



**Auditor of State
Betty Montgomery**

CITY OF ELYRIA
LORAIN COUNTY

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CITY OF ELYRIA
LORAIN COUNTY

Schedule of Federal Awards Expenditures
for the year ended December 31, 2002

Federal Grantor/ Pass-Through Grantor/Program Title	Pass Through Entity Number	CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
<i>Direct Federal Assistance Program:</i>			
Community Development Block Grant	B-00-MC-39-0015	14.218	\$1,039,101
<i>Passed Through the Ohio Department of Development:</i>			
HOME - Home Improvement Partnership Program	A-C-00-857-4	14.239	<u>454,288</u>
Total U.S. Department of Housing & Urban Development			<u>1,493,389</u>
<u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Passed Through United Way of America:</i>			
Emergency Food and Shelter National Board Program	15-6790	85.523	<u>1,506</u>
Total U.S. Federal Emergency Management Agency			<u>1,506</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Health and Human Services:</i>			
Maternal and Child Health Services Block Grant			
Child and Family Health Services	47-2-002-1-AI	93.994	405,606
Infant Mortality Reduction Initiative Program	47-2-002-1-DM	93.994	130,947
Primary Dental Care	47-2-001-1-CR	93.994	6,217
Dental Sealant Program	47-2-002-1-AJ	93.994	<u>21,094</u>
Total U.S. Department of Health & Human Services			<u>563,864</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through the Ohio Department of Justice:</i>			
Victims of Crime Act	NA	16.575	<u>24,420</u>
Total U.S. Department of Justice			<u>24,420</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through the Ohio Governor's Department of Public Safety</i>			
State and Community Highway Safety			
STEP - Selective Traffic Enforcement Program Grant	1578	20.600	<u>15,682</u>
Total U.S. Department of Transportation			<u>15,682</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
<i>Direct Federal Assistance Program:</i>			
Brownfield Pilots Cooperative Agreements			
Brownfield Assessment Pilot	BP-97535701-0	66.811	<u>97,074</u>
Total U.S. Environmental Protection Agency			<u>97,074</u>
Total Federal Assistance			<u><u>\$2,195,935</u></u>

**CITY OF ELYRIA
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (Schedule) summarizes the activity of the City's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

NOTE B – SUBRECIPIENTS

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

Of the Federal expenditures presented in the Schedule, the City provided Federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant	14.218	\$49,283
Home Improvement Partnership Program	14.239	\$0

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

NOTE C – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAM

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2002, the gross amount of loans outstanding under this program were \$1,727,244.

**CITY OF ELYRIA
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)**

NOTE D – HOME IMPROVEMENT PARTNERSHIP (HOME) REVOLVING LOAN PROGRAM

The City has established a revolving loan program to provide no-interest loans to eligible persons in order to expand the supply of decent and affordable housing, particularly housing for low and very low-income citizens. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City. Grant monies are passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Expenditures (the Schedule). Loans repaid are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2002, the gross amount of loans outstanding under this program were \$1,986,419.

CFDA - Catalog of Federal Domestic Assistance.

N/A - Not applicable.

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Auditor of State Betty Montgomery

REPORT OF INDEPENDENT ACCOUNTANTS' ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Members of City Council
City of Elyria
Lorain County
328 Broad Street
Elyria, Ohio 44035

We have audited the financial statements of the City of Elyria, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 6, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the City in a separate letter dated June 6, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 6, 2003.

City of Elyria
Lorain County
Independent Accountants' Report on Compliance and on Internal Control
Required By *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

June 6, 2003



**Auditor of State
Betty Montgomery**

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

Members of City Council
City of Elyria
Lorain County
328 Broad Street
Elyria, Ohio 44035

Compliance

We have audited the compliance of the City of Elyria, Lorain County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Internal Control Over Compliance

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

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 6, 2003.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the City of Elyria, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 6, 2003. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

June 6, 2003

**CITY OF ELYRIA
LORAIN COUNTY
DECEMBER 31, 2002**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	HOME Improvement Partnership Program CFDA# 14.239 Maternal and Child Health Services Block Grant CFDA# 93.994
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

CITY OF ELYRIA, OHIO
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2002

Prepared By
The Department of Finance
Ted M. Pileski, CPA, Elyria City Auditor
John T. Farrell, Elyria City Chief Deputy Auditor

**CITY OF ELYRIA, OHIO
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Library have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

ECONOMIC CONDITION & OUTLOOK

The City is located on the Black River approximately ten miles south of Lake Erie.

The City developed as an industrial community in the early 1800's. As the seat of Lorain County, the City's economy continued to diversify throughout the early 1900's. Another large industrial expansion took place during the late 1940's and early 1950's. Elyria's economy has continued to diversify throughout the ensuing years and expand as evidenced by the increase in the City's income tax collections. In the last ten years, income tax revenue in the General Fund has increased by 32% from \$12,118,803 in 1993 to \$16,049,532 in 2002, despite having a drop in income tax revenues in 2002 of 3.7%.

The drop in income tax revenue is mainly due to the closing of the York International Corporation plant in Elyria, which employed approximately 860 employees. York International Corporation, a manufacturer of climate control equipment closed its Elyria plant in August 2001. Fiscal year 2002 was the first full year for Elyria without York International Corporation, which meant a loss of approximately \$600,000 in income tax revenue in 2002. In addition to the loss of jobs at the York International Corporation plant, other lay-offs in the manufacturing sector in Elyria occurred in late 2001 due to the sluggish economy that negatively impacted income tax revenues in 2002. Parker-Hannifin Corporation, Ridge Tool Corporation and others have all needed to cut back on their work force to combat the effects of the economic downturn that has gripped the United States and many local economies.

Fortunately, the news about Elyria's economy is not all bad. Ross Environmental Services, Incorporation, a provider of hazardous and industrial waste management, broke ground on a new \$3.6 million national headquarters on the campus of Lorain County Community College in Elyria. Moving their headquarters to Elyria brings approximately 75 new upper-management and professional staff jobs for Elyria's economy and additional, much needed income tax dollars. The headquarters is scheduled to be completed in May 2003.

In addition to the construction of the new Ross Environmental Services, Incorporation headquarters, new construction also continued in 2002 at the Westfield Shoppingtown Midway (formerly known as Midway Mall) area. Bennigan's and International House of Pancakes opened new restaurants in this area in 2002, adding to a long list of restaurant chains operating at this major retail center. Forest City Enterprises, Incorporation continued preparing plans for commercial development of a 50 acre site just north of Chestnut Ridge Road on the City's southeast side. Immediately adjacent to the east of this proposed retail development, Forest City Enterprises, Inc. is currently developing a mixed-use residential project. This development will include approximately 50 single-family homes, 250 apartment units and 70 cluster homes. Site work and utility extensions began in 1998 and construction of the single-family homes began in 1999 and continued through 2002. Construction of the apartments began in 2001 and continued through 2002.

In addition to retail development, the City realized growth in the health care industry in 2002. EMH Regional Medical Center completed construction and opened it's new 34,111 square foot birthing center in 2002. This addition to EMH Regional Medical Center further solidifies their position as Elyria's third largest employer. Also in 2002, Community Health Partners completed and opened it's new 30,629 square foot Ireland Cancer Center.



TED M. PILESKI, CPA

City Auditor

JOHN T. FARRELL

Chief Deputy Auditor

June 6, 2003

HONORABLE MAYOR, MEMBERS OF CITY COUNCIL AND THE CITIZENS OF ELYRIA, OHIO

The Comprehensive Annual Financial Report of the City of Elyria (the "City") for the year ended December 31, 2002, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The Comprehensive Annual Financial Report ("CAFR") is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, the City's organization chart and a list of principal officials. The Financial section includes the general purpose financial statements and the combining, individual fund and account group financial statements and schedules, as well as the report of independent accountants on the general purpose financial statements. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This report includes all funds and account groups of the City.

GOVERNMENTAL STRUCTURE

The City of Elyria (the "City") was incorporated on February 23, 1833 under the laws of the State of Ohio. The City operates under a Mayor-Council form of government as provided by its Charter adopted on November 2, 1965.

The City provides a full range of services. These services include: police and fire protection, the construction and maintenance of highways, streets and infrastructure, recreational activities, family and child health care, community planning, zoning and development, and water, sewer and sanitation services. In addition, the Elyria Municipal Court is included in the reporting entity. The Elyria City School District, the Elyria Memorial Hospital and the Elyria Public

MAJOR INITIATIVES

FOR THE YEAR- The City addressed the following infrastructure problems in 2002.

The repair and reconstruction of portions of Midway Boulevard and University Avenue, David Drive and Gulf Road, Poplar Street and intersection improvements at State Route 57 and State Route 113 were completed in 2002. The David Drive and Gulf Road project was funded with a 10-year 0% interest State Issue II loan. The remaining projects were funded with 89% State Issue II grants and 11% by the City.

FOR THE FUTURE:

Infrastructure upgrade continues to be a priority of the City. For example:

Replacement of the State Route 57 Bridge over the Black River began in 2002 and will continue into 2004. This project will be totally funded with federal and state monies.

Deck replacement of the Second Street Bridge over the Black River is scheduled to begin in 2003. This project will be funded with 80% federal monies and a 20% State Issue II grant.

Other road projects scheduled to begin in 2003 are the repair and reconstruction of portions of Winkles Street and Woodford Avenue, Foster Avenue and East Broad Street, Huron Street and all of Hilliard Road. All of these projects have been approved for 89% State Issue II funding.

Construction of two new elevated water storage tanks, installation of two new booster pumps and other improvements to the water system to improve water pressure began in early 2003 and will continue throughout the year. These projects are being funded with \$5.2 million in general obligation bond anticipation notes that will be repaid with Water Enterprise Fund monies.

Construction of the new City Hall complex, which involves new construction along with adaptive-reuse of the old City Hall building, began in May 2001 and was expected to be completed in April 2003. However, problems with the walls of the old City Hall building have caused a delay in the project completion date and increased the cost of the project. The City transferred \$500,000 in 1998 and \$1,500,000 in 1999 from the General Fund to the Municipal Building Construction Capital Project Fund and the City issued \$8,200,000 in general obligation long-term bonds in 2001 for this project. In addition, the City's Water, Sanitation, and Wastewater Pollution Control Enterprise Funds will contribute \$434,451, \$72,090, and \$434,452 respectively, toward the project. Additional estimated costs to complete the project total \$2,000,000 and will be funded with short-term general obligation bond anticipation notes. The new estimated completion date is September 2004.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal accounting controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments made by management.

As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the City Auditor's staff.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments". As a part of the City's single audit, tests are made to determine the adequacy of internal controls, including internal controls related to federal financial assistance programs, as well as to determine if the City has complied with applicable laws and regulations that are material to the general purpose financial statements and federal assistance programs. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of all funds, except the City's Agency Funds, are included in the annual appropriated budget, which is prepared on the basis of cash receipts and disbursements (including encumbrances). Project-length financial plans are also adopted for individual capital projects. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established by major account within each City department. The City also maintains an encumbrance accounting system as one technique of establishing budgetary control. Appropriation amounts lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

GENERAL GOVERNMENT FUNCTIONS – The General Fund balance decreased from \$6,289,781 at December 31, 2001 to \$5,864,636 at December 31, 2002. The following schedule presents a summary of General Fund revenues for the fiscal year ended December 31, 2002 and a comparison to prior years revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2001</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$17,494,375	67.79%	\$(4,825,558)	(21.62)%
Intergovernmental revenues	4,704,524	18.23	4,379,776	1,348.67
Charges for services	1,478,621	5.73	247,759	20.13
Licenses and permits	770,671	2.99	117,649	18.02
Investment income	88,552	.34	(101,094)	(53.31)
Fines and forfeitures	1,245,362	4.82	56,702	4.77
Miscellaneous revenues	<u>24,583</u>	<u>.10</u>	<u>(40,987)</u>	<u>(62.51)</u>
Totals	<u>\$25,806,688</u>	<u>100.00%</u>	<u>\$(165,553)</u>	<u>.64%</u>

The decrease in taxes and increase in intergovernmental revenues is due primarily to the reclassification of certain revenues received from the State of Ohio that have been classified as tax revenue in the past which have been reclassified as intergovernmental revenues in this report. The decrease in taxes is also due to the loss of York International Corporation which was the City's third largest employer before closing it's Elyria plant, as well as the poor economy. The increase in charges for services is primarily due to an increase in bed space rented to outside institutions at the Elyria City Jail and an increase in programs offered at the Elyria City Health Department. The increase in licenses and permits is primarily due to the necessary permits

obtained by Lorain County for the construction of a \$45 million Justice Center in downtown Elyria. The decrease in investment income is due to the lowering of interest rates in 2002 by the Federal Reserve.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended December 31, 2002 and a comparison to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent Of Total</u>		<u>Percent of Increase (Decrease) From 2001</u>
		<u>2002</u>	<u>2001</u>	
Current:				
Public safety	\$14,849,486	57.17%		7.21%
Health	1,514,346	5.83	(38,478)	(2.48)
Culture and recreation	2,028,504	7.81	91,474	4.72
Community environment	802,462	3.09	41,636	5.47
General government	6,263,584	24.12	515,479	8.97
Capital Outlay	<u>514,433</u>	<u>1.98</u>	<u>9,004</u>	<u>1.78</u>
Total	<u>\$25,972,815</u>	<u>100.00%</u>	<u>\$1,617,764</u>	<u>6.64%</u>

The increase in public safety, culture and recreation, community environment and general government are all due to increased personnel costs, and associated fringe benefits and the rising costs of health care.

ENTERPRISE OPERATIONS – The City’s enterprise operations consist of four separate funds: **Water, Wastewater Pollution Control, Sanitation, and Special Parks and Recreation**. Several of the City’s major initiatives listed previously are directly related to these operations. The City’s **Water Fund** continues to operate while keeping user rates at a minimum. The City is particularly proud of the fact that our system is able to provide plentiful amounts of water even in the worst conditions, such as the droughts experienced in the summers of recent years. Also, the City has recently started construction of two new elevated water storage tanks, the addition of two new booster pumps and other improvements to the system to improve water pressure. This should keep the City’s water operations at a level citizens will appreciate long into the future.

The City has completed a major upgrade of its wastewater treatment plant and construction of the Westside Interceptor sewer and the District II Relief sewer. With these improvements, the City’s wastewater operations should be at a level which is at least as equal to other cities of comparable size.

The City’s **Sanitation Department** continues to provide its citizens with excellent trash collection services at the lowest possible price. In 2002, the City increased sanitation rates for the first time since 1993 to keep up with increasing operating costs and to purchase two new trash packers. A City-wide recycling program was implemented in 1994 to keep up with the changing times.

The City’s fourth enterprise fund, **Special Parks and Recreation**, is fairly minor in nature and is used to account for the operations of concession stands and athletic programs in the City’s parks and recreation facilities.

INTERNAL SERVICE OPERATIONS – The City has two internal service funds relating to risk management. Those funds are the **Employees’ Health Insurance Fund** and **Workers’ Compensation Fund**.

The **Employees’ Health Insurance Fund** is used to account for the operations of the City’s self-insured health plan for all full-time employees and their dependents. Other City funds are charged a premium amount per employee covered by the Employees’ Health Insurance Fund. The Employees’ Health Insurance Fund pays claims and administration costs. The City has specific stop-loss insurance coverage to insure against catastrophic claims.

The **Workers’ Compensation Fund** is used to account for the City’s participation in the State of Ohio workers’ compensation fully insured plan. Under the plan, the City reimburses the State of Ohio for claims paid, administration fees, and premiums for insurance coverage on catastrophic claims. Other City funds are charged a premium amount based on the wages paid to covered employees.

FIDUCIARY OPERATIONS – The City has several trust and agency funds under its jurisdiction. These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These funds include three expendable trust funds, one non-expendable trust fund, and fifteen agency funds.

DEBT ADMINISTRATION – The City’s most recent bond rating of A2 was obtained from Moody’s Investors Service in 2001. This favorable bond rating has saved the City thousands of dollars in debt service costs and also shows Moody’s confidence in the City’s operations and financial position.

The City had a number of debt issues outstanding at December 31, 2002. These issues include \$23,427,742 in general obligation bonds, \$7,030,000 in general obligation notes, \$2,547,257 in special assessment bonds, \$17,601,555 in Ohio Water Development Authority loans, a \$259,850 HUD 108 loan, and \$588,362 in Ohio Public Works Commission interest free loans. Under the uniform Bond Act of the Ohio Revised Code, the City has a legal limitation on unvoted general obligation debt based on 5-1/2% of the assessed valuation of real and personal property. At December 31, 2002, the City’s net debt (as defined in the Ohio Revised Code) of \$28,032,915 was well below the legal limit of \$50,198,309.

CASH MANAGEMENT – Monies temporarily idle during the year and invested are governed by the City Charter and the Ohio Revised Code. The City invested these funds in a common group of bank accounts and short-term investments such as certificates of deposit, money market accounts, federal agency securities, and Star Ohio. The City Auditor’s Office has implemented an excellent cash management program. While the City only uses safe, conservative investments, at the same time it takes full advantage of available investment opportunities. Interest earned on investments is allocated to the funds participating in the pool in accordance with the City Charter and Codified Ordinances. Following is a schedule of interest earned (on a cash basis) for the past ten years:

<u>Years</u>	<u>Amount</u>
1993	\$ 352,956
1994	736,480
1995	1,293,466
1996	1,270,705
1997	1,778,733
1998	1,508,901
1999	1,229,010
2000	1,690,000
2001	1,620,592
2002	680,710

The overall rate of return on the City's investments for 2002 was approximately 2.38%. The City complied with the various provisions of the Ohio Revised Code and the City Charter and Codified Ordinances pertaining to types of investments held and institutions in which deposits were made. The City also complied with provisions of the Ohio Revised Code concerning security requirements. The Ohio Revised Code does not require security for its public deposits to be maintained in the City's name. Instead, the investment institutions may pledge a pool of government securities, the face value of which is at least 105% of the total value of public monies on deposit. The City monitors compliance with the various statutes mentioned above and will continue to do so in future years.

RISK MANAGEMENT – The City purchases insurance policies in varying amounts to insure City property against loss or misuse and provide coverage for general liability, vehicle liability, property damage, employee and public officials liability, and for errors and omissions. The City also pays unemployment claims to the State of Ohio as incurred.

The City's risk management policies for health insurance and workers' compensation have been discussed previously in the Internal Services Operations section.

PENSION AND POSTEMPLOYMENT BENEFITS PLANS – Full time, permanent employees of the City belong to one of two state operated pension plans (both are cost-sharing, defined benefit, multiple-employer plans). Elected officials and non-uniformed employees are members of the Public Employees Retirement System of Ohio ("PERS"). Police and fire personnel are members of the Ohio Police and Fire Pension Fund ("OP&F"). The plans provide pension benefits as well as postretirement health care coverage to qualifying employees. Contributions to the plans by both the City and participating employees are mandated by state statute. Because both plans operate pursuant to the Ohio Revised Code, the Ohio General Assembly could decide to amend the format of the plans and could revise contribution and benefit levels.

During the year ended December 31, 2002, the City contributed approximately \$4.2 million to the two plans.

Information regarding the operations and funded status of both plans is available from the following sources:

Public Employees Retirement System of Ohio
 277 East Town Street
 Columbus, Ohio 43215-4642
 (614) 466-2085 (800) 222-7377
<http://www.opers.org>

Ohio Police and Fire Pension Fund
 140 East Town Street
 Columbus, Ohio 43215-5164
 (614) 228-2975 <http://www.op-f.org>

OTHER INFORMATION

INDEPENDENT AUDIT – State statutes require an annual audit. This year the City's audit was performed by State Auditor, Betty Montgomery. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and the related OMB Circular A-133. The report of independent accountants on the general purpose financial statements is included in the financial section of this report and is unqualified.

AWARDS

The Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING** to the City of Elyria for its comprehensive annual financial report for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

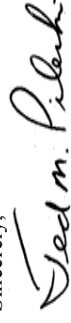
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Elyria has received a Certificate of Achievement for the last **SIXTEEN CONSECUTIVE YEARS** (fiscal years ended 1986-2001). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the City Auditor's Office. I would like to express my appreciation to all staff members who have contributed or assisted in its preparation.

In closing, I would also like to thank the Mayor and members of Elyria City Council, for without your continued support, the preparation of this report to help ensure the continued financial integrity of the City, would not have been possible.

Sincerely,



Ted M. Pileski, CPA
 Elyria City Auditor

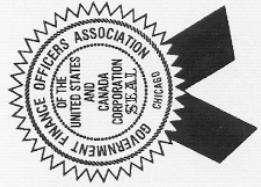
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Elyria,
Ohio

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2001

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.



