	<u>44,610</u>	
Excess of revenues over expenditures	594	2,161	1,567
Fund balance, January 1	<u>3,899</u>	<u>3,899</u>	
Fund balance, December 31	<u>\$ 4,493</u>	<u>\$ 6,060</u>	<u>\$ 1,567</u>

CITY OF LAKEWOOD, OHIO

Enterprise Funds

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

Water Fund	To account for the provision of water distribution to the residential and commercial users in the City.
Sewer and Wastewater Fund	To account for the sanitary sewer services provided to the residential and commercial users of the City.
Parking Facilities Fund	To account for the off-street parking services provided by the City.
Congregational Living Facility Fund	To account for residential accommodations for senior citizens provided by the City.
Winterhurst Ice Rink Fund	To account for the revenues and costs of operating the municipal ice rink facility.

CITY OF LAKEWOOD, OHIO
 Combining Balance Sheet - All Enterprise Funds
 December 31, 1999

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterthurst Ice Rink Fund	Totals
	1999	1999	1999	1999	1999	1998
Assets:						
Current assets:						
Cash and cash equivalents	\$ 424,105	\$ 334,579	\$ 12,192	\$ 1,907	\$ 17,148	\$ 789,931
Investments	3,145,723	2,387,472	90,432	14,145	127,191	5,764,963
Receivables:						
Taxes	1,055,208	1,270,486			55,394	1,273,151
Accounts		477,082				1,561,353
Other	(37,045)	(16,749)				2,155
Less allowance for doubtful accounts						(50,982)
Receivables, net	1,018,163	1,730,819			55,394	2,785,677
Due from other funds			270,067			270,067
Total current assets	4,587,991	4,452,870	372,691	16,052	198,733	9,629,337
Restricted cash and cash equivalents	717,036					717,036
Deferred bond issuance costs	247,258	110,006			15,951	373,215
Fixed assets:						
Land and land improvements	120,608	55,482	2,353,296	21,980	107,800	2,659,166
Utility plant in service	18,209,097	34,634,023				52,843,120
Buildings, structures, and improvements	1,308,354	1,256,102	166,389	32,122	2,162,721	4,775,807
Machinery and equipment	1,047,273	7,960,687	535		157,884	9,166,359
Less accumulated depreciation	(4,164,777)	(18,475,361)	(443,831)	(15,567)	(800,217)	(23,899,783)
Fixed assets, net	16,520,555	25,430,883	2,076,389	38,535	1,628,188	45,694,550
Construction in progress	2,057,320	1,000,685			1,309,751	4,367,756
Total assets	\$ 24,130,160	\$ 30,994,444	\$ 2,449,080	\$ 54,587	\$ 3,153,623	\$ 60,781,894
						\$ 59,176,481

CITY OF LAKEWOOD, OHIO
Combining Balance Sheet - All Enterprise Funds
December 31, 1999

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Rink Fund	Totals
	1999	1999	1999	1999	1999	1998
Liabilities:						
Current liabilities:						
Accounts payable	\$ 677,780	\$ 362,958	\$ 45,049	\$ 3,980	\$ 27,781	\$ 785,844
Due to other funds	115,367	55,308	1,439	2,003	1,039	144,093
Due to other governments		350,063	13,336	1,432		382,695
Accrued wages and benefits	100,732	209,888	12,337		86,853	396,951
Accrued interest	188,550	25,138			19,087	237,337
Current portion of long-term debt	375,000	456,000			1,900	797,800
Total current liabilities	<u>1,457,429</u>	<u>1,459,355</u>	<u>72,161</u>	<u>7,415</u>	<u>136,560</u>	<u>2,744,720</u>
Deferred revenue		1,213,669				1,213,669
Debt, net of current maturities:						
Loans payable	2,882,476	19,297				2,222,029
General obligation bond payable	6,120,000	6,826,240			1,292,200	15,040,093
Total liabilities	<u>10,459,905</u>	<u>9,518,561</u>	<u>72,161</u>	<u>7,415</u>	<u>1,428,760</u>	<u>21,220,731</u>
Fund equity:						
Contributed capital - City of Lakewood	2,266,610	9,319,049	2,126,620	31,280	1,627,107	15,961,303
Retained earnings:						
Unreserved	11,403,645	12,156,834	250,299	15,892	97,756	21,994,447
Total retained earnings	<u>11,403,645</u>	<u>12,156,834</u>	<u>250,299</u>	<u>15,892</u>	<u>97,756</u>	<u>21,994,447</u>
Total fund equity	<u>13,670,255</u>	<u>21,475,883</u>	<u>2,376,919</u>	<u>47,172</u>	<u>1,724,863</u>	<u>37,955,750</u>
Total liabilities and fund equity	<u>\$ 24,130,160</u>	<u>\$ 30,994,444</u>	<u>\$ 2,449,080</u>	<u>\$ 54,587</u>	<u>\$ 3,153,623</u>	<u>\$ 59,176,481</u>

CITY OF LAKEWOOD, OHIO
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings - All Enterprise Funds
For the year ended December 31, 1999

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterturst Ice Rink Fund	Totals	
						1999	1998
Operating revenues:							
Charges for services	\$ 8,730,658	\$ 3,815,520	\$ 274,333		\$ 827,225	\$ 13,647,736	\$ 13,355,422
Other operating revenue	1,718	11,283	352	8,100	212	21,665	11,705
Total operating revenues	8,732,376	3,826,803	274,685	8,100	827,437	13,669,401	13,367,127
Operating expenses:							
Personal services	757,229	1,487,658	109,956		361,497	2,716,340	2,783,996
Benefit payments	199,140	394,524	30,460		65,189	689,313	678,431
Purchased water	5,329,862					5,329,862	5,002,629
Heat, light, and power	20,035	335,761	19,952	2,580	259,332	638,160	724,007
Contractual services	92,292	113,271	2,186	1,081	9,352	218,182	328,451
Supplies and materials	169,361	357,643	15,337	518	60,165	603,024	597,412
Depreciation	424,827	1,179,780	69,958	601	49,060	1,724,226	1,644,276
Other	426,323	397,800	82,678	4,136	55,950	966,887	1,056,079
Total operating expenses	7,419,069	4,266,437	330,527	8,916	861,045	12,885,994	12,825,281
Operating income (loss)	1,313,307	(439,634)	(55,842)	(816)	(33,608)	783,407	541,846
Nonoperating revenues (expenses):							
Interest income	48,241					48,241	81,568
Interest expense and fiscal charges	(422,797)	(441,792)			(78,936)	(843,525)	(971,652)
Tax revenue		1,282,377				1,282,377	1,289,942
Intergovernmental		168,842				168,842	173,026
Net nonoperating revenues (expenses)	(374,556)	1,009,427			(78,936)	555,935	572,884
Net income (loss)	938,751	569,793	(55,842)	(816)	(112,544)	1,339,342	1,114,730
Depreciation on fixed assets acquired by contributed capital - City of Lakewood	54,005	435,372	72,878	491	27,891	590,637	600,458
Increase (decrease) in retained earnings	992,756	1,005,165	17,036	(325)	(84,653)	1,929,979	1,715,188
Retained earnings, January 1	10,410,889	11,151,669	233,263	16,217	182,409	21,994,447	20,279,259
Retained earnings, December 31	\$ 11,403,645	\$ 12,156,834	\$ 250,299	\$ 15,892	\$ 97,756	\$ 23,924,426	\$ 21,994,447

