

Mary Taylor, CPA
Auditor of State

CITY OF LAKEWOOD
CUYAHOGA COUNTY

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**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2008**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	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	\$0	\$89,963	\$0	\$89,963
Total U.S. Department of Agriculture		0	89,963	0	89,963
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
<i>Direct Program</i>					
Community Development Block Grant - 2007	14.218	1,135,370	0	1,135,370	0
Community Development Block Grant - 2008	14.218	1,268,145	0	1,044,715	0
Total Community Development Block Grant		2,403,515	0	2,180,085	0
Emergency Shelter Grant - 2007	14.231	30,999	0	30,999	0
Emergency Shelter Grant - 2008	14.231	65,659	0	65,659	0
Total Emergency Shelter Grant		96,658	0	96,658	0
<i>Passed through Cuyahoga County Housing Consortium</i>					
HOME Investment Partnerships Program Grant	93.556	312,392	0	494,562	0
Total U.S. Department of Housing and Urban Development		2,812,565	0	2,771,305	0
U.S. DEPARTMENT OF HOMELAND SECURITY					
<i>Direct Program</i>					
Federal Emergency Management Agency Equipment Grant	97.036	44,098	0	75,377	0
Total U.S. Department of Homeland Security		44,098	0	75,377	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
<i>Passed Through the Western Reserve Area Agency on Aging</i>					
Title III, Part B - Special Programs for the Aging	93.044	175,845	0	175,845	0
Medical Assistance Program	93.778	46,768	0	46,768	0
Total U.S. Department of Health and Human Services		222,613	0	222,613	0
Total		\$ 3,079,276	\$ 89,963	\$ 3,069,295	\$ 89,963

The accompanying notes are an integral part of this schedule.

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2008**

Note A – Significant Accounting Policies

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) summarizes activity of the City of Lakewood's (City) federal award 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 8, to the basic financial statements 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 OMB 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. Department of Housing and Urban Development and the HOME Program Grants

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The U.S. Department of Housing and Urban Development (HUD) grants money for these loans directly to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2008, the gross amount of loans outstanding under this program is \$2,239,748. The Emergency Shelter Grant is directly received by the City. The U.S. Department of Housing and Urban Development HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

Note E – U.S. Department of Health and Human Services

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

Note F – Food Distribution

Non-monetary assistance, such as meals received from the Western Reserve Agency on Aging, is reported in the Schedule at the value of \$2.73 per meal served. Of the value of an individual meal served, the U.S. Department of Agriculture allocates \$1.00 per meal and the U.S. Department of Health and Human Services allocates \$2.73 per meal. For the year ended December 31, 2008, the City served 30,586 and 24,947 meals through the City's Office on Aging congregate meal program and home delivered meal program; therefore, the U.S. Department of Agriculture allocation was \$89,963 and the U.S. Department of Health and Human Services allocation was \$83,592.

CFDA – Catalog of Federal Domestic Assistance.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Lakewood
Cuyahoga County
12650 Detroit Avenue
Lakewood, Ohio 44107

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated June 25, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the City's management in a separate letter dated June 25, 2009.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, Council, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 25, 2009.



Mary Taylor, CPA

Auditor of State

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

City of Lakewood
Cuyahoga County
12650 Detroit Avenue
Lakewood, Ohio 44107

To the City Council:

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 apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 of Lakewood, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that the City's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 25, 2009.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 25, 2009. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 25, 2009

CITY OF LAKEWOOD
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2008

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2008-001

Workers Compensation – Significant Deficiency

The City is self-insured for workers compensation and has contracted with KKSG and Associates (KKSG) for the processing of billings and quarterly trend analysis. However, KKSG does not provide assurances to the City that it is properly processing the billings for the City.

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2008**

FINDING NUMBER 2008-001 (Continued)

Workers Compensation – Significant Deficiency (Continued)

In order to reasonably ensure the completeness and accuracy of workers compensation billings and the associated claims processed by KKSG, a Statement of Auditing Standards No. 70 (SAS 70) Tier II report which prescribes testing and reporting standards for audits of billing processing controls in place at the service organization should be provided. Therefore, the City should obtain a "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" from KKSG. Such a report, if unqualified, would provide evidence to the City's management that workers compensation billings are being processed in conformance with the contract between KKSG and the City. Failure to obtain such a report puts the burden on management to provide evidence that billings are accurate and complete under the contract.

Officials' Response

The City of Lakewood Finance Department acknowledges and appreciates this finding and recommendation from the Auditor of State's Office. The contract for these services expires in 2009, and the City will issue a request for proposal requiring a SAS-70 Tier II report.

**CITY OF LAKEWOOD
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	ORC 5705.41(D)(1) - Six of the 33 non-payroll expenditures (18%) tested were not certified by the fiscal officer at the time the commitment was incurred.	Yes	
2007-002	ORC 9.38 - Seven of the 60 license and permit receipts (11.7%) and twelve (12) of the sixty (60) income tax receipts (20%) tested were not deposited in a timely manner.	No	Partially Corrected; Moved to Management Letter
2007-003	ORC 5705.10(H) – Three funds had negative fund balances at year end.	No	Partially Corrected; Moved to Management Letter
2007-004	The City did not obtain a tier II SAS 70 report for the company that performs workers compensation billings.	No	Repeated as Finding 2008-001

CITY OF LAKEWOOD, OHIO
COMPREHENSIVE ANNUAL FINANCIAL
REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008



VISIT OUR WEBSITE AT: www.onelakewood.com

City of Lakewood, Ohio



Comprehensive Annual Financial Report

For the Year Ended December 31, 2008

Issued by:

City of Lakewood
Department of Finance

City of Lakewood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008

CAFR Cover

The Hickories
14532 Lake Avenue

The Hickories, the home of Robert Rhodes was built about 1880 at 14532 Lake Ave. After Rhodes death in 1916 the house served as a convalescent home for returning soldiers wounded in World War I and as supplementary hospital quarters during the Spanish Flu Epidemic of 1918. The City of Lakewood bought the home about 1918 for use as a City Hall. The home was demolished in 1959 and Lakewood Park was further expanded.

Photograph Date 1911
Cleveland Memories

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City of Lakewood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
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Jennifer R. Pae
Director of Finance

June 25, 2009

Dear Members of Council,
and the Citizens of the City of Lakewood:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lakewood for the year ended December 31, 2008.

State law requires that every general-purpose local government file within 150 days of fiscal year end a complete set of unaudited financial statements.

The City, and more specifically the Department of Finance, assumes responsibility for the accuracy, completeness, and reliability of presentation based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The State of Ohio Office of the Auditor has issued an unqualified (“clean”) opinion on the City of Lakewood’s financial statements for the year ended December 31, 2008. The Independent Accountants’ Report is located at the front of the financial section of this report.

The Management’s Discussion and Analysis (MD&A) immediately follows the Independent Accountants’ Report, and provides a narrative introduction, overview, and analysis of the Basic Financial Statements. The MD&A complements this letter of transmittal, which should be read in conjunction.

City of Lakewood’s Profile

The City of Lakewood, located in northeast Ohio on the shores of Lake Erie and five miles west of downtown Cleveland, is primarily a residential community covering 5.66 square miles. The City’s population according to the 2000 Federal Census was 56,646. Lakewood enjoys close proximity to major cultural, educational and medical facilities in Northeast Ohio, as well as ease of access to many Interstate highways and Cleveland Hopkins International Airport, which makes it a desirable location for residents and commercial enterprise.

The City was incorporated in 1911. Lakewood operates and is governed by the laws of the State of Ohio, and its own charter that provides for a mayor-council form of government. Lakewood’s chief executive and administrative officer is the Mayor, who is elected to a four-year term and serves in a full-time capacity. Legislative authority is vested in a seven member council, which consists of three at-large and four ward representatives. Council members are elected to four-year terms. All members of Council serve in a part-time capacity. The Lakewood Municipal Court provides judicial services for the City of Lakewood.

Established by charter, the municipal government consists of six departments. A director, who is appointed by and reports directly to the Mayor, heads each department. All directors work closely with the Mayor to provide quality services to the citizens of Lakewood.

The **Department of Public Works** is responsible for the administrative control and supervision of eight divisions -- Parks and Public Property, Streets and Forestry, Fleet Management, Water and Wastewater Collection, Wastewater Treatment, Refuse and Recycling, Winterhurst Ice Rink, and Engineering.

The **Department of Public Safety** consists of the Division of Police, the Division of Fire and the Division of Housing and Building. The Mayor serves as the ex-officio Director of Public Safety and appoints the chiefs of the Divisions of Police and Fire, and the Division of Housing and Building assistant public safety director. The chiefs have exclusive control of assignment of duties and stationing of all other officers and employees of their respective divisions.

The **Law Department**, under the direction of the City's Law Director, functions as the attorney for the City of Lakewood and its officials by providing legal advice to the Mayor, City Council and all departments. The Law Department represents the City in all court proceedings and before any administrative body. The Law Department prepares legislation, contracts, and all legal documents to ensure all business of the City is conducted in a proper and legal manner.

The **Finance Department** performs the following administrative functions: financial reporting, general accounting, including accounts receivable and accounts payable, payroll, purchasing, cash management, risk management, income tax collection, utility billing, vital statistics, and computer information services.

The **Department of Planning and Development** coordinates long-range planning, zoning, and economic development for the City as well as administers the federal Community Development Block Grant Funds awarded to the City of Lakewood by the U.S. Department of Housing and Urban Development. The department works directly with the Lakewood Planning Commission, the Board of Zoning Appeals, the Board of Building Standards/Architectural Board of Review and Sign Review Board, the Lakewood Heritage Advisory Board, and the Citizens Advisory Committee.

The **Department of Human Services** provides a continuum of responsive programs and services that enhance and promote the health and well being of individuals, families, and the community. The department is comprised of the Aging, Youth, and Early Childhood divisions.

Local Economy

Lakewood has fared well compared to its peer cities despite a challenging national and regional economy. Lakewood's population density, cost of living and access to regional resources buttress the local economy.

Employment

Lakewood's 2008 unemployment rate was 5.7 percent (Euclid and Parma, comparatively sized cities in the region, had unemployment rates of 7.1 percent and 6.6 percent respectively). A number of Lakewood's largest employers added jobs in 2008. Lakewood Hospital, New York Life, Department of the Interior and Ferry Cap and Screw all had major announcements in 2008 of job or employment increases; Ferry Cap and Screw alone added 160 new manufacturing positions in Lakewood's industrial area. Still, since most Lakewood homeowners work outside the City; the regional economy has the largest impact on household income.

Retail

Retail occupancy increased in Lakewood in 2008 in stark contrast to regional and national trends. Lakewood's population density and lower rents provided a value option for retail growth including restaurants. The Lakewood Department of Planning and Development prepares a quarterly commercial space availability report that measures retail occupancy. The December 2008 report indicated that retail occupancy was up three percent from the previous quarter, for the second quarter in a row.

Announcements in 2008 of additional new jobs will be realized in 2009 including new retail-level occupancy at two significant sites. The INA Building will fill 40,000 square feet of rehabilitated retail space by the end of 2009. Five Guys Burgers and Fries will redevelop an under-rented aging retail site at 15008 Detroit and fill four new retail bays (13,000 square feet) and retain existing retail at that site. The City will continue to also emphasize business retention partnering with property owners to add value to existing storefronts and retail centers.

Commercial Office

Lakewood's commercial office sector had no major changes in 2008. Lakewood Center North, Lakewood's largest office building, remained at or near capacity for the duration of the year. Management aggressively retained tenants and backfilled small losses. The Detroit-Warren Building upgraded their offices and successfully recruited to fill all spaces and at the time of writing, has limited vacancy.

The INA Building experienced significant tenant attrition from 2004 to 2008, losing half its tenants in that time due to poor management from out-of-state ownership. The building was sold in early 2009 to local owners who have partnered with the city to aggressively pursue new office tenants. In less than one month's time, that partnership has retained one local 30-employee business from elsewhere in Lakewood and successfully recruited a new firm. The building will be remodeled throughout, positioning to capitalize on anticipated small business growth in the near term.

The United States Department of the Interior announced in early 2009 a new \$5.0 million commercial office project to be completed in April 2010, which will be fully occupied by the Social Security Field Office.

Industrial

There was no major industrial growth in 2008. Lakewood pursued leads to market vacant industrial property, although the region is saturated with vacant industrial sites. The former Lake Erie Screw site, renamed the Templar Automotive Industrial Complex has surpassed 80 percent occupancy and is the site for Ferry Cap and Screw's above-mentioned expansion. Hinkley Lighting, which announced that it has been tempted to relocate with property and income tax abatement incentives to the far west suburbs, has slowed its plans to move. It will retain office operations in Lakewood for years to come, but aggressively markets its still-occupied Class-A warehouse space.

Residential

National housing trends have stalled previously announced residential development. While large development projects have slowed, individual home owners have invested in their properties, making significant investments in their homes. In 2008, the residents invested more than \$21.0 million in property upgrades that required building permits.

Foreclosures have been emphasized nationwide as a problem in 2008. Lakewood has nearly 17,000 residential structures (single family, two family and multi-family structures). Lakewood had 342 foreclosure filings in 2008. While many of those properties did not end with a complete foreclosure, it is a sign of the national crisis of property and financial distress. Most of the active foreclosures in Lakewood are investment, or non-owner occupied, properties. The City has redoubled its efforts to assist troubled borrowers, displaced renters and enforcement on neglected property to retain property value. In 2008, the estimated property value decline in Lakewood was less than 6 percent, while the national values tumbled more than 11 percent.

Major Initiatives

In November 2007, the City of Lakewood Finance Department projected over a \$4.5 million 2008 General Fund operating deficit. The projection assumed that the City would continue to provide services at the same level it had over the past several years without any growth in programs or staffing levels.

The new Administration felt it was imperative that an outside, independent entity examine these projections, and the City elected to engage the services of the State of Ohio Office of the Auditor Performance Audit Section to test the reasonableness of these projections.

On January 31, 2008, the State Auditor’s Office verified within 1.9 percent the reasonableness of the November estimated operating deficit. The Auditors certified that Lakewood needed a budget of \$41.070 million to continue current operations, with estimated revenues of only \$36.731 million, presenting a budget gap of over \$4.0 million.

During the course of 2008, the City of Lakewood reduced \$5.194 million from the General Fund budget, to end the year with \$34.397 million in expenditures, with actual revenues received of approximately \$36.384 million, thus ending the year in a balanced position.

The decreased expenditures were achieved primarily through the reduction of over 125 full and part-time positions throughout all City divisions, as well as through scaling back benefits and salary increases for non-union employees.

Despite the challenging environment, newly elected Mayor Edward FitzGerald and his administration launched the following initiatives and strategies which were announced and implemented in 2008.

- **City of Lakewood Fiscal Strategy for 2008 and Beyond**

To continue to build the fiscal strength and stability of the City of Lakewood, reserve balances were authorized by City Council. This action will place the City on the path towards the Administration’s goal of establishing “rainy day” funds.

These reserves will allow the City of Lakewood to set aside funds in future years for actual and potential future liabilities and economic development programs to establish tax growth within the City. The following table lists the reserves by priority of need, and the target levels of funding for 2009 and beyond:

Priority	Reserve Balance Account Designation	Reserve Target
1	Separation payments at time of termination	\$ 750,000
2	Workers compensation liabilities	400,000
3	Health care benefit liabilities	750,000
4	Economic development	1,000,000
5	Establish a reserve balance account designated for budget stabilization	1,500,000
	Target Balance Total	\$4,400,000

- **Technology Working Group**

Beginning in January 2008, a group of dedicated and talented community volunteers who are technology professionals volunteered their time to assess the City's technology strengths and weaknesses, and helped to develop a strategy to improve and integrate information systems. The Group's initial presentation was made in April 2008, and included recommendations to upgrade the City website and presence. The Group continues to meet with the City on a monthly basis in an advisory capacity.

- **Public Safety Initiative**

On April 23, 2008, Mayor FitzGerald presented the City of Lakewood's Public Safety Initiative that is outlined as follows that emphasizes Visibility & Partnerships throughout the community:

- Establish Four Neighborhood Police Officers and Stations
- Hire Eight to Ten Part-time Police Officers
- Involvement in Partnerships with other law enforcement agencies such as; Northern Border Initiative/Ohio Homeland Security; U.S. Marshall, Violent Fugitive Task Force; and the Cuyahoga County Prosecutors Office Pilot Prosecution Program
- Install a Special Assignment Car for Parks, as well continued implementation of the Video Surveillance Project of City Parks
- Improved Interactive Web site
- Expand Block Clubs

- **Winterhurst Ice Skating Rink Lease**

In June 2008, the City leased Winterhurst Ice Rink to a private company. The agreement provides for Iceland USA to lease the Winterhurst facility for 5 years. The terms of the agreement include:

- Iceland USA would invest approximately \$2.0 million in new improvements to the facility. The renovations will include new locker rooms, a new entranceway, new flooring and new boards and glass for the entire facility;
- The City would receive a \$75,000 lease payment per year and 10 percent of the net profits from the facility;
- Iceland USA would absorb employee costs which would result in approximately 13 less employees on the City's payroll;
- Iceland USA would be responsible for landscaping, snow removal and routine maintenance of the facility;
- Iceland USA would sponsor the 2008 Fourth of July fireworks display;
- Lakewood residents would continue to receive a resident discount

Iceland USA currently manages the City of Strongsville's ice rink facility. They also have an association with Quicken Loans Arena and the Lake Erie Monsters hockey team of the American Hockey League (AHL).

- **Listening To Lakewood**

Also in June 2008, Mayor Edward FitzGerald kicked off his Listening To Lakewood (L2L) Program. The Mayor walked different neighborhoods in the City for a two-week period with members of his Administration talking with residents to find out what questions and concerns they have about the City. At the end of the two weeks, he held a neighborhood meeting with a question and answer session along with a Power Point presentation addressing the challenges our City faces and what City Hall is doing to overcome them.

- **Housing Initiative**

On October 20th, Mayor FitzGerald presented the Administration's Housing Initiative to City Council. The Initiative has a two pronged approach to 1) Encourage and Provide Incentives to Investment in Housing, and 2) Aggressive and Swift Code Enforcement. These are to be achieved by the following actions:

- Unique financial instruments for Lakewood homeowners
- City of Lakewood grants and loans
- Partnerships for foreclosure prevention
- Acquisition and disposition of strategic properties
- Historic preservation program to protect and improve property values
- Tax incentives for home renovation
- Group purchasing programs with citizen participation
- Realign the Building Department
- Improve inter-departmental coordination
- Legislative and policy changes
- Landlord responsibility program

Other Initiatives that began in 2008 included:

Lakewood's "Green Refuse & Recycling Initiative":

The City has changed the manner in which refuse is collected to be more efficient, more economical and more environmentally responsible. During 2009, the City will commence an automated refuse collection system with the purchase of five new automated refuse trucks and trash receptacles for all residents. Over time, the City's Green Refuse and Recycling Initiative will benefit Lakewood by saving millions of dollars, dramatically increasing citizen recycling, and reducing Lakewood's carbon footprint by hundreds of tons every year.

Motor Vehicle Fleet Reduced:

During 2008, the City reduced the number of vehicles needed for daily operations by 9.5 percent. This decrease has produced immediate savings in fuel usage and repair costs.

Energy Efficiencies:

The City began an energy efficiency initiative through the use of House Bill 300. The initiative includes energy efficient equipment, upgraded Heating Ventilating Air Conditioning, and retrofitted vehicles. The estimated improvements will cost approximately \$3 million dollars.

Healthy Lakewood Partnership Program (HeLP):

In December, Mayor FitzGerald announced the formation of this partnership to help design and implement a comprehensive community wellness program, with special emphasis on health factors such as physical activity, diet and nutrition and smoking cessation. The object is to bring every Lakewood community organization together to focus on a City-wide public health strategy.

Integrity Controls:

During 2008, the City began a comprehensive inventory of all City equipment. The intent was to update and verify current listings. In addition, steps were initiated to begin an annual performance review program for all employees including annual ethics training.

Parks Master Plan:

The Departments of Planning and Development and Public Works are collaborating on the Parks System Master Plan to be completed by the end of summer 2009. The Parks System Master Plan is a strategy to evaluate, manage and improve our parkland through a collaborative public input process. The plan considers the City's parks as a system, not individual parks, and works toward consistency in appearance, maintenance and design in a manner that is flexible as the needs of the community change and evolve.

Long-Term Financial Planning

According to Article VIII, Section 3 of the City of Lakewood Second Amended Charter, the Director of Finance shall annually prepare and submit to the Mayor and Council a recommended five-year financial plan for the City's operating and capital needs. The Director's recommended financial plan shall be prepared after consultation with the Mayor and the heads of other City departments affected thereby, and such recommended financial plan shall be advisory only and need not be followed in the adoption of the City's tax budget, annual, temporary or supplemental appropriations measures or ordinances, resolutions or other actions concerning capital programs or permanent improvements.

The City also utilizes long-term planning for the future of capital projects. A five year capital plan is updated annually, which lists all capital projects by year, as well as the expected funding sources. The funding sources are reconciled to estimated balances and revenues to ensure that the proper resources will be available for the project when the contract is signed.

Awards and Acknowledgements

Awards: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2007. This was the 26th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The Finance Department believes the current CAFR continues to meet the Certificate of Achievement Program's requirements, and is submitting it to the GFOA for determination of eligibility for another certificate.

The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to the City of Lakewood for its 2007 Annual Budget. The GFOA's Distinguished Budget Presentation Award Program is the only national awards program in governmental budgeting. This was the fourth year the City has received this prestigious award.


Lakewood is one of only 16 municipalities in the State of Ohio that has received both the Government Finance Officer Association's (GFOA) Distinguished Budget Presentation Award and the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR). Therefore, the City adheres to extensive, best practice criteria for its financial reporting of both its annual budget and its CAFR.

Due to the challenges faced with the budget reductions during 2008, the Division of Finance was not able to submit a 2008 Budget to the GFOA review for award eligibility. However, it will in 2009.


Acknowledgements: This Comprehensive Annual Financial Report was prepared by the Finance Department with the dedicated services of its entire staff, as well as with support of numerous departments throughout the City. In addition, we would like to thank the Members of City Council for their continuing support toward the preparation of this report.

On behalf of the City of Lakewood, we want to personally thank our Auditor of State, Mary Taylor, CPA and her Local Government Services staff for their involvement and support in putting together the GASB 34 statements. We would also like to thank the Auditor of State's Financial Audit staff for their efforts and professional conduct throughout the audit engagement.

Respectfully submitted,



Edward FitzGerald
Mayor



Jennifer R. Pae
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lakewood
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director

CITY OF LAKEWOOD, OHIO
2008 Elected Officials

Mayor.....Edward FitzGerald
Municipal Court Judge.....Patrick Carroll
City Council At Large.....Nickie J. Antonio
City Council At Large.....Michael Dever, Council President
City Council At Large.....Brian Powers

City Council by Wards:

Ward 1..... Kevin M. Butler
Ward 2..... Thomas Bullock
Ward 3..... Michael Summers
Ward 4..... Mary Louise Madigan

CITY OF LAKEWOOD, OHIO
2008 Appointed Officials

Office of Council

Clerk of CouncilMary Hagan

Municipal Court

Clerk of Court..... Terri O'Neill
Magistrates Thomas Wagner and Ralph Skonce

Department of Law

Director of LawNora Hurley

Department of Finance

Director of Finance Jennifer R. Pae

Department of Public Works

Director of Public WorksJoseph Beno

Department of Public Safety

Chief of Fire Lawrence Mroz
Chief of Police Timothy Malley

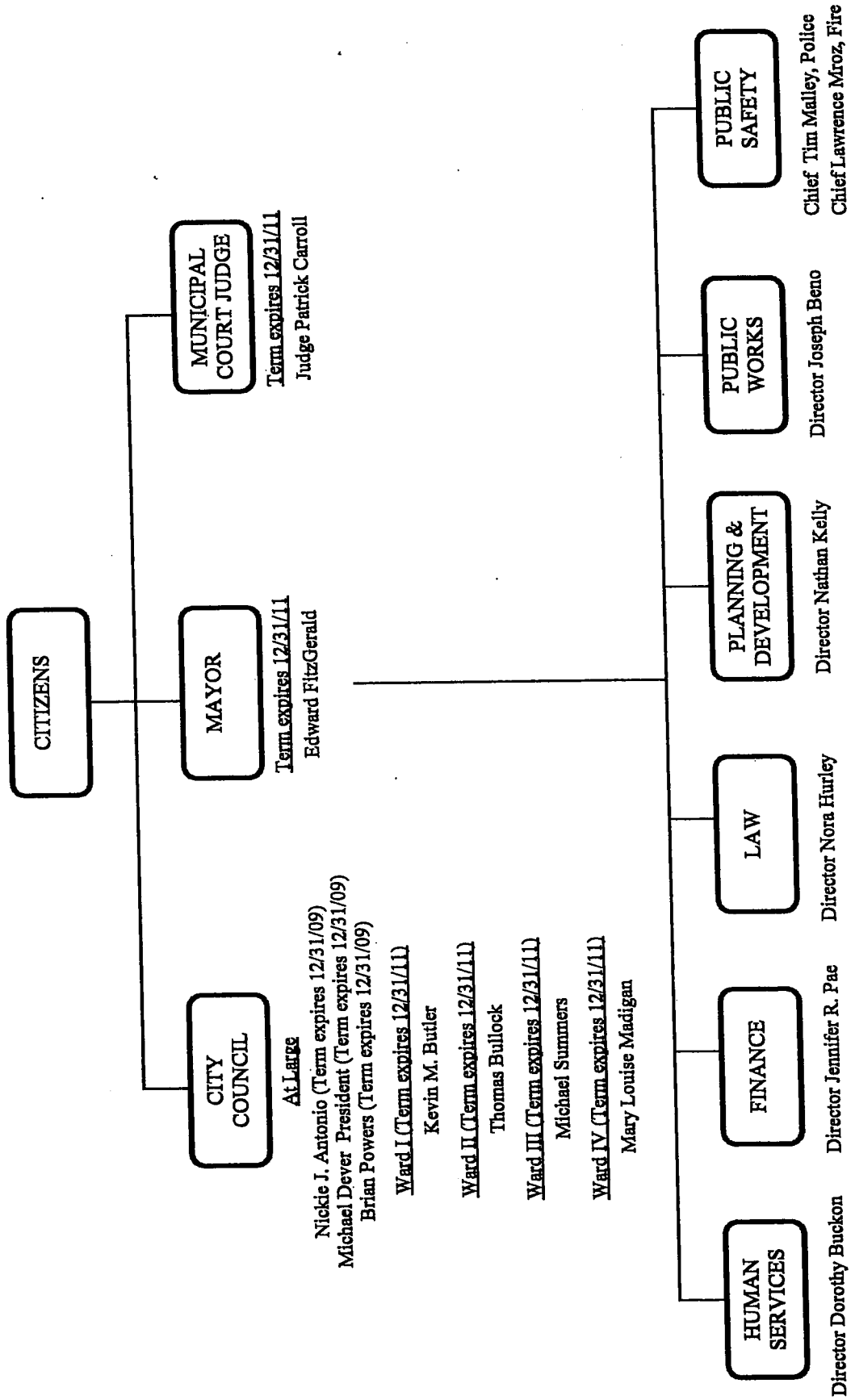
Department of Human Services

Director of Human Services..... Dorothy Buckon

Department of Planning and Community Development

Director of Planning and DevelopmentNathan Kelly

CITY OF LAKEWOOD, OHIO
Organizational Chart
 as of December 31, 2008





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Lakewood
Cuyahoga County
12650 Detroit Avenue
Lakewood, Ohio 44107

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Cuyahoga County, Ohio, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Street and Highway, Police and Fire Pension, Community Development Block Grant, Office on Aging, and Lakewood Hospital funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2009, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 25, 2009

City of Lakewood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The discussion and analysis of the City of Lakewood's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The assets of the City exceeded its liabilities at the close of 2008 by \$80,622,195 (net assets). Of this amount, \$11,711,909 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total Net Assets increased \$6,487,394, or approximately nine percent from 2007.
- Total Assets of the City increased \$8,227,513, which represents a four percent increase from 2007.
- Total Capital Assets increased \$8,015,031, or six percent over 2007.
- Total outstanding Long-Term liabilities were \$98,132,104. This was a \$1,586,417, increase from the balance at the end of 2007.
- At the close of the current year, the City's governmental funds reported combined ending fund balances of \$12,300,242, an increase of \$1,042,975 in comparison to the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses. The statement of net assets and statement of activities provides information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds represented in total, in one column.

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

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

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

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

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

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

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

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

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

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

Proprietary Funds. The City maintains seven proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its Water, Sewer (which includes the Wastewater Treatment Plant), Parking Facilities and Winterhurst Ice Rink. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its hospitalization, workers' compensation, and general liability insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

The basic fiduciary fund financial statement can be found on page 37 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-76 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the combining statements referred to earlier in connection with non-major governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for non-major funds. This information can be found on pages 77-152 of the report.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. The change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated.

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

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

The City of Lakewood as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2008 compared to 2007.

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current and Other Assets	\$39,881,246	\$36,778,796	\$15,144,371	\$18,034,339	\$55,025,617	\$54,813,135
Capital Assets, Net	63,636,609	60,370,492	81,197,659	76,448,745	144,834,268	136,819,237
<i>Total Assets</i>	<u>103,517,855</u>	<u>97,149,288</u>	<u>96,342,030</u>	<u>94,483,084</u>	<u>199,859,885</u>	<u>191,632,372</u>
Liabilities						
Current Liabilities	18,052,928	17,511,357	3,052,658	3,440,527	21,105,586	20,951,884
Long Term Liabilities						
Due within One Year	6,087,037	5,287,145	2,934,753	2,715,635	9,021,790	8,002,780
Due in More than one Year	46,581,753	44,251,074	42,528,561	44,291,833	89,110,314	88,542,907
<i>Total Liabilities</i>	<u>70,721,718</u>	<u>67,049,576</u>	<u>48,515,972</u>	<u>50,447,995</u>	<u>119,237,690</u>	<u>117,497,571</u>
Net Assets						
Invested in Capital Assets, Net of Related Debt	19,375,518	17,864,648	41,695,569	37,309,591	61,071,087	55,174,239
Restricted for:						
Capital Projects	1,568,527	3,092,758	0	0	1,568,527	3,092,758
Debt Service	679,404	1,543,403	1,194,934	1,109,163	1,874,338	2,652,566
Replacement and Improvement	0	0	195,417	193,550	195,417	193,550
Other Purposes	4,200,917	4,660,608	0	0	4,200,917	4,660,608
Unrestricted (Deficit)	6,971,771	2,938,295	4,740,138	5,422,785	11,711,909	8,361,080
<i>Total Net Assets</i>	<u>\$32,796,137</u>	<u>\$30,099,712</u>	<u>\$47,826,058</u>	<u>\$44,035,089</u>	<u>\$80,622,195</u>	<u>\$74,134,801</u>

As noted earlier, net assets serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$80,622,195 at the close of the most recent fiscal year.

The largest portion of the City's net assets (76 percent) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased by \$8,227,513 from 2007 to 2008, while the City's total liabilities also increased by \$1,740,119. Total net assets increased \$6,487,394 with governmental net assets comprising \$2,696,425 and business-type activities comprising \$3,790,969 of that amount.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for 2008 compared to 2007.