William J. Pate
President

Jeffrey L. Ecker
Executive Director

The *Government Finance Officers Association* of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Elyria for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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**CITY OF ELYRIA, OHIO
ELECTED OFFICIALS**

FOUR YEAR TERMS

Mayor: William M. Grace
12-06-99 ... 11-30-03

Auditor: Ted M. Pileski
07-01-93 ... 11-30-03

Law
Director: Terry S. Shilling
01-02-86 ... 11-30-03

SIX YEAR TERMS

John R. Musson
01-01-98 ... 12-31-03

George H. Ferguson
01-02-86 ... 12-31-03

Donald J. Rothgery
01-01-00 ... 12-31-05

Office of the Auditor:

Chief Deputy Auditor.....John T. Farrell

Office of the Mayor:

Safety Service Director.....Eric J. Rothgery
Administrative Assistant.....Terre Lee Moyer
Assistant Safety-Service Director.....Robert A. Given
Assistant Safety-Service Director.....James Hutchison
Assistant Safety-Service Director.....Chris Eichenlaub
Administrative Assistant.....Rebecca M. Stewart
EEO-MBE Coordinator.....LaTaunya Howard
Administrative Legal Council to the Mayor.....J. Terry Robinson

TWO YEAR TERMS

Council
At Large: John A. Baird
12-06-99 ... 11-30-03

Herman M. Larkins
12-04-95 ... 11-30-03

Michael J. Lotko III
12-04-95 ... 11-30-03

Larry W. Tanner
12-06-99 ... 11-30-03

Charlene K. Gersak
12-06-99 ... 11-30-03

Forrest L. Bullock
12-05-93 ... 11-30-03

Garry L. Gibbs
12-05-93 ... 11-30-03

Paul E. Blevins
12-06-99 ... 11-30-03

Thomas O. Shores
12-05-83 ... 11-01-02

William D. Ogle
11-04-02 ... 11-30-03

Gail Abbey
12-01-97 ... 11-30-03

E. Kenneth Burkhard
12-07-87 ... 11-30-03

Office of the Law Director:

Assistant Law Director.....Stephen J. Gurchik
Chief Prosecutor.....Michael E. Szekely
Prosecutor.....Jay B. Grunda
Prosecutor.....Margaret O'Bryon
Assistant Prosecutor.....Quentin J. Nolan
Assistant Prosecutor.....Michelle D. Nedwick
Assistant Prosecutor.....Cynthia Adams
Assistant Prosecutor.....Honey Rothschild

Office of City Council:

Council Clerk.....Arthur Weber
Assistant Council Clerk.....Nell M. Fike

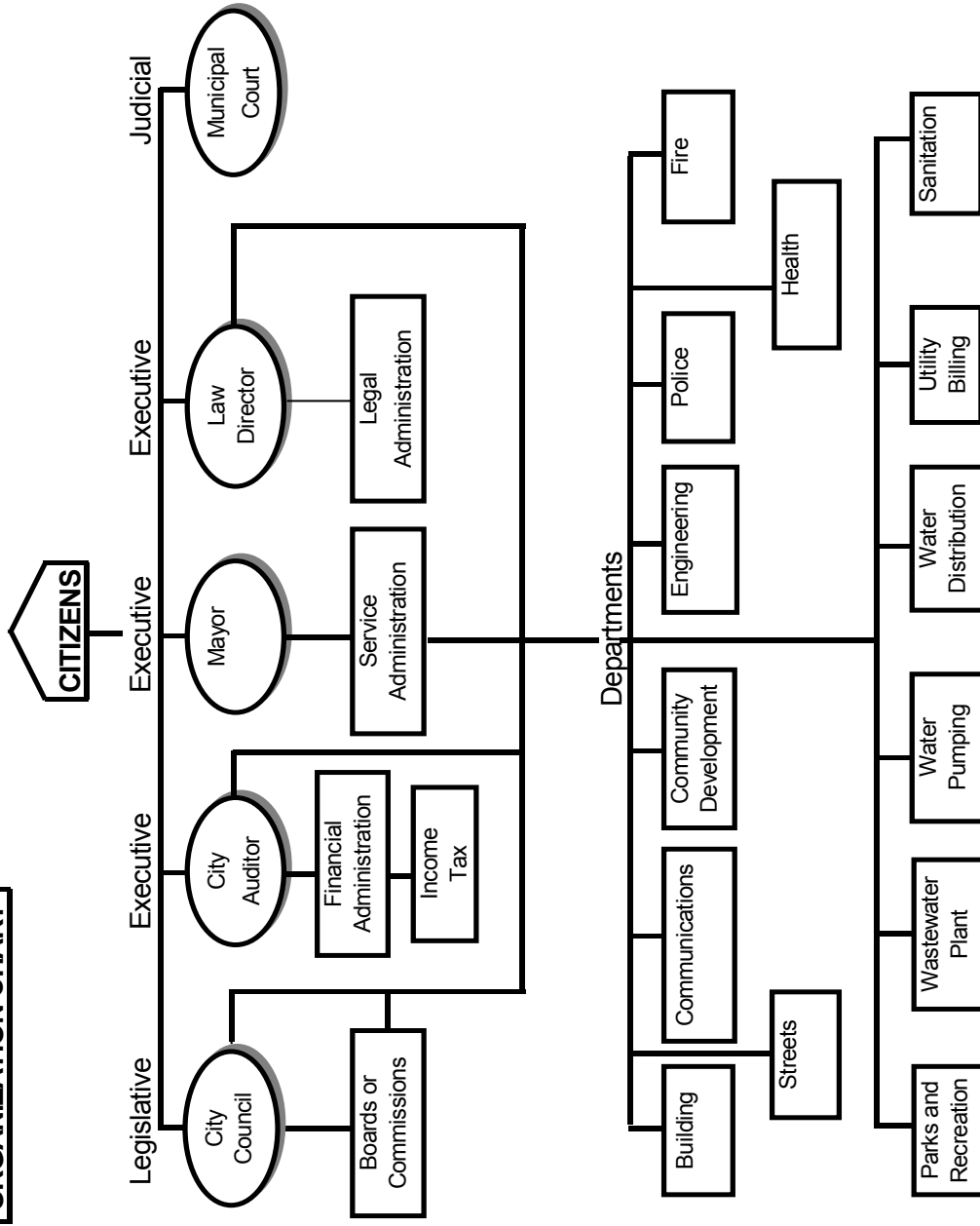
Department Heads:

Building Department.....Gerald L. Klein
Communications Superintendent.....Charles Garay
Community Development Director.....Carol A. Nawrocki
City Planning Director.....Jon R. Kiner
Engineer.....John Hart
Fire Chief.....John F. Zielinski
Health Commissioner.....Kathryn C. Boylan
Income Tax Administrator.....Ted M. Pileski
Medical Director.....Dr. Douglas M. McDonald
Parks and Recreation Director.....Frank J. Gustoff
Police Chief.....Michael Medders
Street Superintendent.....Gary M. Dickerson
Utilities Superintendent.....Thomas A. Brand
Wastewater Plant Superintendent.....Gregory F. Worcester
Water Distribution Superintendent.....Harold Connerth
Water Pumping Plant Superintendent.....Kenneth A. Moore

**CITY OF ELYRIA, OHIO
2002 FINANCE ADMINISTRATION**

- CITY AUDITOR Ted M. Pileski, CPA
- CHIEF DEPUTY AUDITOR John T. Farrell
- DEPUTY AUDITORS
 - Mary C. Carr
 - Joyce M. Clark
 - Nancy J. DeSouza
 - Carol A. Drachenberg
 - Sandra K. Kelley
 - Kay A. Meecha
 - Terri L. Woodruff
- BOND COUNSEL Squire, Sanders & Dempsey
Cleveland, Ohio
- AUDITORS State Auditor Betty Montgomery
State of Ohio

**City of Elyria, Ohio
ORGANIZATION CHART**



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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Members of Council
City of Elyria
Lorain County
328 Broad Street
Elyria, Ohio 44035

We have audited the accompanying general-purpose financial statements of the City of Elyria, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Elyria, Lorain County, Ohio, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund 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 6, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

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

Betty Montgomery
Auditor of State

June 6, 2003

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

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CITY OF ELYRIA, OHIO

***GENERAL PURPOSE
FINANCIAL STATEMENTS***

DECEMBER 31, 2002

CITY OF ELYRIA, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise		Internal Service	Trust and Agency		General Fixed Assets
ASSETS AND OTHER DEBITS										
Equity in pooled cash and cash equivalents	\$ 3,807,114	\$ 1,846,578	\$ 24,154	\$ 2,537,123	\$ 5,396,293	\$ 444,582	\$ 1,305,958	\$	\$	\$ 15,361,802
Cash and cash equivalents-segregated accounts		988,900	2,378,900		7,831,875	2,421,876	388,970			388,970
Other short-term investments	6,050,700	1,097,608	1,301,623		1,230,399		282,000			13,903,551
Receivables:										
Taxes										
Accounts	5,346	1,990	15,023	2,530	33,956	11,771	788			8,449,931
Accrued interest					382,829					1,230,399
Rehabilitation loans		3,713,665			627,000					71,404
Settlements					74,778					4,096,494
Special assessments			3,075,646							627,000
Due from other funds	87,651	39,415								3,150,424
Due from other governments	1,667,968	1,085,012	173,012	99,833	239,049					3,025,825
Inventory of supplies					159,265					127,066
Prepaid expenses										239,049
Fixed Assets:										159,265
Land										
Buildings					656,488			5,453,933		6,110,421
Improvements					29,337,501			16,917,148		46,254,649
Utility distribution and collection systems					25,834,197			1,791,558		27,625,755
Machinery and equipment										
Construction in progress					47,666,439	4,582		13,476,946		61,143,385
Less: Accumulated depreciation					9,397,733			12,933,346		22,335,661
Other Debits:					1,859,969	(4,582)		7,089,779		8,949,748
Amount available in Debt Service Funds					(57,122,231)					(57,126,813)
Amount to be provided for retirement of general long-term obligations									2,424,827	2,424,827
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 11,618,779</u>	<u>\$ 8,773,168</u>	<u>\$ 6,968,358</u>	<u>\$ 2,639,486</u>	<u>\$ 73,605,540</u>	<u>\$ 2,878,229</u>	<u>\$ 1,977,716</u>	<u>\$ 57,662,710</u>	<u>\$ 29,404,761</u>	<u>\$ 195,528,747</u>

See Accompanying Notes to Combined Financial Statements.

CITY OF ELYRIA, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS (continued)
DECEMBER 31, 2002

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES			FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service		Trust and Agency	General Fixed Assets	
LIABILITIES										
Accounts payable	\$ 99,928	\$ 55,046	\$		\$ 131,567	\$ 1,604	\$ 213,144	\$	\$	\$ 501,289
Contracts payable	115,753	50,882		485,232	384,172					1,016,039
Accrued wages and benefits	1,390,623	367,433			1,568,679	943,990	3,168			4,263,893
Compensated absences payable	380,077	52,453			142,066	65	124		4,609,937	5,184,722
Due to other funds							127,066			127,066
Due to other governments							43,045			43,045
Accrued/matured interest payable			1,344		739,711					741,055
Deferred revenue	3,767,762	1,258,391	4,542,187		113,417					9,681,757
Other liabilities							1,001,563			1,001,563
General obligation notes payable				600,000	6,430,000				21,695,000	7,030,000
General obligation bonds payable					1,732,742				428,745	23,427,742
Construction loans payable		259,850			17,637,350					18,325,945
Special assessment debt									2,671,079	2,671,079
TOTAL LIABILITIES	5,754,143	2,044,055	4,543,531	1,065,232	28,869,704	945,659	1,388,110		29,404,761	74,015,195
EQUITY AND OTHER CREDITS										
Investment in general fixed assets								57,662,710		57,662,710
Contributed capital:										
From federal grants					9,422,926					9,422,926
From other City funds					376,629			466,244		842,873
Other					2,067,831					2,067,831
Retained earnings-unreserved					32,868,450	1,466,326				34,334,776
Fund balance										
Reserved for encumbrances	629,275	739,672		1,718,768			2,423			3,090,138
Reserved for debt service			2,424,827							2,424,827
Reserved for rehabilitation loans		3,713,665								3,713,665
Reserved for endowment							381,527			381,527
Unreserved-undesignated	5,235,361	2,275,776		(144,514)			205,656			7,572,279
TOTAL EQUITY AND OTHER CREDITS	5,864,636	6,729,113	2,424,827	1,574,254	44,735,836	1,932,570	589,606	57,662,710		121,513,552
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 11,618,779	\$ 8,773,168	\$ 6,968,358	\$ 2,639,486	\$ 73,605,540	\$ 2,878,229	\$ 1,977,716	\$ 57,662,710	\$ 29,404,761	\$ 195,528,747

See Accompanying Notes to Combined Financial Statements.

CITY OF ELYRIA, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE Expendable Trust	TOTALS (Memorandum only)
	General	Special Revenue	Debt Service		
REVENUES					
Taxes	\$ 17,494,375	\$ 3,871,448	\$ 1,587,962	\$	\$ 22,953,785
Intergovernmental revenues	4,704,524	3,521,421	165,932		8,784,680
Charges for services	1,478,621	234,970		81,445	1,795,036
Licenses and permits	770,671	58,928			829,599
Investment income	88,552	61,086	75,213	5,738	320,786
Special assessments			616,434		616,434
Fines and forfeitures					1,789,487
Contributions	1,245,362	544,125		66,996	69,536
Miscellaneous revenues	24,583	124,570	36,888		186,041
TOTAL REVENUES	25,806,688	8,416,548	2,482,429	154,179	37,345,384
EXPENDITURES					
Current:					
Public safety	14,849,486	3,923,289			18,772,775
Health	1,514,346	964,386		112,186	2,590,918
Culture and recreation	2,028,504			76,926	2,105,430
Community environment	802,462	755,141			1,557,603
Highways and streets		1,577,592			1,577,592
General government	6,263,584	326,769	57,793		6,648,146
Capital outlay	514,433	1,139,060		55,691	7,140,833
Debt service:					
Principal retirement		35,000	1,292,836		1,327,836
Interest and fiscal charges		79,277	1,240,359		1,319,636
TOTAL EXPENDITURES	25,972,815	8,800,514	2,590,988	244,803	43,040,769
Excess (deficiency) of revenues over expenditures	(166,127)	(383,966)	(108,559)	(90,624)	(5,695,385)
OTHER FINANCING SOURCES (USES)					
Proceeds from loans					114,118
Operating transfers in		317,347		8,083	628,562
Operating transfers out	(370,694)				(620,479)
Proceeds from sale of fixed assets	111,676	7,249			118,925
TOTAL OTHER FINANCING SOURCES (USES)	(259,018)	324,596		8,083	241,126
Excess (deficiency) of revenues and other sources over expenditures and other uses	(425,145)	(59,370)	(108,559)	(82,541)	(5,454,259)
FUND BALANCE AT BEGINNING OF YEAR	6,289,781	6,788,483	2,533,386	290,620	22,255,168
FUND BALANCE AT END OF YEAR	\$ 5,864,636	\$ 6,729,113	\$ 2,424,827	\$ 208,079	\$ 16,800,909

See Accompanying Notes to Combined Financial Statements.

CITY OF ELYRIA, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES.
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 17,811,039	\$ 17,813,716	\$ 2,677	\$ 3,894,558	\$ 3,897,844	\$ 3,286
Intergovernmental revenues	4,189,117	4,270,277	81,160	3,898,892	3,505,350	(393,542)
Charges for services	1,809,219	1,922,204	112,985	232,885	234,990	2,105
Licenses and permits	747,295	776,566	29,271	58,554	58,928	374
Interest earnings	95,000	92,613	(2,387)	65,865	65,596	(269)
Special assessments	12,000	13,223	1,223	5,900	5,914	14
Fines and forfeitures	800,000	812,434	12,434	514,330	534,526	20,196
Miscellaneous revenues	372,000	377,079	5,079	353,423	381,126	27,703
TOTAL REVENUES	25,835,670	26,078,112	242,442	9,024,407	8,684,274	(340,133)
EXPENDITURES						
Public safety	15,263,441	15,195,412	68,029	5,011,725	4,883,611	128,114
Health	1,575,178	1,550,811	24,367	1,036,683	1,010,089	26,594
Culture and recreation	2,318,486	2,268,911	49,575			
Community environment	859,630	835,763	23,867	1,903,917	1,872,586	31,331
Highways and streets				2,386,455	2,327,196	59,259
General government	8,178,680	8,051,872	126,808	35,000	20,774	14,226
Debt service						
TOTAL EXPENDITURES	28,195,415	27,902,769	292,646	10,373,780	10,114,256	259,524
Excess (deficiency) of revenues over expenditures	(2,359,745)	(1,824,657)	535,088	(1,349,373)	(1,429,982)	(80,609)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	3,000	1,038	(1,962)	317,347	317,347	
Operating transfers out	(370,695)	(370,694)	1			
Other financing sources	1,027,469	1,081,641	54,172		5,214	5,214
TOTAL OTHER FINANCING SOURCES (USES)	659,774	711,985	52,211	317,347	322,561	5,214
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,699,971)	(1,112,672)	587,299	(1,032,026)	(1,107,421)	(75,395)
Adjustments for prior year encumbrances	512,372	512,372		607,033	607,033	
FUND BALANCE AT BEGINNING OF YEAR	3,242,413	3,242,413		2,481,826	2,481,826	
FUND BALANCE AT END OF YEAR	\$ 2,054,814	\$ 2,642,113	\$ 587,299	\$ 2,056,933	\$ 1,981,438	\$ (75,395)

See Accompanying Notes to Combined Financial Statements.
(Continued on subsequent page)

CITY OF ELYRIA, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AN CHANGES IN FUND BALANCES.
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES (continued)
FOR THE YEAR ENDED DECEMBER 31, 2002

	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 1,587,900	\$ 1,587,947	\$ 47	\$ 661,847	\$ 498,132	\$ (163,715)
Intergovernmental revenues	165,300	165,346	46			
Charges for services						
Licenses and permits	73,978	73,982	4	92,471	92,982	511
Interest earnings	616,435	616,434	(1)			
Special assessments				2,500	2,540	40
Fines and forfeitures		36,893	36,893	756,818	593,654	(163,164)
Miscellaneous revenues						
TOTAL REVENUES	2,443,613	2,480,602	36,989	756,818	593,654	(163,164)
EXPENDITURES						
Public safety						
Health						
Culture and recreation				67,621	64,935	2,686
Community environment				6,920,134	6,530,223	389,911
Highways and streets				2,023,025	1,948,999	74,026
General government						
Debt service	2,614,574	2,614,571	3	9,010,780	8,544,157	466,623
TOTAL EXPENDITURES	2,614,574	2,614,571	3	9,010,780	8,544,157	466,623
Excess (deficiency) of revenues over expenditures	(170,961)	(133,969)	36,992	(8,253,962)	(7,950,503)	303,459
OTHER FINANCING SOURCES (USES)						
Proceeds of bonds					87	87
Proceeds of notes				600,000	600,000	
Operating transfers in				303,083	303,133	50
Operating transfers out				(249,789)	(249,786)	3
Other financing sources					3,275	3,275
TOTAL OTHER FINANCING SOURCES				653,294	656,709	3,415
Excess (deficiency) of revenues and other sources over expenditures and other uses	(170,961)	(133,969)	36,992	(7,600,668)	(7,293,794)	306,874
Adjustments for prior year encumbrances				6,072,158	6,072,158	
FUND BALANCE AT BEGINNING OF YEAR	2,517,575	2,517,575		1,650,057	1,650,057	
FUND BALANCE AT END OF YEAR	\$ 2,346,614	\$ 2,383,606	\$ 36,992	\$ 121,547	\$ 428,421	\$ 306,874

See Accompanying Notes to Combined Financial Statements.

CITY OF ELYRIA, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND EQUITY/FUND BALANCE
 ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 2002

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS
	Enterprise	Internal Service		
OPERATING REVENUES				
Charges for service	\$ 16,659,549	\$ 4,299,583	\$ 14,080	\$ 20,973,212
Tap fees	257,470			257,470
Investment income		94,689	8,017	8,017
Other	218,724			313,413
TOTAL OPERATING REVENUES	<u>17,135,743</u>	<u>4,394,272</u>	<u>22,097</u>	<u>21,552,112</u>
OPERATING EXPENSES				
Personal services	6,865,243	15,968		6,881,211
Fringe benefits	2,127,388	4,976,996		7,104,384
Materials and supplies	1,800,953			1,800,953
Heat, light and power	937,150			937,150
Contractual services	2,301,141	45,483		2,346,624
Depreciation	3,559,508			3,559,508
Other	271,259			271,259
TOTAL OPERATING EXPENSES	<u>17,862,642</u>	<u>5,038,447</u>		<u>22,901,089</u>
OPERATING INCOME (LOSS)	<u>(726,899)</u>	<u>(644,175)</u>	<u>22,097</u>	<u>(1,348,977)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	262,562	94,170		356,732
Interest expense	(1,617,835)			(1,617,835)
Other	96,937			96,937
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1,258,336)</u>	<u>94,170</u>		<u>(1,164,166)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS AND CAPITAL GRANT ACTIVITY	<u>(1,985,235)</u>	<u>(550,005)</u>	<u>22,097</u>	<u>(2,513,143)</u>
CAPITAL GRANT REVENUE	95,492			95,492
OPERATING TRANSFERS OUT			(8,083)	(8,083)
NET INCOME (LOSS)	<u>(1,889,743)</u>	<u>(550,005)</u>	<u>14,014</u>	<u>(2,425,734)</u>
DEPRECIATION ON FIXED ASSETS ACQUIRED WITH CONTRIBUTED CAPITAL RESTRICTED FOR CAPITAL ACQUISITIONS OR CONSTRUCTION	986,168			986,168
RETAINED EARNINGS/FUND BALANCE AT BEGINNING OF YEAR	33,772,025	2,016,331	367,513	36,155,869
RETAINED EARNINGS/FUND BALANCE AT END OF YEAR	<u>32,868,450</u>	<u>1,466,326</u>	<u>381,527</u>	<u>34,716,303</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR	12,853,554	466,244		13,319,798
DEPRECIATION ON FIXED ASSETS ACQUIRED WITH CONTRIBUTED CAPITAL RESTRICTED FOR CAPITAL ACQUISITIONS OR CONSTRUCTION	(986,168)			(986,168)
CONTRIBUTED CAPITAL AT END OF YEAR	<u>11,867,386</u>	<u>466,244</u>		<u>12,333,630</u>
FUND EQUITY/FUND BALANCE AT END OF YEAR	<u>\$ 44,735,836</u>	<u>\$ 1,932,570</u>	<u>\$ 381,527</u>	<u>\$ 47,049,933</u>

See Accompanying Notes to Combined Financial Statements.