CITY OF LAKEWOOD, OHIO
Combining Statement of Cash Flows - All Enterprise Funds
For the year ended December 31, 1999

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Rink Fund	1999	Totals	1998
Cash flows from operating activities:								
Cash received from customers	\$ 8,698,718	\$ 3,825,034	\$ 274,333	\$	\$ 828,310	\$ 13,624,395	\$	\$ 13,323,663
Cash paid to suppliers for goods and services	(5,571,710)	(796,435)	(37,581)	(4,582)	(328,875)	(6,739,163)		(6,659,687)
Cash paid to employees for services	(939,122)	(1,867,156)	(138,226)		(417,105)	(3,361,611)		(3,577,570)
Other operating revenues	883	11,283	352	8,100	212	20,830		9,690
Other operating expenses	(337,428)	(381,826)	(74,313)	(3,355)	(56,654)	(853,576)		(843,481)
Net cash provided by operating activities	1,849,341	790,900	24,563	163	25,888	2,690,855		2,252,635
Cash flows from non-capital financing activities:								
Intergovernmental revenue		168,842				168,842		173,026
Tax revenue		1,284,822				1,284,822		1,273,615
Net cash provided by non-capital financing activities		1,453,664				1,453,664		1,446,641
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(229,803)	(1,042,554)			(165,301)	(1,437,658)		(2,903,436)
Principal paid on bonds and notes	(422,423)	(453,864)			(1,800)	(878,087)		(1,172,320)
Interest and fiscal charges paid on bonds and notes	(425,323)	(410,206)			(64,323)	(899,852)		(954,981)
Cash paid to escrow agent for refunding								(5,631,000)
Proceeds from bonds and notes								6,995,000
Net cash used for capital and related financing activities	(1,077,549)	(1,906,624)			(231,424)	(3,215,597)		(3,686,737)
Cash flows from investing activities:								
Earnings on investments	59,200					59,200		81,568
Purchases of investments	(3,145,723)	(2,387,472)	(90,432)	(14,145)	(127,191)	(5,764,963)		(2,948,106)
Proceeds from investments	1,630,098	1,100,989	36,704	7,471	172,844	2,948,106		3,605,193
Net cash provided by (used for) investing activities	(1,456,425)	(1,286,483)	(53,728)	(6,674)	45,653	(2,757,657)		798,655
Net increase (decrease) in cash and cash equivalents	(684,633)	(948,543)	(29,165)	(6,511)	(159,883)	(1,828,735)		771,194
Cash and cash equivalents, January 1	1,825,774	1,263,122	41,357	8,418	177,031	3,335,702		2,564,508
Cash and cash equivalents, December 31	\$ 1,141,141	\$ 334,579	\$ 12,192	\$ 1,907	\$ 17,148	\$ 1,506,967		\$ 3,335,702

CITY OF LAKEWOOD, OHIO
Combining Statement of Cash Flows - All Enterprise Funds
For the year ended December 31, 1999

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Risk Fund	Totals
						1999
						1998
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ 1,313,307	\$ (439,634)	\$ (55,842)	\$ (816)	\$ (33,608)	\$ 783,407
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	424,827	1,179,780	69,958	601	49,060	1,644,276
Increase (decrease) in allowance for doubtful accounts	2,548	264				2,812
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(36,929)	9,514			1,084	(26,331)
(Increase) decrease in other receivables	2,155					2,155
(Increase) decrease in due from other funds			120			120
Increase (decrease) in due to other funds	9,355	19,230	1,439		1,039	31,063
Increase (decrease) in accounts payable	126,186	25,950	8,259	378	(229)	160,544
Increase (decrease) in accrued wages and benefits	7,892	(4,204)	629		8,542	12,859
Total adjustments	536,034	1,230,534	80,405	979	59,496	1,907,448
Net cash provided by operating activities	\$ 1,849,341	\$ 790,900	\$ 24,563	\$ 163	\$ 25,888	\$ 2,690,855
Reconciliation of cash and cash equivalents:						
Per the balance sheet:						
Cash and cash equivalents	\$ 424,105	\$ 334,579	\$ 12,192	\$ 1,907	\$ 17,148	\$ 789,931
Restricted cash	717,036					717,036
Cash and cash equivalents per statement of cash flows	\$ 1,141,141	\$ 334,579	\$ 12,192	\$ 1,907	\$ 17,148	\$ 1,506,967
Supplemental schedule of non-cash activities:						
Debt service on outstanding general obligation bonds funded by the Debt Service Fund						\$ 185,000
Fixed assets contributed by the City and others on behalf of the City						19,125
Total non-cash transactions	\$ 722,870	\$ 19,297	\$ 0	\$ 0	\$ 0	\$ 742,167
	\$ 722,870	\$ 19,297	\$ 0	\$ 0	\$ 0	\$ 742,167
						\$ 2,222,029
						\$ 2,426,154