Table 2 Changes in Net Assets

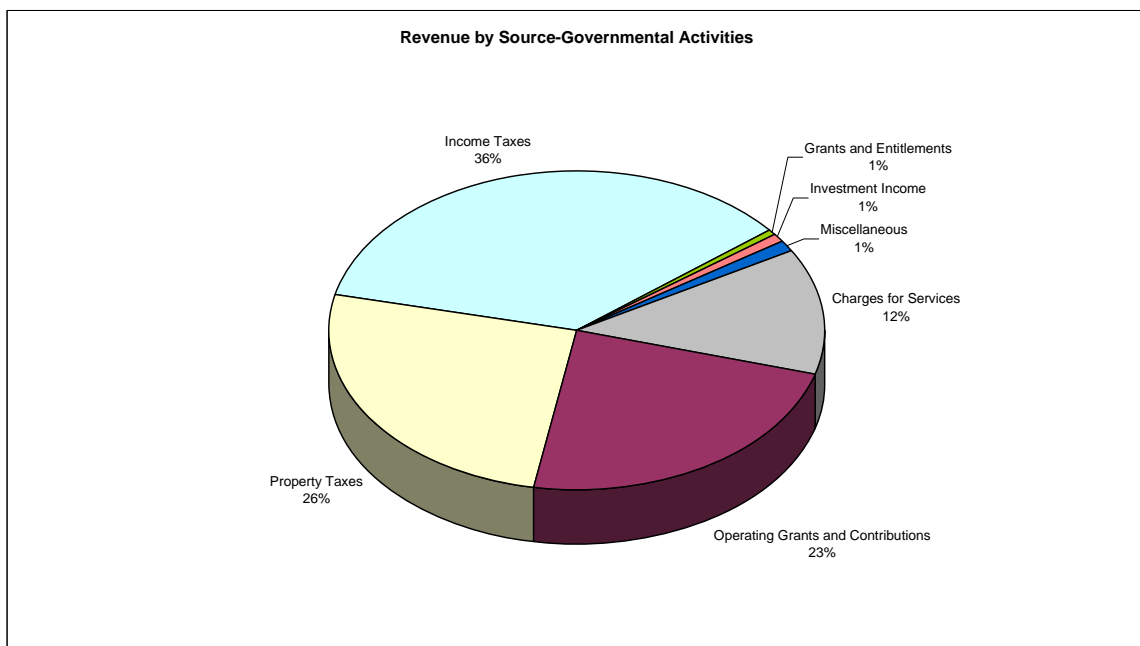
	Governmental Activities 2008	Governmental Activities 2007	Business Type Activities 2008	Business Type Activities 2007	Total 2008	Total 2007
Revenues						
Program Revenues:						
Charges for Services	\$6,955,467	\$7,039,046	\$17,005,804	\$16,413,663	\$23,961,271	\$23,452,709
Operating Grants and Contributions	6,431,246	6,715,127	227,808	1,355,106	6,659,054	8,070,233
Capital Grants and Contributions	0	0	2,000,000	0	2,000,000	0
Total Program Revenues	13,386,713	13,754,173	19,233,612	17,768,769	32,620,325	31,522,942
General Revenues:						
Property Taxes	13,275,148	13,667,400	1,724,040	1,775,081	14,999,188	15,442,481
Payment in Lieu of Taxes	340,341	368,523	0	0	340,341	368,523
Income Taxes	19,348,017	18,246,523	0	0	19,348,017	18,246,523
Grants and Entitlements	5,668,748	6,482,563	0	0	5,668,748	6,482,563
Investment Income	533,257	1,130,083	237,593	636,665	770,850	1,766,748
Miscellaneous	550,472	295,266	51,808	20,087	602,280	315,353
Total General Revenues	39,715,983	40,190,358	2,013,441	2,431,833	41,729,424	42,622,191
Total Revenues	53,102,696	53,944,531	21,247,053	20,200,602	74,349,749	74,145,133
Expenses						
General Government	7,620,762	9,599,299	0	0	7,620,762	9,599,299
Security of Persons and Property						
Police	12,371,712	12,035,903	0	0	12,371,712	12,035,903
Fire	10,289,314	11,028,498	0	0	10,289,314	11,028,498
Public Health Services	3,280,667	4,211,759	0	0	3,280,667	4,211,759
Transportation	2,969,914	3,480,710	0	0	2,969,914	3,480,710
Community Environment	5,622,461	6,798,564	0	0	5,622,461	6,798,564
Basic Utility Services	4,700,773	5,450,051	0	0	4,700,773	5,450,051
Leisure Time Activities	2,020,450	2,159,191	0	0	2,020,450	2,159,191
Interest and Fiscal Charges	2,064,970	1,898,099	0	0	2,064,970	1,898,099
Water	0	0	9,289,887	9,612,007	9,289,887	9,612,007
Sewer	0	0	6,585,346	7,606,437	6,585,346	7,606,437
Parking Facilities	0	0	305,295	419,733	305,295	419,733
Winterhurst Ice Rink	0	0	740,804	732,973	740,804	732,973
Total Expenses	50,941,023	56,662,074	16,921,332	18,371,150	67,862,355	75,033,224
Increase (Decrease) in Net Assets before Transfers	2,161,673	(2,717,543)	4,325,721	1,829,452	6,487,394	(888,091)
Transfers	534,752	332,842	(534,752)	(332,842)	0	0
Increase(Decrease) in Net Assets	2,696,425	(2,384,701)	3,790,969	1,496,610	6,487,394	(888,091)
Net Assets Beginning of Year	30,099,712	32,484,413	44,035,089	42,538,479	74,134,801	75,022,892
Net Assets End of Year	\$32,796,137	\$30,099,712	\$47,826,058	\$44,035,089	\$80,622,195	\$74,134,801

Governmental Activities

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent in 2008. Both residents and non-residents who work inside the City are subject to the income tax.

However, residents of the City are granted a credit for income taxes paid to other municipalities to a maximum of one-half of one percent of income earned outside the City. The income tax revenue for 2008 was \$19,348,017. Of the \$53,102,696 in total governmental revenues, income tax accounts for 36 percent of that total. Property taxes and payment in lieu of taxes of \$13,615,489 account for 26 percent of total revenues, operating grants, capital grants, contributions, and general revenues from grants and entitlements account for 23 percent of total revenues, and charges for services, investment income and other revenue make up the remaining 15 percent.

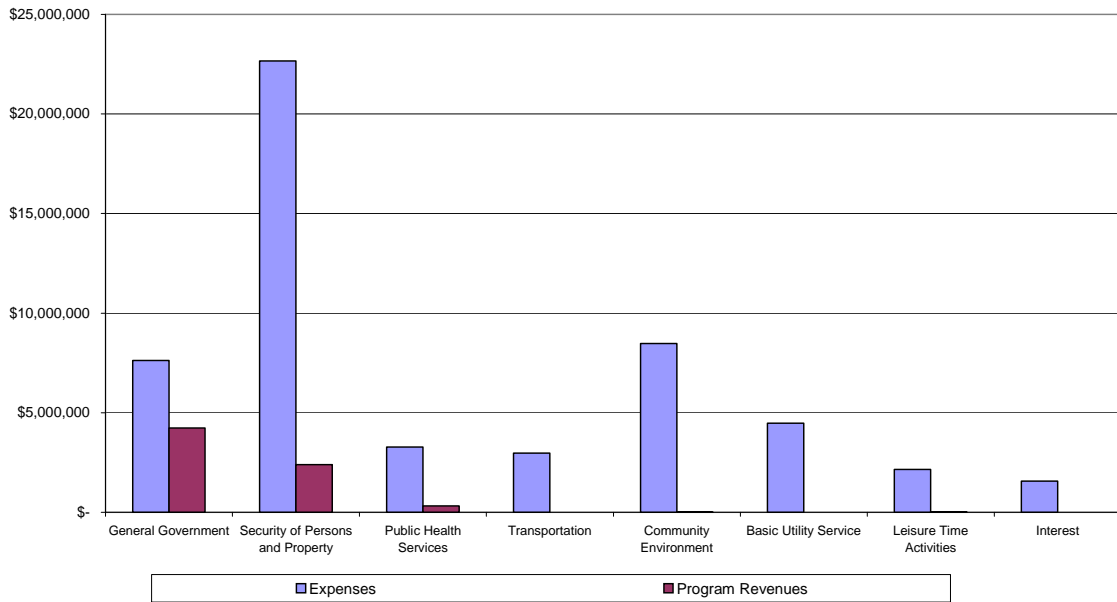
General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.



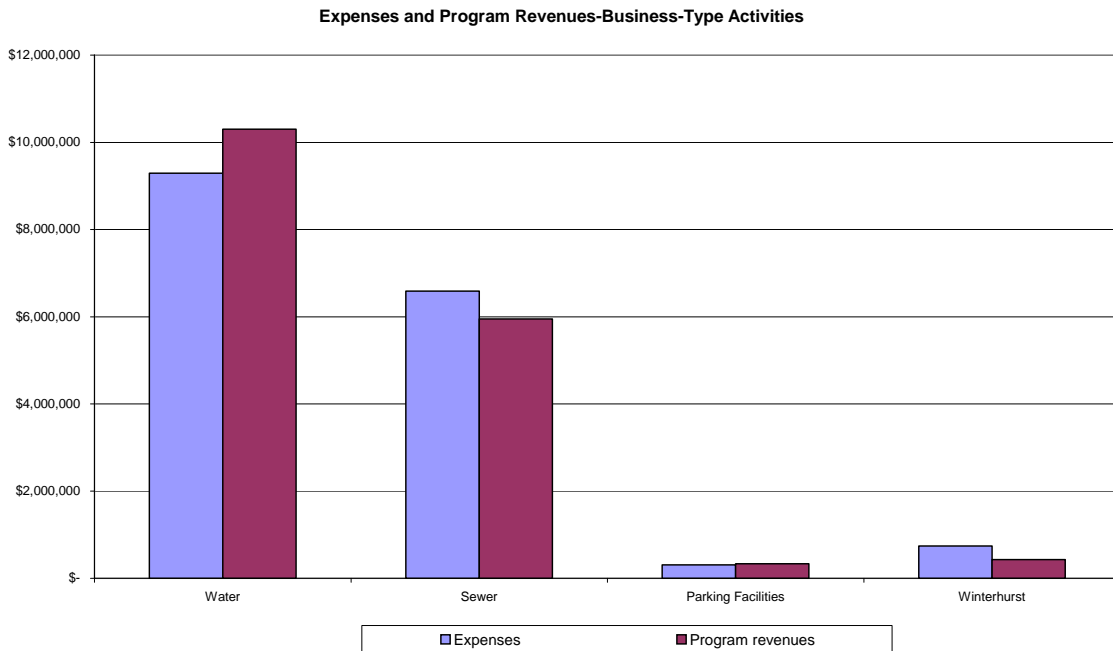
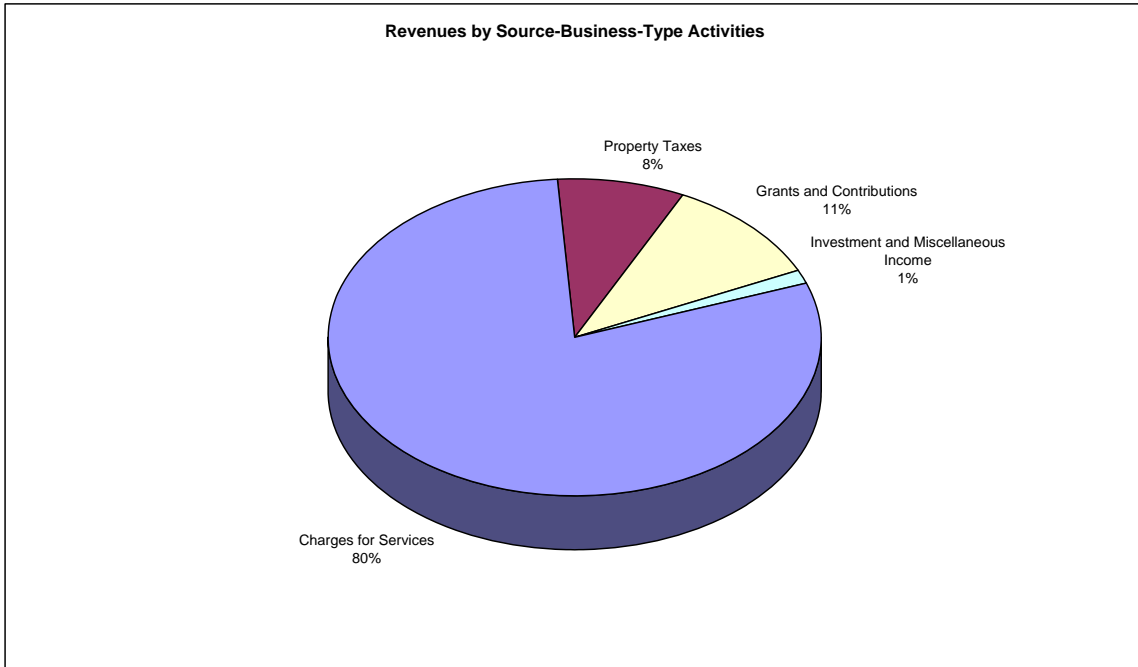
During the year the City realized a large change in two revenues sources. The City realized an increase in income tax revenues due to an increase in employees working within the City limits. Investment Income decreased due to lower interest rates available for investment purposes.

Total Expenses of governmental activities for 2008 were \$50,941,023. The largest program function for the City relates to security of persons and property, which includes the police and fire departments. Security of Persons and Property accounted for program expenses of \$22,661,026, which is 45 percent of the program expenses for governmental activities. General Government is the next largest program expense at 15 percent, followed by Community Environment expenses of 11 percent.

Expenses and Program Revenues-Governmental Activities



Business-Type activities. Business-type activities increased the City's net assets by \$3,790,969. The increase is due primarily to increased charges for services and capital grants and contributions. Total expenses of business-type activities were \$16,921,332, with the Water Department comprising 55 percent of that amount followed by Sewer Department at 39 percent.



Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of December 31, 2008, the City's governmental funds reported combined ending fund balances of \$12,300,242. Of that amount, \$9,157,989 constitutes unreserved fund balances, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to loans and to liquidate contracts and purchases of the prior period.

The General Fund had total revenues of \$36,769,266, and expenditures of \$36,819,226 leaving a change in fund balance after other financing sources and uses of \$3,221,433.

The General Fund is the chief operating fund of the City. At the end of the current year, the unreserved fund balance of the general fund was \$5,266,492, while the total fund balance reached \$5,277,606. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately fourteen percent of total general fund expenditures, while total fund balance represents the same percent of that same amount.

The Debt Service Fund had total revenues of \$3,748,068, expenditures of \$9,829,742, and a positive fund balance after other financing sources and uses of \$286,550. The Debt Service Fund pays for the principal and interest payments on the City's general long-term debt. The unreserved fund balance was \$286,550 to be used for future debt. Unreserved fund balance represents approximately three percent of total expenditures.

Permanent Capital Improvement Fund has total revenues of \$47,499, expenditures of \$2,885,446 and other financing sources and uses of \$3,450,000, which includes the bond issue of \$3,450,000.

Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of all proprietary funds at the end of the year amounted to \$4,740,138. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2008, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The Finance Director has been authorized to allocate appropriations to the department and object level within each fund. The General Fund supports many of our major activities such as the Police, Fire and Refuse Departments, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General fund, original budgeted revenues were \$36,737,225. The final budgeted revenues were \$36,814,309. Actual revenues were \$36,383,736. The main differences between budgeted and actual revenues are income tax revenues, charges for services and interest revenue. Due to economic factors during the year, income tax revenue, charges for services, and interest income decreased in 2008. Original General fund expenditures were \$35,145,901, and the final amended budget was \$35,494,752. Actual General fund expenditures were \$34,396,703 or \$1,098,049 less than budgeted due to operating expenditures less than originally estimated in all programs of the General Fund. The City's ending unencumbered cash balance in the General Fund of \$950,574 was \$832,476 above the final budgeted amount of \$118,098.

Capital Assets and Debt Administration

Table 3 Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$6,139,702	\$6,139,702	\$78,150	\$78,150	\$6,217,852	\$6,217,852
Construction in Progress	1,616,217	3,850,636	303,387	10,341,333	1,919,604	14,191,969
Land Improvements	2,811,815	2,965,519	1,555,892	1,429,587	4,367,707	4,395,106
Buildings and Improvements	8,908,367	8,978,687	12,536,239	7,648,672	21,444,606	16,627,359
Machinery, Furniture and Equipment	1,967,202	2,155,433	3,142,402	3,294,447	5,109,604	5,449,880
Vehicles	6,444,467	5,302,879	1,364,209	1,135,835	7,808,676	6,438,714
Infrastructure:						
Roads	30,886,151	26,556,502	0	0	30,886,151	26,556,502
Traffic Signals	1,907,188	1,823,109	0	0	1,907,188	1,823,109
Sidewalks	1,992,543	1,621,563	0	0	1,992,543	1,621,563
Curbing	962,957	976,462	0	0	962,957	976,462
Water Lines	0	0	38,153,960	34,413,366	38,153,960	34,413,366
Sewer Lines	0	0	24,063,420	18,107,355	24,063,420	18,107,355
Total Capital Assets	<u>\$63,636,609</u>	<u>\$60,370,492</u>	<u>\$81,197,659</u>	<u>\$76,448,745</u>	<u>\$144,834,268</u>	<u>\$136,819,237</u>

Capital Assets

The City of Lakewood's Investment in Capital Assets for its governmental and business type activities as of December 31, 2008, amounts to \$144,834,268 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery furniture and equipment, vehicles, roads, traffic signals, sidewalks, curbing, water lines, and sewer lines. The total increase in the City's capital assets for the current fiscal year was \$8,015,031 (a \$3,266,117 increase for governmental activities and a \$4,748,914 increase for business-type activities). The most significant increase in capital assets came in the construction of replacement water lines and sewer lines in the business-type activities and construction of roadways in the governmental activities.

See Note 9 of the Basic Financial Statements for additional information on the City's capital assets.

Long Term Obligations

As of December 31, 2008, the City had \$98,132,104 in bonds, notes, loans, capital leases, and compensated absences outstanding with \$9,021,790 due within one year.

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

Table 4 Long Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Notes	\$7,771,000	\$5,374,000	\$494,380	\$749,000	\$8,265,380	\$6,123,000
General Obligation Bonds	33,476,781	36,361,438	11,315,719	12,317,624	44,792,500	48,679,062
Revenue Bonds	0	0	27,055,258	28,203,885	27,055,258	28,203,885
OPWC Loans	308,000	355,416	4,481,897	4,829,614	4,789,897	5,185,030
OWDA Loans	0	0	135,576	162,337	135,576	162,337
Capital Leases	5,143,660	1,379,783	1,535,792	287,579	6,679,452	1,667,362
Compensated Absences	5,969,349	6,067,582	444,692	457,429	6,414,041	6,525,011
Total	\$52,668,790	\$49,538,219	\$45,463,314	\$47,007,468	\$98,132,104	\$96,545,687

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

Revenue Bonds outstanding are payable from the revenues derived from the Water and Sewer Funds.

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

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

The City's overall legal debt margin was \$60,090,347 at December 31, 2008.

See Note 11 of the Basic Financial Statements for additional information on the City's debt.

Current Financial Related Activities

The City's elected and appointed officials considered many factors when setting the fiscal year 2008 budget. In November 2007, the City of Lakewood Finance Department projected over a \$4.5 million 2008 General Fund operating deficit. The projection assumed that the City would continue to provide services at the same level it had over the past several years without any growth in programs or staffing levels.

The new Administration felt it was imperative that an outside, independent entity examine these projections, and the City elected to engage the services of the Auditor of State Office of the Auditor Performance Audit Section to test the reasonableness of these projections.

On January 31, 2008, the Auditor of State verified within 1.9 percent the reasonableness of the November estimated operating deficit of \$4.5 million.

During 2008 over 125 positions full and part time positions were eliminated to offset the projected budget deficit.

The City of Lakewood has committed itself to financial excellence and is proven with the bond rating Aa3 by Moody's Investor Service. The City also has a history of proving their commitment to financial excellence by receiving the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 26 years.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information contact the Director of Finance, Jennifer R. Pae, 12650 Detroit Ave., Lakewood, Ohio 44107, telephone (216) 529-6092, e-mail jennifer.pae@lakewoodoh.net, or visit the City's website at www.onelakewood.com.

Basic Financial Statements

City of Lakewood, Ohio

Statement of Net Assets

December 31, 2008

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,803,513	\$3,564,800	\$11,368,313
Cash and Cash Equivalents in Segregated Accounts	220,939	0	220,939
Cash and Cash Equivalents with Fiscal Agents	2,397,079	151,553	2,548,632
Cash and Cash Equivalents Held by Trustee	0	6,019,462	6,019,462
Accrued Interest Receivable	24,573	4,862	29,435
Accounts Receivable	510,889	2,619,439	3,130,328
Allowance for Doubtful Accounts	0	(53,663)	(53,663)
Intergovernmental Receivable	4,286,106	107,500	4,393,606
Materials and Supplies Inventory	471,876	444,263	916,139
Prepaid Items	265,716	4,630	270,346
Income Taxes Receivable	7,433,269	0	7,433,269
Property Taxes Receivable	13,164,905	1,709,726	14,874,631
Loans Receivable	2,239,748	0	2,239,748
Special Assessments Receivable	143,730	0	143,730
Internal Balances	187,900	(187,900)	0
Deferred Charges	731,003	759,699	1,490,702
Nondepreciable Capital Assets	7,755,919	381,537	8,137,456
Depreciable Capital Assets, Net	55,880,690	80,816,122	136,696,812
<i>Total Assets</i>	<u>103,517,855</u>	<u>96,342,030</u>	<u>199,859,885</u>
Liabilities			
Accounts Payable	705,713	819,188	1,524,901
Retainage Payable	102,321	151,553	253,874
Accrued Wages and Benefits	1,017,727	97,043	1,114,770
Intergovernmental Payable	1,983,508	134,905	2,118,413
Deferred Revenue	12,540,737	1,697,699	14,238,436
Notes Payable	758,620	0	758,620
Accrued Interest Payable	245,164	152,270	397,434
Claims Payable	699,138	0	699,138
Long-Term Liabilities:			
Due Within One Year	6,087,037	2,934,753	9,021,790
Due in More than One Year	46,581,753	42,528,561	89,110,314
<i>Total Liabilities</i>	<u>70,721,718</u>	<u>48,515,972</u>	<u>119,237,690</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	19,375,518	41,695,569	61,071,087
Restricted for:			
Capital Projects	1,568,527	0	1,568,527
Debt Service	679,404	1,194,934	1,874,338
Replacement and Improvement	0	195,417	195,417
Street and Highway	752,659	0	752,659
Community Development	2,014,929	0	2,014,929
Indigent Driver Alcohol Treatment	146,461	0	146,461
Other Purposes	1,286,868	0	1,286,868
Unrestricted	6,971,771	4,740,138	11,711,909
<i>Total Net Assets</i>	<u>\$32,796,137</u>	<u>\$47,826,058</u>	<u>\$80,622,195</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Activities
For the Year Ended December 31, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Contributions
Governmental Activities				
General Government	\$7,620,762	\$4,235,783	\$474,840	\$0
Security of Persons and Property				
Police	12,371,712	242,444	472,948	0
Fire	10,289,314	2,147,823	0	0
Public Health Services	3,280,667	318,737	493,394	0
Transportation	2,969,914	0	1,950,418	0
Community Environment	5,622,461	10,680	3,039,646	0
Basic Utility Services	4,700,773	0	0	0
Leisure Time Activities	2,020,450	0	0	0
Interest and Fiscal Charges	2,064,970	0	0	0
<i>Total Governmental Activities</i>	<u>50,941,023</u>	<u>6,955,467</u>	<u>6,431,246</u>	<u>0</u>
Business-Type Activities				
Water	9,289,887	10,298,731	74,859	0
Sewer	6,585,346	5,947,043	152,949	0
Parking Facilities	305,295	332,999	0	0
Winterhurst Ice Rink	740,804	427,031	0	2,000,000
<i>Total Business-Type Activities</i>	<u>16,921,332</u>	<u>17,005,804</u>	<u>227,808</u>	<u>2,000,000</u>
<i>Totals</i>	<u>67,862,355</u>	<u>23,961,271</u>	<u>6,659,054</u>	<u>2,000,000</u>

General Revenues

Property and Other Local Taxes Levied for:

 General Purposes

 Police and Fire Pension

 Debt Purposes

Payment in Lieu of Taxes

Municipal Income Taxes Levied for

 General Purposes

Grants and Entitlements not Restricted to

 Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$2,910,139)	\$0	(\$2,910,139)
(11,656,320)	0	(11,656,320)
(8,141,491)	0	(8,141,491)
(2,468,536)	0	(2,468,536)
(1,019,496)	0	(1,019,496)
(2,572,135)	0	(2,572,135)
(4,700,773)	0	(4,700,773)
(2,020,450)	0	(2,020,450)
(2,064,970)	0	(2,064,970)
(37,554,310)	0	(37,554,310)
0	1,083,703	1,083,703
0	(485,354)	(485,354)
0	27,704	27,704
0	1,686,227	1,686,227
0	2,312,280	2,312,280
(37,554,310)	2,312,280	(35,242,030)
7,464,079	1,724,040	9,188,119
2,823,756	0	2,823,756
2,987,313	0	2,987,313
340,341	0	340,341
19,348,017	0	19,348,017
5,668,748	0	5,668,748
533,257	237,593	770,850
550,472	51,808	602,280
39,715,983	2,013,441	41,729,424
534,752	(534,752)	0
40,250,735	1,478,689	41,729,424
2,696,425	3,790,969	6,487,394
30,099,712	44,035,089	74,134,801
\$32,796,137	\$47,826,058	\$80,622,195

City of Lakewood, Ohio

Balance Sheet

Governmental Funds

December 31, 2008

	<u>General Fund</u>	<u>Street and Highway Fund</u>	<u>Police and Fire Pension Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Office on Aging Fund</u>
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$0	\$24,682	\$1,651,750	\$0	\$37,895
Cash and Cash Equivalents:					
In Segregated Accounts	214,411	0	0	0	0
With Fiscal Agents	2,294,758	0	0	24,202	0
Accrued Interest Receivable	18,995	0	0	0	0
Accounts Receivable	255,545	0	0	18,203	42,135
Intergovernmental Receivable	3,054,296	841,603	180,000	0	17,707
Materials and Supplies Inventory	353,989	117,887	0	0	0
Prepaid Items	261,356	2,267	0	1,771	322
Income Taxes Receivable	7,433,269	0	0	0	0
Property Taxes Receivable	7,394,573	0	2,803,956	0	0
Loans Receivable	0	0	0	2,239,748	0
Special Assessment Receivable	0	0	0	0	0
Interfund Receivable	833,377	0	58,197	0	0
<i>Total Assets</i>	<u>\$22,114,569</u>	<u>\$986,439</u>	<u>\$4,693,903</u>	<u>\$2,283,924</u>	<u>\$98,059</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$417,647	\$33,424	\$0	\$34,857	\$15,592
Retainage Payable	0	0	0	24,202	0
Accrued Wages and Benefits	902,157	23,991	0	14,745	27,587
Intergovernmental Payable	612,405	36,257	1,078,414	16,633	57,532
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
Deferred Revenue	14,490,579	550,286	2,983,956	0	0
Interfund Payable	414,175	15,384	0	103,502	25,238
<i>Total Liabilities</i>	<u>16,836,963</u>	<u>659,342</u>	<u>4,062,370</u>	<u>193,939</u>	<u>125,949</u>
Fund Balances					
Reserved for Encumbrances	11,114	0	0	0	0
Reserved for Loans	0	0	0	2,782,856	0
Undesignated, Reported In (Deficit):					
General Fund	5,266,492	0	0	0	0
Special Revenue Funds	0	327,097	631,533	(692,871)	(27,890)
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,277,606</u>	<u>327,097</u>	<u>631,533</u>	<u>2,089,985</u>	<u>(27,890)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$22,114,569</u>	<u>\$986,439</u>	<u>\$4,693,903</u>	<u>\$2,283,924</u>	<u>\$98,059</u>

See accompanying notes to the basic financial statements

Lakewood Hospital Fund	Debt Service Fund	Permanent Capital Improvement Fund	TIF Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$8,288	\$559,311	\$3,704,025	\$0	\$1,021,137	\$7,007,088
6,418	0	0	0	110	220,939
0	0	62,749	15,370	0	2,397,079
0	2,624	0	831	0	22,450
178,541	0	0	0	16,465	510,889
0	192,500	0	0	0	4,286,106
0	0	0	0	0	471,876
0	0	0	0	0	265,716
0	0	0	0	0	7,433,269
0	2,966,376	0	0	0	13,164,905
0	0	0	0	0	2,239,748
0	143,730	0	0	0	143,730
0	0	0	0	10,783	902,357
<u>\$193,247</u>	<u>\$3,864,541</u>	<u>\$3,766,774</u>	<u>\$16,201</u>	<u>\$1,048,495</u>	<u>\$39,066,152</u>
\$13,786	\$0	\$59,556	\$0	\$16,531	\$591,393
0	0	62,749	15,370	0	102,321
39,972	0	0	0	9,275	1,017,727
53,712	0	0	0	1,368	1,856,321
0	2,495	2,046	0	0	4,541
0	416,620	342,000	0	0	758,620
0	3,158,876	0	0	0	21,183,697
6,411	0	0	403,883	282,697	1,251,290
<u>113,881</u>	<u>3,577,991</u>	<u>466,351</u>	<u>419,253</u>	<u>309,871</u>	<u>26,765,910</u>
0	0	0	348,283	0	359,397
0	0	0	0	0	2,782,856
0	0	0	0	0	5,266,492
79,366	0	0	0	462,836	780,071
0	286,550	0	0	56,972	343,522
0	0	3,300,423	(751,335)	218,816	2,767,904
<u>79,366</u>	<u>286,550</u>	<u>3,300,423</u>	<u>(403,052)</u>	<u>738,624</u>	<u>12,300,242</u>
<u>\$193,247</u>	<u>\$3,864,541</u>	<u>\$3,766,774</u>	<u>\$16,201</u>	<u>\$1,048,495</u>	<u>\$39,066,152</u>

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City of Lakewood, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2008*

Total Governmental Fund Balances \$12,300,242

*Amounts reported for governmental activities in the statement of activities
are different because:*

Capital assets used in governmental activities are not financial resources and therefore
are not reported in the funds: 63,636,609

Other long-term assets are not available to pay for current period expenditures and therefore
are deferred in the funds:

Property Taxes	624,168	
Municipal Income Taxes	5,167,701	
Intergovernmental	2,851,091	
Total		8,642,960

Three internal service funds are used by management to charge the cost of insurance to
individual funds. The assets and liabilities of the internal service funds are included in
governmental activities in the statement of net assets. 394,736

In the statement of activities, interest is accrued on the outstanding bonds, where as
in governmental funds, an interest expenditure is reported when due (240,623)

Bond Issuance costs will be amortized over the life of the bonds on
the statement of activities. 731,003

Long-term liabilities are not due and payable in the current period and therefore
are not reported in the funds.

Notes Payable	(7,771,000)	
General Obligation Bonds	(33,145,490)	
Unamortized Bond Premium	(331,291)	
OPWC Loans	(308,000)	
Capital Lease Payable	(5,143,660)	
Compensated Absences Payable	(5,969,349)	
Total		(52,668,790)

Net Assets of Governmental Activities \$32,796,137

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2008

	General Fund	Street and Highway Fund	Police and Fire Pension Fund	Community Development Block Grant Fund	Office on Aging Fund
Revenues					
Property Taxes	\$7,446,765	\$0	\$2,823,756	\$0	\$0
Payment in Lieu of Taxes	0	0	0	0	0
Municipal Income Taxes	18,480,218	0	0	0	0
Charges for Services	646,070	0	0	0	228,601
Licenses, Permits and Fees	1,881,374	0	0	0	0
Fines and Forfeitures	1,468,338	0	0	0	0
Intergovernmental	6,296,656	1,917,108	418,669	1,630,893	181,416
Contributions and Donations	0	0	0	0	267,261
Special Assessments	0	0	0	0	0
Interest	449,054	0	0	0	0
Miscellaneous	100,791	196,215	0	0	9,035
<i>Total Revenues</i>	<u>36,769,266</u>	<u>2,113,323</u>	<u>3,242,425</u>	<u>1,630,893</u>	<u>686,313</u>
Expenditures					
Current:					
General Government	7,597,502	0	0	0	0
Security of Persons and Property:					
Police	10,526,845	0	1,446,829	0	0
Fire	6,949,792	0	1,546,063	0	0
Public Health Services	813,380	0	0	0	1,836,592
Transportation	0	1,980,543	0	0	0
Community Environment	2,275,788	0	0	2,214,196	0
Basic Utility Services	4,466,994	0	0	0	0
Leisure Time Activities	1,733,290	0	0	0	0
Capital Outlay	1,815,874	0	0	0	0
Debt Service:					
Principal Retirement	346,755	0	0	0	0
Interest and Fiscal Charges	293,006	0	0	0	0
<i>Total Expenditures</i>	<u>36,819,226</u>	<u>1,980,543</u>	<u>2,992,892</u>	<u>2,214,196</u>	<u>1,836,592</u>
Excess of Revenues Over (Under) Expenditures	<u>(49,960)</u>	<u>132,780</u>	<u>249,533</u>	<u>(583,303)</u>	<u>(1,150,279)</u>
Other Financing Sources (Uses)					
Notes Issued	0	0	0	0	0
Inception of Capital Lease	4,110,632	0	0	0	0
Transfers In	639,761	0	0	0	1,160,000
Transfers Out	(1,479,000)	0	(427,500)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,271,393</u>	<u>0</u>	<u>(427,500)</u>	<u>0</u>	<u>1,160,000</u>
<i>Net Change in Fund Balances</i>	<u>3,221,433</u>	<u>132,780</u>	<u>(177,967)</u>	<u>(583,303)</u>	<u>9,721</u>
<i>Fund Balances(Deficit) Beginning of Year</i>	<u>2,056,173</u>	<u>194,317</u>	<u>809,500</u>	<u>2,673,288</u>	<u>(37,611)</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$5,277,606</u>	<u>\$327,097</u>	<u>\$631,533</u>	<u>\$2,089,985</u>	<u>(\$27,890)</u>

See accompanying notes to the basic financial statements

Lakewood Hospital Fund	Debt Service Fund	Permanent Capital Improvement Fund	TIF Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$0	\$2,987,313	\$0	\$0	\$0	\$13,257,834
0	0	0	0	340,341	340,341
0	0	0	0	0	18,480,218
2,147,823	0	0	0	10,680	3,033,174
90,136	0	0	0	0	1,971,510
0	0	0	0	242,444	1,710,782
44,717	442,945	31,415	0	860,320	11,824,139
0	0	0	0	0	267,261
0	240,001	0	0	0	240,001
0	62,696	0	21,507	0	533,257
22,721	15,113	16,084	0	190,513	550,472
<u>2,305,397</u>	<u>3,748,068</u>	<u>47,499</u>	<u>21,507</u>	<u>1,644,298</u>	<u>52,208,989</u>
0	100,396	0	0	232,777	7,930,675
0	0	0	0	165,654	12,139,328
1,592,755	0	0	0	0	10,088,610
702,713	0	0	0	0	3,352,685
0	0	0	0	0	1,980,543
0	0	0	0	1,179,993	5,669,977
0	0	0	0	0	4,466,994
0	0	0	0	0	1,733,290
0	0	2,830,772	634,233	0	5,280,879
0	8,276,221	0	0	15,000	8,637,976
0	1,453,125	54,674	0	256,636	2,057,441
<u>2,295,468</u>	<u>9,829,742</u>	<u>2,885,446</u>	<u>634,233</u>	<u>1,850,060</u>	<u>63,338,398</u>
<u>9,929</u>	<u>(6,081,674)</u>	<u>(2,837,947)</u>	<u>(612,726)</u>	<u>(205,762)</u>	<u>(11,129,409)</u>
0	4,321,000	3,450,000	0	0	7,771,000
0	0	0	0	0	4,110,632
0	1,277,500	0	0	0	3,077,261
0	(880,009)	0	0	0	(2,786,509)
<u>0</u>	<u>4,718,491</u>	<u>3,450,000</u>	<u>0</u>	<u>0</u>	<u>12,172,384</u>
9,929	(1,363,183)	612,053	(612,726)	(205,762)	1,042,975
<u>69,437</u>	<u>1,649,733</u>	<u>2,688,370</u>	<u>209,674</u>	<u>944,386</u>	<u>11,257,267</u>
<u>\$79,366</u>	<u>\$286,550</u>	<u>\$3,300,423</u>	<u>(\$403,052)</u>	<u>\$738,624</u>	<u>\$12,300,242</u>