CITY OF ELYRIA, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 2002

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE		TOTALS	
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)		
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 16,913,903	\$ 4,299,583	\$ 14,080		\$ 21,227,566	
Cash payments to suppliers for goods and services	(7,447,776)	(4,723,997)			(12,171,773)	
Cash payments to employees for services	(6,256,076)	(15,968)			(6,272,044)	
Settlement proceeds	175,000				175,000	
Other operating revenues	218,724	94,689			313,413	
Other operating expenses	(271,259)				(271,259)	
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>3,332,516</u>	<u>(345,693)</u>	<u>14,080</u>		<u>3,000,903</u>	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating transfers out			(8,083)		(8,083)	
NET CASH USED FOR NONCAPITAL FINANCING ACTIVITIES			<u>(8,083)</u>		<u>(8,083)</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of notes	6,430,000				6,430,000	
Capital grants received	192,429				192,429	
Acquisition and construction of capital assets	(2,293,263)				(2,293,263)	
Principal and interest paid on notes, bonds and loans payable	(5,291,637)				(5,291,637)	
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(962,471)</u>				<u>(962,471)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	274,750	102,560	8,083		385,413	
Short-term investments converted to cash	2,641,274	1,986,266			4,627,540	
Purchase of short-term investments	(7,831,875)	(2,421,876)			(10,253,751)	
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>(4,915,851)</u>	<u>(333,030)</u>	<u>8,083</u>		<u>(5,240,798)</u>	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,545,806)</u>	<u>(678,723)</u>	<u>14,080</u>		<u>(3,210,449)</u>	
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>7,942,099</u>	<u>1,123,305</u>	<u>367,432</u>		<u>9,432,836</u>	
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,396,293</u>	<u>\$ 444,582</u>	<u>\$ 381,512</u>		<u>\$ 6,222,387</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:						
Operating income (loss)	\$ (726,899)	\$ (644,175)	\$ 22,097		\$ (1,348,977)	
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	3,559,508		(8,083)		3,559,508	
Interest on investments						
Change in assets and liabilities:						
Accounts receivable	(12,644)				(12,678)	
Rehabilitation loans receivable	76,305		66		76,305	
Settlements receivable	175,000				175,000	
Inventory of supplies	(6,962)				(6,962)	
Prepaid expenses	(45,072)				(45,072)	
Accounts payable	52,180	(10)			52,170	
Contracts payable relating to operating activities	172,177				172,177	
Accrued wages and benefits	44,538	298,475			343,013	
Compensated absences payable	34,857	17			34,874	
Deferred revenue	9,528				9,528	
Total adjustments	4,059,415	298,482	(8,017)		4,349,880	
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 3,332,516</u>	<u>\$ (345,693)</u>	<u>\$ 14,080</u>		<u>\$ 3,000,903</u>	
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Unrealized appreciation in fair value of investments	\$ 17,697	\$ 11,258			\$ 28,955	

See Accompanying Notes to Combined Financial Statements.

* The amount of cash and cash equivalents shown on the accompanying December 31, 2002 Combined Balance Sheet for the Fiduciary Fund Types includes cash and cash equivalents of Nonexpendable Trust Funds \$ 381,512, Expendable Trust Funds \$ 214,668, and Agency Funds \$ 709,778.

**CITY OF ELYRIA, OHIO
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002**

NOTE 1 – DESCRIPTION OF CITY OPERATIONS AND BASIS OF PRESENTATION

(A) THE CITY

The City of Elyria (the “City”) was incorporated on February 23, 1833 under the laws of the State of Ohio. The City operates under a Mayor-Council form of government as provided by its Charter adopted on November 2, 1965.

(B) THE REPORTING ENTITY

The City has adopted the provisions of Statement No. 14 of the Governmental Accounting Standards Board (“GASB Statement No. 14”) regarding the definition of its financial reporting entity. For financial reporting purposes, the City’s reporting entity includes all funds, account groups, agencies, boards and commissions for which the City is financially accountable. The notion of financial accountability includes not only the organizations that constitute the City’s legal entity; it also can include legally separate organizations in certain instances. Legally separate organizations are included in the reporting entity if the City’s officials appoint a voting majority of an organization’s governing body and, as a result, the City is able either to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the City. On this basis, the reporting entity of the City includes the following services: public safety (police and fire), health (health department), culture and recreation (parks and recreation), community environment (planning, zoning and community development), basic utility services (water, sanitation, and wastewater pollution control), highways and streets (street and highway maintenance), and general government (administrative services including the municipal court).

Included as part of the City’s primary government in the determination of the City’s reporting entity is the Elyria Municipal Court (the “Court”). Although the Court’s territorial jurisdiction extends beyond the boundaries of the City and the Judges of the Court are separately elected, the Court’s operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court, establishing the compensation of certain Court employees, and is ultimately responsible for any operating deficits sustained by the Court. The City’s share of the fines collected by the Court, along with its share of the Court’s administration and operating costs are recorded in the City’s General Fund. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying financial statements.

The following entities which conduct their activities near or within the City’s boundaries for the benefit of the City and/or its residents are excluded from the accompanying financial statements because they are legally separate from the City and the City is not financially accountable for their operations.

Elyria City School District
Elyria Memorial Hospital
Elyria Public Library

Financial Section – Notes

No component units are included in the definition of the City’s reporting entity.

(C) BASIS OF PRESENTATION

The accounting system is organized on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Amounts in the “Totals-Memorandum Only” columns in the financial statements represent a summation of the combined financial statement line items of the fund types and account groups and are presented only for analytical purposes. The summation includes fund types and account groups that use different bases of accounting, restricted and unrestricted amounts, interfund transactions that have not been eliminated, and the caption “amount to be provided”, which is not an asset in the usual sense. Consequently, amounts shown in the “Totals-Memorandum Only” column are not comparable to a consolidation.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. The acquisition and use of the City’s expendable financial resources and the related current liabilities (except for those accounted for in proprietary or fiduciary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the City’s governmental fund types:

General Fund – This fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Elyria and the general laws of Ohio.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or restricted for major capital projects or debt service) that are legally restricted to expenditure for specified purposes.

Debt Service Funds – These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities or equipment (other than those financed by proprietary funds and trust funds).

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to achieve sound financial

administration. The measurement focus is based upon determination of net income, financial position and changes in financial position.

Enterprise Funds – These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds – These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis.

Fiduciary Fund Types

Trust and Agency Funds – These funds are used to account for assets held by a governmental unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) expendable trust funds, (b) nonexpendable trust funds, and (c) agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is essential. Agency funds are purely custodial (assets equal liabilities) and do not involve the measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. The following are the City's account groups:

General Fixed Assets Account Group – This account group is used to account for all of the City's fixed assets other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group – This account group is used to account for all of the City's long-term obligations other than those accounted for in the proprietary funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed in statements and interpretations issued by the Governmental Accounting Standards Board (the "GASB").

(A) BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Governmental, expendable trust and agency funds use the modified accrual basis of accounting. Proprietary and nonexpendable trust funds use the accrual basis of accounting. Differences in the accrual and the 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 fiscal year in which the resources are measurable and become available. Available means that resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when the use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income taxes, State-levied locally shared taxes, interest, tuition, grants, fees and rentals.

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

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue.

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the

accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

In accordance with Statement No. 20 of the Governmental Accounting Standards Board "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", the City has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The City will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

(B) BUDGETARY ACCOUNTING AND CONTROL

The City adopts an annual operating budget for all funds except agency funds. During June of each year, the Mayor submits to Council a proposed operating budget for the upcoming fiscal year. This budget is kept on file for 30 days and must be passed by the City Council by July 15 for certification of the City's estimated financial resources for the upcoming year to the County Budget Commission as required by Ohio law. This budget is based on estimates of future cash revenues, cash expenditures and encumbrances for the next fiscal year for all non-agency funds and serves as the basis for the County Budget Commission's certification of the City's estimated financial resources for the upcoming year.

By January 1 of the succeeding year, Council must adopt a temporary appropriations ordinance. The temporary appropriations ordinance remains in effect until March 31 or until the permanent appropriations ordinance is adopted by City Council, whichever occurs first. A permanent appropriations ordinance must be adopted no later than April 1 under State law and appropriations therein must not exceed the estimated financial resources certified by the County Budget Commission.

Budget control is exercised at the major account level (personal services, fringe benefits, operation and maintenance, capital outlay, debt service, transfers out and reimbursements) within each City department. All appropriations lapse at year-end. Reported budgeted amounts are as originally adopted and amended by appropriation ordinances passed by Council. The budget for each fund is represented by appropriations and, according to City Charter, can only be modified by Council ordinance. Original appropriation amounts and amendments are listed below for the governmental fund types:

	<u>Original</u>	<u>Amendments</u>	<u>Final</u>
General	\$ 28,467,858	\$ 98,252	\$ 28,566,110
Special Revenue	10,413,550	(39,770)	10,373,780
Debt Service	2,403,956	210,618	2,614,574
Capital Projects	8,156,008	1,104,560	9,260,568

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis as provided by law is based upon accounting for certain transactions on the

basis of cash receipts and disbursements. The major differences between the budget basis and the GAAP (generally accepted accounting principles) basis are:

- (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 or encumbered (budget) as opposed to when the liability is incurred (GAAP);
- (3) Encumbrances are recorded as expenditures (budget) as opposed to a reservation of fund balance (GAAP). In addition, encumbrances outstanding at year-end are included in the appropriation ordinance in the subsequent year and certain amounts shown as capital outlay and debt service expenditures on a GAAP basis are shown as public safety, health, culture and recreation, community environment, highways and streets and general government expenditures on a budgetary basis. A reconciliation of the results of operations for the year from the GAAP basis to the budgetary basis is shown below:

**Excess (Deficiency) of Revenues
And Other Sources Over
Expenditures And Other Uses**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
GAAP basis	\$ (425,145)	\$ (59,370)	\$ (108,559)	\$ (4,778,644)	\$ (5,371,718)
Increase (decrease) due to:					
Change in receivables and other assets not recognized on budgetary basis – January 1 to December 31	771,326	98,644	511,355	(5,916)	1,375,409
Change in liabilities not recognized on budgetary basis – January 1 to December 31	(829,578)	(407,023)	(536,765)	(790,466)	(2,563,832)
Encumbrances recognized as expenditures on budgetary basis	(629,275)	(739,672)	—	(1,718,768)	(3,087,715)
Budget basis	<u>\$ (1,112,672)</u>	<u>\$ (1,107,421)</u>	<u>\$ (133,969)</u>	<u>\$ (7,293,794)</u>	<u>\$ (9,647,856)</u>

(C) EQUITY IN POOLED AND SEGREGATED CASH, CASH EQUIVALENTS AND OTHER SHORT-TERM INVESTMENTS

Cash balances of the City's funds, except for the Court, are pooled and invested in cash equivalents and other short-term investments in order to provide improved cash management. Cash equivalents consist of deposits in the State Treasury Asset Reserve of Ohio (Star Ohio), certificates of deposit and money market accounts with an original maturity of 90 days or less.

Other short-term investments consist of certificates of deposit and Federal Home Loan Bank notes with a maturity of more than 90 days but less than 1,096 days.

Interest earned on investments is allocated to the funds participating in the pool in accordance with the City Charter and Codified Ordinances.

The City's investments with maturities greater than one year are stated at fair value (based on quoted market prices) in the accompanying combined balance sheet-all fund types and account groups and the change in the fair value of the investments is recorded as investment income along with the interest earned on the investments.

The City has invested funds in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the 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 STAR Ohio are valued at STAR Ohio's share price which is the price at which the investment could be redeemed.

(D) INVENTORY OF SUPPLIES

Inventory is valued at cost (specific identification method). The proprietary fund type inventories are capitalized and expensed when used (consumption method). In governmental and expendable trust funds, inventory amounts are not significant and are recognized as an expenditure when purchased (purchase method).

(E) FIXED ASSETS AND DEPRECIATION

Property, plant and equipment are stated on the basis of historical cost or, if donated, at fair market value at the date received. Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs, streets, sidewalks, and lighting systems are not capitalized. Depreciation is not provided for the General Fixed Assets Account Group. Accumulated depreciation for the proprietary funds is determined by depreciating the cost of such assets over their estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

Buildings	20-40 years
Improvements	10-40 years
Utility Distribution and Collection Systems	80 years
Machinery and Equipment	3-20 years

(F) CAPITALIZATION OF INTEREST

The City's policy is to capitalize interest, if material, on construction projects until they are substantially complete. No amounts were capitalized during 2002.

(G) INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets,

and service debt. Transfers for current operations are recorded as operating transfers. The classification of amounts recorded as operating transfers, advances, or equity contributions is determined by City management.

The General Fund provides certain administrative services to the enterprise funds. The General Fund is reimbursed for these services by the enterprise funds on a monthly basis. The reimbursement is recorded as a reduction in general government expenditures in the General Fund and as additional operating expenses in the enterprise funds.

(H) 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 employees for the benefit through time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

For governmental fund types, the liability not expected to be liquidated with expendable, available financial resources is recorded in the General Long-Term Obligations Account Group. In proprietary funds, the entire amount of accrued compensated absences is reported as a fund liability.

(I) CLAIMS

As described in Note 3, the City is self-insured for employee health and workers' compensation benefits. The City recognizes a liability for such claims if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

(J) ENCUMBRANCES

Encumbrances represent purchase commitments for goods and services that have not yet been received or provided. Encumbrance accounting is a form of budgetary control to ensure that appropriations are not exceeded. Encumbrances outstanding at year-end are reported as reservations of fund balances in the governmental fund types as the City will honor such commitments during the subsequent year.

(K) CONTRIBUTED CAPITAL

Contributed capital primarily consists of capital grants from other governmental units, which are not subject to repayment as long as all grant conditions are met. Other amounts consist of residual equity transfers and contributions from other outside sources. An amount equivalent to depreciation charges for assets acquired with the portion of the contributions that was externally restricted for capital acquisitions or construction is transferred annually to retained earnings from contributed capital.

(L) RESERVATIONS OF FUNDEQUITY

Reservations of fund equity are established to identify the existence of assets that, because of their nonmonetary nature or lack of liquidity, represent financial resources not available for current expenditure, including amounts that are legally segregated for a specific future use. As a result, encumbrances, rehabilitation loans and endowments are recorded as reservations of fund balances. The reserved fund balance in the debt service fund is restricted to retirement of general obligation debt and special assessment debt.

(M) RECLASSIFICATIONS

Certain revenues received from the State of Ohio that were classified as taxes in years prior to 2002 were classified as intergovernmental revenues in 2002. These revenues total \$3,145,928 in the General Fund and \$1,547,170 in the Special Revenue Funds.

NOTE 3 - RISK MANAGEMENT

The City utilizes two funds relating to its risk management program. Both funds have been classified as internal service funds.

(A) The Employees' Health Insurance Fund is used to account for the operations of the City's self-insured health plan. All City funds are charged a premium amount per employee covered by the Employees' Health Insurance Fund. The premium amounts are set by union contract and City ordinance. Claims and administrative fees are then paid out of the Employee Health Insurance Fund. The City pays premiums for specific stop-loss insurance coverage to insure against catastrophic claims over \$75,000 per individual.

(B) The Workers' Compensation Fund is used to account for the funding of the City's workers' compensation plan. During the period January 1, 1989 through December 31, 1997, the City was enrolled in a retrospective rating plan offered by the State of Ohio. Under the plan, the City is charged by the State of Ohio for claims paid, administrative fees, and a premium for individual claim limits and aggregate claim limits. All City funds are charged a premium amount per employee covered by the Workers' Compensation Fund. The premium amounts are set based on claims experience. Claims and administrative fees are paid to the State of Ohio. The City has a maximum yearly claim limit amount for all claims, which varies each policy year. Since January 1, 1998, the City has participated in the fully insured plan offered by the Bureau of Workers' Compensation of the State of Ohio.

(C) The City purchases insurance policies in varying amounts for general liability, vehicle liability, property damage, employee and public officials liability, professional liability for health department employees and errors and omissions for the health board, and third-party liability for firemen's errors and omissions. The City also pays unemployment claims to the State of Ohio as incurred. There were no significant changes in the City's insurance coverage during 2002.

(D) The changes in the liabilities for self-insured risks (included in accrued wages and other benefits) for the years ended December 31, 2002 and 2001 are as follows:

	Health Benefits	Workers' Compensation Benefits
Balance Jan. 1, 2001	\$ 333,830	\$ 511,090
Incurring claims, net of changes in estimates	3,756,235	476,610
Payments	<u>(3,811,748)</u>	<u>(618,840)</u>
Balance Dec. 31, 2001	278,317	368,860
Incurring claims, net of changes in estimates	4,664,052	312,944
Payments	<u>(4,333,151)</u>	<u>(345,363)</u>
Balance Dec. 31, 2002	<u>\$ 609,218</u>	<u>\$ 336,441</u>

The liabilities above represent the City's best estimates based upon available information and the requirements of GASB Statement No. 30, and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic factors.

Settled claims have not exceeded the City's insurance coverage in any of the past three years.

NOTE 4 – CONTINGENCIES

(A) ENVIRONMENTAL MATTERS

(1) The State of Ohio issued the City a new NPDES (National Pollution Discharge Elimination System) permit effective June 30, 2000. The City is currently appealing certain terms of the permit. The United States Environmental Protection Agency sued the City of Elyria in 1984 concerning the operation of its wastewater pollution control plant and sanitary sewer system. In settlement of this lawsuit, the City entered into a consent decree, which requires many improvements to be made to the wastewater pollution control plant and the sanitary sewer system. All requirements of the consent decree have been met except one. The City was to eliminate all known separate sanitary sewer overflows by December 31, 1993. The City was not able to accomplish this requirement by the scheduled date; however, a program is in effect that is reducing storm water inflow into the sanitary sewer system by repairing and/or replacing building laterals, and annual maintenance contracts are in effect for repair and rehabilitation of storm and sanitary sewers. As an incentive, the City is offering homeowners non-interest bearing loans to cover the cost of lateral repairs. In addition, a comprehensive plan at a cost of \$350,000 is being prepared by the City's environmental consultant.

(2) On September 30, 2002, the City received a Clean Water Act 404 permit from the Army Corp of Engineers for surface drainage to continue with the City's Industrial Parkway Project.

(B) CONTINGENCIES UNDER GRANT PROGRAMS

The City participates in several federal grants which have been audited in accordance with the Single Audit Act (the "Act"). Provisions of the Act allow federal agencies to conduct any additional audit work necessary to carry out their responsibilities under federal law or regulations. Such federal audits could lead to a request for reimbursement to the grantor agency for any costs questioned as not being appropriate expenditures under the terms of the grants. At December 31, 2002, there were no questioned costs that had not been resolved with federal agencies. In the opinion of City officials, no material grant expenditures will be disallowed as a result of federal audits.

(C) JUDGMENTS AND CLAIMS

The City is a party to various legal proceedings. The City's management is of the opinion that the ultimate outcome of such litigation will not result in a material adverse effect on the City's financial position.

The City brought legal action against several companies that provided engineering services, materials and construction work on the Westside Interceptor Sanitary sewer and one user of the sewer in 1997. The basis for the lawsuit was the deterioration of the sewer after only a few years of use. The City repaired the sewer in 1998 and 1999 and expensed the repairs against operating income. All of the companies that provided services and materials for the Westside Interceptor sewer settled with the City before going to trial resulting in settlements of \$3,815,503. The settlement proceeds to be received in future years are recorded as settlements receivable in the Wastewater Pollution Control enterprise fund.

NOTE 5 – POOLED AND SEGREGATED CASH, CASH EQUIVALENTS AND OTHER INVESTMENTS

Monies of the Court are deposited and maintained in individual, segregated bank accounts and invested in cash equivalents which are also specifically segregated. Monies of all other funds of the City are maintained or invested in a common group of bank accounts, in cash equivalents and other short-term investments. The common bank accounts and investments are displayed on the accompanying combined balance sheet as "Equity in pooled cash and cash equivalents" and "Other short-term investments" and the segregated amounts are separately disclosed.