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - Water Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 8,689,850	\$ 8,695,884	\$ 6,034
Special assessments	1,000	834	(166)
Interest	45,000	48,241	3,241
Total revenues	<u>8,735,850</u>	<u>8,744,959</u>	<u>9,109</u>
Expenses			
Current			
Sanitation	7,275,099	6,949,629	325,470
Capital outlay	1,147,601	316,069	831,532
Debt service	837,658	840,893	(3,235)
Total expenses	<u>9,260,358</u>	<u>8,106,591</u>	<u>1,153,767</u>
Excess (deficiency) of revenues over (under) expenses	(524,508)	638,368	1,162,876
Other financing sources (uses)			
Other reimbursements	1,000	883	(117)
Operating transfers, out	(116,192)	(75,686)	40,506
Net other financing uses	<u>(115,192)</u>	<u>(74,803)</u>	<u>40,389</u>
Excess (deficiency) of revenues and other sources over (under) expenses and other uses	(639,700)	563,565	1,203,265
Decertification of prior year encumbrances		196,981	196,981
Fund equity, January 1	<u>2,977,230</u>	<u>2,977,230</u>	
Fund equity, December 31	<u>\$ 2,337,530</u>	<u>\$ 3,737,776</u>	<u>\$ 1,400,246</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - Sewer and Wastewater Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 1,272,580	\$ 1,284,822	\$ 12,242
Intergovernmental	173,534	168,842	(4,692)
Charges for services	3,774,938	3,825,034	50,096
Special assessments		698	698
Total revenues	<u>5,221,052</u>	<u>5,279,396</u>	<u>58,344</u>
Expenses			
Current			
Sanitation	3,429,860	3,019,140	410,720
Capital outlay	1,145,486	385,778	759,708
Debt service	864,060	864,069	(9)
Total expenses	<u>5,439,406</u>	<u>4,268,987</u>	<u>1,170,419</u>
Excess (deficiency) of revenues over (under) expenses	(218,354)	1,010,409	1,228,763
Other financing sources (uses)			
Other reimbursements	500		(500)
Operating transfers, out	(234,532)	(153,818)	80,714
Net other financing uses	<u>(234,032)</u>	<u>(153,818)</u>	<u>80,214</u>
Excess (deficiency) of revenues and other sources over (under) expenses and other uses	(452,386)	856,591	1,308,977
Decertification of prior year encumbrances		110,206	110,206
Fund equity, January 1	<u>1,039,880</u>	<u>1,039,880</u>	
Fund equity, December 31	<u>\$ 587,494</u>	<u>\$ 2,006,677</u>	<u>\$ 1,419,183</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - Parking Facilities Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 273,470	\$ 274,686	\$ 1,216
Total revenues	<u>273,470</u>	<u>274,686</u>	<u>1,216</u>
Expenses			
Current			
Streets and highways	259,314	237,312	22,002
Total expenses	<u>259,314</u>	<u>237,312</u>	<u>22,002</u>
Excess of revenues over expenses	14,156	37,374	23,218
Other financing uses			
Operating transfers, out	(18,655)	(12,324)	6,331
Total other financing uses	<u>(18,655)</u>	<u>(12,324)</u>	<u>6,331</u>
Excess (deficiency) of revenues over (under) expenses and other uses	(4,499)	25,050	29,549
Fund equity, January 1	<u>77,574</u>	<u>77,574</u>	
Fund equity, December 31	<u>\$ 73,075</u>	<u>\$ 102,624</u>	<u>\$ 29,549</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - Congregational Living Facility Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous	\$ 8,100	\$ 8,100	
Total revenues	<u>8,100</u>	<u>8,100</u>	
Expenses			
Current			
Health	10,920	7,910	\$ 3,010
Total expenses	<u>10,920</u>	<u>7,910</u>	<u>3,010</u>
Excess (deficiency) of revenues over (under) expenses	(2,820)	190	3,010
Decertification of prior year encumbrances		27	27
Fund equity, January 1	<u>15,835</u>	<u>15,835</u>	
Fund equity, December 31	<u>\$ 13,015</u>	<u>\$ 16,052</u>	<u>\$ 3,037</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - Winterhurst Ice Rink Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 931,687	\$ 828,522	\$ (103,165)
Total revenues	<u>931,687</u>	<u>828,522</u>	<u>(103,165)</u>
Expenses			
Current			
Culture and recreation	907,922	793,400	114,522
Capital outlay	108,583	122,489	(13,906)
Debt Service	66,123	66,123	
Total expenses	<u>1,082,628</u>	<u>982,012</u>	<u>100,616</u>
Deficiency of revenues under expenses	(150,941)	(153,490)	(2,549)
Other financing uses			
Operating transfers, out	(21,474)	(11,907)	9,567
Total other financing uses	<u>(21,474)</u>	<u>(11,907)</u>	<u>9,567</u>
Deficiency of revenues under expenses and other uses	(172,415)	(165,397)	7,018
Decertification of prior year encumbrances		64,382	64,382
Fund equity, January 1	<u>219,709</u>	<u>219,709</u>	
Fund equity, December 31	<u>\$ 47,294</u>	<u>\$ 118,694</u>	<u>\$ 71,400</u>

CITY OF LAKEWOOD, OHIO

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.

General Insurance Fund	To account for the funds reserved to finance potential losses on property and liability cases.
Recreational Insurance Fund	To account for the funds reserved to finance potential losses on recreational liability cases.
Hospitalization Fund	To account for the premiums charged to City funds and the payments incurred for hospitalization insurance provided as an employee benefit.
Workers Compensation Fund	To account for workers' compensation costs incurred under the State's retrospectively rated workers' compensation program.

CITY OF LAKEWOOD, OHIO
 Combining Balance Sheet - All Internal Service Funds
 December 31, 1999

	General Insurance Fund	Recreational Insurance Fund	Hospitalization Fund	Workers Compensation Fund	Totals
	1999	1999	1999	1999	1998
Assets:					
Cash and cash equivalents	\$ 50,067	\$ 28,930	\$ 65,662	\$ 184,570	\$ 1,727,219
Investments	362,206	214,582	487,032	1,369,014	1,534,577
Other receivables	12,390				13,621
Due from other funds			269,904	601,027	602,231
Prepaid items			13,745		12,994
Total assets	\$ 424,663	\$ 243,512	\$ 836,343	\$ 2,154,611	\$ 3,890,642
Liabilities:					
Current liabilities:					
Accounts payable					\$ 123,213
Claims payable			\$ 13,612		\$ 13,612
Total current liabilities			13,612		123,213
Reserve for claims	\$ 23,000	\$ 3,000	268,700	\$ 1,547,240	2,103,328
Total liabilities	23,000	3,000	282,312	1,855,552	2,226,541
Fund equity:					
Contributed capital - City of Lakewood	500,000	250,000			750,000
Retained earnings (deficit)	(98,337)	(9,488)	554,031	607,371	914,101
Total retained earnings (deficit)	(98,337)	(9,488)	554,031	607,371	914,101
Total fund equity	401,663	240,512	554,031	607,371	1,664,101
Total liabilities and fund equity	\$ 424,663	\$ 243,512	\$ 836,343	\$ 2,154,611	\$ 3,890,642

CITY OF LAKEWOOD, OHIO
 Combining Statement of Revenues, Expenses, and Changes in Retained Earnings (Deficit) - All Internal Service Funds
 For the year ended December 31, 1999