City of Lakewood, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008*

Net Change in Fund Balances - Total Government Funds \$1,042,975

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Asset Additions	5,416,811	
Current Year Depreciation	(1,991,889)	
Total	3,424,922	3,424,922

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (158,805)

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

Property Taxes	17,314	
Income Taxes	867,799	
Intergovernmental	8,594	
Total	893,707	893,707

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

Bond and Note Principal	8,291,221	
Capital Lease	346,755	
Total	8,637,976	8,637,976

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

Accrued Interest	28,978	
Amortization of Bond Premium	31,076	
Amortization of Bond Issuance Costs	(51,359)	
Amortization of Loss on Refunding	(16,224)	
Total	(7,529)	(7,529)

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

Inception of Capital Lease	(4,110,632)	
Notes Issued	(7,771,000)	
Compensated Absences	98,233	
Total	(11,783,399)	(11,783,399)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 646,578

Change in Net Assets of Governmental Activities \$2,696,425

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$7,257,717	\$7,257,717	\$7,446,765	\$189,048
Municipal Income Taxes	18,450,001	18,450,001	18,247,704	(202,297)
Charges for Services	877,585	877,585	674,424	(203,161)
Licenses, Permits and Fees	1,914,171	1,914,171	1,881,374	(32,797)
Fines and Forfeitures	1,343,410	1,343,410	1,476,395	132,985
Intergovernmental	5,863,041	5,915,125	5,949,346	34,221
Interest	800,000	800,000	447,228	(352,772)
Miscellaneous	231,300	256,300	260,500	4,200
<i>Total Revenues</i>	<u>36,737,225</u>	<u>36,814,309</u>	<u>36,383,736</u>	<u>(430,573)</u>
Expenditures				
Current:				
General Government	8,171,716	8,224,357	7,643,228	581,129
Security of Persons and Property	17,206,799	17,775,578	17,538,570	237,008
Public Health Services	991,574	704,340	688,534	15,806
Community Environment	2,557,840	2,446,157	2,304,327	141,830
Basic Utility Services	4,377,912	4,548,575	4,486,280	62,295
Leisure Time Activities	1,840,060	1,795,745	1,735,764	59,981
<i>Total Expenditures</i>	<u>35,145,901</u>	<u>35,494,752</u>	<u>34,396,703</u>	<u>1,098,049</u>
Excess of Revenues Over Expenditures	<u>1,591,324</u>	<u>1,319,557</u>	<u>1,987,033</u>	<u>667,476</u>
Other Financing Sources (Uses)				
Transfers In	150,000	150,000	0	(150,000)
Transfers Out	(1,658,672)	(1,794,000)	(1,479,000)	315,000
<i>Total Other Financing Sources (Uses)</i>	<u>(1,508,672)</u>	<u>(1,644,000)</u>	<u>(1,479,000)</u>	<u>165,000</u>
<i>Net Change in Fund Balance</i>	82,652	(324,443)	508,033	832,476
<i>Fund Balance Beginning of Year</i>	339,518	339,518	339,518	0
<i>Prior Year Encumbrances Appropriated</i>	103,023	103,023	103,023	0
<i>Fund Balance End of Year</i>	<u>\$525,193</u>	<u>\$118,098</u>	<u>\$950,574</u>	<u>\$832,476</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street and Highway Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$2,077,299	\$2,077,299	\$1,933,921	(\$143,378)
Miscellaneous	65,000	200,000	196,215	(3,785)
<i>Total Revenues</i>	2,142,299	2,277,299	2,130,136	(147,163)
Expenditures				
Current:				
Transportation	2,237,966	2,254,510	2,169,933	84,577
<i>Net Change in Fund Balance</i>	(95,667)	22,789	(39,797)	(62,586)
<i>Fund Balance Beginning of Year</i>	64,480	64,480	64,480	0
<i>Prior Year Encumbrances Appropriated</i>	147,296	147,296	147,296	0
<i>Fund Balance End of Year</i>	<u>\$116,109</u>	<u>\$234,565</u>	<u>\$171,979</u>	<u>(\$62,586)</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$2,752,058	\$2,752,058	\$2,823,756	\$71,698
Intergovernmental	340,239	340,239	418,669	78,430
<i>Total Revenues</i>	<u>3,092,297</u>	<u>3,092,297</u>	<u>3,242,425</u>	<u>150,128</u>
Expenditures				
Current:				
Security of Persons and Property	<u>2,721,813</u>	<u>2,721,813</u>	<u>2,595,934</u>	<u>125,879</u>
Excess of Revenues Over Expenditures	370,484	370,484	646,491	276,007
Other Financing Uses				
Transfers Out	<u>(427,500)</u>	<u>(427,500)</u>	<u>(427,500)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(57,016)</u>	<u>(57,016)</u>	<u>218,991</u>	<u>276,007</u>
<i>Fund Balance Beginning of Year</i>	<u>904,261</u>	<u>904,261</u>	<u>904,261</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$847,245</u></u>	<u><u>\$847,245</u></u>	<u><u>\$1,123,252</u></u>	<u><u>\$276,007</u></u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$4,213,609	\$4,214,109	\$2,672,819	(\$1,541,290)
Expenditures				
Current:				
Community Environment	<u>3,672,062</u>	<u>3,676,317</u>	<u>2,231,383</u>	<u>1,444,934</u>
<i>Net Change in Fund Balance</i>	541,547	537,792	441,436	(96,356)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(537,578)</u>	<u>(537,578)</u>	<u>(537,578)</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$3,969</u></u>	<u><u>\$214</u></u>	<u><u>(\$96,142)</u></u>	<u><u>(\$96,356)</u></u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$227,648	\$227,648	\$228,601	\$953
Intergovernmental	289,050	374,050	199,805	(174,245)
Contributions and Donations	187,350	233,983	267,261	33,278
<i>Total Revenues</i>	704,048	835,681	695,667	(140,014)
Expenditures				
Current:				
Public Health Services	1,930,311	1,940,590	1,866,170	74,420
Excess of Revenues Under Expenditures	(1,226,263)	(1,104,909)	(1,170,503)	(65,594)
Other Financing Sources				
Transfers In	1,203,200	1,075,200	1,160,000	84,800
<i>Net Change in Fund Balance</i>	(23,063)	(29,709)	(10,503)	19,206
<i>Fund Balance Beginning of Year</i>	48,187	48,187	48,187	0
<i>Prior Year Encumbrances Appropriated</i>	50	50	50	0
<i>Fund Balance End of Year</i>	<u>\$25,174</u>	<u>\$18,528</u>	<u>\$37,734</u>	<u>\$19,206</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,239,900	\$2,159,900	\$2,113,521	(\$46,379)
Licenses, Permits and Fees	108,725	108,725	90,136	(18,589)
Intergovernmental	123,043	87,735	44,717	(43,018)
Miscellaneous	11,470	11,470	12,844	1,374
<i>Total Revenues</i>	<u>2,483,138</u>	<u>2,367,830</u>	<u>2,261,218</u>	<u>(106,612)</u>
Expenditures				
Current:				
Security of Persons and Property Fire	1,648,968	1,623,648	1,591,655	31,993
Public Health Services	703,971	730,223	715,204	15,019
<i>Total Expenditures</i>	<u>2,352,939</u>	<u>2,353,871</u>	<u>2,306,859</u>	<u>47,012</u>
<i>Net Change in Fund Balance</i>	130,199	13,959	(45,641)	(59,600)
<i>Fund Balance Beginning of Year</i>	60,358	60,358	60,358	0
<i>Prior Year Encumbrances Appropriated</i>	972	972	972	0
<i>Fund Balance End of Year</i>	<u><u>\$191,529</u></u>	<u><u>\$75,289</u></u>	<u><u>\$15,689</u></u>	<u><u>(\$59,600)</u></u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2008

	Business Type Activities - Enterprise Funds				Governmental
	Water Fund	Sewer Fund	Non Major Funds	Total	Activities - Internal Service Funds
Assets					
Current Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$3,294,729	\$207,671	\$62,400	\$3,564,800	\$796,425
Cash and Cash Equivalents with Fiscal Agents	76,803	74,750	0	151,553	0
Accrued Interest Receivable	4,862	0	0	4,862	2,123
Accounts Receivable	1,665,427	954,012	0	2,619,439	0
Less: Allowance for Doubtful Accounts	(34,881)	(18,782)	0	(53,663)	0
Interfund Receivable	0	0	0	0	536,833
Intergovernmental Receivable	0	107,500	0	107,500	0
Materials and Supplies Inventory	58,130	293,870	92,263	444,263	0
Prepaid Items	4,630	0	0	4,630	0
Property Tax Receivable	0	1,709,726	0	1,709,726	0
<i>Total Current Assets</i>	<u>5,069,700</u>	<u>3,328,747</u>	<u>154,663</u>	<u>8,553,110</u>	<u>1,335,381</u>
Long-Term Assets					
Restricted Assets:					
Cash Equivalents Held by Trustee	2,166,502	3,852,960	0	6,019,462	0
Deferred Bond Issuance Costs	285,599	463,321	10,779	759,699	0
Nondepreciable Capital Assets	0	1,010	380,527	381,537	0
Depreciable Capital Assets, Net	39,788,286	35,747,177	5,280,659	80,816,122	0
Total Noncurrent Assets	<u>42,240,387</u>	<u>40,064,468</u>	<u>5,671,965</u>	<u>87,976,820</u>	<u>0</u>
<i>Total Assets</i>	<u>47,310,087</u>	<u>43,393,215</u>	<u>5,826,628</u>	<u>96,529,930</u>	<u>1,335,381</u>
Liabilities					
Current Liabilities					
Accounts Payable	651,448	69,067	98,673	819,188	114,320
Retainage Payable	76,803	74,750	0	151,553	0
Accrued Wages and Benefits	27,417	64,063	5,563	97,043	0
Intergovernmental Payable	41,567	78,180	15,158	134,905	127,187
Interfund Payable	22,300	43,270	122,330	187,900	0
Deferred Revenue	39,785	1,657,914	0	1,697,699	0
Claims Payable	0	0	0	0	699,138
Accrued Interest Payable	51,966	93,952	6,352	152,270	0
Compensated Absence Payable	34,126	66,781	41,701	142,608	0
Bonds Payable	868,232	1,306,153	122,344	2,296,729	0
Capital Leases Payable	5,079	42,667	72,034	119,780	0
OPWC Loans Payable	313,225	34,486	0	347,711	0
OWDA Loans Payable	0	27,925	0	27,925	0
<i>Total Current Liabilities</i>	<u>2,131,948</u>	<u>3,559,208</u>	<u>484,155</u>	<u>6,175,311</u>	<u>940,645</u>
Long-Term Liabilities					
Compensated Absence Payable	91,246	198,368	12,470	302,084	0
Bonds Payable	12,759,118	21,852,400	1,462,730	36,074,248	0
Capital Leases Payable	35,111	268,052	1,112,849	1,416,012	0
OPWC Loans Payable	3,728,905	405,281	0	4,134,186	0
OWDA Loans Payable	0	107,651	0	107,651	0
Notes Payable	82,280	412,100	0	494,380	0
Total Long Term Liabilities	<u>16,696,660</u>	<u>23,243,852</u>	<u>2,588,049</u>	<u>42,528,561</u>	<u>0</u>
<i>Total Liabilities</i>	<u>18,828,608</u>	<u>26,803,060</u>	<u>3,072,204</u>	<u>48,703,872</u>	<u>940,645</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	23,551,821	15,239,400	2,904,348	41,695,569	0
Restricted for Debt Service	720,882	474,052	0	1,194,934	0
Restricted for Replacement and Improvement	195,417	0	0	195,417	0
Unrestricted (Deficit)	4,013,354	876,708	(149,924)	4,740,138	394,736
<i>Total Net Assets</i>	<u>\$28,481,474</u>	<u>\$16,590,160</u>	<u>\$2,754,424</u>	<u>\$47,826,058</u>	<u>\$394,736</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2008

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Non Major Funds	Total	
Operating Revenues					
Charges for Services	\$10,298,731	\$5,947,043	\$760,030	\$17,005,804	\$5,667,382
Miscellaneous	3,977	41,759	6,072	51,808	644,979
<i>Total Operating Revenues</i>	<u>10,302,708</u>	<u>5,988,802</u>	<u>766,102</u>	<u>17,057,612</u>	<u>6,312,361</u>
Operating Expenses					
Personal Services	1,308,309	2,705,476	410,981	4,424,766	0
Contractual Services	312,099	95,832	27,682	435,613	102,901
Materials and Supplies	73,077	123,734	110,586	307,397	0
Utilities	6,349,414	1,795,464	87,709	8,232,587	0
Depreciation	535,439	684,480	64,223	1,284,142	0
Workers' Compensation Premium	0	0	0	0	78,888
Claims	0	0	0	0	5,728,255
Miscellaneous	0	0	245,697	245,697	0
<i>Total Operating Expenses</i>	<u>8,578,338</u>	<u>5,404,986</u>	<u>946,878</u>	<u>14,930,202</u>	<u>5,910,044</u>
<i>Operating Income (Loss)</i>	<u>1,724,370</u>	<u>583,816</u>	<u>(180,776)</u>	<u>2,127,410</u>	<u>402,317</u>
Non Operating Revenue (Expenses)					
Interest	159,157	78,436	0	237,593	261
Intergovernmental	74,859	152,949	0	227,808	0
Interest and Fiscal Charges	(711,549)	(1,180,360)	(99,221)	(1,991,130)	0
Property Taxes	0	1,724,040	0	1,724,040	0
Operating Grants	0	0	0	0	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>(477,533)</u>	<u>775,065</u>	<u>(99,221)</u>	<u>198,311</u>	<u>261</u>
<i>Net Income (Loss) before Capital Contributions and Transfers</i>	<u>1,246,837</u>	<u>1,358,881</u>	<u>(279,997)</u>	<u>2,325,721</u>	<u>402,578</u>
Capital Contributions	0	0	2,000,000	2,000,000	0
Transfers In	0	0	315,248	315,248	244,000
Transfers Out	0	(850,000)	0	(850,000)	0
<i>Change in Net Assets</i>	<u>1,246,837</u>	<u>508,881</u>	<u>2,035,251</u>	<u>3,790,969</u>	<u>646,578</u>
<i>Net Assets Beginning of Year (Deficit)</i>	<u>27,234,637</u>	<u>16,081,279</u>	<u>719,173</u>	<u>44,035,089</u>	<u>(251,842)</u>
<i>Net Assets End of Year</i>	<u>\$28,481,474</u>	<u>\$16,590,160</u>	<u>\$2,754,424</u>	<u>\$47,826,058</u>	<u>\$394,736</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2008

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Non Major Funds	Total	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$10,080,449	\$5,784,382	\$802,878	\$16,667,709	\$0
Cash Received from Transactions with Other Funds	0	0	0	0	5,749,003
Cash Received from Other Operating Sources	3,977	41,759	6,072	51,808	644,979
Cash Payments to Suppliers for Goods and Services	(6,622,839)	(2,308,153)	(244,798)	(9,175,790)	(45,031)
Cash Payments for Claims	0	0	0	0	(5,807,018)
Cash Payments for Premium	0	0	0	0	(94,406)
Cash Payments for Employee Services and Benefits	(1,334,242)	(2,695,421)	(435,973)	(4,465,636)	0
Cash Payments for Other Operating Expenses	0	0	(308,728)	(308,728)	0
<i>Net Cash Provided By (Used for) Operating Activities</i>	<u>2,127,345</u>	<u>822,567</u>	<u>(180,549)</u>	<u>2,769,363</u>	<u>447,527</u>
Cash Flows from Noncapital Financing Activities					
Intergovernmental Revenue	74,859	255,292	0	330,151	0
Property Taxes	0	1,721,791	0	1,721,791	0
Transfer In	0	0	240,248	240,248	244,000
Transfer Out	0	(850,000)	0	(850,000)	0
Advance In	0	0	119,358	119,358	0
<i>Net Cash Provided by Non- Capital Financing Activities</i>	<u>74,859</u>	<u>1,127,083</u>	<u>359,606</u>	<u>1,561,548</u>	<u>244,000</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(1,179,889)	(1,790,816)	(34,915)	(3,005,620)	0
Notes Issued	82,280	412,100	0	494,380	0
Principal paid on Long-Term Obligations	(1,329,487)	(1,922,582)	(120,797)	(3,221,494)	0
Interest paid on Long-Term Obligations	(647,882)	(1,103,492)	(52,360)	(1,803,734)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(3,074,978)</u>	<u>(4,404,790)</u>	<u>(208,072)</u>	<u>(7,536,468)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest	156,986	78,436	0	235,422	130
<i>Net Decrease in Cash and Cash Equivalents</i>	(715,788)	(2,376,704)	(29,015)	(2,970,135)	691,657
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>6,253,822</u>	<u>6,512,085</u>	<u>91,415</u>	<u>12,857,322</u>	<u>104,768</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$5,538,034</u>	<u>\$4,135,381</u>	<u>\$62,400</u>	<u>\$9,887,187</u>	<u>\$796,425</u>

(continued)

City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2008

	Business Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Non Major Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
<i>Operating Income (Loss)</i>	\$1,724,370	\$583,816	(\$180,776)	\$2,127,410	\$402,317
Adjustments:					
Depreciation	535,439	684,480	64,223	1,284,142	0
Increase (Decrease) in Allowance for Doubtful Accounts	493	266	0	759	0
(Increase) Decrease in Assets:					
Accounts Receivable	(218,775)	(159,190)	42,848	(335,117)	2,858
Interfund Receivable	0	0	0	0	78,763
Materials and Supplies Inventory	7,354	(88,231)	(45,833)	(126,710)	0
Prepaid Items	0	2,033	0	2,033	0
Increase (Decrease) in Liabilities:					
Accounts Payable	92,224	(219,518)	(16,456)	(143,750)	52,870
Accrued Wages	1,077	12,007	(5,466)	7,618	0
Compensated Absences	(13,891)	3,396	(2,246)	(12,741)	0
Interfund Payable	(1,231)	(82)	(33,221)	(34,534)	0
Intergovernmental Payable	285	3,590	(3,622)	253	(10,518)
Claims Payable	0	0	0	0	(78,763)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$2,127,345</u>	<u>\$822,567</u>	<u>(\$180,549)</u>	<u>\$2,769,363</u>	<u>\$447,527</u>

Non Cash Transactions: During 2008, the Winterhurst enterprise fund received building improvements valued at \$2,000,000 from the lessee.

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2008

Assets

Equity in Pooled Cash and Cash

Equivalents

\$1,350,099

Liabilities

Deposits Held and Due to Others

\$1,350,099

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or levying of taxes, or determining the budget. The City has no component units.

The City is associated with the West Shore Council of Governments, a jointly governed organization. Additional information is included in Note 17.

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

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

B. Fund Accounting

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

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

General Fund: The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose, provided it is expended or transferred according to the Charter of the City of Lakewood and/or general laws of Ohio.

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

Office on Aging Special Revenue Fund: The Office On Aging Fund accounts for the revenues received from the Ohio Department of Aging and expenditures related to this program.

Lakewood Hospital Special Revenue Fund: The Lakewood Hospital Fund accounts for revenue and expenditures related to providing emergency medical services (paramedic), lease payments received from Lakewood Hospital Association and various health department licenses, permits and fees.

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

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

Tax Increment Financing (TIF) Capital Improvement Fund: The Tax Increment Financing Capital Improvement Fund accounts for the bond proceeds and all payments made to the developers of Rockport Development and Vedda Printing.

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

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

Enterprise Funds: Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City has two major Enterprise Funds.

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

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

Internal Service Funds: Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City's three internal service funds account for funds reserved to finance potential losses on property and liability cases, workers' compensation costs, and a self insurance program for employee hospitalization and medical benefits.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Fiduciary Funds: Fiduciary Fund reporting focuses on net assets and changes in net assets. For the City, the Fiduciary Funds are comprised of only the Agency Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's Agency Fund accounts for deposits.

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, shared revenues and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year that all eligibility requirements have been

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, where the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but were levied to finance year 2009 operations, have been recorded as deferred revenue. Special assessments not received within the available period, and grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by Council at personal services and other object level within each department and fund. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

Cash held for the City by a bank for the payment of debt principal and interest as they come due and to purchase capital assets from a capital lease is included on the financial statements as "cash and cash equivalents with fiscal agents".

The City utilizes a trustee to hold monies set aside for replacement and improvement, debt service and unspent bond proceeds under the provisions of the bond indenture. The balances in these accounts are presented on the statement of fund net assets as, "cash and cash equivalents held by trustee."

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

During 2008, investments were limited to Federal Home Loan Mortgage Corporation (FHLB) Notes, non-negotiable Certificates of Deposit, and State Treasury Asset Reserve of Ohio (STAROhio). Non-negotiable certificates of deposit are reported at cost. Investments are reported at fair value, which is based on quoted market price or current share.

STAROhio is an investment pool managed by the State Treasurer's Office, which allow governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2008.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements or debt related restrictions. Interest revenue is distributed to the general fund, debt service fund, TIF Capital Improvement fund water fund, and general liability self-insurance fund. Interest revenue credited to the general fund during 2008 amounted to \$449,054 which includes \$192,225 assigned from other City funds.

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

G. Restricted Assets

Amounts held by trustees that are legally restricted for replacement and improvement, debt service and unspent bond proceeds per the applicable bond covenants are reported as restricted assets.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported the year in which services are consumed.

J. Capital Assets

General capital assets are capital assets that are associated with, and primarily arise from governmental activities, generally resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Land Improvements	25 years
Building and Improvements	75 years
Furniture and Equipment	10 - 20 years
Vehicles	15 years
Infrastructure	40 - 100 years

The City's infrastructure consists of roads, traffic lights, sidewalks, curbing, water lines and sewer lines, and includes infrastructure acquired prior to December 31, 1980.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

K. Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables”. Interfund balance amounts are eliminated in the Statement of Net Assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Compensated Absences

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

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or do not represent expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances and loans receivable.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services such as water, wastewater treatment, parking, ice rink and self insurance programs. Operating expenses are necessary costs incurred to provide the service for the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Contributions of Capital

Contributions of capital in the governmental activities and proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one function to another or within the same function are eliminated in the Statement of Activities. Interfund payments for service provided and used are not eliminated. Transfers between governmental activities are eliminated on the government-wide financial statements.

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

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the City, or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. The City applies restricted resources when an expense is incurred for purposes of which both restricted and unrestricted net assets are available. Net assets restricted for other purposes include litter control, community festival, and an emergency shelter program.

S. Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred. Bond issuance costs are generally paid from bond proceeds.

T. Bond Premium

On the government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

U. Gain/Loss on Refunding

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

V. Extraordinary and Special Items

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

W. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may vary from those estimates.

Note 3 – Changes in Accounting Principles and Restatement of Prior Year Fund Equity

For 2008, the City of Lakewood implemented Governmental Accounting Standards Board (GASB) Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”.

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of this Statement did not result in any change to the City’s financial statements.

Note 4 - Legal Compliance and Accountability

A. Legal Compliance

Contrary to Section 5705.10 Ohio Revised Code, the City had the following negative cash balances in the Community Development Block Grant, HOME Investment Program, and The Family to Family Special Revenue Funds in the amounts of \$71,877, \$207,777, and \$36,181, respectively.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 4 - Legal Compliance and Accountability (Continued)

B. Accountability

The fund balances at December 31, 2008 included the following individual fund deficits:

Special Revenue Funds	
Emergency Shelter Grant	\$1,301
HOME Investment Program	207,777
Lead-Based Paint Hazard Control	1
Office on Aging	27,890
Family Day Care Home Project	3,096
Family to Family	36,181
Federal Emergency Management	27,953
Capital Projects Fund	
TIF Capital Improvement	403,052
Internal Service Funds	
Workers' Compensation	213,240
General Liability	75,399

The deficits are primarily due to adjustments for accrued liabilities. The general fund is liable for any deficit in other funds and provides operating transfers when cash is required, rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

While the City is reporting their financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General and major Special Revenue Funds, is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments are reported at fair value (GAAP) rather than cost (budget).
5. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 5 - Budgetary Basis of Accounting (Continued)

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

	<u>General</u>	<u>Street and Highway</u>	<u>Police and Fire Pension</u>
GAAP Basis	\$3,221,433	\$132,780	(\$177,967)
Net Adjustment for Revenue Accruals	(5,120,769)	16,813	0
Beginning Change in Fair Value of Investments	(7,010)	0	0
Ending Change in Fair Value of Investments	(8,144)	0	0
Net Adjustment for Expenditure Accruals	2,542,737	(189,390)	396,958
Adjustments for Encumbrances	(120,214)	0	0
Budget Basis	<u>\$508,033</u>	<u>(\$39,797)</u>	<u>\$218,991</u>
	<u>Community Development Block Grant</u>	<u>Office on Aging</u>	<u>Lakewood Hospital</u>
GAAP Basis	(\$583,303)	\$9,721	\$9,929
Net Adjustment for Revenue Accruals	1,041,926	9,354	(44,179)
Net Adjustment for Expenditure Accruals	(17,187)	(29,578)	(11,391)
Budget Basis	<u>\$441,436</u>	<u>(\$10,503)</u>	<u>(\$45,641)</u>

Note 6 - Deposits and Investments

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories.

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 6 - Deposits and Investments (Continued)

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in (1) or
6. The State Treasurer's investment pool (STAROhio).
7. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
8. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for the investment at any one time.

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 6 - Deposits and Investments (Continued)

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

Deposits

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$13,150,137 of the City's bank balance of \$14,626,891 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

Investments are reported at fair value. As of December 31, 2008, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$8,459,213	55 Days Average
Federal Home Loan Mortgage Corporation Notes	515,190	November 18, 2009
Total	<u>\$8,974,403</u>	

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than five years.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 6 - Deposits and Investments (Continued)

Credit Risk: The Federal Home Loan Mortgage Corporation Notes carry a rating of AAA by Standard & Poor's. STAROhio also carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk: The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2008:

	<u>Percentage of Investments</u>
STAROhio	94.26%
Federal Home Loan Mortgage Corporation Notes	5.74

Note 7 - Receivables

Receivables at December 31, 2008, consisted primarily of interest, accounts (billings for user charged services), intergovernmental receivables arising from grants, entitlements and shared revenues, municipal income taxes, property taxes, loans (Community Development Block Grant monies loaned to local businesses), special assessments and interfunds. All receivables, except property taxes, special assessments and loans, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. All receivables, except utility accounts receivable, are deemed collectible in full. Utility accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Allowance for doubtful accounts has been recorded at \$34,881 in the Water Fund and \$18,782 in the Sewer Fund.

Loans expected to be collected in more than one-year amount to \$2,014,929 in the Community Development Block Grant Special Revenue Fund.

Special assessments expected to be collected in more than one-year amount to \$66,120 in the debt service fund. The amount of delinquent special assessments outstanding at December 31, 2008 was \$50,093.

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2009 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009 operations.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 7 – Receivables (Continued)

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

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out. The assessment percentages for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2008, was \$17.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax collections were based, are as follows:

	<u>Assessed Value</u>
Residential and Agricultural Real Estate	\$781,245,420
Commercial, Industrial and Public Utility Real Estate	179,298,480
Public Utility Tangible Property	9,869,670
Tangible Personal Property	<u>12,438,513</u>
Total Assessed Value	<u><u>\$982,852,083</u></u>

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Lakewood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2008, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since current taxes were not levied to finance 2008 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue is deferred.

B. Income Tax

The City levies a municipal income tax at a rate of 1.50 percent. The City's income tax is levied upon the net income of corporations and other business entities and on wages, salaries, and other personal service compensation earned by residents of the City and non-residents working within the City. Residents of the City are granted credit for income taxes paid to other municipalities to a maximum of one-half of one percent of income earned outside the City. Employers within the City are required to withhold income

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 7 – Receivables (Continued)

tax on employee compensation and remit the tax to the City at least quarterly. Corporations and other self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the City.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government	\$2,159,403
Gasoline Tax	692,652
Permissive Motor Vehicle License Tax	22,861
Office of Aging County Grants	17,707
Motor Vehicle License Registration	126,090
Homestead and Rollback	832,500
Estate Tax	434,893
<i>Total Governmental Activities</i>	4,286,106
Business-Type Activities	
Homestead and Rollback	107,500
<i>Total</i>	\$4,393,606

Note 8 - Contingencies

A. Grants

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

B. Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2008.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Balance 12/31/07	Additions	Deletions	Balance 12/31/08
Governmental Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$6,139,702	\$0	\$0	\$6,139,702
Construction in Progress	3,850,636	4,776,071	(7,010,490)	1,616,217
<i>Total Capital Assets, not being Depreciated</i>	<u>9,990,338</u>	<u>4,776,071</u>	<u>(7,010,490)</u>	<u>7,755,919</u>
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	4,774,190	0	0	4,774,190
Buildings and Improvements	13,714,283	117,062	0	13,831,345
Furniture and Equipment	4,134,415	37,993	(59,137)	4,113,271
Vehicles	10,208,505	1,889,434	(568,791)	11,529,148
Infrastructure				
Roads	34,954,594	5,032,516	0	39,987,110
Traffic Signals	3,781,590	178,504	0	3,960,094
Sidewalks	2,582,518	395,721	0	2,978,239
Curbing	1,425,964	0	0	1,425,964
<i>Total Capital Assets, being Depreciated</i>	<u>75,576,059</u>	<u>7,651,230</u>	<u>(627,928)</u>	<u>82,599,361</u>
Less Accumulated Depreciation:				
Land Improvements	(1,808,671)	(153,704)	0	(1,962,375)
Buildings and Improvements	(4,735,596)	(187,382)	0	(4,922,978)
Furniture and Equipment	(1,978,982)	(209,707)	42,620	(2,146,069)
Vehicles	(4,905,626)	(605,558)	426,503	(5,084,681)
Infrastructure				
Roads	(8,398,092)	(702,867)	0	(9,100,959)
Traffic Signals	(1,958,481)	(94,425)	0	(2,052,906)
Sidewalks	(960,955)	(24,741)	0	(985,696)
Curbing	(449,502)	(13,505)	0	(463,007)
Total Accumulated Depreciation	<u>(25,195,905)</u>	<u>(1,991,889)</u>	<u>469,123</u>	<u>(26,718,671)</u>
Total Capital Assets being Depreciated, Net	<u>50,380,154</u>	<u>5,659,341</u>	<u>(158,805)</u>	<u>55,880,690</u>
Governmental Activities Capital Assets, Net	<u>\$60,370,492</u>	<u>\$10,435,412</u>	<u>(\$7,169,295)</u>	<u>\$63,636,609</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 9 - Capital Assets (Continued)

	Balance 12/31/07	Additions	Deletions	Balance 12/31/08
Business-Type Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$78,150	\$0	\$0	\$78,150
Construction in Progress	10,341,333	2,384,556	(12,422,502)	303,387
<i>Total Capital Assets, not being Depreciated</i>	<u>10,419,483</u>	<u>2,384,556</u>	<u>(12,422,502)</u>	<u>381,537</u>
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	1,861,096	164,351	0	2,025,447
Building and Improvements	12,665,594	5,059,413	0	17,725,007
Furniture and Equipment	7,669,816	89,396	(77,256)	7,681,956
Vehicles	2,100,052	381,068	(224,631)	2,256,489
Infrastructure:				
Water Lines	46,306,506	4,204,591	0	50,511,097
Sewer Lines	23,902,374	6,195,887	0	30,098,261
<i>Total Capital Assets, being Depreciated</i>	<u>94,505,438</u>	<u>16,094,706</u>	<u>(301,887)</u>	<u>110,298,257</u>
Less Accumulated Depreciation:				
Land Improvements	(431,509)	(38,046)	0	(469,555)
Buildings and Improvements	(5,016,922)	(171,846)	0	(5,188,768)
Furniture and Equipment	(4,375,369)	(227,556)	63,371	(4,539,554)
Vehicles	(964,217)	(142,875)	214,812	(892,280)
Infrastructure				
Water Lines	(11,893,140)	(463,997)	0	(12,357,137)
Sewer Lines	(5,795,019)	(239,822)	0	(6,034,841)
<i>Total Accumulated Depreciation</i>	<u>(28,476,176)</u>	<u>(1,284,142)</u>	<u>278,183</u>	<u>(29,482,135)</u>
Total Capital Assets, being Depreciated, Net	<u>66,029,262</u>	<u>14,810,564</u>	<u>(23,704)</u>	<u>80,816,122</u>
Business - Type Activities Assets, Net	<u>\$76,448,745</u>	<u>\$17,195,120</u>	<u>(\$12,446,206)</u>	<u>\$81,197,659</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 9 - Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

General Government	\$181,881
Security of Persons and Property-Police	128,559
Security of Persons and Property-Fire	192,664
Transportation	958,945
Community Environment	13,121
Basic Utility Services	202,511
Public Health Services	41,190
Leisure Time Activities	<u>273,018</u>
Total Depreciation Expense	<u><u>\$1,991,889</u></u>

Depreciation expense was charged to nonmajor Enterprise Funds as follows:

Water Fund	\$535,439
Sewer Fund	684,480
Parking Facilities Fund	12,242
Winterhurst Ice Rink Fund	<u>51,981</u>
Total Depreciation Expense	<u><u>\$1,284,142</u></u>