The investment and deposit of City monies is governed by the provisions of the Charter and Codified Ordinances of the City and the Ohio Revised Code. Accordingly, only banks located in Ohio and domestic savings and loan associations are eligible to hold public deposits. The City may invest its monies in certificates of deposit, savings accounts, money market accounts, the state treasurer's investment pool ("Star Ohio"), and obligations of the United States government or certain agencies thereof. The City may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation or may pledge a pool of government securities the face value

of which is at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of, or guaranteed by, the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the City's name.

The City is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a "derivative"). The City is also prohibited from investing in reverse purchase agreements.

During 2002, the City complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made, as well as the provisions of the statutes concerning security deposits. The City will continue to monitor compliance with applicable statutes in the future pertaining to its deposits and investments. At December 31, 2002, all of the City's deposits and investments (excluding Star Ohio) were held by local banks or savings and loan institutions.

(A) DEPOSITS

At December 31, 2002, the carrying amount of the City's pooled and segregated deposits was \$20,977,744 and the bank balance was \$23,947,568. Of the bank balance, \$600,000 was covered by federal depository insurance and \$23,347,568 was uninsured and uncollateralized as defined by the Governmental Accounting Standards Board. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the City's name, as permitted under Ohio law.

(B) INVESTMENTS

Investments are generally categorized to give an indication of the level of credit risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparties' trust departments or agents in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparties, or by their trust department or agents but not in the City's name. Star Ohio is an uncategorized investment since it represents the State Treasurer's investment pool and is not evidenced by securities that exist in physical or book entry form. At December 31, 2002, the City's investments consisted of federal securities and amounts deposited in Star Ohio.

<u>Description</u>	<u>Risk Category</u>	<u>Risk Category</u>	<u>Risk Category</u>	<u>Fair Value /</u>
U.S. Agency Obligations	<u>2</u>	<u>3</u>	<u>3</u>	<u>Carrying Amount</u>
Repurchase Agreements	\$ 3,103,051		\$ 2,420,000	\$ 3,103,051
State Treasury Asset Reserve Fund (STAR Ohio)				2,420,000
Total Investments				<u>\$ 8,676,579</u>

(C) COMBINED BALANCE SHEET CLASSIFICATION

A summary of deposits and investments as of December 31, 2002 follows:

Deposits	\$ 20,977,744
Investments	<u>8,676,579</u>
	<u>\$ 29,654,323</u>
Equity in pooled cash and cash equivalents	\$ 15,361,802
Cash and cash equivalents-segregated accounts	388,970
Other short-term investments	<u>13,903,551</u>
TOTAL	<u>\$ 29,654,323</u>

The above amounts are classified in the combined balance sheet as follows:

Public utility real and tangible personal property taxes collected in one calendar year are levied on January 1 in the preceding calendar year on assessed values determined as of January 1 of that preceding year, the lien date.

Public utility tangible personal property currently is assessed at 100% of its true value and public utility real property is assessed at 35% of its true (market) value. Public utility property taxes are payable on the same dates as real property taxes described above. The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Elyria. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively.

The assessed value upon which the 2001 levy (collected in 2002) was based was approximately \$913.0 million. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of unvoted property tax is 4.2 mills of assessed value. The total property tax revenue recognized by the City during 2002 was \$3,513,132.

(B) INCOME TAXES

The City levies an income tax of 1.75% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City; however, a 100% credit up to 1.75% is allowed for income taxes paid to other municipalities. Of the total income tax levy, 1.25% is a permanent tax levy, .25% of which is a special levy to be used only for law enforcement purposes. The remaining .5% of the total levy is a temporary levy enacted by a vote of the citizens which has been extended through June 2009. The proceeds from the special .25% levy are included in the Police Levy Special Revenue Fund. The remaining proceeds are included in the General Fund. Employers within the City are required to withhold income taxes on employee compensation and remit withholdings to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The total income tax revenue recognized by the City during 2002 was \$18,958,140.

NOTE 7 – GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

Component	Balance at Jan. 1, 2002	Additions	Deductions	Balance at Dec. 31, 2002
Land	\$ 5,051,643	\$ 420,084	\$ 17,794	\$ 5,453,933
Buildings	16,914,949	2,199		16,917,148
Improvements	1,751,292	40,266		1,791,558
Collection systems	13,476,946			13,476,946
Machinery & equipment	12,089,498	873,907	30,059	12,933,346
Construction in progress	<u>2,623,045</u>	<u>4,466,734</u>		<u>7,089,779</u>
TOTALS	<u>\$ 51,907,373</u>	<u>\$ 5,803,190</u>	<u>\$ 47,853</u>	<u>\$ 57,662,710</u>

NOTE 6 – TAXES

(A) PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied on January 1 in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Three years after each revaluation all property values are reviewed and revised, as necessary, as part of a triannual update based on the reported sales of properties. The last revaluation was completed in 2000 and the next triannual update will occur in 2003. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable June 20. In certain instances, State statute permits earlier or later payment dates to be established.

Taxpayers (other than public utilities) become liable for tangible personal property taxes on January 1 of the current calendar year based on tax rates determined in the preceding year and assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Construction in progress in the General Fixed Asset Account Group is composed of \$6,970,028 of work completed on the new City Hall facility and \$119,751 of work completed on the East Falls Riverwalk Project. Construction in progress in the Enterprise funds is composed of \$858,940 of work completed on the new City Hall facility, \$849,515 of work completed on the sludge handling facility at the Water Pumping Plant, \$141,514 of work completed on the West Ridge Road Lift Station, and \$10,000 of work completed on the West Park Soccer field.

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES

The following balances at December 31, 2002 represent interfund receivables and payables:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
GENERAL FUND	\$ 87,651	
SPECIAL REVENUE FUNDS:		
Indigent Drivers Alcohol Treatment	1,542	
Muni Court Technology	14,933	
Muni Court Security	5,959	
Muni Court Construction/Improvement	8,923	
Muni Court Special Collections	1,889	
Alcohol Enforcement and Education	163	
Special Parking Fines	1,515	
Legal Research & Court Computerization	4,491	
TRUST AND AGENCY FUND -		\$ 127,066
Municipal Court		
TOTALS	<u>\$ 127,066</u>	<u>\$ 127,066</u>

NOTE 9 – DEFINED BENEFIT PENSION PLANS

(A) EMPLOYEES AND PLANS

Full-time, permanent employees of the City and certain part-time employees belong to one of two state-operated, cost-sharing, multiple-employer pension plans. Non-uniformed employees are members of the Public Employees Retirement System of Ohio (PERS). Full-time police and fire personnel are members of the Ohio Police and Fire Pension Fund (OP&F). The Ohio Revised Code requires participation by the above mentioned employees. Elected officials participate in PERS on a voluntary basis. The payrolls for employees covered by PERS and OP&F for the year ended December 31, 2002 were \$16,055,206 and \$9,546,468, respectively. The City's total payroll for 2002 was \$25,601,674.

(B) PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO

Plan Description – All employees of the City, other than police and fire personnel, are required to be members of PERS, a cost-sharing, multiple-employer pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that includes financial statements and required supplementary information. The financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5% of their covered payroll to PERS. The 2002 employer contribution rate for local government employer units was 13.55% of covered payroll including 5.00% that is used to fund postretirement health care benefits. The City's total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2002, 2001, and 2000 were \$1,372,720, \$1,422,446, and \$964,485, respectively, which equaled the required contribution for each year.

(C) OHIO POLICE AND FIRE PENSION FUND (OP&F)

OP&F provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Members of the OP&F become partially vested after 15 years of service and fully vested after 25 years of service. Members are eligible for normal retirement benefits at age 48 with 25 years of service credit or at age 62 with 15 years of service credit. The normal retirement benefit is equal to 2.5 percent of annual earnings for each of the first 20 years of service, 2.0 percent for each of the next five years of service, and 1.5 percent for each year of service thereafter; however, this normal retirement benefit is not to exceed 72 percent of the members' average annual salary for the three years during which total earnings were the greatest. Early retirement with reduced benefits is available to members with 15 years of service credit who have attained age 48 or 25 years from the date the member became a qualified employee. This reduced benefit is equal to 1.5% of the average annual salary multiplied by the number of complete years of service. Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively, for police officers and firefighters. The City's total contributions to OP&F for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2002, 2001, and 2000 were \$1,318,685, \$1,319,431 and \$1,330,095, respectively, which equaled the required contribution for each year.

(D) CONTRIBUTIONS TO THE PLANS

Contributions to the plans (actuarially determined and required by State statute) for the year ended December 31, 2002 are summarized as follows:

Plan/Contributor	Statutorily Determined		Actuarially Determined	
	Contribution Rate (%)	Contributions (\$)	Contribution Rate (%)	Contributions (\$)
OP&F:				
Fire Personnel				
By City	24.00%	\$ 1,050,529	N/A	
By Employees	10.00	437,720	N/A	
	34.00	1,488,249	31.52%	\$ 1,379,694
Police Personnel				
By City	19.50	1,008,007	N/A	
By Employees	10.00	516,927	N/A	
	29.50	1,524,934	34.59	1,788,049
Less -				
Health Care Portion	(7.75)	(739,851)	(7.75)	(739,851)
Total OP&F Contributions		2,273,332		2,427,892
PERS:				
By City	13.55	2,175,480	13.55	2,175,480
By Employees	8.50	1,364,693	8.50	1,364,693
	22.05	3,540,173	22.05	3,540,173
Less -				
Health Care Portion	(5.00)	(802,760)	(5.00)	(802,760)
Total PERS Contributions		2,737,413		2,737,413
TOTAL PENSION PLAN CONTRIBUTIONS		\$ 5,010,745		\$ 5,165,305

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS

PERS:

In addition to the pension benefits described in Note 9, PERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credits. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an other postemployment benefit (OPEB) as described in GASB Statement No. 12.

Financial Section - Notes

A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The total employer contribution rate for PERS is 13.55% of covered payroll, of which 5.00% is the portion that is used to fund health care benefits under PERS.

Other postemployment benefits are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

The principal assumptions used for the 2001 actuarial computations (latest available) were as follows:

Funding Method. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

Investment Return. The investment assumption rate for 2001 was 8.00 percent.

Active Employee Total Payroll. An annual increase of 4.00 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00 percent increase, were assumed to range from 0.50 percent to 6.30 percent.

Health Care. Health care costs were assumed to increase 4.00 percent annually.

The number of benefit recipients eligible for OPEB at December 31, 2002 was 402,041. The City's actual contributions for 2002, which were used to fund postemployment benefits, were \$802,760. PERS's net assets available for payment of other postemployment benefits at December 31, 2001 were \$11.6 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$16.4 billion and \$4.8 billion, respectively. The fund's total health care expenses for the year ended December 31, 2001 (the latest information available) were \$.7 billion.

OP&F:

OP&F also provides health care coverage to any person who receives or is eligible to receive a monthly retirement benefit or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18, whether or not the child is attending school, or under the age of 22 if attending school full time or on a defined part-time basis. The Ohio Revised Code provides the statutory authority requiring the fund's board of trustees to provide health care coverage to all eligible individuals. The health care coverage provided by the retirement system is considered an other postemployment benefit (OPEB) as described in GASB Statement No. 12.

The Ohio Revised Code provides that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total contribution rate for fire personnel is 24% of covered payroll of which 7.75% is applied to the postemployment health care program. Health care funding and accounting is on a pay-as-you-go basis.

The portion of the City's actual contribution to OP&F for 2002 that was used to fund postemployment benefits was \$400,618 for police and \$339,233 for fire personnel. The fund's total health care expenses for the year ended December 31, 2001 (the latest information available) were \$122,298,771. The total number of participants in OP&F who were eligible to receive health care benefits at December 31, 2001 (the latest information available) was 13,174 police and 10,239 fire personnel.

NOTE 11 – DEFERRED COMPENSATION PROGRAMS

The City's employees and elected officials participate in three deferred compensation plans created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. The deposits under the plans are forwarded to trustees. Under the terms of the plans, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the plans' participants and their beneficiaries. The plan agreements state that the City has no fiduciary responsibility under the plans with the exception of fraud or wrongful taking.

The amount on deposit in the plans is not reflected in the accompanying combined balance sheet-all fund types and account groups as of December 31, 2002 because it is held in trust for the exclusive benefit of plan participants and their beneficiaries.

NOTE 12 – BONDS, NOTES, AND OTHER LONG-TERM OBLIGATIONS

A listing of changes in the bonds, notes and other long-term obligations of the City for the year ended December 31, 2002 are as follows.

	Balance Jan. 1, 2002	Additions (Reductions)	Balance Dec. 31, 2002
U.S. Department of Housing and Urban Development 108 Loan	\$ 339,850	\$ (80,000)	\$ 259,850
TOTAL SPECIAL REVENUE FUND OBLIGATIONS	\$ 339,850	\$ (80,000)	\$ 259,850

CAPITAL PROJECTS FUND OBLIGATIONS

3.0% 2001 Industrial Parkway Improvement Notes Due July 2002	\$ 600,000	\$ (600,000)	
2.0% 2002 Industrial Parkway Improvement Notes Due July 2003		600,000	\$ 600,000
TOTAL CAPITAL PROJECTS FUND OBLIGATIONS	\$ 600,000	\$	\$ 600,000

	Balance Jan. 1, 2002	Additions (Reductions)	Balance Dec. 31, 2002
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ENTERPRISE FUND OBLIGATIONS

8.48% 1986 OWDA Loan Wastewater Plant Improve Due 2014	\$12,572,412	\$ (604,436)	\$ 11,967,976
7.11% 1987 OWDA Loan Westside Interceptor Sewer Due 2009	6,299,139	(665,560)	5,633,579
6.10%-11.00% 1990 East Broad Street Storm Sewer Bonds Due 2006	365,750	(63,315)	302,435
3.00% 2001 Southeast Sanitary Sewer Notes Due November 2002	1,200,000	(1,200,000)	
3.00% 2001 Water Pumping Improvement Notes Due July 2002	1,000,000	(1,000,000)	
2.00% 2002 Water Pumping Improvement Notes Due July 2003		900,000	900,000
2.00% 2002 Refuse Packer Notes Due July 2003		330,000	330,000
2.00% 2002 Waterworks System Improvement Notes Due December 2003		5,200,000	5,200,000
4.2275% 1999 Water System Improvement Bonds Due 2019	1,340,000	(50,000)	1,290,000
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	156,816	(16,509)	140,307
0.00% 1994 State Issue II Loan Samuel Street Watermain Due 2004	61,599	(25,804)	35,795
TOTAL ENTERPRISE FUND OBLIGATIONS	\$ 22,995,716	\$ 2,804,376	\$ 25,800,092

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

	Balance Jan. 1, 2002	Additions (Reductions)	Balance Dec. 31, 2002
Special Assessment Debt:			
6.20-7.00% 1989 Street Improvement Bonds Due 2004	\$785,000	\$ (245,000)	\$540,000
6.10-11.00% 1990 East Broad Street Storm Sewer Bonds Due 2006	119,250	(21,685)	97,565

Special Assessment Debt (Cont.):

	<u>Balance</u>	<u>Additions</u>	<u>Balance</u>
	<u>Jan. 1, 2002</u>	<u>(Reductions)</u>	<u>Dec. 31, 2002</u>
6.35% 1992 Ford Road Improvement Bonds Due 2013	\$620,000	\$(35,000)	\$585,000
7.375% Sewer Overflow Elimination Bonds Due 2009	61,891	(6,513)	55,378
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	66,292	(6,978)	59,314
5.875% Griswold Road Improvement Bonds Due 2015	400,000	(15,000)	385,000
5.295% 1996 Westway Garden Improvement Bonds Due 2008	940,000	(115,000)	825,000
0.00% 1997 State Issue II Loan Weller Road Due 2007	154,778	(30,956)	123,822
Total Special Assessment Debt	<u>3,147,211</u>	<u>(476,132)</u>	<u>2,671,079</u>

General Obligation Bonds And Construction Loans:

6.135% Fire Station Construction Bonds Due 2012	110,000	(110,000)	
0.00% 1995 State Issue II Loan Griswold Road Due 2006	98,109	(24,527)	73,582
5.247% 1997 Various Purpose Improvement Bonds Due 2022	9,835,000	(295,000)	9,540,000
3.15%-4.25% 1999 Recreational Facilities Bonds Due 2009	1,500,000	(160,000)	1,340,000
3.15%-4.45% 1999 Fire Station Construction Bonds Due 2012	1,635,000	(20,000)	1,615,000
3.15%-5.00% 1999 Police and Fire Pension Liability Bonds Due 2023	1,210,000	(35,000)	1,175,000
4.75% 2001 City Hall Construction Bonds Due 2026	8,200,000	(175,000)	8,025,000
0.00% 1999 State Issue II Loan Schaden Road Due 2009	50,619	(7,231)	43,388
0.00% 1999 State Issue II Loan Middle Avenue Due 2009	47,466	(6,781)	40,685
0.00% 2000 State Issue II Loan E. Broad St./State Rt. 57 Intersection Due 2010	36,902	(4,341)	32,561
0.00% 2001 State Issue II Loan Murray Ridge Rd./Garford Ave. Due 2012	138,234	(13,823)	124,411
0.00% 2002 State Issue II Loan David Drive/Gulf Road Improvement Due 2013		<u>114,118</u>	<u>114,118</u>

	<u>Balance</u>	<u>Additions</u>	<u>Balance</u>
	<u>Jan. 1, 2002</u>	<u>(Reductions)</u>	<u>Dec. 31, 2002</u>
Total General Obligation Bonds And Construction Loans	<u>22,861,330</u>	<u>(737,585)</u>	<u>22,123,745</u>
Other General Long-Term Obligations -			
Accrued Wages and Benefits Compensated Absences	<u>4,622,217</u>	<u>(12,280)</u>	<u>4,609,937</u>
Total Other General Long-Term Obligations	<u>4,622,217</u>	<u>(12,280)</u>	<u>4,609,937</u>
TOTAL GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP	<u>\$ 30,630,758</u>	<u>\$(1,225,997)</u>	<u>\$ 29,404,761</u>

All notes have been issued in anticipation of long-term bond financing. Ohio law permits the issuance and renewal of bond anticipation notes such that the notes may remain outstanding for twenty years consecutively before such notes must be retired either from available funds of the City or from the proceeds of bonds issued to redeem the anticipation notes. If such notes and renewals of such notes remain outstanding for a period in excess of five years, any such period in excess of five years must be deducted from the permitted maximum maturity of bonds anticipated. Furthermore, a certain portion of the principal amount of such notes must be retired in the amounts and at the times that would have been required for payment of principal maturities on the bonds anticipated as if the bonds had been issued at the expiration of the initial five-year period.

A summary of the City's future debt service requirements for its bond and note obligations as of December 31, 2002 follows:

ENTERPRISE FUND OBLIGATIONS

<u>Due In</u>	<u>OWDA Loans</u>		<u>Other Bonds and Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$ 1,368,573	\$ 1,415,432	\$ 6,595,628	\$ 205,682
2004	1,474,862	1,309,143	170,628	67,542
2005	1,589,469	1,194,536	186,800	59,145
2006	1,713,052	1,070,953	158,331	55,677
2007	1,846,317	937,688	82,012	52,160
Thereafter	<u>9,609,282</u>	<u>2,919,609</u>	<u>1,005,138</u>	<u>331,014</u>
TOTALS	<u>\$ 17,601,555</u>	<u>\$ 8,847,361</u>	<u>\$ 8,198,537</u>	<u>\$ 771,220</u>

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

Due In	Special Assessment Debt		General Obligation Bonds, Notes and Construction Loans	
	Principal	Interest	Principal	Interest
2003	\$ 501,132	\$ 164,950	\$ 932,161	\$ 1,019,080
2004	526,132	136,827	962,867	987,550
2005	269,961	105,278	1,007,867	953,765
2006	287,626	85,820	1,013,340	917,048
2007	242,988	65,215	1,043,588	878,383
Thereafter	<u>843,240</u>	<u>162,151</u>	<u>17,163,922</u>	<u>8,028,642</u>
TOTALS	\$ 2,671,079	\$ 720,241	\$ 22,123,745	\$ 12,784,468

All bonds and notes are backed by the full faith and credit of the City. While special assessments have been levied to pay the debt service of the special assessment bonds, the bonds are also backed by the full faith and credit of the City. No reserve or sinking fund has been established to cover defaults by property owners. Although the bonds and notes of the enterprise funds are general obligations of the City, the City's policy is to have the debt serviced by the revenues of the respective enterprise funds. The Ohio Water Development Authority construction loans are secured by the revenues of the City's wastewater treatment operations. The loans require, among other things, that the City charge sufficient rates and fees for wastewater treatment services to enable the revenues to service the loan principal and interest payments and provide resources for the payment of the necessary operating and maintenance expenses of the facility. The City was not required to pledge the general resources or general credit of the City to secure the repayment of the loans.

Under the Uniform Bond Act of the Ohio Revised Code, at December 31, 2002, the City had the capacity to issue approximately \$ 22,165,394 of additional, unvoted general obligation debt.

NOTE 13 – COMMITMENTS

The City has entered into contracts for the resurfacing and reconstruction of the intersection of State Routes 57 and 113 and a portion of Poplar Street, portions of Midway Boulevard and University Avenue and portions of Gulf Road and all of David Drive. Work began on all of these projects in 2002. The estimated costs of the State Route 57 and 113/Poplar Street and Midway Boulevard/University Avenue projects are \$214,496 and \$226,854, respectively. These projects are being funded with 89% State Issue II grant funds and 11% City funds. The estimated cost of the Gulf Road/David Drive project is \$129,204 and is being funded with a 0% interest State Issue II loan.