	General Insurance Fund	Recreational Insurance Fund	Hospitalization Fund	Workers Compensation Fund	Totals	
					1999	1998
Operating revenues:						
Charges for services	\$ 2,278,621		\$ 2,278,621	\$ 308,878	\$ 2,587,499	\$ 3,022,512
Other operating revenue				391,505	391,505	7,656
Total operating revenues			2,278,621	700,383	2,979,004	3,030,168
Operating expenses:						
Benefit payments	\$ 42,975		2,257,477	521,529	2,779,006	2,699,958
Other	42,975		8,169	17,625	68,769	79,507
Total operating expenses	(42,975)		2,265,646	539,154	2,847,775	2,779,465
Operating income (loss)			12,975	161,229	131,229	250,703
Nonoperating revenues:						
Interest income	8,247				8,247	39,076
Total nonoperating revenues	8,247				8,247	39,076
Increase (decrease) in retained earnings	(34,728)		12,975	161,229	139,476	299,779
Retained earnings (deficit), January 1	(63,609)	\$ (9,488)	541,056	446,142	914,101	624,322
Retained earnings (deficit), December 31	\$ (98,337)	\$ (9,488)	\$ 554,031	\$ 607,371	\$ 1,053,577	\$ 914,101

CITY OF LAKEWOOD, OHIO
Combining Statement of Cash Flows - All Internal Service Funds
For the year ended December 31, 1999

	General Insurance Fund		Recreational Insurance Fund		Hospitalization Fund		Workers Compensation Fund		Totals	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
Cash flows from operating activities:										
Cash received from customers	\$ 2,009,921	\$ 2,710,304	\$ 700,383	\$ 4,523,517						
Cash paid to suppliers for goods and services	(2,360,315)	(3,176,540)	(816,225)	(2,632,861)						
Other operating expenses	(42,975)	(27,500)								
Net cash provided by (used for) operating activities	(42,975)	1,863,156	(350,394)	(509,211)	(115,842)		(509,211)		1,863,156	
Cash flows from investing activities:										
Earnings on investments	20,306	23,784					20,306			
Purchases of investments	(371,364)	(1,125,989)	(214,582)	(1,369,014)	(487,032)		(1,369,014)			
Proceeds of investments	208,816	391,380	114,499	1,532,907	424,631		784,961			
Net cash used for investing activities	(142,242)	(710,815)	(100,083)	(888,779)	(62,401)		(584,053)			
Net increase (decrease) in cash and cash equivalents	(185,217)	1,152,341	(100,083)	(1,397,990)	(412,795)		(689,895)			
Cash and cash equivalents, January 1	235,284	574,878	129,013	1,727,219	478,457		884,465			
Cash and cash equivalents, December 31	\$ 50,067	\$ 1,727,219	\$ 28,930	\$ 329,229	\$ 65,662		\$ 184,570		\$ 329,229	\$ 1,727,219
Reconciliation of operating income to net cash provided by operating activities:										
Operating income (loss)	\$ (42,975)	\$ 250,703	\$ 12,975	\$ 131,229	\$ 161,229		\$ 161,229		\$ 131,229	\$ 250,703
Adjustments to reconcile operating income to net cash provided by operating activities:										
Change in assets and liabilities:										
(Increase) decrease in due from other funds		1,493,348	(268,700)	(268,700)	(751)		(751)			
(Increase) decrease in prepaid items		8,160								
Increase (decrease) in accounts payable		83,191	(123,213)	(123,213)						
Increase (decrease) in claims payable		(30,000)	13,612	13,612						
Increase (decrease) in reserve for claims		57,754	(153,858)	(153,858)						
Total adjustments	0	1,612,453	(363,369)	(640,440)	(277,071)		(277,071)			
Net cash provided by (used for) operating activities	\$ (42,975)	\$ 1,863,156	\$ 0	\$ (509,211)	\$ (115,842)		\$ (115,842)		\$ (509,211)	\$ 1,863,156
Reconciliation of cash and cash equivalents:										
Per the balance sheet:										
Cash and cash equivalents	\$ 50,067	\$ 1,727,219	\$ 28,930	\$ 329,229	\$ 184,570		\$ 184,570		\$ 329,229	\$ 1,727,219
Supplemental schedule of non-cash activities:										
Net change in the fair value of investments	\$ (9,158)	\$ 1,671	\$ 0	\$ (9,158)	\$ 0		\$ 0		\$ (9,158)	\$ 1,671
Total non-cash transactions	\$ (9,158)	\$ 1,671	\$ 0	\$ (9,158)	\$ 0		\$ 0		\$ (9,158)	\$ 1,671

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - General Insurance Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Interest	\$ 22,000	\$ 20,306	\$ (1,694)
Total revenues	<u>22,000</u>	<u>20,306</u>	<u>(1,694)</u>
Expenses			
Current			
Community environment	50,000	42,974	7,026
Total expenses	<u>50,000</u>	<u>42,974</u>	<u>7,026</u>
Deficiency of revenues under expenses	(28,000)	(22,668)	5,332
Fund equity, January 1	<u>444,099</u>	<u>444,099</u>	
Fund equity, December 31	<u>\$ 416,099</u>	<u>\$ 421,431</u>	<u>\$ 5,332</u>

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - Recreational Insurance Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Total revenues	\$ 0	\$ 0	
Expenses			
Current			
Culture and recreation	10,000		\$ 10,000
Total expenses	10,000	0	10,000
Deficiency of revenues under expenses	(10,000)	0	10,000
Fund equity, January 1	243,512	243,512	
Fund equity, December 31	\$ 233,512	\$ 243,512	\$ 10,000

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - Hospitalization Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Total revenues	\$ 0	\$ 0	
Expenses			
Current			
General government	2,707,933	2,381,239	\$ 326,694
Total expenses	2,707,933	2,381,239	326,694
Deficiency of revenues under expenses	(2,707,933)	(2,381,239)	326,694
Other financing sources			
Other reimbursements	110,000	117,590	7,590
Operating transfers, in	2,653,833	1,892,331	(761,502)
Total other financing sources	2,763,833	2,009,921	(753,912)
Excess (deficiency) of revenues and other sources over (under) expenses	55,900	(371,318)	(427,218)
Fund equity, January 1	897,288	897,288	
Fund equity, December 31	\$ 953,188	\$ 525,970	\$ (427,218)

CITY OF LAKEWOOD, OHIO
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual
(Non-GAAP Budgetary Basis) - Workers Compensation Fund
For the year ended December 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Miscellaneous		\$ 391,506	\$ 391,506
Total revenues	\$ 0	391,506	391,506
Expenses			
Current			
General government	834,826	700,384	134,442
Total expenses	834,826	700,384	134,442
Deficiency of revenues under expenses	(834,826)	(308,878)	525,948
Other financing sources			
Operating transfers, in	756,291	308,878	(447,413)
Total other financing sources	756,291	308,878	(447,413)
Deficiency of revenues and other sources under expenses	(78,535)	0	78,535
Fund equity, January 1	1,546,209	1,546,209	
Fund equity, December 31	\$ 1,467,674	\$ 1,546,209	\$ 78,535

CITY OF LAKEWOOD, OHIO

Agency Funds

Agency Funds are established to account for assets received and held 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.