Note 10 – Conduit Debt Obligations

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

In 1983 and 1989 the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay the cost of Lakewood Hospital Facility improvements. In 1989, the City also issued Hospital Improvement Refunding Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On November 13, 2003, the City issued \$27,570,000 Hospital Revenue Bonds, Series 2003 to advance refund the 1989 Series. As of December 31, 2008, the aggregate principal amount of conduit debt obligation outstanding for Lakewood Hospital was \$19,860,000. On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. The aggregate principal amount of conduit debt obligations for St. Edward High School was \$10,800,000. As of December 31, 2008, the aggregate principal amount of conduit debt obligation outstanding for St. Edward High School was \$10,020,000. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11- Long-Term Obligations

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

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<i>Governmental Activities</i>				
<i>Notes</i>				
Various Purpose	2007	4.00%	\$5,374,000	April 17, 2008
Various Purpose	2008	2.15%	7,771,000	April 16, 2009
<i>General Obligation Bonds</i>				
Various Purpose	1998	3.60-5.125%	3,596,700	December 1, 2017
Various Purpose Refunding-1992	1998	3.60-5.125%	9,060,000	December 1, 2012
Various Purpose	2003	3.55-5.00%	5,219,000	December 1, 2023
Various Purpose Refunding-1995	2005	3.00-5.00%	7,335,000	December 1, 2025
Various Purpose	2001	3.45-5.875%	8,085,000	December 1, 2021
Various Purpose	2005	3.00-5.00%	6,095,637	December 1, 2025
Various Purpose Refunding-2005	2007	4.00-5.25%	10,520,000	December 1, 2026
<i>Tax Increment Financing</i>				
Rockport Square Development	2004	4.40-5.95%	4,265,000	July 1, 2024
Vedda Printing	2005	3.00-5.00%	400,000	December 1, 2025
<i>OPWC Loan</i>				
Forest and Clifton Road	1999	0%	616,000	December 1, 2019
Lakewood Heights Boulevard	2002	0%	232,560	July 1, 2008
<i>Business-Type Activities</i>				
<i>Notes</i>				
<i>Water</i>				
Water Main Improvements	2007	4.00%	175,000	April 17, 2008
Water Main Improvements	2008	2.15%	82,280	April 16, 2009
<i>Sewer</i>				
Various Purpose	2007	4.50%	788,000	April 17, 2008
Various Purpose	2008	2.15%	412,100	April 16, 2009

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11- Long-Term Obligations (Continued)

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
Revenue Bonds				
<i>Water</i>				
Water Main Improvements	1995	4.40-6.60%	\$2,850,000	December 1, 2020
Water System Refunding	2002	2.00-3.65%	4,025,000	December 1, 2011
Water Main Improvements	2005	3.00-5.00%	609,829	December 1, 2025
Water Main Improvements	2006	4.00-4.50%	10,285,000	December 1, 2031
<i>Sewer</i>				
Sewer Construction	2006	4.00-4.50%	14,320,000	December 1, 2031
General Obligation Bonds				
<i>Sewer</i>				
Sewer Construction Refunding	1998	3.60-5.125%	5,695,000	December 1, 2011
Sewer Construction Refunding	2003	3.55-5.00%	3,481,000	December 1, 2023
Sewer Construction	2005	3.00-5.00%	3,811,430	December 1, 2025
Sewer Construction	2005	3.00-5.00%	2,145,000	December 1, 2025
<i>Winterhurst</i>				
Winterhurst Recreational Facility	1998	3.60-5.125%	1,292,200	December 1, 2017
Winterhurst Recreational Facility	2005	3.00-5.00%	203,276	December 1, 2025
<i>Parking</i>				
Meter Replacement	2007	4.00-5.25%	355,000	December 1, 2026
OPWC Loans				
<i>Water</i>				
Water Main Replacements	1999	0%	1,248,464	December 1, 2019
Water Main Replacements	2001	0%	1,944,012	December 1, 2021
Water Main Replacements	2003	0%	994,614	July 1, 2023
Water Main Replacements	2003	0%	1,592,840	July 1, 2023
Belle Avenue Improvements	2003	0%	484,637	December 1, 2023
<i>Sewer</i>				
West Clifton Storm Sewer Rehab.	2000	0%	115,101	December 1, 2020
Edgewater Drive-Sewer Separation	2002	0%	604,258	December 1, 2022
OWDA Loan				
<i>Sewer</i>				
Lakewood Avenue	2002	4.30%	445,810	July 1, 2013

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Long-Term Obligations (Continued)

	Balance December 31, 2007	Additions	Deletions	Balance December 31, 2008	Amount Due in One Year
<i>Governmental Activities</i>					
Notes Payable					
Various Purpose-2007	\$5,374,000	\$0	\$5,374,000	\$0	\$0
Various Purpose-2008	0	7,771,000	0	7,771,000	0
<i>Total Notes Payable</i>	<u>5,374,000</u>	<u>7,771,000</u>	<u>5,374,000</u>	<u>7,771,000</u>	<u>0</u>
General Obligation Bonds					
Various Purpose-1998	2,167,900	0	174,000	1,993,900	180,400
Various Purpose Refunding-1998	3,445,000	0	655,000	2,790,000	685,000
Various Purpose-2003	4,394,335	0	227,540	4,166,795	237,276
Various Purpose Refunding-2005	5,375,000	0	615,000	4,760,000	665,000
Unamortized Premium	124,849	0	16,833	108,016	0
Unamortized loss	(598,865)	0	(4,566)	(594,299)	0
Various Purpose-2005	5,013,768	0	558,265	4,455,503	580,596
Unamortized Premium	63,135	0	3,625	59,510	0
Various Purpose-2001	1,620,000	0	380,000	1,240,000	390,000
Various Purpose Refunding-2007	10,285,000	0	245,000	10,040,000	255,000
Unamortized loss	(338,067)	0	(11,658)	(326,409)	0
Unamortized Premium	55,087	0	3,021	52,066	0
Rockport Square Development-2004	4,265,000	0	0	4,265,000	175,000
Unamortized Premium	118,651	0	7,560	111,091	0
Vedda Printing-2005	370,000	0	15,000	355,000	15,000
Unamortized Premium	645	0	37	608	0
<i>Total General Obligation Bonds</i>	<u>36,361,438</u>	<u>0</u>	<u>2,884,657</u>	<u>33,476,781</u>	<u>3,183,272</u>
OPWC Loans					
Forest and Clifton Road-1999	338,800	0	30,800	308,000	30,800
Lakewood Heights Boulevard-2002	16,616	0	16,616	0	0
<i>Total OPWC Loans</i>	<u>355,416</u>	<u>0</u>	<u>47,416</u>	<u>308,000</u>	<u>30,800</u>
Compensated Absences Payable	<u>6,067,582</u>	<u>2,244,580</u>	<u>2,342,813</u>	<u>5,969,349</u>	<u>2,242,845</u>
Capital Lease Payable	<u>1,379,783</u>	<u>4,110,632</u>	<u>346,755</u>	<u>5,143,660</u>	<u>630,120</u>
<i>Total Governmental Activities</i>	<u>\$49,538,219</u>	<u>\$14,126,212</u>	<u>\$10,995,641</u>	<u>\$52,668,790</u>	<u>\$6,087,037</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Long-Term Obligations (Continued)

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008	Amount Due in One Year
<i>Business-Type Activities</i>					
Notes					
<i>Water</i>					
Water Main Improvements-2007	\$175,000	\$0	\$175,000	\$0	\$0
Water Main Improvements-2008	0	82,280	0	82,280	0
<i>Sewer</i>					
Various Purpose-2007	574,000	0	574,000	0	0
Various Purpose-2008	0	412,100	0	412,100	0
Total Notes Payable	749,000	494,380	749,000	494,380	0
Revenue Bonds					
<i>Water</i>					
Water Main Improvements-1995	2,190,000	0	115,000	2,075,000	120,000
Water System Refunding-2002	1,915,000	0	450,000	1,465,000	465,000
Deferred Amount of Refunding	(118,320)	0	(29,580)	(88,740)	0
Water Main Improvements-2005	566,941	0	22,338	544,603	23,232
Unamortized Premium	495	0	29	466	0
Water Main Improvements-2006	9,975,000	0	250,000	9,725,000	260,000
Unamortized Discount	(118,229)	0	(5,031)	(113,198)	0
Unamortized Premium	20,072	0	853	19,219	0
<i>Sewer</i>					
Sewer Construction-2006	13,890,000	0	350,000	13,540,000	360,000
Unamortized Discount	(164,882)	0	(7,016)	(157,866)	0
Unamortized Premium	47,808	0	2,034	45,774	0
Total Revenue Bonds	28,203,885	0	1,148,627	27,055,258	1,228,232
General Obligation Bonds					
<i>Sewer</i>					
Sewer Construction Refunding-1998	1,610,000	0	175,000	1,435,000	180,000
Deferred Amount of Refunding	(109,708)	0	(1,461)	(108,247)	0
Unamortized Premium	38,244	0	5,156	33,088	0
Sewer Construction Refunding-2003	1,970,000	0	455,000	1,515,000	480,000
Deferred Amount of Refunding	(144,607)	0	(28,922)	(115,685)	0
Sewer Construction-2005	3,075,665	0	112,460	2,963,205	117,724
Unamortized Premium	60,464	0	3,936	56,528	0
Sewer Construction-2005	4,110,313	0	161,952	3,948,361	168,429
Unamortized Premium	3,602	0	207	3,395	0
<i>Winterhurst</i>					
Recreational Facility-1998	1,167,200	0	91,000	1,076,200	94,600
Recreational Facility-2005	188,980	0	7,446	181,534	7,744
Unamortized Premium	164	0	10	154	0
<i>Parking</i>					
Meter Replacement-2007	345,000	0	20,000	325,000	20,000
Unamortized Premium	2,307	0	121	2,186	0
Total General Obligation Bonds	\$12,317,624	\$0	\$1,001,905	\$11,315,719	\$1,068,497

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Long-Term Obligations (Continued)

	Balance December 31, 2007	Additions	Deletions	Balance December 31, 2008	Amount Due in One Year
OPWC Loans					
<i>Water Fund</i>					
Water Main Replacements-1999	\$686,650	\$0	\$62,424	624,226	\$62,420
Water Main Replacements-2001	1,263,608	0	97,201	1,166,407	97,201
Water Main Replacements-2003	770,826	0	49,731	721,095	49,730
Water Main Replacements-2003	1,234,452	0	79,642	1,154,810	79,642
Belle Avenue Improvements-2003	399,826	0	24,232	375,594	24,232
<i>Sewer</i>					
West Clifton Storm Sewer Rehabilitation-2000	51,271	0	4,274	46,997	4,273
Edgewater Drive-Sewer Separation-2002	422,981	0	30,213	392,768	30,213
<i>Total OPWC Loans</i>	<u>4,829,614</u>	<u>0</u>	<u>347,717</u>	<u>4,481,897</u>	<u>347,711</u>
OWDA Loan					
<i>Sewer</i>					
Lakewood Avenue-2002	162,337	0	26,761	135,576	27,925
Compensated Absences Payable	457,429	140,877	153,614	444,692	142,608
Capital Lease Payable	287,579	1,315,305	67,092	1,535,792	119,780
<i>Total Business-Type Activities</i>	<u>\$47,007,468</u>	<u>\$1,950,562</u>	<u>\$3,494,716</u>	<u>\$45,463,314</u>	<u>\$2,934,753</u>

Governmental Activities

General Obligation Bonds For governmental activities, general obligation bonds will be retired from the General Obligation and TIF Bond Retirement Debt Service Funds using general property tax and payments in lieu of taxes revenue.

Refunding Bonds 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 financial statements. As of December 31, 2008, \$2,790,000 of the defeased debt remained outstanding.

On May 26, 2005, the City issued \$7,335,000 in general obligation refunding bonds at interest rates varying from 3.00 percent to 5.00 percent. Proceeds were used to refund \$6,735,000 of the outstanding 1995 various purpose general obligation bonds.

The bonds were sold at a premium of \$219,898. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded bonds. As a result, \$6,735,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the basic financial statements. As of December 31, 2008, \$4,760,000 of the defeased debt remained outstanding.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$765,265. This difference, being reported as a deferral in the accompanying financial statements, is being charged to operations through the year 2015 using the straight-line method.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Long-Term Obligations (Continued)

On May 30, 2007, the City issued \$10,875,000 in general obligation bonds \$10,520,000 of which were related to governmental activities, to refund notes and a portion of the 2005 various purpose general obligation bonds in order to take advantage of lower interest rates. The bonds were issued for twenty years, with final maturity at December 1, 2026. The bonds will be retired from the debt service fund. The proceeds were used to refund a portion of the 2005 various purpose and bond anticipation notes.

The bonds were sold at a premium of \$57,987. Net proceeds of \$4,844,725 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. As a result, \$4,495,000 of these bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements.

The City decreased its total debt service payments by \$191,785 as a result of the advance refunding. The City also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$145,726.

An analysis of the refunding issue follows:

	Various Purpose Bonds
Non-Refunded Portion Outstanding at December 31, 2007	\$1,620,000
Principle Payment on Non-Refunded Portion	(380,000)
Non-Refunded Portion Outstanding at December 31, 2008	\$1,240,000

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

On May 26, 2005 the City issued \$400,000 in General Obligation Bonds for the Vedda Printing Development project. These bonds will be paid through tax increment financing where the payments in lieu of taxes (PILOTS) generated will pay the debt service payments. The OPWC loans are paid semi annually from the general obligation bond retirement debt service fund. The loans are interest free and will be paid from general property tax revenue.

Other Long-Term Obligations Compensated absences will be paid from the General Fund, Streets and Highway, Community Development Block Grant, Office on Aging, and Lakewood Hospital Special Revenue Funds, and the Water, Sewer, Parking Facilities, and Winterhurst Ice Rink Enterprise Funds.

Business-Type Activities

The revenue bonds, general obligation bonds, OPWC loans and the OWDA loans reported in the Enterprise Funds will be paid from revenues derived by the City from water, sewer and ice rink user charges. The OPWC and OWDA loans reported in the enterprise funds are not general obligation and are not backed by the full faith and credit of the City.

In 1995, the City issued \$2,850,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.40 percent to 6.60 percent. Proceeds were used to improve the City's water mains. The revenue bonds included serial bonds. Restricted assets for debt service relating to the water main improvement revenue bonds held with a trustee at December 31, 2008 were \$121,510. At December 31, 2008 \$2,075,000 of the debt remained outstanding.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Long-Term Obligations (Continued)

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

The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the series 1991 water revenue bonds and respective portion of the series 2002 bond anticipation notes. As a result, the 1991 water revenue bonds and the respective portion of the series 2002 bond anticipation notes are considered to be defeased. As of December 31, 2008, \$1,465,000 of the defeased debt remained outstanding. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the accompanying financial statement as a deduction from due in more than one year, is being charged to operations through the year 2011, using the straight-line method. The unamortized balance of the deferral totaled \$88,740 at December 31, 2008. The bonds maturing on or after July 1, 2001 are subject to redemption, at the sole option of the City, either in whole on any date, or in part on any interest payment date, on or after July 1, 2001, in multiples of \$5,000, at 100 percent of the redemption price plus accrued interest as of July 1, 2004 and thereafter. Restricted assets relating to the refunding water revenue bonds held with trustee at December 31, 2008 were \$195,417 for replacement and improvement and \$259,742 for debt service.

In 2006, the City issued \$10,285,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.00 percent to 4.50 percent to improve the City's water mains. The revenue bonds included serial bonds. Issuance included a premium of \$21,352 and discount of \$124,937. Restricted assets relating to the water main improvement revenue bonds held with trustee at December 31, 2008, were \$1,589,833, \$1,250,203 of unspent bond proceeds and \$339,630 restricted for debt service.

In 2006, the City issued \$14,320,000 in Sewer and Wastewater Improvement Revenue Bonds with interest rates varying from 4.00 percent to 4.50 percent to improve the City's sewer mains. The revenue bonds included serial bonds. Issuance included a premium of \$50,527 and discount of \$174,240. Restricted assets relating to the Sewer main improvement revenue bonds held with trustee at December 31, 2008, were \$3,852,960, \$3,378,908 of unspent bond proceeds and \$474,052 restricted for debt service.

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 general obligation bonds. The net proceeds of \$5,631,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earning from the securities are sufficient to provide for all future debt service payment on the 1992 bonds. As a result these 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, 2008, \$1,515,000 of the defeased debt remained outstanding.

The 1998 advance refunding of the 1992 Sanitary Sewer System general obligation bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt. The unamortized balance of the deferral totaled \$115,685 at December 31, 2008. 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Long-Term Obligations (Continued)

On May 26, 2005, the City issued \$1,945,000 in sewer construction refunding bonds at interest rates varying from 3.00 percent to 5.00 percent. Proceeds were used to refund \$2,040,000 of the outstanding 1995 various purpose general obligation bonds.

The City has pledged future revenues to repay revenue bonds and OPWC loans in the water fund. The debt is payable solely from net revenues and is payable through 2031. Annual principal and interest payments on the bonds and loans are expected to require less than 60 percent of net revenues and less than 16 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loans is \$24,880,570. Principal and interest paid for the current year were \$1,801,315, total net revenues were \$2,493,825 and total revenues were \$10,536,724.

The City has pledged future revenues to repay the revenue bonds, OWDA and OPWC loans in the sewer fund. The debt is payable solely from net revenues and is payable through 2031. Annual principal and interest payments on the debt is expected to require less than 4 percent of net revenues and less than 1 percent of total revenues. The total principal and interest remaining to be paid on the debt is \$22,278,580. Principal and interest paid for the current year were \$1,012,806, total net revenues were \$1,499,681 and total revenues were \$6,220,187.

The City's overall legal debt margin was \$60,090,347 at December 31, 2008.

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2008, are as follows:

	Governmental Activities					
	General Obligation Bonds		OPWC Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$3,183,271	\$1,498,321	\$30,800	0	\$3,214,071	\$1,498,321
2010	3,276,737	1,367,298	30,800	0	3,307,537	1,367,298
2011	3,005,211	1,228,516	30,800	0	3,036,011	1,228,516
2012	3,074,963	1,086,172	30,800	0	3,105,763	1,086,172
2013	2,441,922	958,968	30,800	0	2,472,722	958,968
2014-2018	10,216,892	3,286,244	154,000	0	10,370,892	3,286,244
2019-2023	7,174,629	1,278,859	0	0	7,174,629	1,278,859
2024-2026	1,692,573	118,018	0	0	1,692,573	118,018
	<u>\$34,066,198</u>	<u>\$10,822,396</u>	<u>\$308,000</u>	<u>\$0</u>	<u>\$34,374,198</u>	<u>\$10,822,396</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Long-Term Obligations (Continued)

Business Type Activities

	Revenue Bonds		GO Bonds	
	Principal	Interest	Principal	Interest
2009	\$1,228,232	\$1,189,290	\$1,068,496	\$ 494,550
2010	1,294,125	1,128,013	1,119,137	449,856
2011	1,344,572	1,090,422	1,165,218	402,431
2012	870,465	1,036,050	659,572	352,047
2013	916,359	994,626	691,719	327,122
2014-2018	5,220,558	4,342,116	3,212,650	1,171,091
2019-2023	5,709,959	3,124,939	2,880,412	523,397
2024-2031	10,765,333	2,271,636	647,096	42,836
	<u>\$27,349,603</u>	<u>\$15,177,092</u>	<u>\$11,444,300</u>	<u>\$3,763,330</u>

	OPWC Loans		OWDA Loans	
	Principal	Interest	Principal	Interest
2009	\$347,714	\$0	\$27,925	\$5,533
2010	347,714	0	29,138	4,319
2011	347,714	0	30,405	3,053
2012	347,714	0	31,726	1,731
2013	347,714	0	16,382	346
2014-2018	1,738,572	0	0	0
2019-2023	992,650	0	0	0
2024-2031	12,105	0	0	0
	<u>\$4,481,897</u>	<u>\$0</u>	<u>\$135,576</u>	<u>\$14,982</u>

	Total	
	Principal	Interest
2009	\$2,672,367	\$1,689,373
2010	2,790,114	1,582,188
2011	2,887,909	1,495,906
2012	1,909,477	1,389,828
2013	1,972,174	1,322,094
2014-2018	10,171,780	5,513,207
2019-2023	9,583,021	3,648,336
2024-2031	11,424,534	2,314,472
	<u>\$43,411,376</u>	<u>\$18,955,404</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 12 – Leases

A. Capital Leases

In 2008, the City leased vehicles, computer equipment and copier equipment through capital leasing arrangements. During 2008, the City entered into a lease for \$5,425,937 to purchase various equipment and building improvements. As of December 31, 2008, only \$3,131,179 of the lease amount has been used to purchase equipment. The assets of such agreements are recorded in the Government-Wide Statement of Net Assets and Business-Type. The lease contracts are ten years. The equipment has been capitalized in the amounts of \$7,249,524. 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, 2008:

	Governmental Activities	Business-Type Activities
Capital Assets, being depreciated:		
Building and Improvements	\$2,100,000	\$1,200,000
Equipment Machinery and Furniture	319,076	192,594
Vehicles	2,783,077	654,777
Total Capital Assets, being depreciated	5,202,153	2,047,371
Less Accumulated Depreciated		
Building and Improvements	210,000	120,000
Equipment Machinery and Furniture	31,908	19,260
Vehicles	278,308	65,477
Total Accumulated Depreciation	520,216	204,737
Capital Assets, Net	\$4,681,937	\$1,842,634
	Governmental Activities	Business-Type Activities
2009	\$750,120	\$266,562
2010	750,052	206,562
2011	750,060	266,562
2012	850,062	166,562
2013	669,557	146,949
2014-2018	2,576,926	569,142
Total minimum lease payments	6,346,777	1,622,339
Less: amount representing interest	(1,203,117)	(86,547)
Total	\$5,143,660	\$1,535,792

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. 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 Basic Financial Statements
For the Year Ended December 31, 2008

Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City's coverage for general liability, bodily injury and property damage to others, with Government Underwriter's Association Insurance Company, is limited to \$1,000,000 per occurrence and has a \$2,000,000 aggregate limit per year with. In addition, there is an excess umbrella coverage of \$10,000,000 per occurrence and \$10,000 self-insured retention for all liability coverage.

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence, and has a \$2,000,000 annual aggregate. Vehicles are covered for \$1,000,000 per each occurrence, no aggregate, with a \$500 deductible for comprehensive, \$500 deductible for collision.

The boiler and machinery is covered at \$100,000,000 with a \$1,000 deductible for deep well pumps and \$1,000 deductible for all other property.

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$106,182,119 with a \$1,000 deductible. Inland marine coverage for all City property that moves has coverage of \$4,143,726 with a \$500 deductible and EDP equipment is covered at \$1,285,815 with a \$500 deductible.

Pollution (lead abatement policy) coverage limits are \$1,000,000 per occurrence with a \$2,500 deductible through Westchester Insurance.

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

The City of Lakewood maintains the Hospitalization Internal Service Fund to finance the cost of employee hospitalization and medical claims on a cost reimbursement basis. The City offers two plans to its employees that are funded through a third party administrator. Under these plans the third party administrator processes claims on behalf of the employees and bills the City for the amount of actual claims plus administrative costs. The City is liable for claims up to a \$1,000,000. A specific excess loss coverage (stop loss) insurance policy covers claims in excess of \$1,000,000 per year.

At December 31, 2008, \$509,173 has been accrued for hospitalization and medical claims representing an estimate of the amount to be paid for claims that have been incurred but not reported based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balances of claims liabilities during the past two years are as follows:

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 13 - Risk Management (Continued)

	2008	2007
Estimated claims payable January 1	\$615,596	\$163,256
Plus: Current year claims	5,043,176	5,816,051
Less: Claim payments	(5,149,599)	(5,363,711)
Estimated claims payable December 31	\$509,173	\$615,596

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 laws were 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 for those costs, subject to the plans individual claim cost limitation and the employer's premium limitation.

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

As of March 1, 2006 the City became self insured as an alternate method of funding workers' compensation. The City contracts with a third party administrator, who in turn, processes all the claims.

At December 31, 2008, \$166,965 has been accrued for workers' compensation claims. The claims represent estimates of amounts to be paid for reported claims and incurred but not reported claims. It is calculated using trends in actual claims experience based on the requirements of GASB Statement No. 30, which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liabilities during the past two years are as follows:

	2008	2007
Estimated claims payable January 1	\$139,305	\$313,447
Plus: Current year claims	685,079	315,369
Less: Claim payments	(657,419)	(489,511)
Estimated claims payable December 31	\$166,965	\$139,305

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 13 - Risk Management (Continued)

The City uses the general liability fund to account for funds reserved to finance potential losses on property and liability cases. In accordance with GASB Statement No. 10, claims liabilities, arising from uninsured risks, are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities included an amount for claims incurred but not reported. Changes to the estimated claims payable recorded in the General Liability Fund during the years ended December 31, 2008 and 2007 were as follows:

	2008	2007
Estimated claims payable January 1	\$23,000	\$23,000
Plus: Current year claims	0	0
Less: Claim payments	0	0
Estimated claims payable December 31	\$23,000	\$23,000

Note 14 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll, public safety members and law enforcement members contributed 10.1 percent.

The City’s contribution rate for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City’s contribution was 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 14 - Defined Benefit Pension Plans (Continued)

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$1,263,202, \$1,819,724 and \$1,586,789 respectively; 74 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$17,631 made by the City and \$24,683 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2008, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's pension contributions to OP&F for police and firefighters were \$818,886 and \$965,658 for the year ended December 31, 2008, \$777,541 and \$999,452 for the year ended December 31, 2007, and \$630,850 and \$826,311 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 77 percent has been contributed for police and 77 percent has been contributed for firefighters for 2008.

Note 15 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 15 – Postemployment Benefits (Continued)

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$1,263,202, \$994,659 and \$776,147 respectively; 72 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit or is a spouse or eligible dependent child of such person.

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

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 15 – Postemployment Benefits (Continued)

Funding policy – OP&F’s post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employees, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees’ primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

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

The City’s contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$433,528 and \$377,866 for the year ended December 31, 2008, \$451,017 and \$409,088 for the year ended December 31, 2007, and \$416,093 and \$394,087 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 77 percent has been contributed for police and 77 percent has been contributed for firefighters for 2008.

Note 16 - Other Employee Benefits

A. Compensated Absences

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

In addition, employees of the City accumulate compensatory time for a portion of overtime hours worked based upon time and a half for police and fire department employees, and time and a half for other union employees. Employees are entitled to receive payments for their accumulated hours upon retirement or other termination from the City’s payroll. Police and fire department employees can receive, on a police quarterly and fire semi-annual basis, payments for portions of overtime accumulated, upon written request to the respective department Chief.

Fire Department personnel required to work a holiday are granted, at a later time, an eight or twenty-four hour off-duty period. All members may accumulate up to fourteen 24-hour holidays which would be paid at their hourly rate at the time of retirement or termination. Members have the option of receiving a payment of up to 144 holiday hours in lieu of time off. Payment for these hours is received in January of

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 16 - Other Employee Benefits (Continued)

the following year. Police Department personnel who are required to work a holiday are granted a day off at a later time. Members have the option of receiving a payment of up to 120 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

B. Health and Life Insurance

City employees may choose between two health insurance providers. Medical Mutual serves as the third party administrator for the self-insured medical and health coverage to City employees. Kaiser Permanente is a traditionally funded HMO. For those employees choosing Kaiser Permanente, the monthly insurance premiums are paid by the City and partly by the employees. Kansas City Life provides life insurance and accidental death and dismemberment insurance to the City's employees.

Note 17 - Jointly Governed Organization

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating municipalities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2008, the City contributed \$117,943.

Note 18 – Contractual Commitments

The following were contractual commitments outstanding at December 31, 2008.

Rockport Square	\$348,283
Parking Meter Replacement	47,970
Wastewater Improvements	<u>77,499</u>
Totals	<u><u>\$473,752</u></u>

Note 19 - Interfund Transfers and Balances

A. Transfers

The General Fund transfers to the major and nonmajor Governmental Funds, and Winterhurst Ice Rink. Transfers to Enterprise Funds were made to provide additional resources for current operations. The transfers from Police and Fire Pension Special Revenue Fund, TIF Capital Fund and Sewer Fund were to cover debt payments.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 19 - Interfund Transfers and Balances (Continued)

Transfer To	Transfer From				Total
	General	Police and Fire Pension	Debt Service	Sewer	
Governmental Funds					
Major Funds					
General	\$0	\$0	\$639,761	\$0	\$639,761
Office on Aging	1,160,000	0	0	0	1,160,000
Debt Service	0	427,500	0	850,000	1,277,500
<i>Total Governmental Funds</i>	<u>1,160,000</u>	<u>427,500</u>	<u>639,761</u>	<u>850,000</u>	<u>3,077,261</u>
Proprietary Funds					
Nonmajor Funds					
Parking Facilities	0	0	33,437	0	33,437
Winterhurst Ice Rink	75,000	0	206,811	0	281,811
Hospitalization	200,000	0	0	0	200,000
Workers' Compensation	44,000	0	0	0	44,000
<i>Total Proprietary Funds</i>	<u>319,000</u>	<u>0</u>	<u>240,248</u>	<u>0</u>	<u>559,248</u>
Total	<u><u>\$1,479,000</u></u>	<u><u>\$427,500</u></u>	<u><u>\$880,009</u></u>	<u><u>\$850,000</u></u>	<u><u>\$3,636,509</u></u>

B. Balances

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds. It is also to cover those funds that owe the Hospitalization Fund for monthly premiums. All interfund balances will be repaid within one year. Interfund balances at December 31, 2008, consist of the following:

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 19 - Interfund Transfers and Balances (Continued)

Interfund Payable	Interfund Receivable					Total
	General	Police and Fire Pension Fund	Other Governmental	Workers' Compensation	Hospitalization	
Governmental Funds						
Major Funds:						
General	\$0	\$0	\$0	\$21,577	\$392,598	\$414,175
<i>Special Revenue Funds:</i>						
Street and Highway	0	0	0	645	14,739	15,384
Community Development Block Grant	96,422	0	0	380	6,700	103,502
Office on Aging	0	0	0	1,119	24,119	25,238
Lakewood Hospital	0	0	0	1,051	5,360	6,411
<i>Capital Project Funds</i>						
TIF Capital Improvement	345,686	58,197	0	0	0	403,883
Nonmajor Funds						
<i>Special Revenue Funds</i>						
HOME Investment Program	207,777	0	0	0	0	207,777
Lead-Based Paint Hazard Control	0	0	10,783	3	0	10,786
FEMA Grant	27,953	0	0	0	0	27,953
Family to Family	36,181	0	0	0	0	36,181
<i>Total Governmental Funds</i>	<u>714,019</u>	<u>58,197</u>	<u>10,783</u>	<u>24,775</u>	<u>443,516</u>	<u>1,251,290</u>
Proprietary Funds						
Major Funds:						
Water	0	0	0	861	21,439	22,300
Sewer	0	0	0	1,732	41,538	43,270
Nonmajor Funds						
Parking Facilities	119,358	0	0	130	2,680	122,168
Winterhurst Ice Rink	0	0	0	162	0	162
<i>Total Proprietary Funds</i>	<u>119,358</u>	<u>0</u>	<u>0</u>	<u>2,885</u>	<u>65,657</u>	<u>187,900</u>
Total	<u>\$833,377</u>	<u>\$58,197</u>	<u>\$10,783</u>	<u>\$27,660</u>	<u>\$509,173</u>	<u>\$1,439,190</u>

Note 20 – Note Debt

The \$9,024,000 various purpose bond anticipation note issued April 16, 2008 at 2.125 percent and maturing April 15, 2009 was rolled over into the \$7,771,000 various purpose bond anticipation note at 3.0 percent interest and maturing April 15, 2010. In 2008, \$758,620 of the \$9,024,000 notes was considered short-term. The \$758,620 was reflected as a fund liability of \$416,620 and \$342,000 in the debt service and the permanent capital improvement capital project funds, respectively.

Note 21 - Subsequent Event

On April 15, 2009, the City issued \$7,771,000 in various purpose bond anticipation notes. \$4,321,000 of the note was issued to pay off the outstanding 2008 various purpose notes and \$3,450,000 was issued for 2009 capital improvements. These notes were issued at an interest rate of 3.00 percent and mature on April 15, 2010.

Combining Statements-Nonmajor Governmental Funds

Fund Descriptions

Nonmajor Special Revenue Funds

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

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

(continued)

Fund Descriptions (continued)

Nonmajor Special Revenue Funds

Indigent Drivers Interlock and Alcohol Monitoring Fund (IDIAM)	To account for monies used to cover costs of immobilizing or disabling devices for indigent defendants.
Emergency Shelter Grant Fund	To account for grants issued to the City by the United States Department of Housing and Urban Development (HUD) to fund the renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless.
HOME Investment Program Fund	To account for the revenues used to help first-time homebuyers with low and moderate income to purchase a new home.
Lead-Based Paint Hazard Control Fund	To account for grant funds used to assist families with low to moderate income and who have children under the age of six who are at risk for lead paint poisoning.
Little Links Fund	To account for the operation and maintenance of the City's miniature golf course.
Help-to-Others Fund	To account for camp registrations and donations used to fund a youth program that promotes volunteerism.
Juvenile Diversion Fund	To account for monies received from Cuyahoga County used to establish or expand community policing programs.
Family Day Care Home Project Fund	To account for grant proceeds received from the State of Ohio USDA to provide reimbursements to home daycare providers for food and snacks served to eligible children in their care.
Family to Family Fund	To account for grant proceeds received from Cuyahoga County used to fund wrap around services targeting identified at-risk youth and families.
Federal Emergency Management Fund	To account for Federal and State monies used for the restoration of areas hit by natural disasters.