The City has also entered into contracts for the construction a new City Hall building which involves adaptive re-use of the old City Hall along with new construction. Construction of

this facility began in 2001. The estimated cost of the project is \$12,440,993 and is being funded with \$8,200,000 of general obligation bonds, \$2,000,000 of short-term general obligation bond anticipation notes (not yet issued), \$434,451 of existing Water Enterprise Fund monies, \$72,090 of existing sanitation Enterprise Fund monies, \$434,452 of existing Wastewater Pollution Control Enterprise Fund monies and \$2,000,000 of existing General Fund monies.

The City has also entered into a contract for the construction of a sludge handling facility at the Water Pumping Plant. Work on this project began in 2001. The estimated cost of this project is \$1,125,587 and is being funded with \$125,587 of existing Water Enterprise Fund monies and \$1,000,000 in short-term bond anticipation notes (not yet issued) that will be repaid with Water Enterprise Fund monies.

The City has also entered into a contract for the construction of a river walk leading to and over-looking the East Falls of the Black River. Construction of this walkway began in 2003. The estimated cost of the project is \$600,000 and is being funded with \$400,000 of federal Block Grant monies and \$200,000 of Lorain County Solid Waste District grant monies.

The City has also entered into a contract for the construction of the West Falls Upper Trail in Cascade Park. Construction will begin in 2003. The estimated cost of the project is \$159,000 and is being funded with \$127,200 of Ohio Department of Natural Resources grant monies and \$31,800 of existing General Fund monies.

NOTE 14 – DEFICITS

At December 31, 2002, the following funds had a deficit fund or retained earnings balance:

	<u>Deficit Balance</u>
Capital Projects Fund - Industrial Parkway	\$ 546,363
Enterprise Fund - Sanitation	1,124,326
Internal Service Fund - Employees' Health Insurance	877,903

The deficit in the Industrial Parkway Fund balance will be eliminated through the receipt of monies from the City's General Bond Retirement Fund, and/or the issuance of general obligation long-term bonds, the proceeds of which will be used to retire the outstanding general obligation notes in the City's Industrial Parkway Fund. The deficit in the Sanitation Fund retained earnings will be eliminated through increased operating revenues resulting from a series of increases in residential and commercial rates charged to customers of the sanitation as enacted by City Council on February 19, 2002 and effective January 1, 2003 and January 1, 2004. The Employees' Health Insurance Fund retained earnings deficit will be eliminated through the receipt of increased charges to other City funds.

NOTE 15 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains enterprise funds, which provide water, sewer (wastewater pollution control), recreational, and sanitation services. Segment information for the enterprise funds is summarized as follows:

FOR THE YEAR ENDED DECEMBER 31, 2002:	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
Operating Revenues	\$ 4,990,380	\$ 300,387	\$ 2,493,565	\$ 9,351,411	\$ 17,135,743
Operating Expenses:					
Depreciation	863,199	13,303	117,043	2,565,963	3,559,508
Other	4,490,151	257,147	2,703,684	6,852,152	14,303,134
Total Operating Expenses	5,353,350	270,450	2,820,727	9,418,115	17,862,642
Operating Income (Loss)	(362,970)	29,937	(327,162)	(66,704)	(726,899)
Nonoperating Revenues (Expenses)	(47,547)	3,075	113,510	(1,327,374)	(1,258,336)
Capital Grant Revenue	—	42,777	52,715	—	95,492
Net (Loss) Income	\$ (410,517)	\$ 75,789	\$ (160,937)	\$ (1,394,078)	\$ (1,889,743)
Acquisition and Construction of Capital Assets	\$ 1,117,668	\$ 8,600	\$ 351,433	\$ 815,562	\$ 2,293,263
AS OF DECEMBER 31, 2002:					
Net Working Capital	\$ 180,760	\$ 186,550	\$ (179,656)	\$ 4,766,878	\$ 4,954,532
Total Assets	\$ 19,605,963	\$ 439,958	\$ 1,055,343	\$ 52,504,276	\$ 73,605,540
Current Liabilities	\$ 7,050,570	\$ 16,045	\$ 658,153	\$ 3,296,144	\$ 11,020,912
Long-Term Liabilities:					
General obligation bonds and notes payable	1,358,798	—	—	234,120	1,592,918
Construction loans payable	22,893	—	—	16,232,981	16,255,874
Total Liabilities	8,432,261	16,045	658,153	19,763,245	28,869,704
Total Contributed Capital and Retained Earnings	11,173,702	423,913	397,190	32,741,031	44,735,836

AS OF DECEMBER 31, 2002:

	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
Total Liabilities, Contributed Capital & Retained Earnings	\$ 19,605,963	\$ 439,958	\$ 1,055,343	\$ 52,504,276	\$ 73,605,540

NOTE 16 – REHABILITATION LOANS

In the Block Grant and Comprehensive Housing Improvement Program Grant Special Revenue Funds, rehabilitation loans represent non-interest bearing loans made under the City's federal community development block grant to qualifying citizens for the rehabilitation of residential property within the City. In the Wastewater Pollution Control Enterprise Fund, rehabilitation loans represent non-interest bearing loans made under the City's sewer lateral program for the rehabilitation of sanitary sewer laterals within the City. The loans are secured by mortgages against the individual residences and are not due until the earlier of the following:

- 1.) The sale of the home.
- 2.) The death of the owner of the home.

NOTE 17 – NEW ACCOUNTING STANDARDS

The GASB has issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus an amendment of GASB Statements No. 21 and No. 34*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements revise accounting and reporting standards for general purpose external financial reporting by governmental units and are effective for the year ending December 31, 2003. The City has not completed an analysis of the impact of these statements on its reported financial condition and results of operations.

During May 2002, the GASB issued Statement No. 39, *"Determining Whether Certain Organizations are Component Units (an amendment of GASB Statement No. 14)."* This statement amends Statement No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as a component unit based on the nature and significance of their relationship with the primary government. Generally, this statement requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. The provisions of this statement are effective for financial statements for the year ending December 31, 2004. The City has not determined the impact, if any, that this statement will have on its financial statements.

During March 2003, the GASB issued Statement No. 40, "Deposit and Investment Risk Disclosures (an amendment of GASB Statement No.3)." This statement amends Statement No. 3 and addresses additional cash and investment risks to which governments are exposed. Generally, this statement requires that state and local governments communicate key information about such risks in four principal areas: investment credit risks, including credit quality information issued by rating agencies; interest rate disclosures that include investment maturity information; interest rate sensitivity for investments that are highly sensitive to changes in interest rates; and foreign exchange exposures that would indicate the foreign investment's denomination. The provisions of this statement are effective for financial statements for the year ending December 31, 2005. The City has not determined the impact, if any, that this statement will have on its financial statement disclosures.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 92 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. None of the member communities have any obligations other than for electricity purchased, entitlement or residual interest in NOPEC. The City of Elyria did not contribute to NOPEC during 2002. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

NOTE 19 – SUBSEQUENT EVENTS

On May 6, 2003, the voters of Elyria renewed the .50% five-year temporary income tax. This tax, which is a large part of the City's General Fund revenue stream, was due to expire on June 30, 2004. This renewal by the voters extends this temporary tax through June 30, 2009.

Also on May 6, 2003, the voters of Elyria Township approved a Joint Economic Development District (JEDD) agreement between Elyria Township (the "Township") and the City of Elyria. Under the agreement, the City will provide access to sewer service to

properties within the JEDD and an income tax equal to the City's rate of 1.75% will be imposed on all salaries, wages, commissions and other compensation earned within the JEDD, and on net profits of all businesses located within the JEDD. Under the agreement, the City will receive 80% of the income tax collected and the Township 20%. The effective date of this agreement is July 1, 2003.

CITY OF ELYRIA, OHIO

***COMBINING, INDIVIDUAL FUND AND ACCOUNT
GROUP FINANCIAL STATEMENTS AND SCHEDULES***

DECEMBER 31, 2002

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GENERAL FUND

The *General Fund* is established to account for all financial resources except those required to be accounted for in another fund.

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 17,811,039	\$ 17,813,716	\$ 2,677
Intergovernmental revenues	4,189,117	4,270,277	81,160
Charges for services	1,809,219	1,922,204	112,985
Licenses and permits	747,295	776,566	29,271
Interest earnings	95,000	92,613	(2,387)
Special assessments	12,000	13,223	1,223
Fines and forfeitures	800,000	812,434	12,434
Miscellaneous revenues	372,000	377,079	5,079
TOTAL REVENUES	25,835,670	26,078,112	242,442
EXPENDITURES			
PUBLIC SAFETY			
Police			
Personal services	4,903,405	4,895,212	8,193
Fringe benefits	1,342,176	1,338,754	3,422
Operation and maintenance	320,325	317,713	2,612
Total Police	6,565,906	6,551,679	14,227
Fire			
Personal services	4,892,505	4,869,277	23,228
Fringe benefits	1,499,480	1,480,128	19,352
Operation and maintenance	357,133	356,917	216
Capital outlay	333,364	330,739	2,625
Total Fire	7,082,482	7,037,061	45,421
Communications			
Personal services	77,974	77,537	437
Fringe benefits	24,015	23,921	94
Operation and maintenance	26,050	25,343	707
Capital outlay	2,063	2,027	36
Total Communications	130,102	128,828	1,274
Safety Service			
Personal services	225,486	224,638	848
Fringe benefits	68,083	68,000	83
Operation and maintenance	14,300	13,506	794
Total Safety Service	307,869	306,144	1,725
Prisoner Support			
Personal services	690,308	688,960	1,348
Fringe benefits	229,774	229,194	580
Operation and maintenance	251,500	248,692	2,808
Capital outlay	5,500	4,854	646
Total Prisoner Support	1,177,082	1,171,700	5,382
TOTAL PUBLIC SAFETY	15,263,441	15,195,412	68,029

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND-LEGAL APPROPRIATION LEVEL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
HEALTH			
Health Center			
Personal services	761,495	758,565	2,930
Fringe benefits	232,622	228,775	3,847
Operation and maintenance	205,710	196,917	8,793
Capital outlay	4,400	4,201	199
Total Health Center	1,204,227	1,188,458	15,769
Health - Solid Waste			
Personal services	27,830	27,765	65
Fringe benefits	8,972	8,887	85
Operation and maintenance	13,198	9,936	3,262
Capital outlay	3,750	3,750	
Total Health - Solid Waste	53,750	50,338	3,412
Cemetery			
Personal services	240,290	237,904	2,386
Fringe benefits	73,911	72,791	1,120
Operation and maintenance	3,000	1,320	1,680
Total Cemetery	317,201	312,015	5,186
TOTAL HEALTH	1,575,178	1,550,811	24,367
CULTURE AND RECREATION			
Parks and Recreation			
Personal services	1,062,728	1,054,663	8,065
Fringe benefits	341,148	340,345	803
Operation and maintenance	408,254	379,885	28,369
Capital outlay	183,600	183,594	6
Total Parks and Recreation	1,995,730	1,958,487	37,243
Swimming Pools			
Personal services	71,330	71,328	2
Fringe benefits	11,421	11,413	8
Operation and maintenance	87,805	80,458	7,347
Capital outlay	6,930	6,929	1
Total Swimming Pools	177,486	170,128	7,358
Ice Rink			
Personal services	24,000	21,353	2,647
Fringe benefits	3,844	3,416	428
Operation and maintenance	97,826	96,679	1,147
Capital outlay	19,600	18,848	752
Total Ice Rink	145,270	140,296	4,974
TOTAL CULTURE AND RECREATION	2,318,486	2,268,911	49,575

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND-LEGAL APPROPRIATION LEVEL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL FUND			
COMMUNITY ENVIRONMENT			
Community Planning and Zoning			
Personal services	69,754	68,178	1,576
Fringe benefits	17,849	16,137	1,712
Operation and maintenance	13,375	13,261	114
Capital outlay	9,241	9,240	1
Total Community Planning and Zoning	110,219	106,816	3,403
Community Development			
Personal services	26,810	26,616	194
Fringe benefits	8,975	8,889	86
Operation and maintenance	7,400	7,017	383
Total Community Development	43,185	42,522	663
Housing Code Enforcement			
Personal services	478,206	475,881	2,325
Fringe benefits	143,352	141,457	1,895
Operation and maintenance	65,260	51,629	13,631
Capital outlay	19,408	17,468	1,950
Total Housing Code Enforcement	706,226	686,425	19,801
TOTAL COMMUNITY ENVIRONMENT	859,630	835,763	23,867
GENERAL GOVERNMENT			
Mayor			
Personal services	121,738	121,604	134
Fringe benefits	31,351	31,270	81
Operation and maintenance	15,000	10,949	4,051
Total Mayor	168,089	163,823	4,266
Administrative Support			
Personal services	83,491	83,212	279
Fringe benefits	29,581	29,522	59
Operation and maintenance	37,150	28,057	9,093
Capital outlay	30,000	30,000	
Total Administrative Support	180,222	170,791	9,431
Elyria Historical Commission			
Operation and maintenance	6,520	6,424	96
Total Elyria Historical Commission	6,520	6,424	96

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND-LEGAL APPROPRIATION LEVEL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL FUND			
Finance Administration			
Personal services	470,155	468,727	1,428
Fringe benefits	131,886	131,615	271
Operation and maintenance	30,750	27,685	3,065
Capital outlay	11,385	11,385	
Total Finance Administration	644,176	639,412	4,764
Legal Administration			
Personal services	494,013	492,532	1,481
Fringe benefits	171,059	168,535	2,524
Operation and maintenance	46,565	40,327	6,238
Capital outlay	10,300	6,640	3,660
Total Legal Administration	721,937	708,034	13,903
Legislative Activity			
Personal services	232,844	231,139	1,705
Fringe benefits	85,296	82,423	2,873
Operation and maintenance	28,345	27,574	771
Capital outlay	2,000		2,000
Total Legislative Activity	348,485	341,136	7,349
Presiding Judge			
Personal services	335,099	332,635	2,464
Fringe benefits	110,431	109,061	1,370
Operation and maintenance	38,900	36,693	2,207
Capital outlay	3,650	3,638	12
Total Presiding Judge	488,080	482,027	6,053
Judge			
Personal services	357,594	356,879	715
Fringe benefits	108,457	105,954	2,503
Operation and maintenance	38,350	37,860	490
Total Judge	504,401	500,693	3,708
Clerk of Courts			
Personal services	882,577	880,133	2,444
Fringe benefits	294,878	293,326	1,552
Operation and maintenance	121,375	119,762	1,613
Total Clerk of Courts	1,298,830	1,293,221	5,609

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND-LEGAL APPROPRIATION LEVEL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2002

	GENERAL FUND		Variance
	Budget	Actual	Favorable (Unfavorable)
Civil Service Commission			
Personal services	24,092	23,882	210
Fringe benefits	3,746	3,732	14
Operation and maintenance	27,225	25,371	1,854
Total Civil Service Commission	55,063	52,985	2,078
Buildings and Lands			
Personal services	91,966	91,650	316
Fringe benefits	22,997	22,937	60
Operation and maintenance	220,495	203,262	17,233
Total Buildings and Lands	335,458	317,849	17,609
Engineering			
Personal services	210,798	208,910	1,888
Fringe benefits	61,980	60,123	1,857
Operation and maintenance	17,700	13,719	3,981
Capital outlay	11,000	6,459	4,541
Total Engineering	301,478	289,211	12,267
Central Maintenance Garage			
Personal services	335,747	334,711	1,036
Fringe benefits	106,439	105,696	743
Operation and maintenance	433,650	402,022	31,628
Capital outlay	17,400	17,400	
Total Central Maintenance Garage	893,236	859,829	33,407
Miscellaneous General Government			
Operation and maintenance	1,973,575	1,967,307	6,268
Capital outlay	259,130	259,130	
Total Miscellaneous General Government	2,232,705	2,226,437	6,268
TOTAL GENERAL GOVERNMENT	8,178,680	8,051,872	126,808

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND-LEGAL APPROPRIATION LEVEL (concluded)
 FOR THE YEAR ENDED DECEMBER 31, 2002

	GENERAL FUND		Variance
	Budget	Actual	Favorable (Unfavorable)
TOTAL EXPENDITURES	28,195,415	27,902,769	292,646
Excess (deficiency) of revenues over expenditures	(2,359,745)	(1,824,657)	535,088
OTHER FINANCING SOURCES (USES)			
Operating transfers in	3,000	1,038	(1,962)
Operating transfers out	(370,695)	(370,694)	1
Other financing sources	1,027,469	1,081,641	54,172
TOTAL OTHER FINANCING SOURCES (USES)	659,774	711,985	52,211
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,699,971)	(1,112,672)	587,299
Adjustment for prior year encumbrances	512,372	512,372	
FUND BALANCE AT BEGINNING OF YEAR	3,242,413	3,242,413	
FUND BALANCE AT END OF YEAR	\$ 2,054,814	\$ 2,642,113	\$ 587,299

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than amounts relating to expendable trust or restricted for major capital projects or debt service) that are restricted to expenditure for specified purposes.

* * * * *

Street Construction, Maintenance and Repair

Required by State law to account for the portion of gasoline taxes and motor vehicle license fees that is designated for maintenance of streets within the City.

State Highway

Required by State law to account for the portion of gasoline taxes and motor vehicle license fees that is designated for maintenance of State highways within the City.

Municipal Motor Vehicle Tax

Required by State law to account for local license fees designated for the maintenance of streets within the City.

Health Grant

Required by State law to account for grant monies designated for use by the Health Department of the City.

Dental Health Grant

Required to account for grant monies designated for use by the Health Department of the City for dental health care.

Swimming Pool Inspection

Required by State law to account for the revenues and expenditures of administering inspections of public swimming pools.

Food Service Operations

Required by State law to account for the portion of license fees that is designated for inspection of food establishments within the City.

Block Grant

To account for monies received from the federal government designated for community development within the City.

Comprehensive Housing Improvement Program ("C.H.I.P.") Grant

To account for monies received from the Federal government designated for home rehabilitation within the City.

Indigent Drivers Alcohol Treatment

Required by State law to account for the collection of fines imposed on certain alcohol offenses and disbursed to rehabilitation centers.

SPECIAL REVENUE FUNDS (continued)

Law Enforcement

Required by State law to account for the collection of proceeds from the sale of contraband.

Mandatory Drug Fine

Required by State law to account for the collection of fines imposed on certain drug offenses and disbursed to local governmental units.

Fire Pension

To accumulate property taxes levied for the payment of amounts due for fire fighters to the state administered disability and pension fund.

Police Pension

To accumulate property taxes levied for the payment of amounts due for police to the state administered disability and pension fund.

Muni Court Technology

To account for revenue received from fees on court cases that are restricted for the computerization of the Clerk of Municipal Courts office.

Muni Court Security

To account for revenue received from fees on court cases that are restricted for court security.

Muni Court Construction and Improvement

To account for revenue received from fees on court cases that are restricted for Court construction and / or improvement.

Muni Court Special Collections

To account for revenue received from fees on court cases that are restricted for use in collecting delinquent fines.

Alcohol Enforcement and Education

Required by State law to account for the collection of fines imposed with respect to certain alcohol offenses.

Police Levy

To account for revenue received as a result of a .25% permanent income tax approved by the citizens of the City of Elyria that is restricted for law enforcement purposes.

Special Parking Fines

Permitted by State law to account for the collection of fines imposed for disabled parking violations that are restricted for use in support of persons with disabilities.

Legal Research and Court Computerization

To account for revenue received from fees on court cases that are restricted for legal research for, and computerization of, the offices of the Municipal Judges and Municipal Court.