Other Agency Funds

To hold in trust those funds held by the City and received from a contractor, developer, or individual to insure compliance with the ordinances of the City of Lakewood.

CITY OF LAKEWOOD, OHIO
 Combining Balance Sheet - All Agency Funds
 December 31, 1999

	Municipal Court Fund	Other Funds	Totals	
			1999	1998
Assets:				
Cash and cash equivalents	\$ 68,568	\$ 302,517	\$ 369,085	\$ 297,251
Total assets	\$ 68,568	\$ 302,517	\$ 369,085	\$ 297,251
Liabilities:				
Other liabilities	\$ 66,568	\$ 302,517	\$ 369,085	\$ 297,251
Total liabilities	\$ 66,568	\$ 302,517	\$ 369,085	\$ 297,251

CITY OF LAKEWOOD, OHIO
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the year ended December 31, 1999

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
Municipal Court Fund				
Assets:				
Cash and cash equivalents	\$ 59,044	\$ 2,198,477	\$ 2,190,953	\$ 66,568
Liabilities:				
Other liabilities	\$ 59,044	\$ 2,198,477	\$ 2,190,953	\$ 66,568
 Other Agency Funds				
Assets:				
Cash and cash equivalents	\$ 238,207	\$ 151,060	\$ 86,750	\$ 302,517
Liabilities:				
Other liabilities	\$ 238,207	\$ 151,060	\$ 86,750	\$ 302,517
 Total - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 297,251	\$ 2,349,537	\$ 2,277,703	\$ 369,085
Total assets	\$ 297,251	\$ 2,349,537	\$ 2,277,703	\$ 369,085
Liabilities:				
Other liabilities	\$ 297,251	\$ 2,349,537	\$ 2,277,703	\$ 369,085
Total liabilities	\$ 297,251	\$ 2,349,537	\$ 2,277,703	\$ 369,085

CITY OF LAKEWOOD, OHIO
General Fixed Assets Account Group

The General Fixed Assets Account Group is a self balancing account group to account for the fixed assets owned by the City exclusive of those acquired by Proprietary Funds.

CITY OF LAKEWOOD, OHIO
 Schedule of General Fixed Assets by Source
 December 31, 1999

General fixed assets:

Land and land improvements	\$	2,927,726
Buildings, structures and improvements		16,226,593
Machinery and equipment		13,372,774
Construction in progress		379,084
		32,906,177
Total General fixed assets	\$	32,906,177

Investment in general fixed assets from:

General fund revenues	\$	10,996,395
Special revenue funds		3,252,086
General obligation notes		12,812,356
General obligation bonds		3,162,492
Federal grants		2,454,536
State and local grants		134,640
Donations		28,304
Transfers from proprietary funds		65,368
		32,906,177
Total Investment in general fixed assets	\$	32,906,177

CITY OF LAKEWOOD, OHIO

Schedule of Changes in General Fixed Assets by Function and Activity
For the year ended December 31, 1999

	General Fixed Assets January 1, 1999	Additions	Deletions	Transfers	General Fixed Assets December 31, 1999
Public safety					
Police	\$ 2,558,586	\$ 537,558	\$ (72,265)	\$ (14,709)	\$ 3,009,170
Fire	6,785,757	151,471	(7,894)	(24,408)	6,904,926
Animal warden	235,824			3,505	239,329
Total Public safety	9,580,167	689,029	(80,159)	(35,612)	10,153,425
Health					
Traffic	522,353		(21,338)	8,187	509,202
Office on aging	1,269,520	22,641	(4,734)	12,173	1,299,600
Human services		15,262	(1,279)	1,694	15,677
Health	107,880			(10,443)	97,437
Communications	88,588			1,695	90,283
Total Health	1,988,341	37,903	(27,351)	13,306	2,012,199
Culture and recreation					
Parks	6,596,975	51,295	(44,592)	3,513	6,607,191
Total Culture and recreation	6,596,975	51,295	(44,592)	3,513	6,607,191
Community environment					
Building	85,826	53,317	(1,153)	5,264	143,254
Community environment	722,490	119,559	(6,632)	1,695	837,112
Youth services	44,206	1,872			46,078
Planning	287,541	1,729	(2,915)	(226,048)	60,307
Litter prevention	23,244		(118)		23,126
Little links	11,690				11,690
Total Community environment	1,174,997	176,477	(10,818)	(219,089)	1,121,567
Sanitation					
Refuse	3,052,107	186,099	(1,966)	1,694	3,237,934
Total Sanitation	3,052,107	186,099	(1,966)	1,694	3,237,934
Highways and streets					
Streets	2,208,866	48,234	(39,305)	(126,043)	2,091,752
Total Highways and streets	2,208,866	48,234	(39,305)	(126,043)	2,091,752
General government					
Council	30,890	1,100	(1,381)	(1,328)	29,301
Courts	170,939	89,230	(3,152)	(320)	256,697
Civil service	4,830				4,830
Mayor	47,841		(1,608)		46,233
Personnel	33,631		(6,362)	1,615	28,884
Public information	20,742		(750)	2,704	22,696
Public works	91,189		(2,173)	(23,412)	65,604
Land and buildings	5,280,766	492,437		251,759	6,024,962
Sidewalk repair	6,287				6,287
Fleet		65,905		5,453	71,358
Engineering	177,112	8,699	(3,300)	22,000	204,511
Finance	124,112	1,021	(3,473)	5,508	127,168
Information systems	636,231	151,909	(762)	(90,585)	696,793
Law	99,820		(3,035)		96,785
Total General government	6,724,390	810,301	(25,976)	173,394	7,682,109
Total General Fixed Assets	\$ 31,325,843	\$ 1,999,338	\$ (230,167)	\$ (188,837)	\$ 32,906,177

CITY OF LAKEWOOD, OHIO
 Schedule of General Fixed Assets by Function and Activity
 December 31, 1999