(continued)

Fund Descriptions (continued)

NonMajor Debt Service Fund

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

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

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

Lakehouse Breakwall Fund	To account for the construction of a permanent breakwall to protect the property of the citizens of the City.
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Land Acquisition Fund	To account for the acquisition of properties to be developed for recreation, economic or other purposes as deemed appropriate by City Council and the Mayor.
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City Park Improvement Fund	To account for resources for the improvement of the City Park.
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City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$745,459	\$56,972	\$218,706	\$1,021,137
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	110	110
Accounts Receivable	16,465	0	0	16,465
Intergovernmental Receivable	0	0	0	0
Interfund Receivable	10,783	0	0	10,783
<i>Total Assets</i>	<u>\$772,707</u>	<u>\$56,972</u>	<u>\$218,816</u>	<u>\$1,048,495</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$16,531	\$0	\$0	\$16,531
Accrued Wages	9,275	0	0	9,275
Intergovernmental Payable	1,368	0	0	1,368
Interfund Payable	282,697	0	0	282,697
<i>Total Liabilities</i>	<u>309,871</u>	<u>0</u>	<u>0</u>	<u>309,871</u>
Fund Balances				
Unreserved, Undesignated Reported In:				
Special Revenue Funds	462,836	0	0	462,836
Debt Service Fund	0	56,972	0	56,972
Capital Projects Funds	0	0	218,816	218,816
<i>Total Fund Balances</i>	<u>462,836</u>	<u>56,972</u>	<u>218,816</u>	<u>738,624</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$772,707</u>	<u>\$56,972</u>	<u>\$218,816</u>	<u>\$1,048,495</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Payment in Lieu of Taxes	\$0	\$340,341	\$0	\$340,341
Charges for Services	10,680	0	0	10,680
Fines and Forfeitures	242,444	0	0	242,444
Intergovernmental	843,144	17,176	0	860,320
Miscellaneous	166,411	0	24,102	190,513
<i>Total Revenues</i>	<u>1,262,679</u>	<u>357,517</u>	<u>24,102</u>	<u>1,644,298</u>
Expenditures				
Current:				
General Government	155,510	77,267	0	232,777
Security of Persons and Property				
Police	165,654	0	0	165,654
Community Environment	1,179,993	0	0	1,179,993
Debt Service:				
Principal Retirement	0	15,000	0	15,000
Interest and Fiscal Charges	0	256,636	0	256,636
<i>Total Expenditures</i>	<u>1,501,157</u>	<u>348,903</u>	<u>0</u>	<u>1,850,060</u>
<i>Net Change in Fund Balances</i>	(238,478)	8,614	24,102	(205,762)
<i>Fund Balances Beginning of Year</i>	<u>701,314</u>	<u>48,358</u>	<u>194,714</u>	<u>944,386</u>
<i>Fund Balances End of Year</i>	<u><u>\$462,836</u></u>	<u><u>\$56,972</u></u>	<u><u>\$218,816</u></u>	<u><u>\$738,624</u></u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	<u>Litter Control Grant Fund</u>	<u>Community Festival Fund</u>	<u>Law and Drug Enforcement Trust Fund</u>	<u>Federal Forfeiture Fund</u>	<u>Indigent Drivers Alcohol Treatment Fund</u>
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$13,746	\$9,790	\$233,026	\$10,471	\$146,212
Receivables:					
Accounts	0	0	392	0	249
Interfund	0	0	0	0	0
<i>Total Assets</i>	<u>\$13,746</u>	<u>\$9,790</u>	<u>\$233,418</u>	<u>\$10,471</u>	<u>\$146,461</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$0	\$0	\$5,112	\$0	\$0
Accrued Wages	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>5,112</u>	<u>0</u>	<u>0</u>
Fund Balances					
Unreserved, Undesignated (Deficit)	13,746	9,790	228,306	10,471	146,461
<i>Total Liabilities and Fund Balances</i>	<u>\$13,746</u>	<u>\$9,790</u>	<u>\$233,418</u>	<u>\$10,471</u>	<u>\$146,461</u>

<u>Enforcement and Education Fund</u>	<u>Political Subdivision Fund</u>	<u>Computer Research and Maintenance Fund</u>	<u>Court Special Projects Fund</u>	<u>Court Probation Services Fund</u>	<u>IDIAM Fund</u>
\$77,776	\$11,740	\$28,549	\$120,199	\$53,335	\$500
192	0	2,572	10,097	2,763	200
0	0	0	0	0	0
<u>\$77,968</u>	<u>\$11,740</u>	<u>\$31,121</u>	<u>\$130,296</u>	<u>\$56,098</u>	<u>\$700</u>
\$5,704	\$0	\$0	\$0	\$0	\$0
0	0	0	0	1,677	0
0	0	0	259	0	0
0	0	0	0	0	0
<u>5,704</u>	<u>0</u>	<u>0</u>	<u>259</u>	<u>1,677</u>	<u>0</u>
72,264	11,740	31,121	130,037	54,421	700
<u>\$77,968</u>	<u>\$11,740</u>	<u>\$31,121</u>	<u>\$130,296</u>	<u>\$56,098</u>	<u>\$700</u>

(continued)

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2008

	Emergency Shelter Grant Fund	HOME Investment Program Fund	Lead-Based Paint Hazard Control Fund	Little Links Fund	Help-to-Others Fund
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$4,588	\$0	\$2	\$6,158	\$6,186
Receivables:					
Accounts	0	0	0	0	0
Interfund	0	0	10,783	0	0
<i>Total Assets</i>	<u>\$4,588</u>	<u>\$0</u>	<u>\$10,785</u>	<u>\$6,158</u>	<u>\$6,186</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$5,715	\$0	\$0	\$0	\$0
Accrued Wages	174	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Interfund Payable	0	207,777	10,786	0	0
<i>Total Liabilities</i>	<u>5,889</u>	<u>207,777</u>	<u>10,786</u>	<u>0</u>	<u>0</u>
Fund Balances					
Unreserved, Undesignated (Deficit)	(1,301)	(207,777)	(1)	6,158	6,186
<i>Total Liabilities and Fund Balances</i>	<u>\$4,588</u>	<u>\$0</u>	<u>\$10,785</u>	<u>\$6,158</u>	<u>\$6,186</u>

Juvenile Diversion Fund	Family Day Care Home Project Fund	Family to Family Fund	Federal Emergency Management Fund	Total Nonmajor Special Revenue Funds
\$17,744	\$5,437	\$0	\$0	\$745,459
0	0	0	0	16,465
0	0	0	0	10,783
<u>\$17,744</u>	<u>\$5,437</u>	<u>\$0</u>	<u>\$0</u>	<u>\$772,707</u>
\$0	\$0	\$0	\$0	\$16,531
0	7,424	0	0	9,275
0	1,109	0	0	1,368
0	0	36,181	27,953	282,697
0	8,533	36,181	27,953	309,871
17,744	(3,096)	(36,181)	(27,953)	462,836
<u>\$17,744</u>	<u>\$5,437</u>	<u>\$0</u>	<u>\$0</u>	<u>\$772,707</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008

	Litter Control Grant Fund	Community Festival Fund	Law and Drug Enforcement Trust Fund	Federal Forfeiture Fund	Indigent Drivers Alcohol Treatment Fund
Revenues					
Charges for Services	\$0	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	10,759	0	5,755
Intergovernmental	1,437	0	17,774	0	7,816
Miscellaneous	0	4,000	96,545	0	0
<i>Total Revenues</i>	<u>1,437</u>	<u>4,000</u>	<u>125,078</u>	<u>0</u>	<u>13,571</u>
Expenditures					
Current:					
General Government	0	5,154	0	0	14,777
Security of Persons and Property					
Police	0	0	144,497	5,245	0
Community Environment	9,832	0	0	0	0
<i>Total Expenditures</i>	<u>9,832</u>	<u>5,154</u>	<u>144,497</u>	<u>5,245</u>	<u>14,777</u>
<i>Net Change in Fund Balances</i>	(8,395)	(1,154)	(19,419)	(5,245)	(1,206)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>22,141</u>	<u>10,944</u>	<u>247,725</u>	<u>15,716</u>	<u>147,667</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$13,746</u></u>	<u><u>\$9,790</u></u>	<u><u>\$228,306</u></u>	<u><u>\$10,471</u></u>	<u><u>\$146,461</u></u>

<u>Enforcement and Education Fund</u>	<u>Political Subdivision Fund</u>	<u>Computer Research and Maintenance Fund</u>	<u>Court Special Projects Fund</u>
\$0	\$0	\$0	\$0
4,892	2,144	36,229	143,802
500	0	0	0
2,800	0	0	0
<u>8,192</u>	<u>2,144</u>	<u>36,229</u>	<u>143,802</u>
0	0	18,500	75,844
15,912	0	0	0
0	0	0	0
<u>15,912</u>	<u>0</u>	<u>18,500</u>	<u>75,844</u>
(7,720)	2,144	17,729	67,958
<u>79,984</u>	<u>9,596</u>	<u>13,392</u>	<u>62,079</u>
<u>\$72,264</u>	<u>\$11,740</u>	<u>\$31,121</u>	<u>\$130,037</u>

(continued)

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2008

	Court Probation Services Fund	IDIAM Fund	Emergency Shelter Grant Fund	HOME Investment Program Fund
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	38,163	700	0	0
Intergovernmental	0	0	100,037	309,014
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>38,163</u>	<u>700</u>	<u>100,037</u>	<u>309,014</u>
Expenditures				
Current:				
General Government	41,235	0	0	0
Security of Persons and Property				
Police	0	0	0	0
Community Environment	0	0	96,052	494,562
<i>Total Expenditures</i>	<u>41,235</u>	<u>0</u>	<u>96,052</u>	<u>494,562</u>
<i>Net Change in Fund Balances</i>	(3,072)	700	3,985	(185,548)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>57,493</u>	<u>0</u>	<u>(5,286)</u>	<u>(22,229)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$54,421</u></u>	<u><u>\$700</u></u>	<u><u>(\$1,301)</u></u>	<u><u>(\$207,777)</u></u>

Lead-Based Paint Hazard Control Fund	Little Links Fund	Help-to-Others Fund	Juvenile Diversion Fund	Family Day Care Home Project Fund	Family to Family Fund	Federal Emergency Management Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$10,680	\$0	\$0	\$0	\$0	\$10,680
0	0	0	0	0	0	0	242,444
0	0	12,402	30,836	55,085	264,145	44,098	843,144
0	0	22,985	3,830	0	36,251	0	166,411
0	0	46,067	34,666	55,085	300,396	44,098	1,262,679
0	0	0	0	0	0	0	155,510
0	0	0	0	0	0	0	165,654
0	0	41,950	28,231	83,279	350,710	75,377	1,179,993
0	0	41,950	28,231	83,279	350,710	75,377	1,501,157
0	0	4,117	6,435	(28,194)	(50,314)	(31,279)	(238,478)
(1)	6,158	2,069	11,309	25,098	14,133	3,326	701,314
(\$1)	\$6,158	\$6,186	\$17,744	(\$3,096)	(\$36,181)	(\$27,953)	\$462,836

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008

	<u>Lakehouse Breakwall Fund</u>	<u>Land Acquisition Fund</u>	<u>City Park Improvement Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$15,261	\$150,000	\$53,445	\$218,706
Cash and Cash Equivalents				
In Segregated Accounts	<u>0</u>	<u>0</u>	<u>110</u>	<u>110</u>
<i>Total Assets</i>	<u><u>\$15,261</u></u>	<u><u>\$150,000</u></u>	<u><u>\$53,555</u></u>	<u><u>\$218,816</u></u>
Liabilities and Fund Balance				
Liabilities				
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Fund Balances				
Reserved for Encumbrances				
Unreserved, Undesignated	<u>15,261</u>	<u>150,000</u>	<u>53,555</u>	<u>218,816</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$15,261</u></u>	<u><u>\$150,000</u></u>	<u><u>\$53,555</u></u>	<u><u>\$218,816</u></u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008

	Lakehouse Breakwall Fund	Land Acquisition Fund	City Park Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues				
Miscellaneous	\$0	\$0	\$24,102	\$24,102
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	0	24,102	24,102
<i>Fund Balances Beginning of Year</i>	<u>15,261</u>	<u>150,000</u>	<u>29,453</u>	<u>194,714</u>
<i>Fund Balances End of Year</i>	<u><u>\$15,261</u></u>	<u><u>\$150,000</u></u>	<u><u>\$53,555</u></u>	<u><u>\$218,816</u></u>

Combining Statements-Nonmajor Proprietary Funds

Fund Descriptions

Nonmajor Enterprise Funds

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

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

Internal Service Funds

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

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

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2008

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Assets			
Current Assets			
Equity in Pooled Cash and Cash			
Equivalents	\$0	\$62,400	\$62,400
Materials and Supplies Inventory	92,263	0	92,263
Total Current Assets	<u>92,263</u>	<u>62,400</u>	<u>154,663</u>
Long-Term Assets			
Deferred Bond Issuance Costs	0	10,779	10,779
Nondepreciable Capital Assets	380,517	10	380,527
Depreciable Capital Assets, Net	119,104	5,161,555	5,280,659
Total Noncurrent Assets	<u>499,621</u>	<u>5,172,344</u>	<u>5,671,965</u>
<i>Total Assets</i>	<u>591,884</u>	<u>5,234,744</u>	<u>5,826,628</u>
Liabilities			
Current Liabilities			
Accounts Payable	57,394	41,279	98,673
Accrued Wages and Benefits	3,966	1,597	5,563
Intergovernmental Payable	6,262	8,896	15,158
Interfund Payable	122,168	162	122,330
Accrued Interest Payable	1,237	5,115	6,352
Compensated Absences Payable	10,988	30,713	41,701
Bonds Payable	20,000	102,344	122,344
Capital Leases Payable	3,048	68,986	72,034
Total Current Liabilities	<u>225,063</u>	<u>259,092</u>	<u>484,155</u>
Long-Term Liabilities			
Compensated Absence Payable	12,470	0	12,470
Bonds Payable	307,186	1,155,544	1,462,730
Capital Leases Payable	21,424	1,091,425	1,112,849
Total Long Term Liabilities	<u>341,080</u>	<u>2,246,969</u>	<u>2,588,049</u>
<i>Total Liabilities</i>	<u>566,143</u>	<u>2,506,061</u>	<u>3,072,204</u>
Net Assets			
Invested in Capital Assets, Net of Related Deb	150,149	2,754,199	2,904,348
Unrestricted (Deficit)	(124,408)	(25,516)	(149,924)
<i>Total Net Assets</i>	<u>\$25,741</u>	<u>\$2,728,683</u>	<u>\$2,754,424</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2008

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for Services	\$332,999	\$427,031	\$760,030
Miscellaneous	1,042	5,030	6,072
<i>Total Operating Revenues</i>	<u>334,041</u>	<u>432,061</u>	<u>766,102</u>
Operating Expenses			
Personal Services	205,536	205,445	410,981
Contractual Services	15,735	11,947	27,682
Materials and Supplies	11,250	99,336	110,586
Utilities	0	87,709	87,709
Depreciation	12,242	51,981	64,223
Miscellaneous	47,938	197,759	245,697
<i>Total Operating Expenses</i>	<u>292,701</u>	<u>654,177</u>	<u>946,878</u>
Operating Income (Loss)	41,340	(222,116)	(180,776)
Non Operating Expenses			
Interest and Fiscal Charges	<u>(12,594)</u>	<u>(86,627)</u>	<u>(99,221)</u>
Net Income (Loss) Before Contributions and Transfers	28,746	(308,743)	(279,997)
Capital Contributions	0	2,000,000	2,000,000
Transfers In	<u>33,437</u>	<u>281,811</u>	<u>315,248</u>
<i>Change in Net Assets</i>	62,183	1,973,068	2,035,251
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(36,442)</u>	<u>755,615</u>	<u>719,173</u>
<i>Net Assets End of Year</i>	<u><u>\$25,741</u></u>	<u><u>\$2,728,683</u></u>	<u><u>\$2,754,424</u></u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2008

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$332,999	\$469,879	\$802,878
Cash Received from Other Operating Sources	1,042	5,030	6,072
Cash Payments to Suppliers for Goods and Services	(117,526)	(127,272)	(244,798)
Cash Payments for Employee Services and Benefits	(206,041)	(229,932)	(435,973)
Cash Payments for Other Operating Expenses	(110,969)	(197,759)	(308,728)
<i>Net Cash Used for Operating Activities</i>	<u>(100,495)</u>	<u>(80,054)</u>	<u>(180,549)</u>
Cash Flows from Noncapital Financing Activities and Financing Activities			
Transfer In	33,437	206,811	240,248
Advance In	119,358	0	119,358
<i>Net Cash Provided by Non- capital Financing Activities</i>	<u>152,795</u>	<u>206,811</u>	<u>359,606</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(34,915)	0	(34,915)
Principal Paid on Long-Term Obligations	(22,351)	(98,446)	(120,797)
Interest Paid on Long-Term Obligations	(13,479)	(38,881)	(52,360)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(70,745)</u>	<u>(137,327)</u>	<u>(208,072)</u>
<i>Decrease in Cash and Cash Equivalents</i>	(18,445)	(10,570)	(29,015)
<i>Cash and Cash Equivalents Beginning of Year</i>	18,445	72,970	91,415
<i>Cash and Cash Equivalents End of Year</i>	<u>\$0</u>	<u>\$62,400</u>	<u>\$62,400</u>

(continued)

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended December 31, 2008

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities			
<i>Operating Income (Loss)</i>	\$41,340	(\$222,116)	(\$180,776)
Adjustments:			
Depreciation	12,242	51,981	64,223
(Increase) Decrease in Assets:			
Accounts Receivable	0	42,848	42,848
Materials and Supplies Inventory	(92,263)	46,430	(45,833)
Increase (Decrease) in Liabilities:			
Accounts Payable	(31,319)	14,863	(16,456)
Accrued Wages	(35)	(5,431)	(5,466)
Compensated Absences	264	(2,510)	(2,246)
Interfund Payable	(30,906)	(2,315)	(33,221)
Intergovernmental Payable	182	(3,804)	(3,622)
<i>Net Cash Used for Operating Activities</i>	<u>(\$100,495)</u>	<u>(\$80,054)</u>	<u>(\$180,549)</u>

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2008

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Assets				
Current Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$740,535	\$53,252	\$2,638	\$796,425
Accrued Interest Receivable	0	0	2,123	2,123
Interfund Receivable	509,173	27,660	0	536,833
<i>Total Assets</i>	<u>1,249,708</u>	<u>80,912</u>	<u>4,761</u>	<u>1,335,381</u>
Liabilities				
Current Liabilities				
Accounts Payable	57,160	0	57,160	114,320
Intergovernmental Payable	0	127,187	0	127,187
Claims Payable	509,173	166,965	23,000	699,138
<i>Total Liabilities</i>	<u>566,333</u>	<u>294,152</u>	<u>80,160</u>	<u>940,645</u>
Net Assets				
Unrestricted (Deficit)	<u>\$683,375</u>	<u>(\$213,240)</u>	<u>(\$75,399)</u>	<u>\$394,736</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2008

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Operating Revenues				
Charges for Services	\$4,877,056	\$790,326	\$0	\$5,667,382
Miscellaneous	638,673	6,306	0	644,979
<i>Total Operating Revenues</i>	<u>5,515,729</u>	<u>796,632</u>	<u>0</u>	<u>6,312,361</u>
Operating Expenses				
Contractual Services	14,621	31,120	57,160	102,901
Workers' Compensation Premium	0	78,888	0	78,888
Claims	5,043,176	685,079	0	5,728,255
<i>Total Operating Expenses</i>	<u>5,057,797</u>	<u>795,087</u>	<u>57,160</u>	<u>5,910,044</u>
<i>Operating Income (Loss)</i>	457,932	1,545	(57,160)	402,317
Non Operating Revenue				
Interest	0	0	261	261
<i>Net Income (Loss) Before Transfers</i>	457,932	1,545	(56,899)	402,578
Transfers In	200,000	44,000	0	244,000
<i>Change in Net Assets</i>	657,932	45,545	(56,899)	646,578
<i>Net Assets (Deficit) Beginning of Year</i>	<u>25,443</u>	<u>(258,785)</u>	<u>(18,500)</u>	<u>(251,842)</u>
<i>Net Assets (Deficit) at End of Year</i>	<u>\$683,375</u>	<u>(\$213,240)</u>	<u>(\$75,399)</u>	<u>\$394,736</u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2008

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Transactions with Other Funds	\$4,986,337	\$762,666	\$0	\$5,749,003
Cash Received from Other Operating Sources	638,673	6,306	0	644,979
Cash Payments to Suppliers for Goods and Services	(13,911)	(31,120)	0	(45,031)
Cash Payments for Claims	(5,149,599)	(657,419)	0	(5,807,018)
Cash Payments for Premium	0	(94,406)	0	(94,406)
<i>Net Cash Provided by (Used for) Operating Activities</i>	461,500	(13,973)	0	447,527
Cash Flows from Noncapital Financing Activities				
Transfers In	200,000	44,000	0	244,000
Cash Flows from Investing Activities				
Interest	0	0	130	130
<i>Net Increase in Cash and Cash Equivalents</i>	661,500	30,027	130	691,657
<i>Cash and Cash Equivalents Beginning of Year</i>	79,035	23,225	2,508	104,768
<i>Cash and Cash Equivalents End of Year</i>	\$740,535	\$53,252	\$2,638	\$796,425

(continued)

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended December 31, 2008

	Hospitalization Fund	Workers' Compensation Fund	General Liability Fund	Total Internal Service Funds
Reconciliation of Operating Income (Loss)				
to Net Cash Provided by (Used for)				
Operating Activities				
<i>Operating Income (Loss)</i>	\$457,932	\$1,545	(\$57,160)	\$402,317
Adjustments:				
(Increase) Decrease in Assets:				
Accounts Receivable	2,858	0	0	2,858
Interfund Receivable	106,423	(27,660)	0	78,763
Increase (Decrease) in Liabilities:				
Accounts Payable	710	(5,000)	57,160	52,870
Intergovernmental Payable	0	(10,518)	0	(10,518)
Claims Payable	(106,423)	27,660	0	(78,763)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$461,500</u>	<u>(\$13,973)</u>	<u>\$0</u>	<u>\$447,527</u>

Statement-Fiduciary Fund

Fund Description

Agency Fund

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

Deposits

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

City of Lakewood, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2008

	Balance 12/31/2007	Additions	Reductions	Balance 12/31/2008
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,400,957	\$148,717	\$199,575	\$1,350,099
Liabilities				
Deposits Held and Due to Others	\$1,400,957	\$148,717	\$199,575	\$1,350,099

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

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$7,257,717	\$7,257,717	\$7,446,765	\$189,048
Municipal Income Taxes	18,450,001	18,450,001	18,247,704	(202,297)
Charges for Services	877,585	877,585	674,424	(203,161)
Licenses, Permits and Fees	1,914,171	1,914,171	1,881,374	(32,797)
Fines and Forfeitures	1,343,410	1,343,410	1,476,395	132,985
Intergovernmental	5,863,041	5,915,125	5,949,346	34,221
Interest	800,000	800,000	447,228	(352,772)
Miscellaneous	231,300	256,300	260,500	4,200
<i>Total Revenues</i>	<u>36,737,225</u>	<u>36,814,309</u>	<u>36,383,736</u>	<u>(430,573)</u>
Expenditures				
Current:				
General Government:				
Council				
Salaries	121,660	124,143	118,257	5,886
Fringe Benefits	41,241	42,083	41,106	977
Travel and Transportation	1,372	0	0	0
Professional Services	11,368	6,864	6,373	491
Communications	2,940	1,019	872	147
Materials and Supplies	2,499	799	568	231
Other	4,753	5,098	3,275	1,823
Total Council	<u>185,833</u>	<u>180,006</u>	<u>170,451</u>	<u>9,555</u>
Municipal Court				
Salaries	881,504	881,504	840,033	41,471
Fringe Benefits	139,124	139,124	129,260	9,864
Travel and Transportation	3,150	3,150	1,194	1,956
Professional Services	46,000	46,000	37,412	8,588
Communications	47,400	52,767	52,056	711
Materials and Supplies	29,600	29,600	19,423	10,177
Other	34,312	28,945	14,946	13,999
Total Municipal Court	<u>1,181,090</u>	<u>1,181,090</u>	<u>1,094,324</u>	<u>86,766</u>
Civil Service				
Salaries	53,245	56,024	54,112	1,912
Fringe Benefits	18,433	20,678	20,557	121
Professional Services	34,325	6,174	3,717	2,457
Communications	613	680	546	134
Materials and Supplies	324	152	76	76
Other	314	4,309	3,077	1,232
Total Civil Service	<u>\$107,254</u>	<u>\$88,017</u>	<u>\$82,085</u>	<u>\$5,932</u>

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Mayor's Office				
Salaries	\$196,437	\$190,941	\$188,021	\$2,920
Fringe Benefits	43,246	51,760	50,621	1,139
Travel and Transportation	1,887	75	46	29
Professional Services	8,595	6,765	6,758	7
Communications	1,788	1,712	1,702	10
Contractual Services	8,000	8,000	8,000	0
Materials and Supplies	4,508	1,765	1,681	84
Other	1,428	1,615	1,348	267
Total Mayor's Office	265,889	262,633	258,177	4,456
Human Resources				
Salaries	177,559	183,453	175,638	7,815
Fringe Benefits	60,398	62,525	61,093	1,432
Travel and Transportation	490	60	15	45
Professional Services	21,860	20,006	10,296	9,710
Communications	1,715	2,085	1,944	141
Materials and Supplies	6,918	5,842	4,167	1,675
Other	12,265	11,281	6,914	4,367
Total Human Resources	281,205	285,252	260,067	25,185
Community Relations				
Salaries	72,849	64,851	62,740	2,111
Fringe Benefits	35,038	34,202	33,914	288
Professional Services	3,949	3,276	3,125	151
Communications	2,009	1,810	997	813
Contractual Services	4,900	5,100	5,000	100
Materials and Supplies	5,096	2,757	2,397	360
Other	10,881	6,072	3,217	2,855
Total Community Relations	134,722	118,068	111,390	6,678
Public Works Administration				
Salaries	166,343	158,000	142,138	15,862
Fringe Benefits	32,701	31,657	29,101	2,556
Professional Services	74	200	126	74
Communications	2,009	1,733	1,512	221
Materials and Supplies	1,442	1,257	914	343
Other	1,937	1,829	1,165	664
Total Public Works Administration	\$204,506	\$194,676	\$174,956	\$19,720

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Buildings and Facilities				
Salaries	\$184,940	\$209,316	\$203,957	\$5,359
Fringe Benefits	84,724	94,830	93,311	1,519
Professional Services	132	112	43	69
Communications	8,270	8,625	8,261	364
Contractual Services	41,895	10,082	8,906	1,176
Materials and Supplies	16,172	16,032	11,952	4,080
Other	228,970	276,655	258,446	18,209
Total Buildings and Facilities	<u>565,103</u>	<u>615,652</u>	<u>584,876</u>	<u>30,776</u>
Fleet Management				
Salaries	546,458	558,867	554,113	4,754
Fringe Benefits	219,782	228,559	222,394	6,165
Professional Services	10,682	1,273	1,055	218
Communications	3,231	2,721	2,656	65
Contractual Services	5,335	5,830	5,748	82
Materials and Supplies	49,970	44,900	44,126	774
Capital Outlay	441	1,730	1,700	30
Other	44,147	29,224	22,319	6,905
Total Fleet Management	<u>880,046</u>	<u>873,104</u>	<u>854,111</u>	<u>18,993</u>
Engineering				
Salaries	344,558	293,022	286,032	6,990
Fringe Benefits	125,686	122,381	117,252	5,129
Travel and Transportation	3,332	342	136	206
Professional Services	4,900	1,861	1,556	305
Communications	5,096	4,235	3,345	890
Contractual Services	98	10,000	7,500	2,500
Materials and Supplies	5,341	3,696	2,703	993
Other	16,268	10,388	7,754	2,634
Total Engineering	<u>505,279</u>	<u>445,925</u>	<u>426,278</u>	<u>19,647</u>
Finance				
Salaries	359,158	384,190	383,567	623
Fringe Benefits	139,455	144,139	143,735	404
Travel and Transportation	1,323	175	0	175
Professional Services	89,701	100,142	86,851	13,291
Communications	8,575	8,327	7,497	830
Contractual Services	2,343	2,343	2,343	0
Materials and Supplies	4,385	5,160	4,462	698
Capital Outlay	0	501	357	144
Other	7,730	7,825	5,892	1,933
Total Finance	<u>\$612,670</u>	<u>\$652,802</u>	<u>\$634,704</u>	<u>\$18,098</u>

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Income Tax				
Salaries	\$379,635	\$315,776	\$307,355	\$8,421
Fringe Benefits	121,925	133,457	119,521	13,936
Travel and Transportation	1,078	580	492	88
Professional Services	116,375	108,980	97,447	11,533
Communications	55,272	60,265	51,477	8,788
Contractual Services	4,332	2,520	2,412	108
Materials and Supplies	8,418	5,248	4,194	1,054
Other	463,123	408,916	384,820	24,096
Total Income Tax	1,150,158	1,035,742	967,718	68,024
Information Systems				
Salaries	299,010	330,226	305,196	25,030
Fringe Benefits	106,701	152,488	141,153	11,335
Travel and Transportation	0	40	22	18
Professional Services	15,386	9,999	8,477	1,522
Communications	1,475	3,666	2,056	1,610
Contractual Services	2,343	2,343	2,343	0
Materials and Supplies	6,347	9,296	6,683	2,613
Other	214,569	224,749	213,085	11,664
Total Information Systems	645,831	732,807	679,015	53,792
General Administration				
Salaries	19,600	17,105	14,045	3,060
Fringe Benefits	2,999	29,159	25,914	3,245
Professional Services	51,450	46,351	29,603	16,748
Communications	1,960	18,560	8,670	9,890
Materials and Supplies	9,898	10,016	7,414	2,602
Contractual Services	128,250	128,206	105,745	22,461
Other	622,790	741,118	594,820	146,298
Total General Administration	836,947	990,515	786,211	204,304
Law				
Salaries	371,754	329,263	326,270	2,993
Fringe Benefits	113,812	114,835	113,757	1,078
Travel and Transportation	529	340	160	180
Professional Services	110,059	102,805	100,783	2,022
Communications	3,087	3,497	3,102	395
Materials and Supplies	14,717	15,609	13,453	2,156
Other	1,225	1,719	1,340	379
Total Law	615,183	568,068	558,865	9,203
Total General Government	\$8,171,716	\$8,224,357	\$7,643,228	\$581,129

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Security of Persons and Property:				
Police				
Salaries	\$7,008,281	\$7,059,953	\$7,011,711	\$48,242
Fringe Benefits	1,243,080	1,262,980	1,254,256	8,724
Professional Services	21,900	13,336	13,181	155
Communications	62,990	68,134	66,054	2,080
Contractual Services	93,590	108,637	108,598	39
Materials and Supplies	194,103	213,592	206,401	7,191
Capital Outlay	0	750	734	16
Other	228,792	195,774	185,983	9,791
Total Police	<u>8,852,736</u>	<u>8,923,156</u>	<u>8,846,918</u>	<u>76,238</u>
Police Communications				
Salaries	525,616	509,081	494,241	14,840
Fringe Benefits	190,449	190,425	189,463	962
Professional Services	1,323	1,100	949	151
Materials and Supplies	9,408	974	730	244
Other	35,330	35,376	32,299	3,077
Total Police Communications	<u>762,126</u>	<u>736,956</u>	<u>717,682</u>	<u>19,274</u>
School Guards				
Salaries	184,103	214,275	210,185	4,090
Fringe Benefits	28,443	36,848	32,466	4,382
Other	3,136	3,095	2,900	195
Total School Guards	<u>\$215,682</u>	<u>\$254,218</u>	<u>\$245,551</u>	<u>\$8,667</u>

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire				
Salaries	\$5,342,127	\$5,775,661	\$5,670,433	\$105,228
Fringe Benefits	1,002,997	1,028,949	1,026,454	2,495
Travel and Transportation	4,410	598	576	22
Professional Services	7,056	2,750	2,461	289
Communications	19,331	18,246	17,923	323
Contractual Services	18,877	18,896	17,839	1,057
Materials and Supplies	66,584	80,793	72,761	8,032
Capital Outlay	8,183	8,463	8,340	123
Other	224,840	218,186	208,932	9,254
Total Fire	6,694,405	7,152,542	7,025,719	126,823
Street Lighting				
Other	482,160	507,026	506,420	606
Animal Control				
Salaries	123,784	123,950	122,056	1,894
Fringe Benefits	55,663	56,597	56,090	507
Professional Services	88	518	394	124
Communications	1,526	1,322	1,308	14
Contractual Services	441	650	618	32
Materials and Supplies	3,661	4,744	3,947	797
Other	14,527	13,899	11,867	2,032
Total Animal Control	199,690	201,680	196,280	5,400
<i>Total Security of Persons and Property</i>	17,206,799	17,775,578	17,538,570	237,008
Public Health Services:				
Support of Prisoners				
Salaries	183,508	162,454	157,090	5,364
Fringe Benefits	75,336	73,952	72,776	1,176
Professional Services	73,990	30,600	30,337	263
Contractual Services	255,584	118,500	115,651	2,849
Materials and Supplies	69,693	54,300	51,027	3,273
Other	4,068	2,775	2,613	162
Total Support of Prisoners	\$662,179	\$442,581	\$429,494	\$13,087

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Human Services Administration				
Salaries	\$136,226	\$122,609	\$122,497	\$112
Fringe Benefits	45,220	42,673	42,673	0
Professional Services	0	355	354	1
Communications	1,166	884	775	109
Materials and Supplies	618	377	180	197
Other	794	697	591	106
Total Human Services Administration	184,024	167,595	167,070	525
Communications				
Salaries	101,940	69,651	69,651	0
Fringe Benefits	37,487	21,046	21,046	0
Professional Services	309	17	17	0
Communications	551	160	160	0
Materials and Supplies	2,690	3,280	1,086	2,194
Other	2,394	10	10	0
Total Communications	145,371	94,164	91,970	2,194
Total Public Health Services	991,574	704,340	688,534	15,806
Community Environment:				
Housing and Building				
Salaries	723,289	736,368	720,422	15,946
Fringe Benefits	299,419	319,341	309,943	9,398
Travel and Transportation	1,851	2,925	2,766	159
Professional Services	24,611	25,075	23,218	1,857
Communications	9,090	8,630	7,949	681
Materials and Supplies	6,762	3,743	2,573	1,170
Other	27,171	26,938	22,658	4,280
Total Housing and Building	\$1,092,193	\$1,123,020	\$1,089,529	\$33,491