**CITY OF ELYRIA, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2002**

	Street Construction, Maintenance and Repair	State Highway	Municipal Motor Vehicle Tax	Health Grant	Dental Health Grant	Swimming Pool Inspection	Food Service Operations
ASSETS							
Equity in pooled cash and cash equivalents	\$ 212,089	\$ 109,683	\$ 88,119	\$ 191,228	\$ 8,953	\$ 5,670	\$ 27,516
Other short-term investments							
Receivables:							
Taxes							21
Accrued interest	8	4	12				
Rehabilitation loans							
Due from other funds	729,482	59,147	72,335	159,410	10,000		
Due from other governments	\$ 941,579	\$ 168,834	\$ 160,466	\$ 350,638	\$ 18,953	\$ 5,670	\$ 27,537
TOTAL ASSETS							
LIABILITIES							
Accounts payable	\$ 13,858	\$	\$	\$ 2,386	\$ 774	\$	\$
Contracts payable		9,955		34,806			
Accrued wages and benefits	94,859			20,304	495	399	2,663
Compensated absences payable	16,839			5,234	72	86	408
Deferred revenue	519,241	42,101			5,000		
Construction loan payable							
TOTAL LIABILITIES	644,797	52,056		62,730	6,341	485	3,071
FUND BALANCE							
Reserved for encumbrances	189,718	5,385	57,090	7,116	260		
Reserved for rehabilitation loans	107,064	111,393	103,376	280,792	12,352	5,185	24,466
Unreserved-undesignated	296,782	116,778	160,466	287,908	12,612	5,185	24,466
TOTAL FUND BALANCE							
TOTAL LIABILITIES AND FUND BALANCE	\$ 941,579	\$ 168,834	\$ 160,466	\$ 350,638	\$ 18,953	\$ 5,670	\$ 27,537

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS (continued)
 December 31, 2002

	Block Grant	C.H.I.P. Grant	Indigent Drivers Alcohol Treatment	Law Enforcement	Mandatory Drug Fine	Fire Pension	Police Pension	Muni Court Technology
ASSETS								
Equity in pooled cash and cash equivalents	\$ 34,108	\$ 15,039	\$ 1,157	\$ 134,676	\$ 39,249	\$ 67	\$ 84	\$ 72,228
Other short-term investments			357,900			65,100	124,200	
Receivables:								
Taxes						205,517	205,517	
Accrued interest			487	27	25	3	5	
Rehabilitation loans	1,727,246	1,986,419	1,542					14,933
Due from other funds								
Due from other governments								
TOTAL ASSETS	<u>\$ 1,761,354</u>	<u>\$ 2,001,458</u>	<u>\$ 361,086</u>	<u>\$ 134,703</u>	<u>\$ 39,274</u>	<u>\$ 27,319</u>	<u>\$ 357,125</u>	<u>\$ 87,161</u>
LIABILITIES								
Accounts payable	\$ 15,472	\$ 5,599	\$ 3,815	\$ 8,200	\$ 8,200	\$ 8,200	\$ 8,200	\$ 255
Contracts payable								
Accrued wages and benefits	18,035	1,435						2,887
Compensated absences payable	6,520	781						585
Deferred revenue								
Construction loan payable	259,850							
TOTAL LIABILITIES	<u>299,877</u>	<u>7,815</u>	<u>3,815</u>	<u>8,200</u>	<u>8,200</u>	<u>231,558</u>	<u>231,558</u>	<u>3,727</u>
FUND BALANCE								
Reserved for encumbrances	345,200	21,898	361	16,120	3,383			25,551
Reserved for rehabilitation loans	1,727,246	1,986,419	356,910	118,583	27,691	66,448	125,567	57,883
Unreserved-undesignated	(610,969)	(14,674)	357,271	134,703	31,074	66,448	125,567	83,434
TOTAL FUND BALANCE	<u>1,461,477</u>	<u>1,993,643</u>	<u>357,271</u>	<u>134,703</u>	<u>31,074</u>	<u>66,448</u>	<u>125,567</u>	<u>83,434</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,761,354</u>	<u>\$ 2,001,458</u>	<u>\$ 361,086</u>	<u>\$ 134,703</u>	<u>\$ 39,274</u>	<u>\$ 298,006</u>	<u>\$ 357,125</u>	<u>\$ 87,161</u>

CITY OF ELYRIA, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS (continued)
 DECEMBER 31, 2002

	Muni Court Security	Muni Court Construction and Improvement	Muni Court Special Collections	Alcohol Enforcement and Education	Police Levy	Special Parking Fines	Legal Research and Court Computerization	Totals
ASSETS								
Equity in pooled cash and cash equivalents	\$ 1,801	\$ 8,248	\$ 12,724	\$ 58	\$ 741,710	\$ 51,118	\$ 91,053	\$ 1,846,578
Other short-term investments	98,600	330,400		12,700				988,900
Receivables:								
Taxes					686,574			1,097,608
Accrued interest	188	542		1	656	11		1,990
Rehabilitation loans								3,713,665
Due from other funds	5,959	8,923	1,889	163		1,515	4,491	39,415
Due from other governments								1,085,012
TOTAL ASSETS	<u>\$ 106,548</u>	<u>\$ 348,113</u>	<u>\$ 14,613</u>	<u>\$ 12,922</u>	<u>\$ 1,428,940</u>	<u>\$ 52,644</u>	<u>\$ 95,544</u>	<u>\$ 8,773,168</u>
LIABILITIES								
Accounts payable	\$	\$	\$	\$	\$ 4,687	\$	\$	\$ 55,046
Contracts payable					6,121			50,882
Accrued wages and benefits	2,140				224,216			367,433
Compensated absences payable	90				21,838			52,453
Deferred revenue					228,933			1,258,391
Construction loan payable								259,850
TOTAL LIABILITIES	<u>2,230</u>				<u>485,795</u>			<u>2,044,055</u>
FUND BALANCE								
Reserved for encumbrances					67,590			739,672
Reserved for rehabilitation loans	104,318	348,113	14,613	12,922	875,555	52,644	95,544	3,713,665
Unreserved-undesignated	104,318	348,113	14,613	12,922	943,145	52,644	95,544	2,275,776
TOTAL FUND BALANCE	<u>104,318</u>	<u>348,113</u>	<u>14,613</u>	<u>12,922</u>	<u>1,428,940</u>	<u>52,644</u>	<u>95,544</u>	<u>6,729,113</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 106,548</u>	<u>\$ 348,113</u>	<u>\$ 14,613</u>	<u>\$ 12,922</u>	<u>\$ 1,428,940</u>	<u>\$ 52,644</u>	<u>\$ 95,544</u>	<u>\$ 8,773,168</u>

CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Street Construction, Maintenance and Repair	State Highway	Municipal Motor Vehicle Tax	Health Grant	Dental Health Grant	Swimming Pool Inspection	Food Service Operations	Block Grant
REVENUES								
Taxes	\$ 1,428,312	\$ 115,809	\$ 499,652	\$ 677,322	\$ 22,186	\$	\$	\$ 882,533
Intergovernmental revenues				233,592	1,378			
Charges for services						3,720	55,208	
Licenses and permits						178	1,014	
Investment income	5,101	2,168	3,630					
Fines and forfeitures								
Miscellaneous revenues								5,934
TOTAL REVENUES	<u>1,433,413</u>	<u>117,977</u>	<u>503,282</u>	<u>910,914</u>	<u>23,564</u>	<u>3,898</u>	<u>56,222</u>	<u>888,467</u>
EXPENDITURES								
Current:								
Public safety	381,031							
Health				857,358	40,999	7,461	58,568	631,622
Community environment								
Highways and streets	1,423,811	153,274	507					
General government					2,005		6,750	247,728
Capital outlay	28,629		474,473					
Debt service:								
Principal retirement								24,214
Interest and fiscal charges								903,564
TOTAL EXPENDITURES	<u>1,833,471</u>	<u>153,274</u>	<u>474,980</u>	<u>869,472</u>	<u>43,004</u>	<u>7,461</u>	<u>65,318</u>	<u>903,564</u>
Excess (deficiency) of revenues over expenditures	<u>(400,058)</u>	<u>(35,297)</u>	<u>28,302</u>	<u>41,442</u>	<u>(19,440)</u>	<u>(3,563)</u>	<u>(9,096)</u>	<u>(15,097)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	317,347							
Proceeds from sale of fixed assets								
TOTAL OTHER FINANCING SOURCES (USES)	<u>317,347</u>							
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(82,711)</u>	<u>(35,297)</u>	<u>28,302</u>	<u>41,442</u>	<u>(19,440)</u>	<u>(3,563)</u>	<u>(9,096)</u>	<u>(15,097)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>379,493</u>	<u>152,075</u>	<u>132,164</u>	<u>246,466</u>	<u>32,052</u>	<u>8,748</u>	<u>33,562</u>	<u>1,476,574</u>
FUND BALANCE AT END OF YEAR	<u>\$ 296,782</u>	<u>\$ 116,778</u>	<u>\$ 160,466</u>	<u>\$ 287,908</u>	<u>\$ 12,612</u>	<u>\$ 5,185</u>	<u>\$ 24,466</u>	<u>\$ 1,461,477</u>

CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	C.H.I.P. Grant	Indigent Drivers Alcohol Treatment	Law Enforcement	Mandatory Drug Fine	Fire Pension	Police Pension	Muni Court Technology	Muni Court Security
REVENUES								
Taxes	\$ 342,859				\$ 251,041	\$ 251,041		\$
Intergovernmental revenues					26,200			
Charges for services								
Licenses and permits		7,575	3,214	831	4,715	4,835		1,914
Investment income		54,597		5,213				79,040
Fines and forfeitures			118,590	46				
Miscellaneous revenues		62,172	121,804	6,090	281,956	282,076	195,696	80,954
TOTAL REVENUES	342,859	62,172	121,804	6,090	281,956	282,076	195,696	80,954
EXPENDITURES								
Current:								
Public safety			81,317	8,666	259,321	229,359		
Health								
Community environment	123,519							
Highways and streets								
General government		50,548	66,122	12,049			187,722	68,195
Capital outlay							42,995	2,938
Debt service:								
Principal retirement					23,100	11,900		
Interest and fiscal charges					36,342	18,721		
TOTAL EXPENDITURES	123,519	50,548	147,439	20,715	318,763	259,980	230,717	71,133
Excess (deficiency) of revenues over expenditures	219,340	11,624	(25,635)	(14,625)	(36,807)	22,096	(35,021)	9,821
OTHER FINANCING SOURCES (USES)								
Operating transfers in			7,249					
Proceeds from sale of fixed assets								
TOTAL OTHER FINANCING SOURCES (USES)			7,249					
Excess (deficiency) of revenues and other sources over expenditures and other uses	219,340	11,624	(18,386)	(14,625)	(36,807)	22,096	(35,021)	9,821
FUND BALANCE AT BEGINNING OF YEAR	1,774,303	345,647	153,089	45,699	103,255	103,471	118,455	94,497
FUND BALANCE AT END OF YEAR	\$ 1,993,643	\$ 357,271	\$ 134,703	\$ 31,074	\$ 66,448	\$ 125,567	\$ 83,434	\$ 104,318

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Muni Court Construction and Improvement	Muni Court Special Collections	Alcohol Enforcement and Education	Police Levy	Special Parking Fines	Legal Research and Court Computerization	Totals
REVENUES							
Taxes	\$	\$	\$	\$	\$	\$	\$
Intergovernmental revenues							3,871,448
Charges for services							3,521,421
Licenses and permits							234,970
Investment income	5,557		222	19,258	874		58,928
Fines and forfeitures	116,473	14,613	2,864		16,499	59,130	61,086
Miscellaneous revenues							544,125
TOTAL REVENUES	<u>122,030</u>	<u>14,613</u>	<u>3,086</u>	<u>2,888,972</u>	<u>17,373</u>	<u>59,130</u>	<u>8,416,548</u>
EXPENDITURES							
Current:							
Public safety				2,963,595			3,923,289
Health							964,386
Community environment							755,141
Highways and streets							1,577,592
General government	669				3,239	16,396	326,769
Capital outlay				243,257			1,139,060
Debt service:							
Principal retirement							35,000
Interest and fiscal charges							79,277
TOTAL EXPENDITURES	<u>669</u>			<u>3,206,852</u>	<u>3,239</u>	<u>16,396</u>	<u>8,800,514</u>
Excess (deficiency) of revenues over expenditures	<u>121,361</u>	<u>14,613</u>	<u>3,086</u>	<u>(317,880)</u>	<u>14,134</u>	<u>42,734</u>	<u>(383,966)</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in							317,347
Proceeds from sale of fixed assets							7,249
TOTAL OTHER FINANCING SOURCES (USES)							<u>324,596</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>121,361</u>	<u>14,613</u>	<u>3,086</u>	<u>(317,880)</u>	<u>14,134</u>	<u>42,734</u>	<u>(59,370)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>226,752</u>		<u>9,836</u>	<u>1,261,025</u>	<u>38,510</u>	<u>52,810</u>	<u>6,788,483</u>
FUND BALANCE AT END OF YEAR	<u>\$ 348,113</u>	<u>\$ 14,613</u>	<u>\$ 12,922</u>	<u>\$ 943,145</u>	<u>\$ 52,644</u>	<u>\$ 95,544</u>	<u>\$ 6,729,113</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 1,436,000	\$ 1,431,133	\$ (4,867)
Interest earnings	5,600	5,601	1
Miscellaneous revenues	6,600	6,521	(79)
TOTAL REVENUES	1,448,200	1,443,255	(4,945)
EXPENDITURES			
PUBLIC SAFETY			
Traffic Lights			
Personal services	230,720	227,054	3,666
Fringe benefits	72,856	72,727	129
Operation and maintenance	87,690	85,459	2,231
Capital outlay	15,000	10,220	4,780
Total Traffic Lights	406,266	395,460	10,806
TOTAL PUBLIC SAFETY			
	406,266	395,460	10,806
HIGHWAYS AND STREETS			
Street			
Personal services	846,539	839,153	7,386
Fringe benefits	247,062	244,753	2,309
Operation and maintenance	337,350	337,145	205
Capital outlay	190,410	190,409	1
Total Street	1,621,361	1,611,460	9,901
TOTAL HIGHWAYS AND STREETS			
	1,621,361	1,611,460	9,901
TOTAL EXPENDITURES			
	2,027,627	2,006,920	20,707
Excess (deficiency) of revenues over expenditures	(579,427)	(563,665)	15,762
OTHER FINANCING SOURCES			
Operating transfers in	317,347	317,347	
TOTAL OTHER FINANCING SOURCES	317,347	317,347	
Excess (deficiency) of revenues and other sources over expenditures and other uses	(262,080)	(246,318)	15,762
Adjustment for prior year encumbrances	47,671	47,671	
FUND BALANCE AT BEGINNING OF YEAR	214,409	214,409	
FUND BALANCE AT END OF YEAR	\$ 15,762	\$ 15,762	\$ 15,762

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STATE HIGHWAY FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 111,000	\$ 116,038	\$ 5,038
Interest earnings	2,700	2,202	(498)
TOTAL REVENUES	113,700	118,240	4,540
EXPENDITURES			
HIGHWAYS AND STREETS			
State Highway			
Operation and maintenance	200,200	160,236	39,964
Total State Highway	200,200	160,236	39,964
TOTAL HIGHWAYS AND STREETS			
	200,200	160,236	39,964
TOTAL EXPENDITURES			
	200,200	160,236	39,964
Excess (deficiency) of revenues over expenditures	(86,500)	(41,996)	44,504
Adjustment for prior year encumbrances	23,826	23,826	
FUND BALANCE AT BEGINNING OF YEAR	122,466	122,466	
FUND BALANCE AT END OF YEAR	\$ 59,792	\$ 104,296	\$ 44,504

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HEALTH GRANT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

HEALTH GRANT FUND			Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 540,107	\$ 545,030	\$ 4,923
Charges for services	231,600	233,592	1,992
TOTAL REVENUES	771,707	778,622	6,915

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNICIPAL MOTOR VEHICLE TAX FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

MUNICIPAL MOTOR VEHICLE TAX FUND			Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Taxes	\$ 487,158	\$ 487,158	\$
Interest earnings	3,750	3,758	8
TOTAL REVENUES	490,908	490,916	8

HEALTH			Variance
	Budget	Actual	Favorable (Unfavorable)
EXPENDITURES			
HEALTH			
Child and Family Health Services			
Personal services	136,583	135,048	1,535
Fringe benefits	36,098	35,460	638
Operation and maintenance	268,958	268,958	
Total Child and Family Health Services	441,639	439,466	2,173
Infant Mortality Program			
Personal services	64,416	62,655	1,761
Fringe benefits	29,901	29,422	479
Operation and maintenance	37,583	37,120	463
Capital outlay	11,000	9,728	1,272
Total Infant Mortality Program	142,900	138,925	3,975

HIGHWAYS AND STREETS			Variance
	Budget	Actual	Favorable (Unfavorable)
EXPENDITURES			
HIGHWAYS AND STREETS			
Municipal Motor Vehicle Tax	900	508	392
Operation and maintenance	563,994	554,992	9,002
Capital outlay			
Total Municipal Motor Vehicle Tax	564,894	555,500	9,394
TOTAL HIGHWAYS & STREETS	564,894	555,500	9,394
TOTAL EXPENDITURES	564,894	555,500	9,394
Excess (deficiency) of revenues over expenditures	(73,986)	(64,584)	9,402
Adjustment for prior year encumbrances	45,120	45,120	
FUND BALANCE AT BEGINNING OF YEAR	50,489	50,489	
FUND BALANCE AT END OF YEAR	\$ 21,623	\$ 31,025	\$ 9,402

CFHS Project Income			Variance
	Budget	Actual	Favorable (Unfavorable)
CFHS Project Income			
Personal services	186,914	186,362	552
Fringe benefits	60,759	60,391	368
Operation and maintenance	54,227	50,184	4,043
Total CFHS Project Income	301,900	296,937	4,963

Infrastructure (Disease/Bioterrorism)			Variance
	Budget	Actual	Favorable (Unfavorable)
Infrastructure (Disease/Bioterrorism)			
Personal services	9,000	7,729	1,271
Fringe benefits	3,404	2,765	639
Operation and maintenance	512	220	292
Capital outlay	2,600	2,386	214
Total Infrastructure (Disease/Bioterrorism)	15,516	13,100	2,416

TOTAL HEALTH			Variance
	Budget	Actual	Favorable (Unfavorable)
TOTAL HEALTH	901,955	888,428	13,527
TOTAL EXPENDITURES	901,955	888,428	13,527
Excess (deficiency) of revenues over expenditures	(130,248)	(109,806)	20,442
Adjustment for prior year encumbrances	24,727	24,727	
FUND BALANCE AT BEGINNING OF YEAR	229,703	229,703	
FUND BALANCE AT END OF YEAR	\$ 124,182	\$ 144,624	\$ 20,442

TOTAL MUNICIPAL MOTOR VEHICLE TAX FUND			Variance
	Budget	Actual	Favorable (Unfavorable)
TOTAL MUNICIPAL MOTOR VEHICLE TAX FUND	490,908	490,916	8

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DENTAL HEALTH GRANT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

DENTAL HEALTH GRANT FUND			
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental revenues	\$ 40,000	\$ 38,343	\$ (1,657)
Charges for services	1,285	1,378	93
TOTAL REVENUES	<u>41,285</u>	<u>39,721</u>	<u>(1,564)</u>
EXPENDITURES			
HEALTH			
Dental Health Grant			
Personal services	1,618	1,618	
Fringe benefits	259	259	
Operation and maintenance	4,341	4,341	
Total Dental Health Grant	<u>6,218</u>	<u>6,218</u>	
Dental Sealant Program			
Personal services	5,907	5,854	53
Fringe benefits	977	937	40
Operation and maintenance	17,001	12,452	4,549
Capital outlay	2,005	2,005	
Total Dental Sealant Program	<u>25,890</u>	<u>21,248</u>	<u>4,642</u>
Pediatric Dental Care			
Personal services	4,223	4,116	107
Fringe benefits	717	659	58
Operation and maintenance	15,360	10,984	4,376
Total Pediatric Dental Care	<u>20,300</u>	<u>15,759</u>	<u>4,541</u>
TOTAL HEALTH	<u>52,408</u>	<u>43,225</u>	<u>9,183</u>
TOTAL EXPENDITURES	<u>52,408</u>	<u>43,225</u>	<u>9,183</u>
Excess (deficiency) of revenues over expenditures	(11,123)	(3,504)	7,619
Adjustment for prior year encumbrances	6,728	6,728	
FUND BALANCE AT BEGINNING OF YEAR	<u>4,882</u>	<u>4,882</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 487</u>	<u>\$ 8,106</u>	<u>\$ 7,619</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SWIMMING POOL INSPECTION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

SWIMMING POOL INSPECTION FUND			
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Licenses and permits	\$ 3,720	\$ 3,720	\$
Interest earnings	180	180	
TOTAL REVENUES	<u>3,900</u>	<u>3,900</u>	
EXPENDITURES			
HEALTH			
Swimming Pool Inspection			
Personal services	5,736	5,558	178
Fringe benefits	1,474	1,460	14
Operation and maintenance	290	290	
Total Swimming Pool Inspection	<u>7,500</u>	<u>7,018</u>	<u>482</u>
TOTAL HEALTH	<u>7,500</u>	<u>7,018</u>	<u>482</u>
TOTAL EXPENDITURES	<u>7,500</u>	<u>7,018</u>	<u>482</u>
Excess (deficiency) of revenues over expenditures	(3,600)	(3,118)	482
FUND BALANCE AT BEGINNING OF YEAR	<u>8,747</u>	<u>8,747</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 5,147</u>	<u>\$ 5,629</u>	<u>\$ 482</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOOD SERVICE OPERATIONS FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

FOOD SERVICE OPERATIONS FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Licenses and permits	\$ 54,834	\$ 55,208	\$ 374
Interest earnings	1,100	1,108	8
TOTAL REVENUES	55,934	56,316	382
EXPENDITURES			
HEALTH			
Food Service			
Personal services	46,241	46,229	12
Fringe benefits	17,192	17,092	100
Operation and maintenance	4,637	1,347	3,290
Capital outlay	6,750	6,750	
Total Food Service	74,820	71,418	3,402
TOTAL HEALTH	74,820	71,418	3,402
TOTAL EXPENDITURES	74,820	71,418	3,402
Excess (deficiency) of revenues over expenditures	(18,886)	(15,102)	3,784
Adjustment for prior year encumbrances	7,129	7,129	
FUND BALANCE AT BEGINNING OF YEAR	35,235	35,235	
FUND BALANCE AT END OF YEAR	\$ 23,478	\$ 27,262	\$ 3,784

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BLOCK GRANT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