	Land and Land Improvements	Buildings, Structures and Improvements	Machinery and Equipment	Construction in Progress	Total
Public safety					
Police		\$ 759,453	\$ 2,249,717		\$ 3,009,170
Fire	\$ 1,042,958	3,752,483	2,109,485		6,904,926
Animal warden		167,359	71,970		239,329
Total Public safety	1,042,958	4,679,295	4,431,172		10,153,425
Health					
Traffic		215,452	293,750		509,202
Office on aging	104,347	609,333	585,920		1,299,600
Human services			1,972	\$ 13,705	15,677
Health			97,437		97,437
Communications			90,283		90,283
Total Health	104,347	824,785	1,069,362	13,705	2,012,199
Culture and recreation					
Parks	1,012,977	4,847,603	746,612		6,607,192
Total Culture and recreation	1,012,977	4,847,603	746,612		6,607,192
Community environment					
Building			143,254		143,254
Community environment	615,114		221,998		837,112
Youth services			46,078		46,078
Planning			60,307		60,307
Litter prevention		12,850	10,276		23,126
Little links	10,645		1,045		11,690
Total Community environment	625,759	12,850	482,958		1,121,567
Sanitation					
Refuse	14,688	445,130	2,750,166	27,950	3,237,934
Total Sanitation	14,688	445,130	2,750,166	27,950	3,237,934
Highways and streets					
Streets		120,860	1,970,891		2,091,751
Total Highways and streets		120,860	1,970,891		2,091,751
General government					
Council			29,301		29,301
Courts			256,697		256,697
Civil service			4,830		4,830
Mayor			46,233		46,233
Personnel			28,884		28,884
Public information			22,696		22,696
Public works			65,604		65,604
Lands and buildings	126,997	5,296,070	279,747	322,148	6,024,962
Sidewalk repair			6,287		6,287
Fleet			67,769	3,589	71,358
Engineering			204,511		204,511
Finance			127,168		127,168
Information systems			685,101	11,692	696,793
Law			96,785		96,785
Total General government	126,997	5,296,070	1,921,613	337,429	7,682,109
Total General Fixed Assets	\$ 2,927,726	\$ 16,226,593	\$ 13,372,774	\$ 379,084	\$ 32,906,177

CITY OF LAKEWOOD, OHIO
Statistical Section

CITY OF LAKEWOOD, OHIO
 General Fund Revenue By Source
 Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeits	Special Assessments	Interest	Miscellaneous	Total
1990	\$15,822,939	\$180,421	\$4,541,554	\$336,858	\$1,064,761	\$0	\$300,939	\$472,266	\$22,719,738
1991	15,433,871	262,272	5,403,305	309,979	1,173,356	0	136,430	513,179	23,232,392
1992	16,548,823	513,215	6,227,229	302,825	1,065,253	1,041	67,380	710,040	25,435,806
1993	17,090,306	505,703	4,642,943	328,505	1,236,165	0	90,335	757,905	24,651,862
1994	17,420,800	497,104	4,353,710	407,255	1,137,522	0	129,181	1,653,810	25,589,382
1995	18,519,738	494,788	5,361,423	408,594	1,029,250	444	422,888	991,024	27,228,147
1996	18,553,753	524,842	5,394,859	406,135	1,157,842	215	471,228	991,013	27,498,887
1997	19,178,630	583,707	5,258,159	488,842	1,227,090	738	633,516	868,910	28,239,592
1998	20,339,872	626,923	5,885,167	407,674	1,258,381	364	915,507	876,681	30,310,569
1999	20,884,715	582,942	6,409,187	450,622	1,134,970	807	926,463	820,932	31,210,638

CITY OF LAKEWOOD, OHIO
General Fund Expenditures By Function
Last Ten Fiscal Years

Fiscal Year	Public Safety	Health	Culture and Recreation	Community Environment	Sanitation	General Government	Capital Outlay	Total
1990	\$9,815,123	\$1,092,588	\$1,632,832	\$1,468,968	\$2,936,899	\$4,212,386	\$0	\$21,158,796
1991	9,957,418	1,152,269	1,719,191	1,500,195	3,315,958	4,460,424	0	22,105,455
1992	10,555,771	1,310,096	1,678,595	1,612,196	3,716,899	4,779,861	0	23,653,418
1993	10,345,231	1,607,950	1,406,197	1,722,778	3,351,731	4,634,402	0	23,068,289
1994	11,060,351	1,680,262	1,501,781	1,811,947	3,236,134	4,876,618	0	24,167,093
1995	10,396,338	1,896,033	1,715,022	1,932,314	3,549,232	5,646,236	136,395	25,273,570
1996	11,806,016	1,838,594	1,731,114	1,633,544	3,404,363	5,860,718	101,232	26,575,581
1997	11,500,511	1,483,330	1,667,242	1,902,108	3,478,512	5,611,461	50,183	25,693,347
1998	11,415,073	1,559,266	1,591,734	1,829,458	3,478,201	5,654,574	206,840	25,735,146
1999	12,060,711	1,406,487	1,620,581	1,690,370	4,004,465	5,818,987	329,111	27,130,712

CITY OF LAKEWOOD, OHIO
Ad Valorem Real Property Taxes - Levies and Collections
Last Ten Fiscal Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percent of Accumulated Delinquent Taxes to Total Tax Levy</u>
1990	\$8,116,829	\$7,872,342	97.0%	\$221,685	3.0%
1991	8,333,159	7,971,871	95.7%	342,079	4.3%
1992	9,784,261	9,442,464	96.5%	279,842	3.5%
1993	9,992,738	9,634,834	96.4%	327,103	3.6%
1994	9,999,539	9,623,095	96.2%	306,196	3.8%
1995	11,418,201	11,022,758	96.5%	320,934	3.5%
1996	11,566,075	11,157,257	96.5%	382,558	3.5%
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%

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
Assessed Valuations and Estimated True Values of Taxable Property
Last Ten Fiscal Years

Collection Year	Assessed Valuations				Total	Estimated True Value Taxable Property
	Real Property	Public Utility Property	Tangible Personal Property	Total		
1991	\$459,411,700	\$27,958,980	\$29,687,492	\$517,058,172	\$1,430,525,933	
1992	539,312,060	29,379,410	29,637,661	598,329,131	1,680,030,124	
1993	537,573,600	29,101,460	28,148,355	594,823,415	1,674,684,112	
1994	536,580,590	28,451,190	28,638,909	593,670,689	1,671,688,240	
1995	622,501,030	28,842,580	28,955,261	680,298,871	1,927,171,075	
1996	619,698,650	26,458,840	28,143,010	674,300,500	1,913,206,475	
1997	621,524,500	25,565,370	29,693,104	676,782,974	1,923,606,259	
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	

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property - 35%; tangible personal property - 25%; public utility tangible personal property 88% or 100% of the true value, depending on the nature of the public utility.

The increase in the 1992, 1995 and 1998 assessed valuation is due primarily to the triennial reappraisal of real property valuations in Cuyahoga County.