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Forestry				
Salaries	\$240,355	\$255,349	\$246,779	\$8,570
Fringe Benefits	109,404	113,056	112,115	941
Professional Services	0	350	236	114
Communications	270	1	1	0
Contractual Services	6,860	185	59	126
Materials and Supplies	17,701	19,966	16,122	3,844
Other	11,903	9,218	6,790	2,428
Total Forestry	386,493	398,125	382,102	16,023
Child Care				
Salaries	45,751	55,156	53,491	1,665
Fringe Benefits	20,219	35,284	32,472	2,812
Travel and Transportation	98	0	0	0
Professional Services	0	237	236	1
Communications	1,176	1,300	1,279	21
Materials and Supplies	645	336	214	122
Other	1,861	1,923	1,854	69
Total Child Care	69,750	94,236	89,546	4,690
Youth				
Salaries	231,296	274,097	259,445	14,652
Fringe Benefits	161,647	172,658	171,971	687
Travel and Transportation	0	194	65	129
Professional Services	332	1,941	1,918	23
Communications	5,618	4,253	3,990	263
Materials and Supplies	2,178	2,456	2,236	220
Other	13,633	55,015	52,626	2,389
Total Youth	414,704	510,614	492,251	18,363
Planning and Development				
Salaries	148,144	125,943	123,654	2,289
Fringe Benefits	56,285	63,811	54,885	8,926
Travel and Transportation	2,940	1,050	891	159
Professional Services	58,310	32,794	26,248	6,546
Communications	5,782	5,220	4,035	1,185
Contractual Services	3,234	11,406	1,780	9,626
Materials and Supplies	7,595	5,524	1,105	4,419
Capital Outlay	0	180	176	4
Other	312,410	74,234	38,125	36,109
Total Planning and Development	594,700	320,162	250,899	69,263
Total Community Environment	\$2,557,840	\$2,446,157	\$2,304,327	\$141,830

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Basic Utility Services:				
Refuse and Recycling				
Salaries	\$1,953,374	\$2,048,399	\$2,023,400	\$24,999
Fringe Benefits	950,760	981,409	966,364	15,045
Professional Services	970	840	840	0
Communications	6,434	6,148	5,972	176
Contractual Services	996,328	1,032,464	1,021,073	11,391
Materials and Supplies	203,590	234,293	229,366	4,927
Capital Outlay	0	283	283	0
Other	266,456	244,739	238,982	5,757
<i>Total Basic Utility Services</i>	<u>4,377,912</u>	<u>4,548,575</u>	<u>4,486,280</u>	<u>62,295</u>
Leisure Time Activities:				
Security				
Salaries	61,573	38,751	33,885	4,866
Fringe Benefits	9,513	5,880	5,130	750
<i>Total Security</i>	<u>71,086</u>	<u>44,631</u>	<u>39,015</u>	<u>5,616</u>
Parks				
Salaries	550,106	696,558	689,035	7,523
Fringe Benefits	295,566	334,129	332,258	1,871
Professional Services	784	770	680	90
Communications	4,763	4,556	4,528	28
Contractual Services	112,921	12,181	11,011	1,170
Materials and Supplies	65,136	71,324	59,794	11,530
Other	117,097	128,147	113,021	15,126
<i>Total Parks</i>	<u>1,146,373</u>	<u>1,247,665</u>	<u>1,210,327</u>	<u>37,338</u>
Construction				
Salaries	219,635	212,685	210,416	2,269
Fringe Benefits	92,054	90,915	89,899	1,016
Other	31,556	10,313	8,246	2,067
<i>Total Construction</i>	<u>343,245</u>	<u>313,913</u>	<u>308,561</u>	<u>5,352</u>
Swimming Pools				
Materials and Supplies	27,440	23,240	22,639	601
Other	133,770	53,778	50,344	3,434
<i>Total Swimming Pools</i>	<u>\$161,210</u>	<u>\$77,018</u>	<u>\$72,983</u>	<u>\$4,035</u>

(continued)

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Band Concerts				
Salaries	\$9,800	\$10,323	\$10,323	\$0
Fringe Benefits	1,514	1,592	1,592	0
Professional Services	14,700	11,420	11,419	1
Materials and Supplies	2,940	0	0	0
Other	5,635	5,635	5,563	72
Total Band Concerts	<u>34,589</u>	<u>28,970</u>	<u>28,897</u>	<u>73</u>
Museums				
Contractual Services	6,370	6,100	2,324	3,776
Other	6,125	6,962	6,747	215
Total Museums	<u>12,495</u>	<u>13,062</u>	<u>9,071</u>	<u>3,991</u>
July 4th Festival				
Salaries	12,932	12,317	12,317	0
Fringe Benefits	1,998	1,876	1,876	0
Contractual Services	33,467	33,700	33,700	0
Materials and Supplies	1,892	1,193	1,193	0
Other	193	195	195	0
Total July 4th Festival	<u>50,482</u>	<u>49,281</u>	<u>49,281</u>	<u>0</u>
Tennis Courts				
Materials and Supplies	1,960	1,700	1,476	224
Other	18,620	19,505	16,153	3,352
Total Tennis Courts	<u>20,580</u>	<u>21,205</u>	<u>17,629</u>	<u>3,576</u>
<i>Total Leisure Time Activities</i>	<u>1,840,060</u>	<u>1,795,745</u>	<u>1,735,764</u>	<u>59,981</u>
<i>Total Expenditures</i>	<u>35,145,901</u>	<u>35,494,752</u>	<u>34,396,703</u>	<u>1,098,049</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,591,324</u>	<u>1,319,557</u>	<u>1,987,033</u>	<u>667,476</u>
Other Financing Sources (Uses)				
Transfers In	150,000	150,000	0	(150,000)
Transfers Out	(1,658,672)	(1,794,000)	(1,479,000)	315,000
<i>Total Other Sources (Uses)</i>	<u>(1,508,672)</u>	<u>(1,644,000)</u>	<u>(1,479,000)</u>	<u>165,000</u>
<i>Net Change in Fund Balance</i>	82,652	(324,443)	508,033	832,476
<i>Fund Balance Beginning of Year</i>	339,518	339,518	339,518	0
<i>Prior Year Encumbrances Appropriated</i>	103,023	103,023	103,023	0
<i>Fund Balance End of Year</i>	<u>\$525,193</u>	<u>\$118,098</u>	<u>\$950,574</u>	<u>\$832,476</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Street and Highway Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$2,077,299	\$2,077,299	\$1,933,921	(\$143,378)
Miscellaneous	65,000	200,000	196,215	(3,785)
<i>Total Revenues</i>	<u>2,142,299</u>	<u>2,277,299</u>	<u>2,130,136</u>	<u>(147,163)</u>
Expenditures				
Current:				
Transportation:				
Salaries	929,117	882,870	862,083	20,787
Fringe Benefits	413,232	400,771	397,634	3,137
Professional Services	5,870	1,549	952	597
Communications	5,640	6,236	4,977	1,259
Contractual Services	79,805	72,750	61,757	10,993
Materials and Supplies	360,200	445,508	431,229	14,279
Capital Outlay	132,279	152,050	145,184	6,866
Other	311,823	292,776	266,117	26,659
<i>Total Expenditures</i>	<u>2,237,966</u>	<u>2,254,510</u>	<u>2,169,933</u>	<u>84,577</u>
<i>Net Change in Fund Balance</i>	(95,667)	22,789	(39,797)	(62,586)
<i>Fund Balance Beginning of Year</i>	64,480	64,480	64,480	0
<i>Prior Year Encumbrances Appropriated</i>	<u>147,296</u>	<u>147,296</u>	<u>147,296</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$116,109</u>	<u>\$234,565</u>	<u>\$171,979</u>	<u>(\$62,586)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police and Fire Pension Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$2,752,058	\$2,752,058	\$2,823,756	\$71,698
Intergovernmental	340,239	340,239	418,669	78,430
<i>Total Revenues</i>	<u>3,092,297</u>	<u>3,092,297</u>	<u>3,242,425</u>	<u>150,128</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fringe Benefits Police	1,262,191	1,262,191	1,252,415	9,776
Fringe Benefits Fire	1,459,622	1,459,622	1,343,519	116,103
<i>Total Expenditures</i>	<u>2,721,813</u>	<u>2,721,813</u>	<u>2,595,934</u>	<u>125,879</u>
<i>Excess of Revenues Over Expenditures</i>	370,484	370,484	646,491	276,007
Other Financing Uses				
Transfers Out	(427,500)	(427,500)	(427,500)	0
<i>Net Change in Fund Balance</i>	(57,016)	(57,016)	218,991	276,007
<i>Fund Balance Beginning of Year</i>	<u>904,261</u>	<u>904,261</u>	<u>904,261</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$847,245</u>	<u>\$847,245</u>	<u>\$1,123,252</u>	<u>\$276,007</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$4,213,609	\$4,214,109	\$2,672,819	(\$1,541,290)
Expenditures				
Current:				
Community Environment:				
Salaries	559,863	558,947	523,351	35,596
Fringe Benefits	171,820	173,160	166,178	6,982
Travel and Transportation	6,150	3,512	2,295	1,217
Professional Services	42,810	57,574	49,684	7,890
Communications	3,950	4,879	3,942	937
Contractual Services	1,767,583	1,820,780	767,034	1,053,746
Materials and Supplies	5,500	5,396	3,375	2,021
Capital Outlay	964,225	899,619	639,835	259,784
Other	150,161	152,450	75,689	76,761
<i>Total Expenditures</i>	<u>3,672,062</u>	<u>3,676,317</u>	<u>2,231,383</u>	<u>1,444,934</u>
<i>Net Change in Fund Balance</i>	541,547	537,792	441,436	(96,356)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(537,578)</u>	<u>(537,578)</u>	<u>(537,578)</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$3,969</u>	<u>\$214</u>	<u>(\$96,142)</u>	<u>(\$96,356)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$227,648	\$227,648	\$228,601	\$953
Intergovernmental	289,050	374,050	199,805	(174,245)
Contributions and Donations	187,350	233,983	267,261	33,278
<i>Total Revenues</i>	<u>704,048</u>	<u>835,681</u>	<u>695,667</u>	<u>(140,014)</u>
Expenditures				
Current:				
Public Health Services:				
Salaries	1,158,297	1,223,183	1,205,640	17,543
Fringe Benefits	550,926	530,405	489,036	41,369
Travel and Transportation	49	12	12	0
Professional Services	1,714	800	784	16
Communications	15,303	15,026	14,825	201
Contractual Services	2,254	1,773	1,556	217
Materials and Supplies	80,851	79,312	69,794	9,518
Capital Outlay	23,509	7,693	7,063	630
Other	97,408	82,386	77,460	4,926
<i>Total Expenditures</i>	<u>1,930,311</u>	<u>1,940,590</u>	<u>1,866,170</u>	<u>74,420</u>
<i>Excess of Revenues Under Expenditures</i>	(1,226,263)	(1,104,909)	(1,170,503)	(65,594)
Other Financing Sources				
Transfers In	1,203,200	1,075,200	1,160,000	84,800
<i>Net Change in Fund Balance</i>	(23,063)	(29,709)	(10,503)	19,206
<i>Fund Balance Beginning of Year</i>	48,187	48,187	48,187	0
<i>Prior Year Encumbrances Appropriated</i>	50	50	50	0
<i>Fund Balance End of Year</i>	<u>\$25,174</u>	<u>\$18,528</u>	<u>\$37,734</u>	<u>\$19,206</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,239,900	\$2,159,900	\$2,113,521	(\$46,379)
Licenses, Permits and Fees	108,725	108,725	90,136	(18,589)
Intergovernmental	123,043	87,735	44,717	(43,018)
Miscellaneous	11,470	11,470	12,844	1,374
<i>Total Revenues</i>	<u>2,483,138</u>	<u>2,367,830</u>	<u>2,261,218</u>	<u>(106,612)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire				
Salaries	1,212,842	1,187,029	1,171,025	16,004
Fringe Benefits	254,782	272,536	271,390	1,146
Travel and Transportation	1,274	5	5	0
Professional Services	83,496	68,194	65,645	2,549
Communications	4,410	2,295	2,167	128
Materials and Supplies	51,102	53,383	47,383	6,000
Other	41,062	40,206	34,040	6,166
<i>Total Security of Persons and Property</i>	<u>1,648,968</u>	<u>1,623,648</u>	<u>1,591,655</u>	<u>31,993</u>
Public Health Services:				
Health				
Salaries	302,343	334,280	321,625	12,655
Fringe Benefits	131,307	140,186	139,886	300
Travel and Transportation	5,092	264	263	1
Professional Services	3,971	293	292	1
Communications	10,888	6,489	5,945	544
Contractual Services	104,940	231,177	231,017	160
Materials and Supplies	57,770	5,062	4,737	325
Other	87,660	12,472	11,439	1,033
<i>Total Public Health Services</i>	<u>703,971</u>	<u>730,223</u>	<u>715,204</u>	<u>15,019</u>
<i>Total Expenditures</i>	<u>2,352,939</u>	<u>2,353,871</u>	<u>2,306,859</u>	<u>47,012</u>
<i>Net Change in Fund Balance</i>	130,199	13,959	(45,641)	(59,600)
<i>Fund Balance Beginning of Year</i>	60,358	60,358	60,358	0
<i>Prior Year Encumbrances Appropriated</i>	972	972	972	0
<i>Fund Balance End of Year</i>	<u>\$191,529</u>	<u>\$75,289</u>	<u>\$15,689</u>	<u>(\$59,600)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$2,911,477	\$2,911,477	\$2,987,313	\$75,836
Intergovernmental	359,948	359,948	442,945	82,997
Special Assessments	100,000	100,000	116,840	16,840
Interest	75,000	75,000	63,216	(11,784)
Miscellaneous	15,000	15,000	15,113	113
<i>Total Revenues</i>	<u>3,461,425</u>	<u>3,461,425</u>	<u>3,625,427</u>	<u>164,002</u>
Expenditures				
Current:				
General Government:				
Professional Services	26,000	100,398	100,396	2
Debt Service				
Principal Retirement	8,326,137	8,622,978	8,622,976	2
Interest and Fiscal Charges	1,785,206	1,992,829	1,983,884	8,945
<i>Total Debt Service</i>	<u>10,111,343</u>	<u>10,615,807</u>	<u>10,606,860</u>	<u>8,947</u>
<i>Total Expenditures</i>	<u>10,137,343</u>	<u>10,716,205</u>	<u>10,707,256</u>	<u>8,949</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,675,918)</u>	<u>(7,254,780)</u>	<u>(7,081,829)</u>	<u>172,951</u>
Other Financing Sources				
Notes Issued	5,280,000	5,280,000	4,737,620	(542,380)
Transfers In	1,371,802	1,371,802	1,277,500	(94,302)
<i>Total Other Financing Sources</i>	<u>6,651,802</u>	<u>6,651,802</u>	<u>6,015,120</u>	<u>(636,682)</u>
<i>Net Change in Fund Balance</i>	(24,116)	(602,978)	(1,066,709)	(463,731)
<i>Fund Balance Beginning of Year</i>	<u>1,989,126</u>	<u>1,989,126</u>	<u>1,989,126</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,965,010</u>	<u>\$1,386,148</u>	<u>\$922,417</u>	<u>(\$463,731)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Permanent Capital Improvement Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$31,415	\$31,415
Miscellaneous	0	0	16,084	16,084
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>47,499</u>	<u>47,499</u>
Expenditures				
Current:				
General Government:				
Capital Outlay	818,000	812,728	164,927	647,801
Security of Persons and Property				
Capital Outlay	145,026	87,712	41,936	45,776
Public Health				
Capital Outlay	218,727	208,177	76,164	132,013
Transportation				
Capital Outlay	3,098,114	2,417,164	1,872,947	544,217
Community Environment				
Capital Outlay	60,000	60,000	53,761	6,239
Basic Utility Services				
Capital Outlay	4,123	4,123	932	3,191
Leisure Time Activities				
Capital Outlay	1,281,232	1,214,654	564,407	650,247
Interest and Fiscal Charges	0	(57,970)	(52,628)	5,342
<i>Total Expenditures</i>	<u>5,625,222</u>	<u>4,804,558</u>	<u>2,775,074</u>	<u>2,029,484</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(5,625,222)</u>	<u>(4,804,558)</u>	<u>(2,727,575)</u>	<u>2,076,983</u>
Other Financing Sources (Uses)				
Notes Issued	3,195,000	3,195,000	3,792,000	597,000
Transfers Out	(94,302)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,100,698</u>	<u>3,195,000</u>	<u>3,792,000</u>	<u>597,000</u>
<i>Net Change in Fund Balance</i>	(2,524,524)	(1,609,558)	1,064,425	2,673,983
<i>Fund Balance Beginning of Year</i>	2,701,924	2,701,924	2,701,924	0
<i>Prior Year Encumbrances Appropriated</i>	552,322	552,322	552,322	0
<i>Fund Balance End of Year</i>	<u>\$729,722</u>	<u>\$1,644,688</u>	<u>\$4,318,671</u>	<u>\$2,673,983</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TIF Capital Improvement Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$21,502	\$21,502
Miscellaneous	397,857	425,742	0	(425,742)
<i>Total Revenues</i>	<u>397,857</u>	<u>425,742</u>	<u>21,502</u>	<u>(404,240)</u>
Expenditures				
Current:				
Capital Outlay	842,726	634,233	634,233	0
<i>Net Change in Fund Balance</i>	(444,869)	(208,491)	(612,731)	(404,240)
<i>Fund Balance Beginning of Year</i>	208,492	208,492	208,492	0
<i>Prior Year Encumbrances Appropriated</i>	<u>634,233</u>	<u>634,233</u>	<u>634,233</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$397,856</u>	<u>\$634,234</u>	<u>\$229,994</u>	<u>(\$404,240)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$74,859	\$74,859
Charges for Services	10,540,549	10,540,549	10,045,741	(494,808)
Interest	150,000	150,000	155,824	5,824
Special Assessments	5,000	5,000	34,708	29,708
Notes Issued	0	0	82,280	82,280
Miscellaneous	11,000	11,000	4,239	(6,761)
<i>Total Revenues</i>	<u>10,706,549</u>	<u>10,706,549</u>	<u>10,397,651</u>	<u>(308,898)</u>
Expenses				
Salaries	981,880	948,828	928,374	20,454
Fringe Benefits	404,710	416,132	405,651	10,481
Travel and Transportation	2,842	1,583	217	1,366
Professional Services	150,549	175,060	124,312	50,748
Communications	77,876	64,741	63,934	807
Contractual Services	153,891	128,470	19,456	109,014
Materials and Supplies	99,523	74,875	55,448	19,427
Capital Outlay	1,757,498	1,484,671	1,105,415	379,256
Other	6,303,962	6,802,378	6,349,414	452,964
Debt Service:				
Principal Retirement	1,329,975	1,329,976	1,329,487	489
Interest and Fiscal Charges	623,411	648,259	647,882	377
<i>Total Expenses</i>	<u>11,886,117</u>	<u>12,074,973</u>	<u>11,029,590</u>	<u>1,045,383</u>
<i>Net Change in Fund Equity</i>	(1,179,568)	(1,368,424)	(631,939)	736,485
<i>Fund Equity Beginning of Year</i>	6,091,081	6,091,081	6,091,081	0
<i>Prior Year Encumbrances Appropriated</i>	345,253	345,253	345,253	0
<i>Fund Equity End of Year</i>	<u>\$5,256,766</u>	<u>\$5,067,910</u>	<u>\$5,804,395</u>	<u>\$736,485</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$1,678,086	\$1,678,086	\$1,721,791	\$43,705
Intergovernmental	207,463	207,463	255,292	47,829
Charges for Services	6,127,000	6,127,000	5,775,522	(351,478)
Special Assessments	0	0	7,546	7,546
Notes Issued	0	0	412,100	412,100
Interest	150,000	150,000	78,436	(71,564)
Miscellaneous	0	0	43,073	43,073
<i>Total Revenues</i>	<u>8,162,549</u>	<u>8,162,549</u>	<u>8,293,760</u>	<u>131,211</u>
Expenses				
Salaries	1,963,282	1,965,656	1,895,745	69,911
Fringe Benefits	797,448	814,050	799,536	14,514
Travel and Transportation	5,096	1,883	140	1,743
Professional Services	57,947	68,863	57,784	11,079
Communications	6,615	8,775	8,365	410
Contractual Services	287,476	268,178	165,615	102,563
Materials and Supplies	269,043	256,140	202,825	53,315
Capital Outlay	3,456,059	2,403,051	1,649,956	753,095
Other	982,313	1,017,991	924,652	93,339
Debt Service:				
Principal Retirement	1,941,602	2,035,268	1,922,582	112,686
Interest and Fiscal Charges	1,099,177	1,237,283	1,103,493	133,790
<i>Total Expenses</i>	<u>10,866,058</u>	<u>10,077,138</u>	<u>8,730,693</u>	<u>1,346,445</u>
<i>Excess of Revenues Under Expenses</i>	<u>(2,703,509)</u>	<u>(1,914,589)</u>	<u>(436,933)</u>	<u>(1,477,656)</u>
Other Financing Uses				
Transfers Out	<u>(1,224,360)</u>	<u>(1,224,360)</u>	<u>(850,000)</u>	<u>374,360</u>
<i>Net Change in Fund Equity</i>	<u>(3,927,869)</u>	<u>(3,138,949)</u>	<u>(1,286,933)</u>	<u>1,852,016</u>
<i>Fund Equity Beginning of Year</i>	<u>7,676,269</u>	<u>7,676,269</u>	<u>7,676,269</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>1,624,292</u>	<u>1,624,292</u>	<u>1,624,292</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$5,372,692</u></u>	<u><u>\$6,161,612</u></u>	<u><u>\$8,013,628</u></u>	<u><u>\$1,852,016</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Litter Control Grant Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$0	\$0	\$1,437	\$1,437
Expenditures				
Current:				
Community Environment:				
Refuse				
Travel and Transportation	1,800	36	36	0
Professional Services	1,560	209	209	0
Communications	0	7	7	0
Materials and Supplies	2,845	5,378	5,378	0
Other	14,100	4,203	4,202	1
<i>Total Expenditures</i>	<u>20,305</u>	<u>9,833</u>	<u>9,832</u>	<u>1</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(20,305)	(9,833)	(8,395)	1,438
Other Financing Sources				
Transfers In	5,000	5,000	0	(5,000)
<i>Net Change in Fund Balance</i>	(15,305)	(4,833)	(8,395)	(3,562)
<i>Fund Balance Beginning of Year</i>	22,142	22,142	22,142	0
<i>Fund Balance End of Year</i>	<u>\$6,837</u>	<u>\$17,309</u>	<u>\$13,747</u>	<u>(\$3,562)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Festival Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$4,000	\$4,000	\$4,000	\$0
Expenditures				
Current:				
General Government:				
Mayor's Office				
Salaries	10,000	10,000	4,599	5,401
Fringe Benefits	1,530	1,530	555	975
<i>Total Expenditures</i>	<u>11,530</u>	<u>11,530</u>	<u>5,154</u>	<u>6,376</u>
<i>Net Change in Fund Balance</i>	(7,530)	(7,530)	(1,154)	6,376
<i>Fund Balance Beginning of Year</i>	<u>10,944</u>	<u>10,944</u>	<u>10,944</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,414</u></u>	<u><u>\$3,414</u></u>	<u><u>\$9,790</u></u>	<u><u>\$6,376</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law and Drug Enforcement Trust Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$14,000	\$14,000	\$10,367	(\$3,633)
Intergovernmental	0	0	17,774	17,774
Miscellaneous	30,000	30,000	90,827	60,827
<i>Total Revenues</i>	<u>44,000</u>	<u>44,000</u>	<u>118,968</u>	<u>74,968</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Salaries	15,000	15,000	5,000	10,000
Fringe Benefits	218	917	95	822
Travel and Transportation	17,000	9,394	6,513	2,881
Professional Services	38,000	38,956	34,892	4,064
Communications	4,000	3,200	2,229	971
Contractual Services	1,000	2,000	1,140	860
Materials and Supplies	46,000	26,183	18,160	8,023
Capital Outlay	89,169	42,213	36,958	5,255
Other	40,200	51,525	42,545	8,980
<i>Total Expenditures</i>	<u>250,587</u>	<u>189,388</u>	<u>147,532</u>	<u>41,856</u>
<i>Excess of Revenues</i> <i>(Under) Expenditures</i>	(206,587)	(145,388)	(28,564)	116,824
Other Financing Sources				
Sale of Assets	5,000	5,000	21,664	16,664
<i>Net Change in Fund Balance</i>	(201,587)	(140,388)	(6,900)	133,488
<i>Fund Balance Beginning of Year</i>	239,926	239,926	239,926	0
<i>Unexpended Prior Year Encumbrances</i>	4,000	4,000	4,000	0
<i>Fund Balance End of Year</i>	<u>\$42,339</u>	<u>\$103,538</u>	<u>\$237,026</u>	<u>\$133,488</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Federal Forfeiture Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$0	\$1	\$0	(\$1)
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Capital Outlay	15,715	15,715	5,245	10,470
<i>Net Change in Fund Balance</i>	(15,715)	(15,714)	(5,245)	10,469
<i>Fund Balance Beginning of Year</i>	15,715	15,715	15,715	0
<i>Fund Balance End of Year</i>	\$0	\$1	\$10,470	\$10,469

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$7,826	\$7,826	\$5,506	(\$2,320)
Intergovernmental	10,000	10,000	8,308	(1,692)
<i>Total Revenues</i>	<u>17,826</u>	<u>17,826</u>	<u>13,814</u>	<u>(4,012)</u>
Expenditures				
Current:				
General Government:				
Municipal Court				
Contractual Services	165,000	165,000	14,777	150,223
<i>Net Change in Fund Balance</i>	(147,174)	(147,174)	(963)	146,211
<i>Fund Balance Beginning of Year</i>	147,174	147,174	147,174	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$146,211</u>	<u>\$146,211</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$7,000	\$7,000	\$5,325	(\$1,675)
Intergovernmental	0	0	500	500
Miscellaneous	2,100	2,100	2,800	700
<i>Total Revenues</i>	<u>9,100</u>	<u>9,100</u>	<u>8,625</u>	<u>(475)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Materials and Supplies	20,000	23,000	2,773	20,227
Capital Outlay	65,000	59,725	7,530	52,195
<i>Total Expenditures</i>	<u>85,000</u>	<u>82,725</u>	<u>10,303</u>	<u>72,422</u>
<i>Net Change in Fund Balance</i>	(75,900)	(73,625)	(1,678)	71,947
<i>Fund Balance Beginning of Year</i>	<u>79,454</u>	<u>79,454</u>	<u>79,454</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,554</u>	<u>\$5,829</u>	<u>\$77,776</u>	<u>\$71,947</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Political Subdivision Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$4,250	\$4,250	\$2,532	(\$1,718)
Expenditures				
Current:				
General Government:				
Municipal Court				
Professional Services	4,250	4,250	0	0
<i>Net Change in Fund Balance</i>	0	0	2,532	2,532
<i>Fund Balance Beginning of Year</i>	9,208	9,208	9,208	0
<i>Fund Balance End of Year</i>	<u>\$9,208</u>	<u>\$9,208</u>	<u>\$11,740</u>	<u>\$2,532</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Computer Research and Maintenance Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$31,145	\$31,145	\$36,216	\$5,071
Expenditures				
Current:				
General Government:				
Municipal Court				
Contractual Services	41,978	41,978	18,500	23,478
<i>Net Change in Fund Balance</i>	(10,833)	(10,833)	17,716	28,549
<i>Fund Balance Beginning of Year</i>	10,833	10,833	10,833	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$28,549</u>	<u>\$28,549</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$100,001	\$100,001	\$143,191	\$43,190
Expenditures				
Current:				
General Government:				
Municipal Court				
Salaries	0	223	148	75
Fringe Benefits	0	30	23	7
Professional Services	0	2,595	1,730	865
Contractual Services	48,411	45,027	44,437	590
Materials and Supplies	0	5,544	3,922	1,622
Capital Outlay	104,181	70,078	25,325	44,753
<i>Total Expenditures</i>	<u>152,592</u>	<u>123,497</u>	<u>75,585</u>	<u>47,912</u>
<i>Net Change in Fund Balance</i>	(52,591)	(23,496)	67,606	91,102
<i>Fund Balance Beginning of Year</i>	<u>52,592</u>	<u>52,592</u>	<u>52,592</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$29,096</u>	<u>\$120,198</u>	<u>\$91,102</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Court Probation Services Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$35,000	\$67,050	\$38,809	(\$28,241)
Expenditures				
Current:				
General Government:				
Municipal Court				
Salaries	0	28,530	24,462	4,068
Fringe Benefits	0	4,513	3,771	742
Travel and Transportation	0	1,603	1,603	0
Professional Services	89,084	82,799	7,272	75,527
Materials and Supplies	0	1,527	1,017	510
Capital Outlay	0	2,150	1,433	717
<i>Total Expenditures</i>	<u>89,084</u>	<u>121,122</u>	<u>39,558</u>	<u>81,564</u>
<i>Net Change in Fund Balance</i>	(54,084)	(54,072)	(749)	53,323
<i>Fund Balance Beginning of Year</i>	<u>54,084</u>	<u>54,084</u>	<u>54,084</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$12</u>	<u>\$53,335</u>	<u>\$53,323</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Indigent Drivers Interlock and Alcohol Monitoring Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$0	\$500	\$500	\$0
Expenditures				
Current:				
General Government:				
Municipal Court				
Professional Services	0	500	0	500
<i>Net Change in Fund Balance</i>	0	0	500	500
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$500	\$500