BLOCK GRANT FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 1,260,000	\$ 882,533	\$ (377,467)
Special assessments	5,900	5,914	14
Miscellaneous revenues	136,500	160,421	23,921
Charges for services		20	20
TOTAL REVENUES	1,402,400	1,048,888	(353,512)
EXPENDITURES			
COMMUNITY ENVIRONMENT			
Administration			
Personal services	89,381	89,381	
Fringe benefits	22,942	22,935	7
Operation and maintenance	187,825	185,635	2,190
Debt service - principal retirement	80,000	80,000	
Interest	24,214	24,214	
Capital outlay	549,032	546,105	2,927
Total Administration	953,394	948,270	5,124
Rehab/Operations			
Personal services	265,930	265,154	776
Fringe benefits	77,671	76,313	1,358
Operation and maintenance	125,000	106,663	18,337
Total Rehab/Operations	468,601	448,130	20,471
TOTAL COMMUNITY ENVIRONMENT	1,421,995	1,396,400	25,595
TOTAL EXPENDITURES	1,421,995	1,396,400	25,595
Excess (deficiency) of revenues over expenditures	(19,595)	(347,512)	(327,917)
OTHER FINANCING SOURCES			
Other financing sources		5,214	5,214
TOTAL OTHER FINANCING SOURCES		5,214	5,214
Excess (deficiency) of revenues and other sources over expenditures and other uses	(19,595)	(342,298)	(322,703)
Adjustment for prior year encumbrances	121,258	121,258	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(101,663)	(101,663)	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$	\$ (322,703)	\$ (322,703)

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS).
 C.H.I.P. GRANT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental revenues	\$ 459,585	\$ 440,059	\$ (19,526)
Miscellaneous revenues	48,800	52,576	3,776
TOTAL REVENUES	508,385	492,635	(15,750)
EXPENDITURES			
COMMUNITY ENVIRONMENT			
C.H.I.P. Grant			
Personal services	25,759	25,641	118
Fringe benefits	7,063	7,005	58
Operation and maintenance	449,100	443,540	5,560
Total C.H.I.P. Grant	481,922	476,186	5,736
TOTAL COMMUNITY ENVIRONMENT	481,922	476,186	5,736
TOTAL EXPENDITURES	481,922	476,186	5,736
Excess (deficiency) of revenues over expenditures	26,463	16,449	(10,014)
Adjustment for prior year encumbrances	79,027	79,027	
FUND BALANCE AT BEGINNING OF YEAR	(90,490)	(90,490)	
FUND BALANCE AT END OF YEAR	\$ 15,000	\$ 4,986	\$ (10,014)

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS).
 INDIGENT DRIVERS ALCOHOL TREATMENT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 7,800	\$ 7,822	\$ 22
Fines and forfeitures	56,000	54,135	(1,865)
TOTAL REVENUES	63,800	61,957	(1,843)
EXPENDITURES			
PUBLIC SAFETY			
Indigent Drivers Alcohol Treatment			
Operation and maintenance	50,030	47,773	2,257
Total Indigent Drivers Alcohol Treatment	50,030	47,773	2,257
TOTAL PUBLIC SAFETY	50,030	47,773	2,257
TOTAL EXPENDITURES	50,030	47,773	2,257
Excess (deficiency) of revenues over expenditures	13,770	14,184	414
Adjustment for prior year encumbrances	216	216	
FUND BALANCE AT BEGINNING OF YEAR	344,299	344,299	
FUND BALANCE AT END OF YEAR	\$ 358,285	\$ 358,699	\$ 414

CITY OF ELYRIA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):
LAW ENFORCEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 3,460	\$ 3,467	\$ 7
Miscellaneous revenues	125,800	125,839	39
TOTAL REVENUES	129,260	129,306	46
EXPENDITURES			
PUBLIC SAFETY			
Law Enforcement			
Personal services	60,000	60,000	
Operation and maintenance	33,100	21,317	11,783
Capital outlay	82,290	82,242	48
Total Law Enforcement	175,390	163,559	11,831
TOTAL PUBLIC SAFETY	175,390	163,559	11,831
TOTAL EXPENDITURES	175,390	163,559	11,831
Excess (deficiency) of revenues over expenditures	(46,130)	(34,253)	11,877
Adjustment for prior year encumbrances	6,150	6,150	
FUND BALANCE AT BEGINNING OF YEAR	146,707	146,707	
FUND BALANCE AT END OF YEAR	\$ 106,727	\$ 118,604	\$ 11,877

CITY OF ELYRIA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):
MANDATORY DRUG FINE FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 800	\$ 819	\$ 19
Fines and forfeitures	5,530	5,528	(2)
Miscellaneous revenues		46	46
TOTAL REVENUES	6,330	6,393	63
EXPENDITURES			
PUBLIC SAFETY			
Mandatory Drug Fine			
Operation and maintenance	18,215	11,786	6,429
Capital outlay	19,898	13,713	6,185
Total Mandatory Drug Fine	38,113	25,499	12,614
TOTAL PUBLIC SAFETY	38,113	25,499	12,614
TOTAL EXPENDITURES	38,113	25,499	12,614
Excess (deficiency) of revenues over expenditures	(31,783)	(19,106)	12,677
Adjustment for prior year encumbrances	6,649	6,649	
FUND BALANCE AT BEGINNING OF YEAR	39,924	39,924	
FUND BALANCE AT END OF YEAR	\$ 14,790	\$ 27,467	\$ 12,677

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE PENSION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

POLICE PENSION FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 251,000	\$ 251,039	\$ 39
Intergovernmental revenues	26,100	26,107	7
Interest earnings	4,930	4,908	(22)
TOTAL REVENUES	282,030	282,054	24
EXPENDITURES			
PUBLIC SAFETY			
Police Pension			
Fringe benefits	225,000	225,000	
Operation and maintenance	4,400	4,359	41
Debt service - principal retirement	11,900	11,900	
Interest	18,726	18,721	5
Total Police Pension	260,026	259,980	46
TOTAL PUBLIC SAFETY	260,026	259,980	46
TOTAL EXPENDITURES	260,026	259,980	46
Excess (deficiency) of revenues over expenditures	22,004	22,074	70
FUND BALANCE AT BEGINNING OF YEAR	102,209	102,209	
FUND BALANCE AT END OF YEAR	\$ 124,213	\$ 124,283	\$ 70

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FIRE PENSION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

FIRE PENSION FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 251,000	\$ 251,039	\$ 39
Intergovernmental revenues	26,100	26,107	7
Interest earnings	4,845	4,823	(22)
TOTAL REVENUES	281,945	281,969	24
EXPENDITURES			
PUBLIC SAFETY			
Fire Pension			
Fringe benefits	255,000	255,000	
Operation and maintenance	4,400	4,322	78
Debt service - principal retirement	23,100	23,100	
Interest	36,342	36,342	
Total Fire Pension	318,842	318,764	78
TOTAL PUBLIC SAFETY	318,842	318,764	78
TOTAL EXPENDITURES	318,842	318,764	78
Excess (deficiency) of revenues over expenditures	(36,897)	(36,795)	102
FUND BALANCE AT BEGINNING OF YEAR	101,968	101,968	
FUND BALANCE AT END OF YEAR	\$ 65,071	\$ 65,173	\$ 102

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNI COURT SECURITY FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

MUNI COURT SECURITY FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 2,000	\$ 2,056	\$ 56
Fines and forfeitures	75,000	77,871	2,871
TOTAL REVENUES	77,000	79,927	2,927
EXPENDITURES			
PUBLIC SAFETY			
Muni Court Security			
Personal services	41,432	40,889	543
Fringe benefits	10,256	10,197	59
Operation and maintenance	21,300	16,932	4,368
Capital outlay	2,938	2,938	
Total Muni Court Security	75,926	70,956	4,970
TOTAL PUBLIC SAFETY	75,926	70,956	4,970
TOTAL EXPENDITURES	75,926	70,956	4,970
Excess (deficiency) of revenues over expenditures	1,074	8,971	7,897
Adjustment for prior year encumbrances	4,976	4,976	
FUND BALANCE AT BEGINNING OF YEAR	86,250	86,250	
FUND BALANCE AT END OF YEAR	\$ 92,300	\$ 100,197	\$ 7,897

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MUNI COURT TECHNOLOGY FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

MUNI COURT TECHNOLOGY FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Fines and forfeitures	\$ 190,000	\$ 192,840	\$ 2,840
TOTAL REVENUES	190,000	192,840	2,840
EXPENDITURES			
PUBLIC SAFETY			
Muni Court Technology			
Personal services	76,050	74,604	1,446
Fringe benefits	25,404	24,980	424
Operation and maintenance	108,020	95,076	12,944
Capital outlay	66,800	62,995	3,805
Total Muni Court Technology	276,274	257,655	18,619
TOTAL PUBLIC SAFETY	276,274	257,655	18,619
TOTAL EXPENDITURES	276,274	257,655	18,619
Excess (deficiency) of revenues over expenditures	(86,274)	(64,815)	21,459
Adjustment for prior year encumbrances	54,465	54,465	
FUND BALANCE AT BEGINNING OF YEAR	56,379	56,379	
FUND BALANCE AT END OF YEAR	\$ 24,570	\$ 46,029	\$ 21,459

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):
 ALCOHOL ENFORCEMENT AND EDUCATION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 150	\$ 249	\$ 99
Fines and forfeitures	2,000	2,912	912
TOTAL REVENUES	<u>2,150</u>	<u>3,161</u>	<u>1,011</u>
Excess (deficiency) of revenues over expenditures	2,150	3,161	1,011
FUND BALANCE AT BEGINNING OF YEAR	<u>9,600</u>	<u>9,600</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 11,750</u>	<u>\$ 12,761</u>	<u>\$ 1,011</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):
 MUNI COURT CONSTRUCTION AND IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 5,600	\$ 5,653	\$ 53
Fines and forfeitures	106,300	114,634	8,334
TOTAL REVENUES	<u>111,900</u>	<u>120,287</u>	<u>8,387</u>
EXPENDITURES			
PUBLIC SAFETY			
Muni Court Constr/Imp			
Operation and maintenance	6,000	669	5,331
Total Muni Court Constr/Imp	<u>6,000</u>	<u>669</u>	<u>5,331</u>
TOTAL PUBLIC SAFETY	<u>6,000</u>	<u>669</u>	<u>5,331</u>
TOTAL EXPENDITURES	<u>6,000</u>	<u>669</u>	<u>5,331</u>
Excess (deficiency) of revenues over expenditures	105,900	119,618	13,718
Adjustment for prior year encumbrances	698	698	
FUND BALANCE AT BEGINNING OF YEAR	<u>222,020</u>	<u>222,020</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 328,618</u>	<u>\$ 342,336</u>	<u>\$ 13,718</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):
 POLICE LEVY FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 2,905,400	\$ 2,908,608	\$ 3,208
Interest earnings	22,000	21,996	(4)
Miscellaneous revenues	35,723	35,723	
TOTAL REVENUES	2,963,123	2,966,327	3,204
EXPENDITURES			
PUBLIC SAFETY			
Police Levy		1,991,910	9,227
Personal services	2,001,137	643,555	3,920
Fringe benefits	647,475	443,499	30,501
Operation and maintenance	474,000	264,332	17,914
Capital outlay	282,246		
Total Police Levy	3,404,858	3,343,296	61,562
TOTAL PUBLIC SAFETY	3,404,858	3,343,296	61,562
TOTAL EXPENDITURES	3,404,858	3,343,296	61,562
Excess (deficiency) of revenues over expenditures	(441,735)	(376,969)	64,766
Adjustment for prior year encumbrances	177,496	177,496	
FUND BALANCE AT BEGINNING OF YEAR	811,480	811,480	
FUND BALANCE AT END OF YEAR	\$ 547,241	\$ 612,007	\$ 64,766

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):
 MUNI COURT SPECIAL COLLECTIONS FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Fines and forfeitures	\$ 10,500	\$ 12,724	\$ 2,224
TOTAL REVENUES	10,500	12,724	2,224
Excess (deficiency) of revenues over expenditures	10,500	12,724	2,224
FUND BALANCE AT BEGINNING OF YEAR			
FUND BALANCE AT END OF YEAR	\$ 10,500	\$ 12,724	\$ 2,224

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIAL PARKING FINES FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 950	\$ 954	4
Fines and forfeitures	15,000	15,619	619
TOTAL REVENUES	<u>15,950</u>	<u>16,573</u>	<u>623</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Special Parking Fine	10,000	3,239	6,761
Operation and maintenance	10,000	3,239	6,761
Total Special Parking Fine	<u>10,000</u>	<u>3,239</u>	<u>6,761</u>
TOTAL GENERAL GOVERNMENT	<u>10,000</u>	<u>3,239</u>	<u>6,761</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>3,239</u>	<u>6,761</u>
Excess (deficiency) of revenues over expenditures	5,950	13,334	7,384
FUND BALANCE AT BEGINNING OF YEAR	<u>37,784</u>	<u>37,784</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 43,734</u>	<u>\$ 51,118</u>	<u>\$ 7,384</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 LEGAL RESEARCH & COURT COMPUTERIZATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Fines and forfeitures	\$ 54,000	\$ 58,263	\$ 4,263
TOTAL REVENUES	<u>54,000</u>	<u>58,263</u>	<u>4,263</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Legal Research & Court Computerization	25,000	17,535	7,465
Operation and maintenance	25,000	17,535	7,465
Total Legal Research & Court Comp.	<u>25,000</u>	<u>17,535</u>	<u>7,465</u>
TOTAL GENERAL GOVERNMENT	<u>25,000</u>	<u>17,535</u>	<u>7,465</u>
TOTAL EXPENDITURES	<u>25,000</u>	<u>17,535</u>	<u>7,465</u>
Excess (deficiency) of revenues over expenditures	29,000	40,728	11,728
Adjustment for prior year encumbrances	897	897	
FUND BALANCE AT BEGINNING OF YEAR	<u>49,428</u>	<u>49,428</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 79,325</u>	<u>\$ 91,053</u>	<u>\$ 11,728</u>

DEBT SERVICE FUNDS

Debt Service Funds are established to account for the accumulation of resources for, and the repayment of, general long-term debt principal and interest.

* * * * *

General Bond Retirement

To account for the accumulation of resources for, and the repayment of, general long-term debt principal and interest.

Special Assessment Bond Retirement

To account for the accumulation of resources for, and the repayment of, special assessment long-term debt principal and interest.

CITY OF ELYRIA, OHIO
 COMBINING BALANCE SHEET
 ALL DEBT SERVICE FUNDS
 DECEMBER 31, 2002

	General Bond Retirement	Special Assessment Bond Retirement	Totals
ASSETS			
Equity in pooled cash and cash equivalents	\$ 22,810	\$ 1,344	\$ 24,154
Other short-term investments	2,378,900		2,378,900
Receivables:			
Taxes	1,301,623		1,301,623
Accrued interest	15,023		15,023
Special assessments		3,075,646	3,075,646
Due from other governments	173,012		173,012
TOTAL ASSETS	\$ 3,891,368	\$ 3,076,990	\$ 6,968,358
LIABILITIES			
Matured interest payable	\$	\$ 1,344	\$ 1,344
Deferred revenue	1,466,541	3,075,646	4,542,187
TOTAL LIABILITIES	1,466,541	3,076,990	4,543,531
FUND BALANCE			
Reserved for debt service	2,424,827		2,424,827
TOTAL FUND BALANCE	2,424,827		2,424,827
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,891,368	\$ 3,076,990	\$ 6,968,358

CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	General Bond Retirement	Special Assessment Bond Retirement	Totals
REVENUES			
Taxes	\$ 1,587,962	\$	\$ 1,587,962
Intergovernmental revenues	165,932		165,932
Investment income	70,015	5,198	75,213
Special assessments		616,434	616,434
Miscellaneous revenues	36,888		36,888
TOTAL REVENUES	1,860,797	621,632	2,482,429
EXPENDITURES			
Current:			
General government	32,174	25,619	57,793
Debt service:			
Principal retirement	847,660	445,176	1,292,836
Interest and fiscal charges	1,089,522	150,837	1,240,359
TOTAL EXPENDITURES	1,969,356	621,632	2,590,988
Excess (deficiency) of revenues over expenditures	(108,559)		(108,559)
FUND BALANCE AT BEGINNING OF YEAR	2,533,386		2,533,386
FUND BALANCE AT END OF YEAR	\$ 2,424,827	\$	\$ 2,424,827

CITY OF ELYRIA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):
GENERAL BOND RETIREMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 1,587,900	\$ 1,587,947	\$ 47
Intergovernmental revenues	165,300	165,346	46
Interest earnings	68,780	68,784	4
Miscellaneous revenue		36,893	36,893
TOTAL REVENUES	1,821,980	1,858,970	36,990
EXPENDITURES			
DEBT SERVICE			
General Bond Retirement			
Operation and maintenance	32,175	32,174	1
Principal retirement	847,661	847,660	1
Interest	1,113,105	1,113,105	
Total General Bond Retirement	1,992,941	1,992,939	2
TOTAL DEBT SERVICE	1,992,941	1,992,939	2
TOTAL EXPENDITURES	1,992,941	1,992,939	2
Excess (deficiency) of revenues over expenditures	(170,961)	(133,969)	36,992
FUND BALANCE AT BEGINNING OF YEAR	2,517,575	2,517,575	
FUND BALANCE AT END OF YEAR	\$ 2,346,614	\$ 2,383,606	\$ 36,992

CITY OF ELYRIA, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS):
SPECIAL ASSESSMENT BOND RETIREMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 5,198	\$ 5,198	\$
Special assessments	616,435	616,434	(1)
TOTAL REVENUES	621,633	621,632	(1)
EXPENDITURES			
DEBT SERVICE			
Special Assessment Bond Retirement			
Operation and maintenance	25,620	25,619	1
Principal retirement	445,176	445,176	
Interest	150,837	150,837	
Total Special Assessment Bond Retirement	621,633	621,632	1
TOTAL DEBT SERVICE	621,633	621,632	1
TOTAL EXPENDITURES	621,633	621,632	1
Excess (deficiency) of revenues over expenditures			
FUND BALANCE AT BEGINNING OF YEAR			
FUND BALANCE AT END OF YEAR	\$	\$	\$

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for financial resources to be used for the acquisition or construction of capital facilities or equipment (other than those financed by proprietary funds and trust funds).

* * * * *

Industrial Parkway

To account for monies restricted for the construction of a new highway.

Bridge Projects

To account for monies restricted for the construction of major repairs or improvements to City bridges.

Capital Improvement

To account for monies restricted for the purchase or construction of capital improvements for the City.

East Broad Street Widening

To account for monies restricted for improvements to be made to East Broad Street.

Gulf Road Stabilization

To account for monies restricted for improvements to be made to Gulf Road.

Cascade / Elywood

To account for monies restricted for improvements to be made to Cascade / Elywood Parks.

South Recreation Construction

To account for monies restricted for the construction of a new South Recreation Center.

State Issue II Capital Projects

To account for monies restricted for various improvement projects approved by the Ohio Public Works Commission of the State of Ohio.

Municipal Building Construction

To account for monies restricted for the construction of a new City Hall building.