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Fiscal Years

<u>Tax Year/ Collection Year</u>	<u>City</u>	<u>Cuyahoga County</u>	<u>Lakewood City School District</u>	<u>Special * Taxing Districts</u>	<u>Total</u>
1990/1991	16.60	12.32	86.10	4.48	119.50
1991/1992	16.60	12.32	85.50	4.48	118.90
1992/1993	17.10	12.32	85.50	4.48	119.40
1993/1994	17.10	12.32	85.50	4.48	119.40
1994/1995	17.10	12.32	86.00	4.48	119.90
1995/1996	17.30	12.12	91.60	4.48	125.50
1996/1997	17.30	12.12	91.60	4.48	125.50
1997/1998	17.30	12.12	91.40	4.48	125.30
1998/1999	17.30	10.82	91.40	4.48	124.00
1998/2000	17.30	10.82	96.20	4.48	128.80

* Cleveland Metropolitan Park District; Cuyahoga Community College District; and Cleveland-Cuyahoga County Port Authority.

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
Special Assessment Billings and Collections
Last Ten Fiscal Years

<u>Collection Year</u>	<u>Billed</u>	<u>Collected Amount</u>	<u>Percent Collected</u>
1990	\$128,727	\$102,566	79.7%
1991	112,471	101,615	90.3%
1992	127,863	132,406	Over 100
1993	141,388	138,952	98.3%
1994	181,600	143,779	79.2%
1995	140,481	137,719	98.0%
1996	125,426	124,671	99.4%
1997	95,303	97,402	Over 100
1998	74,820	76,185	Over 100
1999	55,867	53,027	94.9%

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

Source: Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value (1) (in thousands)	Gross Bonded Debt	Debt Service Monies Available	Bonded Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	59,718 *	\$517,058	\$10,808,000	\$256,027	\$5,017,500	\$5,534,473	1.07%	\$92.68
1991	59,718 *	598,329	13,736,000	764,691	8,926,000	4,045,309	0.68%	67.74
1992	59,718 *	594,823	27,243,000	673,229	14,474,500	12,095,271	2.03%	202.54
1993	59,718 *	593,671	25,245,000	682,379	13,508,000	11,054,621	1.86%	185.11
1994	59,718 *	680,299	23,295,000	863,187	12,556,500	9,875,313	1.45%	165.37
1995	59,718 *	674,301	38,010,000	0	17,715,000	20,295,000	3.01%	339.85
1996	59,718 *	676,783	36,055,000	1,255,410	16,299,000	18,500,590	2.73%	309.80
1997	59,718 *	728,274	34,120,000	1,465,329	15,398,000	17,256,671	2.37%	288.97
1998	59,718 *	728,815	38,805,000	1,099,474	16,242,800	21,462,726	2.94%	359.40
1999	59,718 *	723,954	36,810,000	1,978,231	15,445,000	19,386,769	2.68%	324.64

^ U. S. Bureau of Census, Census of Population - Federal 1980 Census

* U. S. Bureau of Census, Census of Population - Federal 1990 Census

1 Cuyahoga County, Ohio; County Auditor

CITY OF LAKEWOOD, OHIO
 Computation of Legal Debt Margin
 December 31, 1999

Gross Indebtedness		\$40,255,000
Less:		
G.O. Water System Bonds	126,000	
G.O. Sewer System Bonds	7,635,000	
Water Revenue Bonds	6,390,000	
Recreation Facility Bonds	1,294,000	
Special Assessment Bonds and Notes	<u>386,600</u>	
Total Exempt Debt	\$15,831,600	
Net Indebtedness Subject to 10-1/2% Debt Limitation		<u>\$24,423,400</u>
Net Indebtedness Subject to 5-1/2% Debt Limitation		<u>\$24,423,400</u>
Assessed Valuation of City (1998 for 1999 Collection)		\$728,814,595
10-1/2% of Valuation (Maximum Voted and Unvoted Non-exempt General Obligation Bond Debt Allowed)		\$76,525,532
Net Indebtedness Subject to 10-1/2% Debt Limitation		<u>24,423,400</u>
Legal 10-1/2% Margin		<u>\$52,102,132</u>
5-1/2% of Valuation (Maximum Unvoted and Unvoted Non-exempt General Obligation Bond Debt Allowed)		\$40,084,803
Net Indebtedness Subject to 5-1/2% Debt Limitation		<u>24,423,400</u>
Legal 5-1/2% Margin		<u>\$15,661,403</u>

CITY OF LAKEWOOD, OHIO
Computation of Direct and Overlapping Debt
December 31, 1999

Jurisdiction	Gross Indebtedness (Bonds & Bond Anticipation Notes)	Percentage Applicable to City *	Estimated Debt Applicable to City
City	\$40,255,000	100.00%	\$40,255,000
Lakewood School District	16,385,000	100.00%	16,385,000
Cuyahoga County	141,004,638	2.82%	3,976,331
Greater Cleveland Regional Transit Authority	99,390,000	2.82%	<u>2,802,798</u>
			<u><u>\$63,419,129</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, OHIO
Ratio of Annual Debt Principal Expenditures for General
Bonded Debt * to Total General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Debt Principal Expenditures	General Fund Expenditures	Ratio of Debt Principal to Total General Fund Expenditures
1990	\$205,000	\$21,158,796	0.97%
1991	933,500	22,105,455	4.22%
1992	928,500	23,653,418	3.93%
1993	983,500	23,068,289	4.26%
1994	988,500	24,167,093	4.09%
1995	1,094,000	25,273,570	4.33%
1996	879,000	26,575,581	3.31%
1997	1,004,000	25,693,347	3.91%
1998	9,484,800 (1)	25,735,146	36.86%
1999	1,134,400	27,130,712	4.18%

* 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, OHIO
Principal Real Property Taxpayers
December 31, 1999

<u>Taxpayer</u>	<u>1999 Assessed Valuation (Tax Duplicate) for Collection in 2000</u>	<u>Percentage of Total Assessed Valuation</u>
1. Cleveland Electric Illuminating Company	\$11,514,930	1.59%
2. Ohio Bell Telephone Co.	7,114,150	0.98%
3. East Ohio Gas Company	4,262,280	0.59%
4. Lakewood Operating Associates	2,135,000	0.29%
5. Castlewood Association	1,883,840	0.26%
6. Lakewood Association Limited Partnership	1,866,240	0.26%
7. Marine Towers West	1,697,500	0.23%
8. Lakewood Senior Citizens Inc.	1,490,970	0.21%
9. Harbour View Associates	1,470,000	0.20%
10. Fame-Midamco Co.	<u>1,456,000</u>	0.20%
	\$34,890,910	4.81%
Total assessed valuation	\$723,953,648	