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Emergency Shelter Grant Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$127,445	\$127,445	\$100,037	(\$27,408)
Expenditures				
Current:				
Community Environment:				
Planning and Development				
Salaries	34,000	34,000	26,825	7,175
Fringe Benefits	5,115	5,115	3,846	1,269
Contractual Services	88,330	88,486	65,363	23,123
<i>Total Expenditures</i>	<u>127,445</u>	<u>127,601</u>	<u>96,034</u>	<u>31,567</u>
<i>Net Change in Fund Balance</i>	0	(156)	4,003	4,159
<i>Fund Balance Beginning of Year</i>	<u>638</u>	<u>638</u>	<u>638</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$638</u>	<u>\$482</u>	<u>\$4,641</u>	<u>\$4,159</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
HOME Investment Program Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$526,000	\$526,000	\$312,392	(\$213,608)
Expenditures				
Current:				
Community Environment:				
Planning and Development				
Salaries	20,000	17,698	13,300	4,398
Fringe Benefits	3,100	3,100	2,060	1,040
Travel and Transportation	0	202	202	0
Other	476,900	479,000	479,000	0
<i>Total Expenditures</i>	<u>500,000</u>	<u>500,000</u>	<u>494,562</u>	<u>5,438</u>
<i>Net Change in Fund Balance</i>	26,000	26,000	(182,170)	(208,170)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(25,607)</u>	<u>(25,607)</u>	<u>(25,607)</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$393</u>	<u>\$393</u>	<u>(\$207,777)</u>	<u>(\$208,170)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lead-Based Paint Hazard Control Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$75,000	\$75,000	\$0	(\$75,000)
Expenditures				
Current:				
Community Environment:				
Planning and Development				
Other	75,000	0	0	0
<i>Net Change in Fund Balance</i>	0	75,000	0	(75,000)
<i>Fund Balance Beginning of Year</i>	2	2	2	0
<i>Fund Balance End of Year</i>	<u>\$2</u>	<u>\$75,002</u>	<u>\$2</u>	<u>(\$75,000)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Little Links Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>6,156</u>	<u>6,156</u>	<u>6,156</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,156</u></u>	<u><u>\$6,156</u></u>	<u><u>\$6,156</u></u>	<u><u>\$0</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Help-to-Others Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$10,500	\$10,500	\$10,680	\$180
Intergovernmental	10,000	22,402	12,402	(10,000)
Miscellaneous	27,500	27,500	22,985	(4,515)
<i>Total Revenues</i>	<u>48,000</u>	<u>60,402</u>	<u>46,067</u>	<u>(14,335)</u>
Expenditures				
Current:				
Community Environment:				
Youth				
Salaries	36,217	31,201	30,333	868
Fringe Benefits	5,595	5,108	4,682	426
Professional Services	500	0	0	0
Communications	720	643	541	102
Materials and Supplies	3,850	6,776	5,485	1,291
Other	1,450	1,593	909	684
<i>Total Expenditures</i>	<u>48,332</u>	<u>45,321</u>	<u>41,950</u>	<u>3,371</u>
<i>Net Change in Fund Balance</i>	(332)	15,081	4,117	(10,964)
<i>Fund Balance Beginning of Year</i>	<u>2,069</u>	<u>2,069</u>	<u>2,069</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,737</u>	<u>\$17,150</u>	<u>\$6,186</u>	<u>(\$10,964)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$32,360	\$32,360	\$30,836	(\$1,524)
Miscellaneous	5,000	5,000	3,830	(1,170)
<i>Total Revenues</i>	<u>37,360</u>	<u>37,360</u>	<u>34,666</u>	<u>(2,694)</u>
Expenditures				
Current:				
Public Health Services:				
Youth				
Salaries	32,360	24,411	24,410	1
Fringe Benefits	5,000	3,794	3,792	2
Materials and Supplies	25	1,646	29	1,617
<i>Total Expenditures</i>	<u>37,385</u>	<u>29,851</u>	<u>28,231</u>	<u>1,620</u>
<i>Net Change in Fund Balance</i>	(25)	7,509	6,435	(1,074)
<i>Fund Balance Beginning of Year</i>	11,309	11,309	11,309	0
<i>Prior Years Encumbrances Appropriated</i>	25	25	25	0
<i>Fund Balance End of Year</i>	<u>\$11,309</u>	<u>\$18,843</u>	<u>\$17,769</u>	<u>(\$1,074)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Family Day Care Home Project Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$221,000	\$221,000	\$79,426	(\$141,574)
Expenditures				
Current				
Community Environment:				
Child Care				
Salaries	32,515	10,145	10,144	1
Fringe Benefits	5,023	1,568	1,567	1
Travel and Transportation	890	139	138	1
Professional Services	240	15	15	0
Communications	450	0	0	0
Contractual Services	180,000	62,780	62,780	0
Materials and Supplies	770	0	0	0
Other	700	102	102	0
<i>Total Expenditures</i>	<u>220,588</u>	<u>74,749</u>	<u>74,746</u>	<u>3</u>
<i>Net Change in Fund Balance</i>	412	146,251	4,680	(141,571)
<i>Fund Balance Beginning of Year</i>	<u>1,091</u>	<u>1,091</u>	<u>1,091</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,503</u></u>	<u><u>\$147,342</u></u>	<u><u>\$5,771</u></u>	<u><u>(\$141,571)</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Family to Family Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$389,827	\$389,827	\$306,340	(\$83,487)
Miscellaneous	0	7,400	36,251	28,851
<i>Total Revenues</i>	<u>389,827</u>	<u>397,227</u>	<u>342,591</u>	<u>(54,636)</u>
Expenditures				
Current:				
Community Environment:				
Child Care				
Salaries	247,937	267,620	266,177	1,443
Fringe Benefits	39,077	40,035	40,035	0
Travel and Transportation	2,200	4,520	4,519	1
Professional Services	63,800	14,479	13,496	983
Communications	2,252	1,707	1,690	17
Contractual Services	1,000	911	907	4
Materials and Supplies	7,500	25,193	12,797	12,396
Other	11,400	28,068	24,490	3,578
<i>Total Expenditures</i>	<u>375,166</u>	<u>382,533</u>	<u>364,111</u>	<u>18,422</u>
<i>Net Change in Fund Balance</i>	14,661	14,694	(21,520)	(36,214)
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(14,661)</u>	<u>(14,661)</u>	<u>(14,661)</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>\$33</u>	<u>(\$36,181)</u>	<u>(36,214)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$57,792	\$152,106	\$44,098	(\$108,008)
Expenditures				
Current:				
Community Environment:				
Professional Services	0	47,453	47,453	0
Capital	52,676	27,925	27,924	1
<i>Total Expenditures</i>	<u>52,676</u>	<u>75,378</u>	<u>75,377</u>	<u>1</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	5,116	76,728	(31,279)	(108,007)
Other Financing Sources				
Transfers In	0	18,862	0	(18,862)
<i>Net Change in Fund Balance</i>	5,116	95,590	(31,279)	(126,869)
<i>Fund Balance Beginning of Year</i>	3,327	3,327	3,327	0
<i>Prior Year Encumbrances Appropriated</i>	27,952	27,952	27,952	0
<i>Fund Balance End of Year</i>	<u>\$36,395</u>	<u>\$126,869</u>	<u>\$0</u>	<u>(126,869)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
TIF Bond Retirement Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$378,806	\$378,806	\$0	(\$378,806)
Intergovernmental	18,544	18,544	17,176	(1,368)
Payment in Lieu of Taxes	507	507	340,341	339,834
<i>Total Revenues</i>	<u>397,857</u>	<u>397,857</u>	<u>357,517</u>	<u>(40,340)</u>
Expenditures				
Current:				
Other	0	77,268	77,267	1
Debt Service:				
Principal Retirement	30,156	15,000	15,000	0
Interest and Fiscal Charges	241,480	271,793	256,636	15,157
<i>Total Expenditures</i>	<u>271,636</u>	<u>364,061</u>	<u>348,903</u>	<u>15,158</u>
<i>Net Change in Fund Balance</i>	126,221	33,796	8,614	(25,182)
<i>Fund Balance Beginning of Year</i>	<u>48,358</u>	<u>48,358</u>	<u>48,358</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$174,579</u>	<u>\$82,154</u>	<u>\$56,972</u>	<u>(\$25,182)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakehouse Breakwall Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>15,262</u>	<u>15,262</u>	<u>15,262</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$15,262</u>	<u>\$15,262</u>	<u>\$15,262</u>	<u>\$0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2008

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

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
City Park Improvement Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$15,000	\$15,000	\$24,102	\$9,102
Expenditures				
Current:				
Leisure Time Activities:				
Capital Outlay	40,150	40,150	0	40,150
<i>Net Change in Fund Balance</i>	(25,150)	(25,150)	24,102	49,252
<i>Fund Balance Beginning of Year</i>	29,453	29,453	29,453	0
<i>Fund Balance End of Year</i>	<u>\$4,303</u>	<u>\$4,303</u>	<u>\$53,555</u>	<u>\$49,252</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Parking Facilities Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$337,778	\$337,778	\$332,999	(\$4,779)
Bond Proceeds	0	133,900	0	(133,900)
Miscellaneous	1,000	1,000	1,042	42
<i>Total Revenues</i>	<u>338,778</u>	<u>472,678</u>	<u>334,041</u>	<u>(138,637)</u>
Expenses				
Salaries	139,320	143,234	140,902	2,332
Fringe Benefits	64,780	66,186	65,139	1,047
Professional Services	196	50	26	24
Communications	740	525	478	47
Contractual Services	13,973	13,515	13,509	6
Materials and Supplies	104,003	104,003	103,513	490
Capital	38,478	38,478	34,915	3,563
Other	108,899	114,178	110,969	3,209
Debt Service:				
Principal Retirement	30,886	2,932	2,351	581
Interest and Fiscal Charges	42	42	42	0
<i>Total Expenses</i>	<u>501,317</u>	<u>483,143</u>	<u>471,844</u>	<u>11,299</u>
<i>Net Change in Fund Equity</i>	(162,539)	(10,465)	(137,803)	(127,338)
<i>Fund Equity Beginning of Year</i>	18,441	18,441	18,441	0
<i>Prior Year Encumbrances Appropriated</i>	144,340	144,340	144,340	0
<i>Fund Equity End of Year</i>	<u>\$242</u>	<u>\$152,316</u>	<u>\$24,978</u>	<u>(\$127,338)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Winterhurst Ice Rink Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$790,600	\$425,349	\$469,879	\$44,530
Miscellaneous	5,000	5,000	5,030	30
<i>Total Revenues</i>	<u>795,600</u>	<u>430,349</u>	<u>474,909</u>	<u>44,560</u>
Expenses				
Salaries	290,691	178,244	176,438	1,806
Fringe Benefits	67,915	58,103	53,494	4,609
Travel and Transportation	593	0	0	0
Professional Services	10,756	8,159	7,158	1,001
Communications	3,420	1,887	1,884	3
Contractual Services	4,800	3,709	2,905	804
Materials and Supplies	106,658	99,340	99,336	4
Utilities	15,989	15,989	15,989	0
Other	431,393	204,916	197,759	7,157
Debt Service:				
Interest and Fiscal Charges	164,634	5,516	5,516	0
<i>Total Expenses</i>	<u>1,096,849</u>	<u>575,863</u>	<u>560,479</u>	<u>15,384</u>
<i>Excess of Revenues</i>				
<i>Under Expenses</i>	(301,249)	(145,514)	(85,570)	59,944
Other Financing Sources				
Transfers In	228,340	75,000	75,000	0
<i>Net Change in Fund Equity</i>	(72,909)	(70,514)	(10,570)	59,944
<i>Fund Equity Beginning of Year</i>	72,972	72,972	72,972	0
<i>Prior Year Encumbrances Appropriated</i>	5,337	5,337	5,337	0
<i>Fund Equity End of Year</i>	<u>\$5,400</u>	<u>\$7,795</u>	<u>\$67,739</u>	<u>\$59,944</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$4,950,435	\$4,950,435	\$4,986,337	\$35,902
Miscellaneous	590,000	590,000	638,673	48,673
<i>Total Revenues</i>	<u>5,540,435</u>	<u>5,540,435</u>	<u>5,625,010</u>	<u>84,575</u>
Expenses				
Professional Services	20,678	26,440	13,911	12,529
Claims	5,748,860	5,748,860	5,149,599	599,261
<i>Total Expenses</i>	<u>5,769,538</u>	<u>5,775,300</u>	<u>5,163,510</u>	<u>611,790</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(229,103)	(234,865)	461,500	(527,215)
Other Financing Sources				
Transfers In	199,572	199,572	200,000	(428)
<i>Net Change in Fund equity</i>	(29,531)	(35,293)	661,500	(696,793)
<i>Fund Equity Beginning of Year</i>	<u>71,440</u>	<u>71,440</u>	<u>71,440</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$41,909</u>	<u>\$36,147</u>	<u>\$732,940</u>	<u>(\$696,793)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$731,482	\$765,482	\$762,666	(\$2,816)
Miscellaneous	0	0	6,306	6,306
<i>Total Revenues</i>	<u>731,482</u>	<u>765,482</u>	<u>768,972</u>	<u>3,490</u>
Expenses				
Professional Services	40,180	46,770	31,120	15,650
Workers' Compensation Premiums	0	95,000	94,406	594
Workers' Compensation Claims	642,468	674,924	657,419	17,505
<i>Total Expenses</i>	<u>682,648</u>	<u>816,694</u>	<u>782,945</u>	<u>33,749</u>
<i>Excess of Revenues Over (Under) Expenses</i>	48,834	(51,212)	(13,973)	37,239
Other Financing Sources (Uses)				
Transfers In	28,518	28,518	44,000	15,482
Advance Out	(96,040)	0	0	0
<i>Net Change in Fund Equity</i>	<u>(18,688)</u>	<u>(22,694)</u>	<u>30,027</u>	<u>52,721</u>
<i>Fund Equity Beginning of Year</i>	<u>23,225</u>	<u>23,225</u>	<u>23,225</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$4,537</u>	<u>\$531</u>	<u>\$53,252</u>	<u>\$52,721</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
General Liability Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$69	\$69
Expenses				
Claim Payments	0	0	0	0
<i>Net Change in Fund Equity</i>	0	0	69	69
<i>Fund Equity Beginning of Year</i>	2,440	2,440	2,440	0
<i>Fund Equity End of Year</i>	<u>\$2,440</u>	<u>\$2,440</u>	<u>\$2,509</u>	<u>\$69</u>

City of Lakewood, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2-S9
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and income taxes.	S10-S16
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S17-S25
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	S26-S28
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	S29-S35
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented Statement 34 in 2003; schedules presenting government-wide Information include information beginning in that year.	

City of Lakewood, Ohio
Net Assets By Component
Last Six Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005	2004	2003
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$19,375,518	\$17,864,648	\$16,735,176	\$15,964,667	\$17,763,254	\$17,327,755
Restricted:						
Capital Projects	1,568,527	3,092,758	5,935,384	4,895,203	165,163	2,912,382
Debt Service	679,404	1,543,403	587,899	1,128,628	1,621,445	1,630,679
Other Purposes	4,200,917	4,660,608	5,108,771	5,388,015	5,322,703	5,737,283
Unrestricted	6,971,771	2,938,295	4,117,183	6,551,993	7,853,008	9,193,124
<i>Total Governmental Activities Net Assets</i>	<u>32,796,137</u>	<u>30,099,712</u>	<u>32,484,413</u>	<u>33,928,506</u>	<u>32,725,573</u>	<u>36,801,223</u>
Business Type - Activities						
Invested in Capital Assets, Net of Related Debt	41,695,568	37,309,591	34,117,056	25,918,138	29,906,268	29,906,268
Restricted for Debt Service	1,142,968	1,109,163	923,400	0	0	0
Restricted for Replacement and Improvement	195,417	193,550	186,270	561,240	551,039	551,039
Unrestricted (Deficit)	4,792,105	5,422,785	7,311,753	15,625,642	10,302,691	10,302,691
<i>Total Business-Type Activities Net Assets</i>	<u>47,826,058</u>	<u>44,035,089</u>	<u>42,538,479</u>	<u>42,105,020</u>	<u>40,759,998</u>	<u>40,759,998</u>
Primary Government						
Invested in Capital Assets, Net of Related Debt	61,071,086	55,174,239	50,852,232	41,882,805	47,669,522	47,234,023
Restricted	7,787,233	10,599,482	12,741,724	11,973,086	7,660,350	10,831,383
Unrestricted	11,763,876	8,361,080	11,428,936	22,177,635	18,155,699	19,495,815
<i>Total Primary Government Net Assets</i>	<u>\$80,622,195</u>	<u>\$74,134,801</u>	<u>\$75,022,892</u>	<u>\$76,033,526</u>	<u>\$73,485,571</u>	<u>\$77,561,221</u>

City of Lakewood, Ohio
Changes in Net Assets
Last Six Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005	2004	2003
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	\$4,235,783	\$4,228,572	\$2,881,832	\$2,785,961	\$2,778,441	\$3,024,746
Security of Persons and Property						
Police	242,444	214,450	177,258	126,981	60,864	297,746
Fire	2,147,823	2,249,911	2,233,708	2,170,604	2,181,841	2,162,227
Public Health Services	318,737	335,613	3,600	3,600	2,003	55,906
Community Environment	10,680	10,500	1,796,475	1,068,342	860,495	646,650
Basic Utility Services		0	0	0	13,181	20,127
Leisure Time Activities		0	0	0	20,470	6,663
Subtotal - Charges for Services	<u>6,955,467</u>	<u>7,039,046</u>	<u>7,092,873</u>	<u>6,155,488</u>	<u>5,917,295</u>	<u>6,214,065</u>
Operating Grants and Contributions:						
General Government	474,840	0	0	0	0	4,228,805
Security of Persons and Property						
Police	472,948	18,653	3,575	12,542	15,169	17,478
Fire	0	0	337,710	357,124	133,687	0
Public Health Services	493,394	468,559	833,675	685,267	68,250	470,837
Transportation	1,950,418	1,927,847	2,050,027	1,899,723	1,802,541	1,526,475
Community Environment	3,039,646	4,300,068	3,320,754	3,748,255	2,977,498	3,150,615
Subtotal - Operating Grants and Contributions	<u>6,431,246</u>	<u>6,715,127</u>	<u>6,545,741</u>	<u>6,702,911</u>	<u>4,997,145</u>	<u>9,394,210</u>
Capital Grants and Contributions:						
Community Environment	<u>0</u>	<u>0</u>	<u>584,601</u>	<u>3,579</u>	<u>0</u>	<u>243,000</u>
<i>Total Governmental Activities Program Revenues</i>	<u>13,386,713</u>	<u>13,754,173</u>	<u>14,223,215</u>	<u>12,861,978</u>	<u>10,914,440</u>	<u>15,851,275</u>
Business-Type Activities:						
Charges for Services:						
Water	10,298,731	10,143,589	8,395,321	8,661,772	8,494,114	8,470,922
Sewer	5,947,043	5,184,560	4,107,108	4,318,539	3,779,202	3,301,936
Parking	332,999	292,127	290,561	294,385	290,229	278,749
Winterhurst Ice Rink	427,031	793,387	686,619	725,506	714,895	703,880
Congregate Living	0	0	0	0	5,594	8,681
Subtotal - Charges for Services	<u>17,005,804</u>	<u>16,413,663</u>	<u>13,479,609</u>	<u>14,000,202</u>	<u>13,284,034</u>	<u>12,764,168</u>
Operating Grants and Contributions:						
Water	74,859	1,044,113	0	0	0	0
Sewer	152,949	310,993	0	0	0	294,659
Subtotal - Operating Grants and Contributions	<u>227,808</u>	<u>1,355,106</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>294,659</u>
Capital Grants and Contributions:						
Winterhurst Ice Rink	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>19,233,612</u>	<u>17,768,769</u>	<u>13,479,609</u>	<u>14,000,202</u>	<u>13,284,034</u>	<u>13,058,827</u>
<i>Total Primary Government Program Revenues</i>	<u>\$32,620,325</u>	<u>\$31,522,942</u>	<u>\$27,702,824</u>	<u>\$26,862,180</u>	<u>\$24,198,474</u>	<u>\$28,910,102</u>

(continued)

City of Lakewood, Ohio
Changes in Net Assets (continued)
Last Six Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005	2004	2003
Expenses						
Governmental Activities:						
General Government	\$7,620,762	\$9,599,299	\$8,110,235	\$7,851,426	\$7,759,070	\$8,348,643
Security of Persons and Property						
Police	12,371,712	12,035,903	11,907,585	10,686,045	10,811,935	10,663,939
Fire	10,289,314	11,028,498	10,241,053	9,949,694	9,374,854	8,353,682
Public Health Services	3,280,667	4,211,759	4,784,768	4,310,861	4,361,672	3,455,966
Transportation	2,969,914	3,480,710	2,655,600	2,880,797	2,971,847	2,698,191
Community Environment	5,622,461	6,798,564	6,628,671	6,417,757	8,478,583	5,736,330
Basic Utility Services	4,700,773	5,450,051	5,026,300	4,340,798	4,470,994	4,428,339
Leisure Time Activities	2,020,450	2,159,191	1,955,303	2,097,492	2,158,300	2,049,816
Interest and Fiscal Charges	2,064,970	1,898,099	1,936,679	1,781,467	1,565,095	1,573,622
<i>Total Governmental Activities Expenses</i>	<u>50,941,023</u>	<u>56,662,074</u>	<u>53,246,194</u>	<u>50,316,337</u>	<u>51,952,350</u>	<u>47,308,528</u>
Business-Type Activities						
Water	9,289,887	9,612,007	8,403,497	8,539,662	8,252,561	7,658,226
Sewer	6,585,346	7,606,437	5,734,921	5,022,961	4,669,597	4,812,015
Parking	305,295	419,733	482,642	300,901	325,724	308,401
Winterhurst Ice Rink	740,804	732,973	1,257,948	969,391	969,745	1,080,250
Congregate Living	0	0	0	64,297	4,853	9,346
<i>Total Business-Type Activities Expenses</i>	<u>16,921,332</u>	<u>18,371,150</u>	<u>15,879,008</u>	<u>14,897,212</u>	<u>14,222,480</u>	<u>13,868,238</u>
<i>Total Primary Government Expenses</i>	<u>67,862,355</u>	<u>75,033,224</u>	<u>69,125,202</u>	<u>65,213,549</u>	<u>66,174,830</u>	<u>61,176,766</u>
Net (Expense)/Revenue						
Governmental Activities	(37,554,310)	(42,907,901)	(39,022,979)	(37,454,359)	(41,037,910)	(31,457,253)
Business-Type Activities	2,312,280	(602,381)	(2,399,399)	(897,010)	(938,446)	(809,411)
<i>Total Primary Government Net (Expense) Revenue</i>	<u>(\$35,242,030)</u>	<u>(\$43,510,282)</u>	<u>(\$41,422,378)</u>	<u>(\$38,351,369)</u>	<u>(\$41,976,356)</u>	<u>(\$32,266,664)</u>

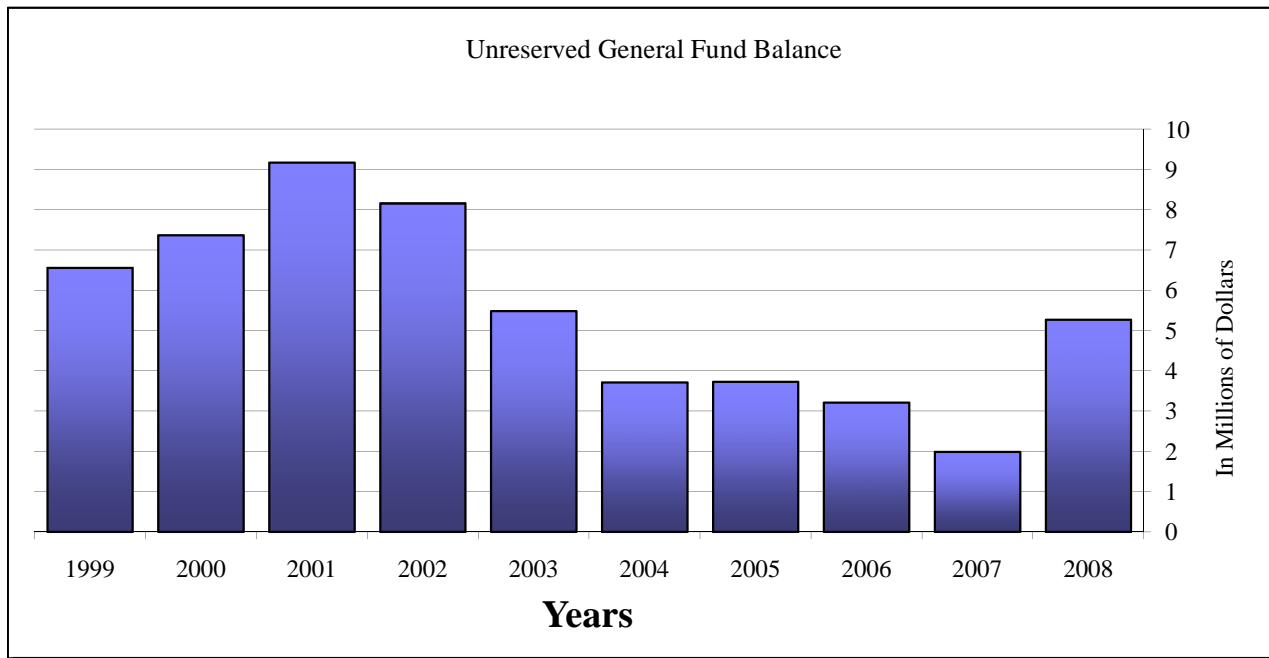
(continued)

City of Lakewood, Ohio
Changes in Net Assets (continued)
Last Six Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes:						
Property and Other Local Taxes Levied For:						
General Purposes	\$7,464,079	\$7,676,479	\$6,880,029	\$6,982,259	\$6,984,616	\$5,863,577
Police and Fire Pension	2,823,756	2,911,150	2,613,672	2,589,687	2,644,603	2,247,896
Debt Service	2,987,313	3,079,771	2,765,061	2,590,336	2,788,706	2,379,067
Payments in Lieu of Taxes	340,341	368,523	241,589	241,480	100,617	0
Municipal Income Taxes levied for:						
General Purposes	19,348,017	18,246,523	16,955,457	16,537,268	17,064,294	15,412,865
Grants and Entitlements not Restricted to Specific Programs	5,668,748	6,482,563	6,729,258	7,713,363	7,085,654	2,540,663
Investment Income	533,257	1,130,083	1,479,546	830,725	396,491	483,266
Miscellaneous	550,472	295,266	364,274	246,757	402,279	408,462
<i>Total Governmental Activities</i>	<u>39,715,983</u>	<u>40,190,358</u>	<u>38,028,886</u>	<u>37,731,875</u>	<u>37,467,260</u>	<u>29,335,796</u>
Business-Type Activities						
Property and Other Local Taxes Levied For:						
General Purposes	1,724,040	1,775,081	1,593,691	1,579,441	1,612,757	1,441,091
Grants and Entitlements not Restricted to Specific Programs	0	0	205,895	212,063	203,039	0
Gain on Sale of Capital Assets	0	0	0	180,250	0	0
Investment Income	237,593	636,665	565,729	230,974	92,690	47,433
Miscellaneous	51,808	20,087	17,543	2,113	26,408	3,802
<i>Total Business-Type Activities</i>	<u>2,013,441</u>	<u>2,431,833</u>	<u>2,382,858</u>	<u>2,204,841</u>	<u>1,934,894</u>	<u>1,492,326</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>41,729,424</u>	<u>42,622,191</u>	<u>40,411,744</u>	<u>39,936,716</u>	<u>39,402,154</u>	<u>30,828,122</u>
Transfers						
Governmental Activities	534,752	332,842	(450,000)	(37,191)	(505,000)	(200,000)
Business-Type Activities	(534,752)	(332,842)	450,000	37,191	505,000	200,000
Restatements						
Governmental Activities	0	0	0	962,608	0	(1,894,358)
Business-Type Activities	0	0	0	0	0	(118,139)
Change in Net Assets						
Governmental Activities	2,696,425	(2,384,701)	(1,444,093)	1,202,933	(4,075,650)	(4,215,815)
Business-Type Activities	3,790,969	1,496,610	433,459	1,345,022	1,501,448	764,776
<i>Total Primary Government Change in Net Assets</i>	<u>\$6,487,394</u>	<u>(\$888,091)</u>	<u>(\$1,010,634)</u>	<u>\$2,547,955</u>	<u>(\$2,574,202)</u>	<u>(\$3,451,039)</u>

City of Lakewood, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005
General Fund				
Reserved	\$11,114	\$69,864	\$94,715	\$294,921
Unreserved	5,266,492	1,986,309	3,212,313	3,724,852
Total General Fund	5,277,606	2,056,173	3,307,028	4,019,773
All Other Governmental Funds				
Reserved	3,131,139	3,823,391	3,237,102	3,771,588
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	780,071	1,773,409	2,514,850	2,489,614
Debt Service Funds	343,522	1,698,091	685,942	1,245,313
Capital Projects Funds	2,767,904	1,906,203	4,457,614	3,283,734
Total All Other Governmental Funds	7,022,636	9,201,094	10,895,508	10,790,249
Total Governmental Funds	\$12,300,242	\$11,257,267	\$14,202,536	\$14,810,022



2004	2003	2002	2001	2000	1999
\$124,134	\$102,195	\$348,721	\$787,171	\$586,170	\$670,945
3,713,592	5,479,860	8,157,458	9,168,341	7,370,180	6,559,127
3,837,726	5,582,055	8,506,179	9,955,512	7,956,350	7,230,072
6,034,201	3,832,595	4,680,406	5,532,769	5,908,464	4,871,298
1,371,018	2,159,101	3,682,507	2,270,464	1,669,091	1,179,124
1,519,878	1,162,940	868,636	784,864	1,353,785	1,978,231
2,806,361	2,196,372	(4,218,676)	(1,031,261)	(7,995)	(3,209,549)
11,731,458	9,351,008	5,012,873	7,556,836	8,923,345	4,819,104
\$15,569,184	\$14,933,063	\$13,519,052	\$17,512,348	\$16,879,695	\$12,049,176

City of Lakewood, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005	2004
Revenues					
Property Taxes	\$13,257,834	\$13,502,272	\$12,316,987	\$12,388,236	\$12,388,112
Payments in Lieu of Taxes	340,341	368,523	241,589	241,480	100,617
Municipal Income Taxes	18,480,218	18,143,485	17,080,608	17,785,152	16,842,902
Charges for Services	3,033,174	3,494,517	3,597,914	3,479,982	3,432,921
Licenses, Permits and Fees	1,971,510	2,035,413	1,930,932	1,159,966	939,434
Fines and Forfeitures	1,710,782	1,458,771	1,535,840	1,385,746	1,478,391
Intergovernmental	11,824,139	13,239,249	13,184,935	13,989,782	12,359,013
Special Assessments	240,001	123,219	105,230	91,836	84,302
Interest	533,257	1,130,083	1,479,546	830,725	396,491
Contributions and Other	817,733	381,542	752,522	510,219	402,279
<i>Total Revenues</i>	<u>52,208,989</u>	<u>53,877,074</u>	<u>52,226,103</u>	<u>51,863,124</u>	<u>48,424,462</u>
Expenditures					
Current:					
General Government	7,930,675	8,607,515	7,261,972	7,215,127	7,601,675
Security of Persons and Property					
Police	12,139,328	11,678,468	11,484,234	10,598,682	10,662,735
Fire	10,088,610	10,567,772	10,080,039	9,573,450	9,304,473
Public Health Services	3,352,685	4,089,118	4,501,420	4,258,873	4,286,363
Transportation	1,980,543	2,617,950	1,770,566	2,057,427	2,175,057
Community Environment	5,669,977	6,787,327	6,619,518	6,359,746	5,656,644
Basic Utilities Services	4,466,994	5,089,792	4,661,348	4,094,876	4,328,373
Leisure Time Activities	1,733,290	1,944,398	1,809,858	1,912,849	1,962,346
Capital Outlay	5,280,879	4,525,704	3,838,417	6,132,047	5,422,606
Debt Service:					
Principal Retirement	8,637,976	11,230,978	2,905,047	9,353,547	5,652,579
Interest and Fiscal Charges	2,057,441	1,924,401	1,794,537	1,738,257	1,505,688
Bond Issuance Costs	0	300,690	0	225,403	306,388
<i>Total Expenditures</i>	<u>63,338,398</u>	<u>69,364,113</u>	<u>56,726,956</u>	<u>63,520,284</u>	<u>58,864,927</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(11,129,409)</u>	<u>(15,487,039)</u>	<u>(4,500,853)</u>	<u>(11,657,160)</u>	<u>(10,440,465)</u>
Other Financing Sources (Uses)					
Bonds Issued	0	10,520,000	0	6,495,637	4,265,000
Refunding Bonds Issued	0	0	0	7,335,000	0
Notes Issued	7,771,000	5,374,000	8,311,000	4,228,000	7,064,800
Loans Received	0	0	0	0	0
Premium	0	57,987	5,367	241,575	30,823
Sale of Assets	0	0	0	5,500	7,592
Inception of Capital Lease	4,110,632	1,375,314	0	10,137	0
Current Refunding	0	0	(3,973,000)	0	0
Payment to Refunded Bond Escrow Agent	0	(4,844,725)	0	(7,380,660)	0
Reimbursements Received	0	0	0	0	0
Transfers In	3,077,261	3,631,000	1,969,098	3,970,791	2,620,130
Transfers Out	(2,786,509)	(3,571,806)	(2,419,098)	(4,007,982)	(3,125,130)
<i>Total Other Financing Sources (Uses)</i>	<u>12,172,384</u>	<u>12,541,770</u>	<u>3,893,367</u>	<u>10,897,998</u>	<u>10,863,215</u>
<i>Restatements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>213,371</u>
<i>Net Change in Fund Balances</i>	<u>\$1,042,975</u>	<u>(\$2,945,269)</u>	<u>(\$607,486)</u>	<u>(\$759,162)</u>	<u>\$636,121</u>
Debt Service as a Percentage of Noncapital Expenditures	18.5%	20.7%	9.3%	18.5%	13.6%

2003	2002	2001	2000	1999
\$10,332,736	\$11,320,813	\$12,210,830	\$10,839,678	\$10,664,427
0	0	0	0	0
16,626,831	16,615,806	16,989,915	15,563,053	15,369,805
3,776,654	2,684,835	2,584,971	2,415,852	1,648,298
718,147	698,661	765,485	632,935	631,768
1,594,776	1,235,195	1,163,004	1,180,221	1,237,830
12,180,349	12,821,281	11,344,560	10,538,724	11,658,560
196,560	167,359	115,561	96,663	100,171
483,266	839,181	1,166,804	1,808,779	1,096,232
408,462	1,137,725	325,033	1,228,711	1,315,096
<u>46,317,781</u>	<u>47,520,856</u>	<u>46,666,163</u>	<u>44,304,616</u>	<u>43,722,187</u>
8,335,408	7,132,996	6,137,933	6,231,767	6,133,239
10,118,491	17,408,734	21,757,271	16,041,238	14,915,340
9,394,378				
3,532,193	3,137,717	3,074,905	3,667,836	3,475,385
2,337,498	1,912,861	2,252,170	2,018,050	1,892,215
6,060,535	6,420,753	5,519,228	4,356,872	5,663,246
4,340,840	4,172,822	3,840,908	4,000,709	4,004,465
1,930,211	1,904,606	1,869,277	1,801,349	1,628,933
2,848,800	3,510,525	3,810,178	3,087,475	3,021,957
2,007,312	1,737,223	4,230,000	1,312,600	1,228,000
1,597,061	1,633,780	1,494,977	1,386,699	1,223,751
110,619	0	0	0	0
<u>52,613,346</u>	<u>48,972,017</u>	<u>53,986,847</u>	<u>43,904,595</u>	<u>43,186,531</u>
<u>(6,295,565)</u>	<u>(1,451,161)</u>	<u>(7,320,684)</u>	<u>400,021</u>	<u>535,656</u>
5,219,000	0	8,225,000	0	0
0	0	0	0	0
3,555,500	0	0	2,921,000	0
0	0	232,560	0	0
120,589	0	0	0	0
0	0	70,447	0	0
173,991	474,393	353,690	132,516	167,070
0	0	0	0	0
0	0	0	0	0
0	0	1,020,332	0	0
2,127,437	2,464,843	3,527,402	7,530,330	3,303,856
<u>(2,327,437)</u>	<u>(5,479,086)</u>	<u>(6,189,198)</u>	<u>(7,530,330)</u>	<u>(3,303,856)</u>
<u>8,869,080</u>	<u>(2,539,850)</u>	<u>7,240,233</u>	<u>3,053,516</u>	<u>167,070</u>
<u>(1,159,504)</u>	<u>(2,285)</u>	<u>713,104</u>	<u>1,376,982</u>	<u>0</u>
<u>\$1,414,011</u>	<u>(\$3,993,296)</u>	<u>\$632,653</u>	<u>\$4,830,519</u>	<u>\$702,726</u>
7.5%	7.4%	11.0%	6.4%	5.9%

City of Lakewood, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2008	\$781,245,420	\$179,298,480	\$2,744,411,143	\$9,869,670	\$11,215,534
2007	786,898,880	168,582,420	2,729,946,571	14,577,400	16,565,227
2006	706,658,210	156,111,470	2,465,056,229	15,069,300	17,124,205
2005	707,459,690	154,201,870	2,461,890,171	16,590,000	18,852,273
2004	707,280,760	154,003,840	2,460,813,143	16,857,265	19,155,983
2003	615,802,740	144,493,370	2,172,274,600	16,001,560	18,183,591
2002	616,316,410	145,831,730	2,177,566,114	16,758,370	19,043,602
2001	616,008,110	146,210,580	2,177,767,686	21,740,390	24,704,989
2000	541,724,140	130,514,820	1,920,682,743	22,218,700	25,248,523
1999	541,774,800	132,533,220	1,926,594,343	24,235,630	27,540,489

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property started being phased out in 2006. For collection year 2008 both types of general business tangible personal property were assessed at 6.25 percent. The percentage will be zero for 2009.

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

Source: Cuyahoga County, Ohio; County Auditor

Tangible Personal Property		Total		Ratio	Tax Rate per \$1,000 of Assessed Value
General Business		Assessed	Estimated		
Assessed Value	Estimated Actual Value	Value	Actual Value		
\$12,438,513	\$99,508,104	\$982,852,083	\$2,855,134,781	34.42%	\$17.40
15,903,081	84,816,432	985,961,781	2,831,328,230	34.82	17.40
21,872,491	116,653,285	899,711,471	2,598,833,719	34.62	17.40
23,673,865	102,929,848	901,925,425	2,583,672,292	34.91	17.40
26,670,819	111,128,413	904,812,684	2,591,097,539	34.92	17.40
28,345,579	118,106,579	804,643,249	2,308,564,770	34.85	17.40
31,518,033	126,072,132	810,424,543	2,322,681,848	34.89	17.30
30,919,012	123,676,048	814,878,092	2,326,148,723	35.03	17.30
29,495,988	117,983,952	723,953,648	2,063,915,218	35.08	17.30
30,270,945	121,083,780	728,814,595	2,075,218,612	35.12	17.30

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

	2008	2007	2006	2005	2004
Charter Millage					
Sinking Fund	\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700
1976 Charter/Current Expenses	8.6500	8.6500	8.6500	8.6500	8.6500
1976 Charter/Fire	1.6800	1.6800	1.6800	1.6800	1.6800
1976 Charter/Police	1.6000	1.6000	1.6000	1.6000	1.6000
1976 Charter/Sewer	2.0000	2.0000	2.0000	2.0000	2.0000
Total Charter Millage	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>
Overlapping Rates by Taxing District					
Lakewood City School District					
Residential/Agricultural Real	\$45.9650	\$45.5754	\$49.5692	\$49.5065	\$43.6947
Commercial/Industrial and Public Utility Real	61.3095	60.4273	65.9849	65.6697	59.6364
General Business and Public Utility Personal	107.2000	106.9000	107.4000	107.4000	101.6000
Cuyahoga County Commissioners (1)					
Residential/Agricultural Real	15.1504	15.1210	14.1728	13.4245	13.4429
Commercial/Industrial and Public Utility Real	15.4894	14.3558	15.2977	14.6624	14.7364
General Business and Public Utility Personal	16.2500	16.3500	16.4500	16.4500	16.4500
Special Taxing Districts (2)					
Residential/Agricultural Real	3.8697	3.8656	4.2827	4.2776	3.5972
Commercial/Industrial and Public Utility Real	4.3243	4.2874	4.7054	4.6776	4.1416
General Business and Public Utility Personal	5.3500	5.3500	5.3500	5.3500	5.0500

Source: Cuyahoga County, Ohio; County Auditor

Note:

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property as opposed to the voted levies of the overlapping taxing districts.

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

Voted levies of overlapping governments are adjusted so that inflationary increases in value do not generate additional real property taxes.

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

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

2003	2002	2001	2000	1999
\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700
8.6500	8.6500	8.6500	8.6500	8.6500
1.6800	1.6100	1.6100	1.6100	1.6100
1.6000	1.5700	1.5700	1.5700	1.5700
2.0000	2.0000	2.0000	2.0000	2.0000
<u>\$17.4000</u>	<u>\$17.3000</u>	<u>\$17.3000</u>	<u>\$17.3000</u>	<u>\$17.3000</u>

\$47.5575	\$40.7340	\$40.8205	\$45.7827	\$40.9541
61.6842	54.3405	54.4686	60.0498	54.8753
100.2500	93.4500	93.5500	93.9500	89.1500

12.4609	11.3814	11.3966	11.4113	11.4230
12.8764	12.0023	11.9297	12.3735	12.4065
14.6500	14.6500	14.6500	13.7500	13.7500

2.8190	2.8193	2.8227	3.1795	3.1808
3.1081	3.0767	3.0190	3.4678	3.4299
3.8000	3.8000	3.8000	3.8000	3.8000

City of Lakewood, Ohio
Property Tax Levies And Collections (1)
Last Ten Years

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes (3)	Percentage of Delinquent Taxes To Total Tax Levy
2008	\$17,327,947	\$16,331,350	94.25%	\$723,290	\$17,054,640	98.42%	\$1,275,020	7.36%
2007	17,346,544	16,547,580	95.39	687,163	17,234,743	99.36	1,122,078	6.47
2006	16,052,661	15,078,364	93.93	510,427	15,588,791	97.11	937,196	5.84
2005	16,053,584	15,305,464	95.34	581,629	15,887,093	98.96	564,880	3.52
2004	16,101,736	15,281,644	94.91	513,548	15,795,192	98.10	820,139	5.09
2003	14,158,214	13,011,236	91.90	415,949	13,427,185	94.84	786,456	5.55
2002	14,093,147	12,965,025	92.00	475,210	13,440,235	95.37	608,167	4.32
2001	14,025,782	13,088,922	93.32	377,896	13,466,818	96.01	585,260	4.17
2000	12,007,848	11,715,488	97.57	356,977	12,072,465	100.54	420,589	3.50
1999	12,587,879	11,630,669	92.40	357,953	11,988,622	95.24	436,824	3.47

Source: Cuyahoga County, Ohio; County Auditor

- (1) Information for Real and Public Utility only
- (2) State Reimbursements of Rollback and Homestead Exemptions are Included.
Current Tax Levy and Current Tax Collections include delinquent amounts.
- (3) Penalties and Interest are included, since by Ohio law they become part of tax obligation as assessment occurs.

City of Lakewood, Ohio
Principal Real Property Taxpayers
Current Year and Nine Years Ago

<u>2008</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$7,985,570	0.83 %
Tomorrow VIII	5,057,510	0.53
Lakewood Senior Campus	3,166,430	0.33
12000 Edgewater Ltd.	2,445,330	0.25
Castlewood Association	2,240,530	0.23
Lakewood Senior Citizens Inc.	2,041,350	0.21
Marine Towers	2,011,980	0.21
Lakewood Association Limited Partnership	1,750,700	0.18
Lake Shore Association	1,723,610	0.18
Lakewood Heath Care	1,694,500	0.17
Total	\$30,117,510	3.13 %
Total Real Property Assessed Valuation	\$960,543,900	

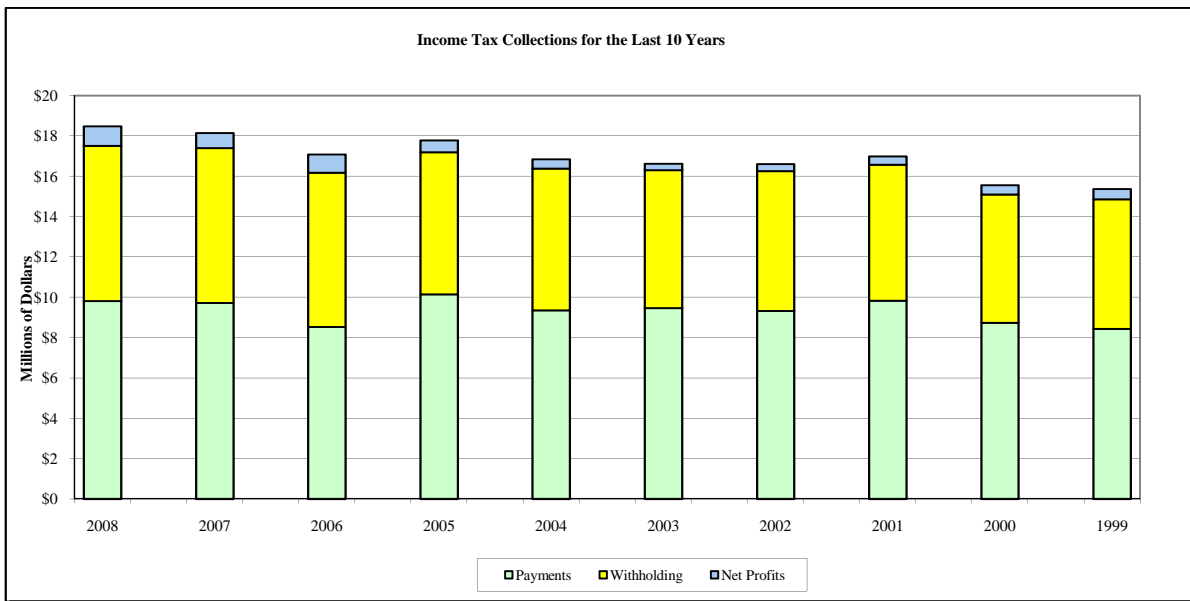
<u>1999</u>		
Taxpayer	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$11,514,930	1.71 %
Ohio Bell Telephone Company	7,114,150	1.06
East Ohio Gas Company	4,262,280	0.61
Lakewood Operating Associates	2,135,000	0.32
Castlewood Association	1,883,840	0.28
Lakewood Association Limited Partnership	1,866,240	0.28
Marine Towers West	1,697,500	0.25
Lakewood Senior Citizens Inc.	1,490,970	0.22
Harbour View Associates	1,470,000	0.22
Fame-Midamco Company	1,456,000	0.22
Total	\$34,890,910	5.17 %
Total Real Property Assessed Valuation	\$674,308,020	

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood, Ohio
Income Tax Revenue Base and Collections (1)
Last Ten Years

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes From Individual Payments	Percentage of Taxes From Individual Payments	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits
2008	1.50%	\$18,480,218	\$9,814,844	53.95%	\$7,691,467	41.62%	\$973,907	4.43%
2007	1.50	18,143,485	9,719,464	53.57	7,676,509	42.31	747,512	4.12
2006	1.50	17,080,608	8,529,917	49.94	7,650,455	44.79	900,236	5.27
2005	1.50	17,785,152	10,153,562	57.09	7,038,931	39.58	592,659	3.33
2004	1.50	16,842,902	9,351,723	55.52	7,037,400	41.78	453,779	2.69
2003	1.50	16,626,831	9,463,555	56.92	6,844,650	41.17	318,626	1.92
2002	1.50	16,615,806	9,331,022	56.16	6,925,585	41.68	359,199	2.16
2001	1.50	16,989,915	9,833,112	57.88	6,745,730	39.70	411,073	2.42
2000	1.50	15,563,053	8,740,976	56.16	6,366,305	40.91	455,772	2.93
1999	1.50	15,369,805	8,441,801	54.92	6,423,210	41.79	504,794	3.28

(1) Modified Accrual Basis



City of Lakewood, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities		Other Governmental Activities Debt				
	General Obligation Bonds	Percentage of Estimated Taxable Value of Property (1)	Per Capita (2)	Special Assessment Bonds	OPWC Loans	Capital Leases	Bond Anticipation Notes
2008	\$33,476,781	1.17 %	\$590.98	\$0	\$308,000	\$5,143,663	\$8,529,620
2007	36,361,438	1.40	641.91	0	355,416	1,379,783	5,374,000
2006	33,481,011	1.30	591.06	0	419,437	22,322	8,505,000
2005	36,035,423	1.56	636.15	30,000	483,460	47,423	4,228,000
2004	31,443,942	1.35	555.10	60,000	547,482	113,793	7,064,800
2003	28,975,273	1.40	511.51	90,000	611,504	295,761	3,555,500
2002	25,186,400	1.22	421.76	155,000	707,537	453,260	5,961,000
2001	26,763,600	1.29	448.17	251,000	771,560	254,677	2,025,000
2000	19,886,600	0.96	333.01	181,200	569,800	166,209	3,750,000
1999	21,119,400	1.10	353.65	245,600	585,200	164,439	3,445,000

Business-Type Activities								
Year	General Obligation Bonds	Revenue Bonds	Bond Anticipation Notes	Capital Leases	OPWC/OWDA Loans	Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)
2008	\$11,315,719	\$27,055,258	\$494,380	\$1,535,792	\$4,617,473	\$92,476,686	6.81 %	\$1,632.54
2007	12,317,624	28,203,885	749,000	287,579	4,991,951	90,020,676	6.63	1,589.18
2006	12,849,249	29,472,065	1,408,000	0	5,365,315	91,522,399	6.74	1,615.69
2005	13,701,254	5,612,903	11,509,000	0	5,737,611	77,385,074	5.70	1,366.12
2004	9,728,388	5,482,940	6,148,500	0	6,108,983	66,698,828	4.91	1,177.47
2003	10,337,311	5,943,360	1,155,000	0	6,418,862	57,382,571	0.47	1,013.00
2002	7,558,600	6,710,000	3,945,000	19,282	6,161,367	56,857,446	4.19	1,003.73
2001	8,030,400	5,835,000	4,050,000	37,995	5,677,025	53,696,257	3.96	947.93
2000	8,492,200	6,120,000	0	0	4,035,402	43,201,411	4.18	723.42
1999	9,055,000	6,390,000	0	0	2,901,773	43,906,412	4.25	735.23

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See S10-11 for taxable property value data.

(2) See S26 for population and personal income data.

(3) Includes general bonded debt, other governmental debt and business-type activities debt, presented net.

City of Lakewood, Ohio
Legal Debt Margin
Last Ten Years

	2008	2007	2006	2005	2004
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$103,199,469	\$103,525,987	\$94,469,704	\$94,702,170	\$95,005,332
Net Debt Applicable to Debt Limit	<u>42,690,007</u>	<u>42,039,762</u>	<u>41,051,785</u>	<u>48,932,958</u>	<u>41,781,567</u>
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$60,509,462</u>	<u>\$61,486,225</u>	<u>\$53,417,919</u>	<u>\$45,769,212</u>	<u>\$53,223,765</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>58.63%</u>	<u>59.39%</u>	<u>56.55%</u>	<u>48.33%</u>	<u>56.02%</u>
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$54,056,865	\$54,227,898	\$49,484,131	\$49,605,898	\$49,764,698
Net Debt Applicable to Debt Limit	<u>42,690,007</u>	<u>42,039,762</u>	<u>41,051,785</u>	<u>48,932,958</u>	<u>41,781,567</u>
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$11,366,858</u>	<u>\$12,188,136</u>	<u>\$8,432,346</u>	<u>\$672,940</u>	<u>\$7,983,131</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>21.03%</u>	<u>22.48%</u>	<u>17.04%</u>	<u>1.36%</u>	<u>16.04%</u>

Legal Debt Margin Calculation for the Year Ended December 31, 2008

	Overall Margin Within 10.5%	Unvoted Margin Within 5.5%
Assessed property value	<u>\$982,852,083</u>	<u>\$982,852,083</u>
Debt Limitation (percentage of assessed property value)	\$103,199,469	\$54,056,865
Gross Indebtedness:	86,809,575	86,809,575
Less: General Obligation Bonds	(4,620,000)	(4,620,000)
General Obligation Bonds - Enterprise Funds	(11,444,300)	(11,444,300)
Revenue Bonds	(27,349,603)	(27,349,603)
Debt Service Fund	<u>(286,550)</u>	<u>(286,550)</u>
Net Debt Applicable to Debt Limit	<u>43,109,122</u>	<u>43,109,122</u>
Legal Debt Margin Within Limitations	<u>\$60,090,347</u>	<u>\$10,947,743</u>

Note: Under State of Ohio finance law, the City of Lakewood's outstanding general obligation debt that is supported through real estate value should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

2003	2002	2001	2000	1999	1998
\$84,487,541	\$85,094,577	\$85,562,200	\$76,015,133	\$76,525,532	\$76,468,812
<u>38,818,600</u>	<u>37,203,200</u>	<u>24,323,464</u>	<u>23,636,600</u>	<u>24,423,400</u>	<u>23,659,000</u>
<u>\$45,668,941</u>	<u>\$47,891,377</u>	<u>\$61,238,736</u>	<u>\$52,378,533</u>	<u>\$52,102,132</u>	<u>\$52,809,812</u>
54.05%	56.28%	71.57%	68.91%	68.08%	69.06%
\$44,255,379	\$44,573,350	\$44,818,295	\$39,817,451	\$40,084,803	\$40,055,092
<u>38,818,600</u>	<u>37,203,200</u>	<u>24,323,464</u>	<u>23,636,600</u>	<u>24,423,400</u>	<u>23,659,000</u>
<u>\$5,436,779</u>	<u>\$7,370,150</u>	<u>\$20,494,831</u>	<u>\$16,180,851</u>	<u>\$15,661,403</u>	<u>\$16,396,092</u>
12.29%	16.53%	45.73%	40.64%	39.07%	40.93%

City of Lakewood, Ohio

Computation of Direct and Overlapping Debt Attributable to Governmental Activities

December 31, 2008

	<u>Debt Attributable to Governmental Activities</u>	<u>Overlapping Percentage Applicable to Lakewood (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
<u>Direct:</u>			
City of Lakewood			
General Obligation Bonds	\$33,476,781	100.00 %	\$33,476,781
Notes Payable	8,529,620	100.00	8,529,620
Loans Payable	308,000	100.00	308,000
Capital Leases	<u>5,143,663</u>	100.00	<u>5,143,663</u>
Total Direct Debt	<u>47,458,064</u>		<u>47,458,064</u>
<u>Overlapping Debt:</u>			
Payable from Property Taxes			
Cuyahoga County Bonds	173,500,000	2.97	5,152,951
Regional Transit Authority Bonds	140,763,731	2.97	4,180,683
Lakewood City School District Bonds	92,181,458	100.00	92,181,458
Payable from Other Sources			
Cuyahoga County Capital Leases	2,269,000	2.97	67,389
Cuyahoga County Loans	6,551,000	2.97	194,565
Regional Transit Authority Loans	3,575,318	2.97	106,187
Lakewood City School District Capital Leases	<u>1,559,320</u>	100.00	<u>1,559,320</u>
Total Overlapping Debt	<u>420,399,827</u>		<u>103,442,553</u>
Total	<u><u>\$467,857,891</u></u>		<u><u>\$150,900,617</u></u>

Source: Cuyahoga County, Ohio; County Auditor

(1) Overlapping percentages were calculated by dividing each overlapping government located within the boundaries of the City by the subdivision's total assessed valuation of the government. The valuations were for the 2008 collection year.

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City of Lakewood, Ohio

Pledged Revenue Coverage

Water

Last Ten Years

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net Available Revenue:				
Gross Revenues (1)	\$10,536,724	\$11,484,184	\$8,803,103	\$8,857,697
Less: Operating Expenses (2)	<u>8,042,899</u>	<u>8,470,561</u>	<u>7,364,732</u>	<u>7,770,689</u>
Net Available Revenue	<u>\$2,493,825</u>	<u>\$3,013,623</u>	<u>\$1,438,371</u>	<u>\$1,087,008</u>
Debt Service OPWC Loans:				
Principal	313,230	313,230	313,229	313,229
OPWC Coverage	<u>7.96</u>	<u>9.62</u>	<u>4.59</u>	<u>3.47</u>
Debt Service - Revenue Bonds:				
Principal	837,338	876,890	550,998	510,000
Interest	650,747	598,677	249,923	251,585
Revenue Bond Coverage	<u>1.68</u>	<u>2.04</u>	<u>1.80</u>	<u>1.43</u>
Total Debt Service:				
Principal	1,150,568	1,190,120	864,227	823,229
Interest	650,747	598,677	249,923	251,585
Total Coverage	<u>1.38</u>	<u>1.68</u>	<u>1.29</u>	<u>1.01</u>

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

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

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$8,584,588	\$8,520,217	\$8,803,266	\$8,651,628	\$8,563,531	\$8,780,617
<u>7,481,671</u>	<u>7,085,228</u>	<u>8,156,070</u>	<u>7,084,088</u>	<u>6,523,005</u>	<u>6,994,242</u>
<u>\$1,102,917</u>	<u>\$1,434,989</u>	<u>\$647,196</u>	<u>\$1,567,540</u>	<u>\$2,040,526</u>	<u>\$1,786,375</u>
301,113	224,310	239,436	111,023	0	0
<u>3.66</u>	<u>6.40</u>	<u>2.70</u>	<u>14.12</u>	<u>0</u>	<u>0</u>
490,000	530,000	85,000	340,000	350,000	360,000
251,785	246,383	159,957	305,442	295,893	290,788
<u>1.49</u>	<u>1.85</u>	<u>2.64</u>	<u>2.43</u>	<u>3.16</u>	<u>2.74</u>
791,113	754,310	324,436	451,023	350,000	360,000
251,785	246,383	159,957	305,442	295,893	290,788
<u>1.06</u>	<u>1.43</u>	<u>1.34</u>	<u>2.07</u>	<u>3.16</u>	<u>2.74</u>

City of Lakewood, Ohio
Pledged Revenue Coverage
Sewer
Last Six Years

	2008	2007	2006	2005	2004	2003
Net Available Revenue:						
Gross Revenues (1)	\$6,220,187	\$7,628,335	\$6,081,419	\$6,145,671	\$5,620,370	\$5,037,686
Less: Operating Expenses (2)	4,720,506	5,900,144	5,217,728	4,242,885	4,191,193	4,339,808
Net Available Revenue	<u>\$1,499,681</u>	<u>\$1,728,191</u>	<u>\$863,691</u>	<u>\$1,902,786</u>	<u>\$1,429,177</u>	<u>\$697,878</u>
Debt Service OWDA Loans:						
Principal	26,761	25,647	24,578	23,555	22,573	22,573
Interest	6,696	7,811	8,879	9,902	10,884	10,884
OWDA Coverage	<u>44.82</u>	<u>51.65</u>	<u>25.81</u>	<u>56.87</u>	<u>42.72</u>	<u>20.86</u>
Debt Service - OPWC Loans:						
Principal	34,487	34,487	0	0	0	0
OPWC Coverage	<u>43.49</u>	<u>50.11</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Debt Service - Revenue Bonds:						
Principal	350,000	310,000	0	0	0	0
Interest	594,862	365,088	0	0	0	0
Revenue Bond Coverage	<u>1.59</u>	<u>2.56</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Revenue Bond Coverage						
Total Debt Service:						
Principal	411,248	370,134	24,578	23,555	22,573	22,573
Interest	601,558	372,899	8,879	9,902	10,884	10,884
Total Coverage	<u>1.48</u>	<u>2.33</u>	<u>25.81</u>	<u>56.87</u>	<u>42.72</u>	<u>20.86</u>

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

(2) Operating expenses do not include depreciation and amortization expenses

Note: Information prior to 2003 is not available.

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City of Lakewood, Ohio
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2008	56,646	\$1,357,351,452	\$23,962	\$40,527	34.2
2007	56,646	1,357,351,452	23,962	40,527	34.2
2006	56,646	1,357,351,452	23,962	40,527	34.2
2005	56,646	1,357,351,452	23,962	40,527	34.2
2004	56,646	1,357,351,452	23,962	40,527	34.2
2003	56,646	1,357,351,452	23,962	40,527	34.2
2002	56,646	1,357,351,452	23,962	40,527	34.2
2001	56,646	1,357,351,452	23,962	40,527	34.2
2000	56,646	1,357,351,452	23,962	40,527	34.2
1999	59,718	1,034,196,324	17,318	38,100	32.7

(1) Source: U. S. Census

(a) Years 2001 through 2008 - 2000 Federal Census

(b) Years 1995 through 1999 - 1990 Federal Census

(2) Source: Lakewood City School District

(3) Ohio Department of Job and Family Services

(4) Source: Cuyahoga County Auditor

(5) Computation of per capita personal income multiplied by population

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
35.9%	5,848	6.8%	\$982,852,083
35.9	5,755	6.1	985,961,781
35.9	6,090	5.3	899,711,471
35.9	6,229	5.4	901,925,425
35.9	6,416	5.9	904,812,684
35.9	6,708	5.7	804,643,249
35.9	6,604	5.5	810,424,543
35.9	6,730	5.0	814,878,092
35.9	6,730	5.0	723,953,648
N/A	N/A	5.0	728,814,595

City of Lakewood, Ohio
Principal Employers
Current Year and Nine Years Ago

2008		
Employer	Employees	Percentage of Total City Employment
Lakewood Hospital	1,390	11.69%
Lakewood Board of Education	1,033	8.69
City of Lakewood	553	4.65
New York Life Insurance Company	230	1.94
Lakewood Senior Health Campus	225	1.89
AT&T	167	1.41
First Federal Saving and Loan Association of Lakewood	147	1.24
Galaxy Balloons	140	1.18
Advanced Energy Tech, Incorporated	124	1.04
United States Post Office	101	0.85
Total	4,110	34.58%
Total Employment within the City	11,886	

1999	
Employer	Employees
Lakewood Hospital	1,307
Lakewood Board of Education	923
City of Lakewood	667
Lake Erie Screw Corporation	310
Ameritech	199
United Transportation Union	175
Hinckley Lighting, Incorporated	165
Advanced Ceramic Corporation	155
United Readers Service, Incorporated	150
New York Life Insurance Company	120
Total	4,171
Total Employment within the City	n/a

Source: City of Lakewood; Community Development Department

n/a - not available

City of Lakewood, Ohio
Full-Time City Government Employees by Function/Program (1)
Last Five Years

Function/Program	2008	2007	2006	2005	2004
General Government					
Council	1.00	1.00	1.00	2.00	2.00
Court	20.00	22.00	19.00	19.00	23.00
Civil Service	1.00	1.00	1.00	1.00	1.00
Mayor's Office	2.00	2.00	2.00	2.00	3.00
Human Resources	3.00	3.00	4.00	4.00	3.00
Community Relations	1.00	2.00	2.00	1.00	1.00
Finance	7.00	7.00	7.00	6.00	8.00
Income Tax	4.00	6.00	7.00	5.00	2.00
Information System	4.00	6.00	6.00	6.00	6.00
Law	5.00	5.00	3.00	3.00	3.00
Planning & Development	5.00	3.00	3.00	3.00	2.00
Community Development	3.00	8.00	6.00	8.00	9.00
Security of Persons and Property					
Police	98.00	96.00	94.00	94.00	94.00
Police - Communications	11.00	12.00	11.00	10.00	11.00
Support of Prisoners	4.00	4.00	3.00	3.00	3.00
Fire	78.00	81.00	77.00	76.00	76.00
Emergency Medical Services	13.00	13.00	18.00	18.00	18.00
Housing & Building	14.00	19.00	22.00	21.00	19.00
Public Works					
Public Works Administration	2.00	3.00	3.00	3.00	3.00
Parking	3.00	3.00	3.00	3.00	3.00
Parks	13.00	16.00	16.00	16.00	15.00
Buildings & Facilities	3.00	4.00	5.00	5.00	5.00
Construction	4.00	4.00	4.00	5.00	8.00
Streets	13.00	16.00	17.00	19.00	21.00
Forestry	5.00	5.00	6.00	6.00	6.00
Traffic Signs	4.00	4.00	3.00	4.00	5.00
Refuse	43.00	46.00	52.00	51.00	53.00
Fleet	11.00	10.00	11.00	10.00	12.00
Communications	0.00	2.00	2.00	2.00	2.00
Water Administration	4.00	4.00	5.00	5.00	5.00
Water Distributions	8.00	9.00	8.00	6.00	8.00
Water Metering	6.00	6.00	6.00	6.00	7.00
Wastewater Collections	14.00	14.00	16.00	15.00	17.00
Wastewater Treatment	23.00	23.00	23.00	22.00	23.00
Engineering	4.00	6.00	6.00	5.00	5.00
Winterhurst	1.00	2.00	3.00	3.00	3.00
Human Services					
Human Services Administration	2.00	2.00	2.00	2.00	2.00
Office on Aging IIIB	21.00	25.00	25.00	26.00	27.00
Office on Aging IIIC	0.00	7.00	7.00	7.00	7.00
Health	3.00	8.00	11.00	10.00	13.00
Animal Control	3.00	3.00	3.00	3.00	3.00
Early Childhood	1.00	2.00	2.00	2.00	2.00
Youth	10.00	12.00	11.00	9.00	9.00
Totals:	475.00	527.00	536.00	527.00	548.00

Source: City of Lakewood, Finance Department

(1) This table includes full-time employees and excludes part-time and seasonal employees.

City of Lakewood, Ohio
Operating Indicators by Function/Program
Last Ten Years (1)

Function/Program	2008	2007	2006
General Government			
<i>Clerk of Council</i>			
Number of ordinances passed	100	95	98
Number of resolutions passed	101	73	102
<i>Civil Service</i>			
Number of police and fire entry application processed	240	0	340
<i>Finance Department</i>			
Number of checks/ vouchers issued	11,014	9,335	7,083
Interest earnings for fiscal year (cash basis)	\$741,464	\$1,763,496	\$2,004,475
<i>Income Tax</i>			
Number of Annual withholding forms processed	22,709	22,919	9,727
Number of Business net profit forms processed	2,195	2,065	1,405
Public Works			
<i>Engineering</i>			
Dollar amount of Construction overseen by Engineer	\$3,443,940	\$12,590,150	\$13,859,602
<i>Forestry</i>			
Number of trees planted	206	186	296
<i>Parking Enforcement</i>			
Number of parking tickets	4,182	3,174	5,062
<i>Refuse</i>			
Collection resident and business garbage in tons	19,990	21,026	22,137
<i>Water</i>			
Average (MCF) of water billed monthly (in thousands)	206,902	214,515	216,729
<i>Wastewater Collection</i>			
Average (MCF) of sewer billed monthly (in thousands)	206,902	214,515	216,729
<i>Wastewater Treatment</i>			
Influent flow millions of gallons per year	3324	3,101	3,228
Bio-solids wet tons per year	5101	5,348	5,643

n/a - not available

2005	2004	2003	2002	2001	2000	1999
126	120	90	159	75	87	54
103	124	117	100	81	78	83
n/a	n/a	n/a	n/a	n/a	n/a	n/a
6,846	7,039	7,013	7,142	7,616	7,259	7,210
\$908,127	\$322,705	\$420,188	\$876,738	\$1,462,784	\$1,455,183	\$1,164,683
8,931	7,546	6,871	6,490	n/a	n/a	n/a
1,072	741	845	901	n/a	n/a	n/a
\$9,173,108	\$2,874,226	\$4,386,804	\$6,509,178	\$4,502,448	\$1,365,975	\$2,604,815
n/a	n/a	n/a	n/a	n/a	n/a	n/a
5,251	8,455	7,983	10,731	9,448	10,000	9,866
21,868	23,971	25,506	25,208	25,987	24,130	23,498
221,803	225,509	236,812	238,768	240,703	255,860	264,367
221,803	225,509	236,812	238,768	240,703	255,860	264,367
2,947	3,441	3,064	2,929	3,010	2,851	2,779
5,209	5,311	4,638	4,972	4,871	5,277	5,364

(continued)

City of Lakewood, Ohio
Operating Indicators by Function/Program (continued)
Last Ten Years (1)

Function/Program	2008	2007	2006
Security of Persons and Property			
<i>Police</i>			
Total calls for services	46,247	50,316	49,733
Number of citations issued	15,747	14,009	15,007
<i>Fire</i>			
Total calls for services-Fire	1,795	2,163	2,067
Total calls for services-EMS	5,006	5,006	5,111
Community Environment			
<i>Building Department</i>			
Estimated value of construction	\$34,568,567	\$44,249,478	\$73,425,066
Number of permits issued (all types)	2,683	2,724	2,781
Leisure Time Activities			
<i>Parks</i>			
Recreation Men's and Women's Leagues receipts	\$5,100	\$4,250	\$3,619
Recreation Youth Activities receipts	\$76,500	\$73,500	\$89,347

n/a - not available

(1) Information for some years is not available

(2) Lakewood Hospital paramedics join the City of Lakewood in October of 1999

2005	2004	2003	2002	2001	2000	1999
52,053	48,376	53,633	53,725	53,585	51,370	44,116
14,872	16,744	18,596	16,287	14,572	17,198	16,478
2,245	1,903	1,848	1,918	2,018	2,384	1,963
5,028	4,722	4,540	4,432	4,494	4,248	(2)
\$44,324,510	\$21,658,746	\$19,708,966	\$19,146,896	\$24,495,279	\$18,536,173	\$17,017,253
3,011	2,948	3,305	3,401	3,449	3,333	3,266
\$8,341	\$3,200	n/a	n/a	n/a	n/a	n/a
\$68,881	\$22,830	n/a	n/a	n/a	n/a	n/a

City of Lakewood, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years (1)

Function/Program	2008	2007	2006	2005
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	49	51	52	50
Fire				
Stations	3	3	3	3
Vehicles	18	17	18	18
Leisure Time Activities				
Parks				
Number of Parks	15	15	15	14
Number of Ice Rinks	2	2	2	2
Number of Skateboarding Areas	1	1	1	0
Number of Baseball Diamonds	5	5	5	5
Number of Soccer Fields	1	1	1	1
Transportation				
Service				
Streets (miles)	93	93	93	93
Street Lights	1,488	1,488	1,488	1,488
Water and Sewer				
Water Lines (miles)	112	112	112	111
Sanitary Sewers (miles)	75	75	75	75
Storm Sewers (miles)	66	66	66	66
Combined Sewers (miles)	25	25	25	25

2004	2003	2002	2001	2000	1999
1	1	1	1	1	1
49	n/a	n/a	n/a	n/a	n/a
3	3	3	3	3	3
17	n/a	n/a	n/a	n/a	n/a
14	14	14	14	14	14
2	2	2	2	2	2
0	0	0	0	0	0
5	5	5	5	5	5
1	1	1	1	1	1
93	93	93	93	93	93
1,488	1,488	1,488	1,488	1,488	1,488
111	111	111	111	111	111
75	75	75	75	75	75
66	66	66	66	66	66
25	25	25	25	25	25

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Mary Taylor, CPA
Auditor of State

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
SEPTEMBER 1, 2009**