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, OHIO
Construction and Bank Deposits
Last Ten Fiscal Years

Fiscal Year	Residential Construction Value	Commercial Construction Value	Bank Deposits in the County [^] (in thousands)	Deposits of Financial Institutions headquartered in the City* (in thousands)
1990	\$4,795,322	\$9,876,102	\$19,188,641	\$570,192
1991	5,221,069	6,314,663	18,392,243	685,337
1992	5,411,889	7,515,155	19,400,000	758,500
1993	4,962,412	8,248,209	21,009,421	801,347
1994	6,363,567	6,155,776	21,101,872	541,527
1995	6,148,509	6,557,742	22,684,304	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

[^]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, OHIO
Revenue Bond Coverage - Water System Mortgage
Revenue Bonds

Year	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirements (3)	Coverage
1991	\$5,670,811	\$4,386,046	\$1,284,765	\$414,758	1.88
1992	5,608,876	4,830,272	778,604	439,850	3.82
1993	6,713,248	5,033,591	1,679,657	437,895	2.69
1994	7,169,384	5,992,506	1,176,878	426,270	4.56
1995	7,976,981	6,035,217	1,941,764	657,896	2.06
1996	7,451,692	6,095,646	1,356,046	635,645	2.53
1997	7,857,587	6,250,920	1,606,667	649,175	2.31
1998	8,466,107	6,966,612	1,499,495	650,788	2.74
1999	8,780,617	6,994,242	1,786,375		

1 Gross revenues include operating revenues, intergovernmental revenues and interest income.

2 Direct operating expenses include operating expenses less depreciation.

3 Annual debt service requirements include principal and interest on revenue bonds issued in 1991 and 1995.

CITY OF LAKEWOOD, OHIO
Insurance Summary

Summary of Casualty-Property insurance carried by the City of Lakewood as of December 31, 1999:

AUTOMOBILE

Insurer:	CNA
Agent:	Wichert Insurance Services, Inc.
Limits:	\$1,000,000 Liability Comprehensive on all vehicles Collision on all vehicles
Deductible:	Liability - None Comprehensive - \$250 Collision - \$1,000
Effective:	9/1/1999 - 9/1/2000

POLICE PROFESSIONAL LIABILITY

Insurer:	National Casualty Company
Agent:	Love Insurance Agency, Inc.
Limits:	\$1,000,000 Liability
Deductible:	\$15,000
Effective:	9/1/1999 - 9/1/2000

PUBLIC OFFICIALS LIABILITY

Insurer:	National Casualty Company
Agent:	Love Insurance Agency, Inc.
Limits:	\$1,000,000
Deductible:	\$15,000
Effective:	9/1/1999 - 9/1/2000

PROFESSIONAL LIABILITY HEALTH DEPARTMENT

Insurer:	St. Paul Fire & Marine Ins. Co.
Agent:	Wichert Insurance Services, Inc.
Limits:	\$1,000,000 / \$3,000,000
Deductible:	None
Effective:	9/1/1999 - 9/1/2000

**CITY OF LAKEWOOD, OHIO
Insurance Summary**

PUBLIC EMPLOYEE BLANKET BOND & DEPOSITOR'S FORGERY

Insurer: CNA
Agent: Wichert Insurance Services, Inc.
Limits: \$100,000 / \$25,000
Deductible: None
Effective: 9/1/1999 - 9/1/2000

**COMMERCIAL PROPERTY INSURANCE
(Buildings, Contents, Extra Expense & Valuable Papers)**

Insurer: CNA
Agent: Wichert Insurance Services, Inc.
Limits: Blanket Buildings & Contents - \$85,401,162
Deductible: \$1,000
Effective: 9/1/1999 - 9/1/2000

CONTRACTOR'S EQUIPMENT

Insurer: CNA
Agent: Wichert Insurance Services, Inc.
Limits: \$1,232,833
Deductible: \$500
Effective: 9/1/1999 - 9/1/2000

BOILER & MACHINERY

Insurer: CNA
Agent: Wichert Insurance Services, Inc.
Limits: \$5,000,000
Deductible: \$5,000
Effective: 9/1/1999 - 9/1/2000

ELECTRONIC DATA PROCESSING

Insurer: CNA
Agent: Wichert Insurance Services, Inc.
Limits: \$1,276,637
Deductible: \$500
Effective: 9/1/1999 - 9/1/2000

CITY OF LAKEWOOD, OHIO
Demographic Statistics

Population

	<u>City</u>	<u>Cuyahoga County</u>	<u>MSA</u>	<u>State</u>
1970.....	70,173	1,721,300	2,063,729	10,652,017
1980.....	61,963	1,498,400	1,898,825	10,797,630
1990.....	59,718	1,412,140	1,831,122	10,847,115

Age Distribution

	<u>Number</u>	<u>Percentage</u>
Under 5 years	3,945	6.61
5 - 17 years	9,907	16.59
18 - 24 years	5,584	9.35
25 - 44 years	22,553	37.77
45 - 64 years	9,655	16.17
65 and over	<u>8,074</u>	<u>13.51</u>
TOTAL.....	59,718	100.00
Median age.....	32.7	
Males.....	27,792	
Females	31,926	

Distribution of Household by Income Bracket

	<u>Number</u>	<u>Percentage</u>
\$0 - \$4,999	1,105	4.08
\$5,000 - \$14,999	4,932	18.20
\$15,000 - \$24,999	5,708	21.06
\$25,000 - \$49,999	9,907	36.55
\$50,000 - \$74,999	3,655	13.49
\$75,000 and over.....	<u>1,795</u>	<u>6.62</u>
TOTAL.....	27,102	100.00
Median Income	\$38,100	

Source: U.S. Census of Population 1970, 1980, 1990

CITY OF LAKEWOOD, OHIO
Miscellaneous Statistics

Date of Incorporation 1911
 Form of Government Mayor - Council
 Area 5.66 square miles
 Miles of streets 93
 Number of street lights 3,554

Fire Protection

Number of fire stations 3
 Number of firemen and officers 75

Police Protection

Number of police stations 1
 Number of policemen and officers 86

Lakewood Hospital 400 beds

Education (K-5 only):

Number of teachers 134
 Number of students 2,988

Municipal Water Department

Number of consumers 14,384
 Average daily consumption in cubic feet 842,246
 Miles of water mains 111

Sewers

Sanitary sewers 74.53 miles
 Storm sewers 65.91 miles
 Combined 25.28 miles
 Total Sewers 165.72 miles

Building permits issued 2,014

Number of full-time employees 544

Number of part-time employees 129



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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
JULY 18, 2000