**CITY OF ELYRIA, OHIO
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 2002**

	Industrial Parkway	Bridge Projects	Capital Improvement	Gulf Road Stabilization	Cascade/ Elywood
ASSETS					
Equity in pooled cash and cash equivalents	\$ 53,635	\$ 1,089	\$ 435	\$ 24,209	\$ 15,342
Receivables:					
Accrued interest	2			1	1
Due from other governments					
TOTAL ASSETS	<u>\$ 53,637</u>	<u>\$ 1,089</u>	<u>\$ 435</u>	<u>\$ 24,210</u>	<u>\$ 15,343</u>
LIABILITIES					
Contracts payable	\$ 600,000		\$	\$ 10,544	\$
General obligation notes payable	600,000			10,544	
TOTAL LIABILITIES				<u>10,544</u>	
FUND BALANCE					
Reserved for encumbrances	49,469	1,032		4,995	
Unreserved-undesignated	(595,832)	57	435	8,671	15,343
TOTAL FUND BALANCE	<u>(546,363)</u>	<u>1,089</u>	<u>435</u>	<u>13,666</u>	<u>15,343</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 53,637</u>	<u>\$ 1,089</u>	<u>\$ 435</u>	<u>\$ 24,210</u>	<u>\$ 15,343</u>

CITY OF ELYRIA, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS (continued)
 DECEMBER 31, 2002

	South Recreation Construction	State Issue II Capital Projects	Municipal Building Construction	Totals
ASSETS				
Equity in pooled cash and cash equivalents	\$ 14,155	\$ 24,106	\$ 2,404,152	\$ 2,537,123
Receivables:				
Accrued interest	1		2,525	2,530
Due from other governments		99,833		99,833
TOTAL ASSETS	<u>\$ 14,156</u>	<u>\$ 123,939</u>	<u>\$ 2,406,677</u>	<u>\$ 2,639,486</u>
LIABILITIES				
Contracts payable		\$ 102,332	\$ 352,356	\$ 465,232
General obligation notes payable				600,000
TOTAL LIABILITIES		<u>102,332</u>	<u>352,356</u>	<u>1,065,232</u>
FUND BALANCE				
Reserved for encumbrances	203	21,776	1,641,293	1,718,768
Unreserved-undesignated	13,953	(169)	413,028	(144,514)
TOTAL FUND BALANCE	<u>14,156</u>	<u>21,607</u>	<u>2,054,321</u>	<u>1,574,254</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 14,156</u>	<u>\$ 123,939</u>	<u>\$ 2,406,677</u>	<u>\$ 2,639,486</u>

CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Industrial Parkway	Bridge Projects	Capital Improvement	East Broad St. Widening	Gulf Road Stabilization
REVENUES					
Intergovernmental revenues					
Investment income	\$ 6,553	435	385	2,083	1,117
Contributions					
TOTAL REVENUES	<u>6,553</u>	<u>435</u>	<u>385</u>	<u>2,083</u>	<u>1,117</u>
EXPENDITURES					
Capital outlay	447,326	39,786			158,814
TOTAL EXPENDITURES	<u>447,326</u>	<u>39,786</u>			<u>158,814</u>
Excess (deficiency) of revenues over expenditures	<u>(440,773)</u>	<u>(39,351)</u>	<u>385</u>	<u>2,083</u>	<u>(157,697)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loans					
Operating transfers in		12,877	39,021		171,363
Operating transfers out			(39,198)	(171,414)	
TOTAL OTHER FINANCING SOURCES (USES)		<u>12,877</u>	<u>(177)</u>	<u>(171,414)</u>	<u>171,363</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(440,773)</u>	<u>(26,474)</u>	<u>208</u>	<u>(169,331)</u>	<u>13,666</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>(105,590)</u>	<u>27,563</u>	<u>227</u>	<u>169,331</u>	
FUND BALANCE AT END OF YEAR	<u>\$ (546,363)</u>	<u>\$ 1,089</u>	<u>\$ 435</u>	<u>\$</u>	<u>\$ 13,666</u>

CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Cascade/ Elywood	South Recreation Construction	State Issue II Capital Projects	Municipal Building Construction	Totals
REVENUES					
Intergovernmental revenues			\$ 392,803		\$ 392,803
Investment income	309	965	437	77,913	90,197
Contributions	40	2,500			2,540
TOTAL REVENUES	<u>349</u>	<u>3,465</u>	<u>393,240</u>	<u>77,913</u>	<u>485,540</u>
EXPENDITURES					
Capital outlay	621	64,111	570,107	4,150,884	5,431,649
TOTAL EXPENDITURES	<u>621</u>	<u>64,111</u>	<u>570,107</u>	<u>4,150,884</u>	<u>5,431,649</u>
Excess (deficiency) of revenues over expenditures	<u>(272)</u>	<u>(60,646)</u>	<u>(176,867)</u>	<u>(4,072,971)</u>	<u>(4,946,109)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loans			114,118		114,118
Operating transfers in			79,871		303,132
Operating transfers out			(39,173)		(249,785)
TOTAL OTHER FINANCING SOURCES (USES)			<u>154,816</u>		<u>167,465</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(272)</u>	<u>(60,646)</u>	<u>(22,051)</u>	<u>(4,072,971)</u>	<u>(4,778,644)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>15,615</u>	<u>74,802</u>	<u>43,658</u>	<u>6,127,292</u>	<u>6,352,898</u>
FUND BALANCE AT END OF YEAR	<u>\$ 15,343</u>	<u>\$ 14,156</u>	<u>\$ 21,607</u>	<u>\$ 2,054,321</u>	<u>\$ 1,574,254</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 INDUSTRIAL PARKWAY FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest earnings	\$ 6,917	\$ 7,087	\$ 170
TOTAL REVENUES	<u>6,917</u>	<u>7,087</u>	<u>170</u>
EXPENDITURES			
HIGHWAYS AND STREETS			
Industrial Parkway	22,754	19,008	3,746
Operation and maintenance	478,085	478,084	1
Capital outlay	600,000	600,000	
Principal retirement			
Total Industrial Parkway	<u>1,100,839</u>	<u>1,097,092</u>	<u>3,747</u>
TOTAL HIGHWAYS AND STREETS	<u>1,100,839</u>	<u>1,097,092</u>	<u>3,747</u>
TOTAL EXPENDITURES	<u>1,100,839</u>	<u>1,097,092</u>	<u>3,747</u>
Excess (deficiency) of revenues over expenditures	(1,093,922)	(1,090,005)	3,917
OTHER FINANCING SOURCES			
Proceeds of notes	600,000	600,000	
TOTAL OTHER FINANCING SOURCES	<u>600,000</u>	<u>600,000</u>	
Excess (deficiency) of revenues and other sources over expenditures	(493,922)	(490,005)	3,917
Adjustment for prior year encumbrances	28,155	28,155	
FUND BALANCE AT BEGINNING OF YEAR	<u>466,019</u>	<u>466,019</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 252</u>	<u>\$ 4,169</u>	<u>\$ 3,917</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 BRIDGE PROJECTS FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest earnings	\$ 385	\$ 441	\$ 56
TOTAL REVENUES	<u>385</u>	<u>441</u>	<u>56</u>
EXPENDITURES			
COMMUNITY ENVIRONMENT			
Miscellaneous Bridges	12,361	12,360	1
Operation and maintenance	28,458	28,458	
Capital outlay			
Total Miscellaneous Bridges	<u>40,819</u>	<u>40,818</u>	<u>1</u>
TOTAL COMMUNITY ENVIRONMENT	<u>40,819</u>	<u>40,818</u>	<u>1</u>
TOTAL EXPENDITURES	<u>40,819</u>	<u>40,818</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	(40,434)	(40,377)	57
OTHER FINANCING SOURCES			
Transfers in	12,877	12,877	
TOTAL OTHER FINANCING SOURCES	<u>12,877</u>	<u>12,877</u>	
Excess (deficiency) of revenues and other sources over expenditures	(27,557)	(27,500)	57
Adjustment for prior year encumbrances	1,032	1,032	
FUND BALANCE AT BEGINNING OF YEAR	<u>26,525</u>	<u>26,525</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 57</u>	<u>\$ 57</u>	<u>\$ 57</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	CAPITAL IMPROVEMENT FUND		Variance Favorable (Unfavorable)
	Budget	Actual	(Unfavorable)
REVENUES			
Interest earnings	\$ 385	\$ 385	\$
TOTAL REVENUES	385	385	
Excess of revenues over expenditures	385	385	
OTHER FINANCING SOURCES (USES)			
Operating transfers in	38,972	39,022	50
Operating transfers out	(39,198)	(39,198)	
TOTAL OTHER FINANCING SOURCES (USES)	(226)	(176)	50
Excess of revenues and other sources over expenditures and other uses	159	209	50
FUND BALANCE AT BEGINNING OF YEAR	226	226	
FUND BALANCE AT END OF YEAR	\$ 385	\$ 435	\$ 50

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EAST BROAD STREET WIDENING FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	EAST BROAD STREET WIDENING FUND		Variance Favorable (Unfavorable)
	Budget	Actual	(Unfavorable)
REVENUES			
Interest earnings	\$ 2,251	\$ 2,250	\$ (1)
TOTAL REVENUES	2,251	2,250	(1)
Excess (deficiency) of revenues over expenditures	2,251	2,250	(1)
OTHER FINANCING (USES)			
Operating transfers out	(171,416)	(171,415)	1
TOTAL OTHER FINANCING (USES)	(171,416)	(171,415)	1
Excess (deficiency) of revenues over expenditures and other uses	(169,165)	(169,165)	
FUND BALANCE AT BEGINNING OF YEAR	169,165	169,165	
FUND BALANCE AT END OF YEAR	\$	\$	\$

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS).
 CASCADE/ELYWOOD FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 269	\$ 311	\$ 42
Miscellaneous revenues		40	40
TOTAL REVENUES	<u>269</u>	<u>351</u>	<u>82</u>
EXPENDITURES			
CULTURE AND RECREATION			
Cascade/Elywood	621	621	
Capital outlay			
Total Cascade/Elywood	<u>621</u>	<u>621</u>	
TOTAL CULTURE AND RECREATION	<u>621</u>	<u>621</u>	
TOTAL EXPENDITURES	<u>621</u>	<u>621</u>	
Excess (deficiency) of revenues over expenditures	(352)	(270)	82
FUND BALANCE AT BEGINNING OF YEAR	<u>15,611</u>	<u>15,611</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 15,259</u>	<u>\$ 15,341</u>	<u>\$ 82</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS).
 SOUTH RECREATION CONSTRUCTION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 1,000	\$ 990	\$ (10)
Miscellaneous revenues		2,500	
TOTAL REVENUES	<u>3,500</u>	<u>3,490</u>	<u>(10)</u>
EXPENDITURES			
CULTURE & RECREATION			
South Recreation Construction	67,000	64,314	2,686
Capital outlay			
Total South Recreation Const.	<u>67,000</u>	<u>64,314</u>	<u>2,686</u>
TOTAL CULTURE AND RECREATION	<u>67,000</u>	<u>64,314</u>	<u>2,686</u>
TOTAL EXPENDITURES	<u>67,000</u>	<u>64,314</u>	<u>2,686</u>
Excess (deficiency) of revenues over expenditures	(63,500)	(60,824)	2,676
FUND BALANCE AT BEGINNING OF YEAR	<u>157,243</u>	<u>157,243</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 93,743</u>	<u>\$ 96,419</u>	<u>\$ 2,676</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS).
 STATE ISSUE II CAPITAL PROJECTS FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

STATE ISSUE II CAPITAL PROJECTS FUND		Variance
Budget	Actual	Favorable (Unfavorable)
REVENUES		
Intergovernmental revenues	\$ 661,847	\$ (163,715)
Interest earnings	164	283
TOTAL REVENUES	662,011	(163,432)
EXPENDITURES		
HIGHWAYS AND STREETS		
Lowell Street Improvement		
Capital outlay	9,010	9,010
Total Lowell Street Improvement	9,010	9,010
Infirmary Rd. / W. River Rd. Improvement		
Capital outlay	13,343	13,342
Total Infirmary Rd. / W. River Rd. Impr.	13,343	13,342
Oberlin Rd./ Leona St. Improvement		
Capital outlay	19,515	19,515
Total Oberlin Rd./ Leona St. Impr.	19,515	19,515
Warden Ave./ College Park Dr. Improvement		
Capital outlay	38,965	38,964
Total Warden Ave./ College Park Dr. Impr.	38,965	38,964
Murray Ridge/ Garford Ave. Improvement		
Capital outlay	19,884	19,884
Total Murray Ridge/ Garford Ave. Impr.	19,884	19,884
St. Rt. 57 & 113/Poplar St. Improvement		
Personal services	4,025	3,361
Fringe benefits	733	507
Operation and maintenance	475	474
Capital outlay	245,924	209,915
Total St. Rt. 57 & 113/Poplar St. Impr.	251,157	214,257

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS).
 STATE ISSUE II CAPITAL PROJECTS FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

STATE ISSUE II CAPITAL PROJECTS FUND		Variance
Budget	Actual	Favorable (Unfavorable)
Midway Blvd./University Ave.		
Personal services	3,418	3,033
Fringe benefits	1,105	463
Operation and maintenance	482	482
Capital outlay	264,510	239,876
Total Midway Blvd./University Ave.	269,515	243,854
David Dr./Gulf Rd. Improvement		
Personal services	3,525	3,064
Fringe benefits	534	472
Operation and maintenance	475	474
Capital outlay	125,263	125,262
Total David Dr./Gulf Rd. Improvement	129,797	129,272
TOTAL HIGHWAYS AND STREETS	751,186	688,098
TOTAL EXPENDITURES	751,186	688,098
Excess (deficiency) of revenues over expenditures	(89,175)	(189,519)
OTHER FINANCING SOURCES (USES)		
Operating transfers in	79,870	79,870
Operating transfers out	(39,175)	(39,173)
TOTAL OTHER FINANCING SOURCES (USES)	40,695	40,697
Excess (deficiency) of revenues and other sources over expenditures and other uses	(48,480)	(148,822)
Adjustment for prior year encumbrances	152,250	152,250
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(103,325)	(103,325)
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 445	\$ (100,342)

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS),
 MUNICIPAL BUILDING CONSTRUCTION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
MUNICIPAL BUILDING CONSTRUCTION FUND			
REVENUES			
Interest earnings	\$ 80,000	\$ 79,955	\$ (45)
TOTAL REVENUES	<u>80,000</u>	<u>79,955</u>	<u>(45)</u>
EXPENDITURES			
COMMUNITY ENVIRONMENT			
Municipal Building Const/Imp	139,410	133,684	5,726
Operation and maintenance	6,739,905	6,355,721	384,184
Capital outlay	6,879,315	6,489,405	389,910
Total Municipal Bldg Const/Imp	<u>6,879,315</u>	<u>6,489,405</u>	<u>389,910</u>
TOTAL COMMUNITY ENVIRONMENT	<u>6,879,315</u>	<u>6,489,405</u>	<u>389,910</u>
TOTAL EXPENDITURES	<u>6,879,315</u>	<u>6,489,405</u>	<u>389,910</u>
Excess (deficiency) of revenues over expenditures	(6,799,315)	(6,409,450)	389,865
OTHER FINANCING SOURCES			
Sale of bonds		87	87
Other financing sources		3,275	3,275
TOTAL OTHER FINANCING SOURCES		<u>3,362</u>	<u>3,362</u>
Excess (deficiency) of revenues and other sources over expenditures	(6,799,315)	(6,406,088)	393,227
Adjustment for prior year encumbrances	5,890,721	5,890,721	
FUND BALANCE AT BEGINNING OF YEAR	<u>918,593</u>	<u>918,593</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 9,999</u>	<u>\$ 403,226</u>	<u>\$ 393,227</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS),
 GULF ROAD STABILIZATION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
GULF ROAD STABILIZATION FUND			
REVENUES			
Interest earnings	\$ 1,100	\$ 1,116	\$ 16
TOTAL REVENUES	<u>1,100</u>	<u>1,116</u>	<u>16</u>
EXPENDITURES			
HIGHWAYS AND STREETS			
Gulf Road Stabilization	171,000	163,809	7,191
Capital outlay	171,000	163,809	7,191
Total Gulf Road Stabilization	<u>171,000</u>	<u>163,809</u>	<u>7,191</u>
TOTAL HIGHWAYS AND STREETS	<u>171,000</u>	<u>163,809</u>	<u>7,191</u>
TOTAL EXPENDITURES	<u>171,000</u>	<u>163,809</u>	<u>7,191</u>
Excess (deficiency) of revenues over expenditures	(169,900)	(162,693)	7,207
OTHER FINANCING SOURCES			
Operating transfers in	171,364	171,364	
TOTAL OTHER FINANCING SOURCES	<u>171,364</u>	<u>171,364</u>	
Excess (deficiency) of revenues and other sources over expenditures	1,464	8,671	7,207
FUND BALANCE AT BEGINNING OF YEAR			
FUND BALANCE AT END OF YEAR	<u>\$ 1,464</u>	<u>\$ 8,671</u>	<u>\$ 7,207</u>

ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

* * * * *

Water

To account for the operations of the City's water utility.

Special Parks and Recreation

To account for the operations of the concession stands and athletic programs in the various City parks.

Sanitation

To account for the operations of the City's rubbish and garbage collection operations.

Wastewater Pollution Control

To account for the operations and improvement of the City's wastewater treatment plant and sanitary sewer system.

**CITY OF ELYRIA, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 2002**

	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
ASSETS					
Current:					
Equity in pooled cash and cash equivalents	\$ 1,338,148	\$ 192,931	\$ 358,828	\$ 3,506,386	\$ 5,396,293
Other short-term investments	5,200,000			2,631,875	7,831,875
Receivables:					
Accounts	379,107		99,491	751,801	1,230,399
Accrued interest	6,117	112	190	27,537	33,956
Rehabilitation loans				382,829	382,829
Settlements				627,000	627,000
Special assessments	74,778				74,778
Inventory of supplies	178,331	9,552		51,166	239,049
Prepaid expenses	54,849		19,988	84,428	159,265
Total current assets	7,231,330	202,595	478,497	8,063,022	15,975,444
Fixed Assets:					
Land	55,169		20,744	580,575	656,488
Buildings	5,014,107	156,826	72,332	24,094,236	29,337,501
Improvements	5,098,641	106,443		20,629,113	25,834,197
Utility distribution and collection systems	14,285,334			33,381,105	47,666,439
Machinery and equipment	3,697,780	174,594	1,979,126	3,546,233	9,397,733
Construction in progress	1,246,083	10,000	65,804	538,082	1,859,969
Total fixed assets	29,397,114	447,863	2,138,006	82,769,344	114,752,327
Less: Accumulated depreciation	(17,022,481)	(210,500)	(1,561,160)	(38,328,090)	(57,122,231)
Net fixed assets	12,374,633	237,363	576,846	44,441,254	57,630,096
TOTAL ASSETS	\$ 19,605,963	\$ 439,958	\$ 1,055,343	\$ 52,504,276	\$ 73,605,540

CITY OF ELYRIA, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 2002

	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
LIABILITIES					
Current:					
Accounts payable	\$ 18,607		\$ 73,554	\$ 39,406	\$ 131,567
Contracts payable	48,558	10,000	11,719	313,895	384,172
Accrued wages and benefits	636,738	5,834	188,683	727,424	1,558,679
Compensated absences payable	82,049	211	15,558	44,248	142,066
Accrued interest	5,429			734,282	739,711
Deferred revenue	74,778		38,639		113,417
General obligation notes payable	6,100,000		330,000		6,430,000
Current portion of general obligation bonds payable	71,509			68,315	139,824
Current portion of construction loans payable	12,902			1,368,574	1,381,476
Total current liabilities	<u>7,050,570</u>	<u>16,045</u>	<u>658,153</u>	<u>3,296,144</u>	<u>11,020,912</u>
Long-term debt:					
General obligation bonds payable	1,358,798			234,120	1,592,918
Construction loans payable	22,893			16,232,981	16,255,874
Total long-term debt	<u>1,381,691</u>			<u>16,467,101</u>	<u>17,848,792</u>
TOTAL LIABILITIES	<u>8,432,261</u>	<u>16,045</u>	<u>658,153</u>	<u>19,763,245</u>	<u>28,869,704</u>
CONTRIBUTED CAPITAL AND RETAINED EARNINGS					
Contributed capital:					
From federal grants			280,000	9,422,926	9,422,926
From other City funds	525,910	1,580	1,241,516	96,629	376,629
Other				298,825	2,067,831
Total contributed capital	525,910	1,580	1,521,516	9,818,380	11,867,386
Retained earnings (deficit) - unreserved	10,647,792	422,333	(1,124,326)	22,922,651	32,868,450
TOTAL CONTRIBUTED CAPITAL AND RETAINED EARNINGS (DEFICIT)	<u>11,173,702</u>	<u>423,913</u>	<u>397,190</u>	<u>32,741,031</u>	<u>44,735,836</u>
TOTAL LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS (DEFICIT)	<u>\$ 19,605,963</u>	<u>\$ 439,958</u>	<u>\$ 1,055,343</u>	<u>\$ 52,504,276</u>	<u>\$ 73,605,540</u>

CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
OPERATING REVENUES					
Charges for services	\$ 4,847,600	\$ 215,788	\$ 2,492,965	\$ 9,103,196	\$ 16,659,549
Tap fees	127,396			130,074	257,470
Other	15,384	84,599	600	118,141	218,724
TOTAL OPERATING REVENUES	<u>4,990,380</u>	<u>300,387</u>	<u>2,493,565</u>	<u>9,351,411</u>	<u>17,135,743</u>
OPERATING EXPENSES					
Personal services	2,182,719	106,452	1,212,742	3,363,330	6,865,243
Fringe benefits	600,722	17,019	432,367	1,077,280	2,127,388
Materials and supplies	582,481	68,610	279,313	870,549	1,800,953
Heat, light, and power	442,435	4,725	752,298	489,990	937,150
Contractual services	583,204	43,694	117,043	921,945	2,301,141
Depreciation	863,199	13,303	26,964	2,565,963	3,559,508
Other	98,590	16,647	2,820,727	129,058	271,259
TOTAL OPERATING EXPENSES	<u>5,353,350</u>	<u>270,450</u>	<u>(327,162)</u>	<u>(66,704)</u>	<u>17,862,642</u>
OPERATING INCOME (LOSS)	<u>(362,970)</u>	<u>29,937</u>			<u>(726,899)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	50,100	3,075	16,573	192,814	262,562
Interest expense	(97,647)		96,937	(1,520,188)	(1,617,835)
Recycling grant	(47,547)	3,075	113,510	(1,327,374)	96,937
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(47,547)</u>	<u>3,075</u>	<u>113,510</u>	<u>(1,327,374)</u>	<u>(1,258,336)</u>
NET INCOME (LOSS) BEFORE CAPITAL GRANT ACTIVITY	<u>(410,517)</u>	<u>33,012</u>	<u>(213,652)</u>	<u>(1,394,078)</u>	<u>(1,985,235)</u>
CAPITAL GRANT REVENUE		42,777	52,715		95,492
NET INCOME	<u>(410,517)</u>	<u>75,789</u>	<u>(160,937)</u>	<u>(1,394,078)</u>	<u>(1,889,743)</u>
DEPRECIATION ON FIXED ASSETS ACQUIRED WITH CONTRIBUTED CAPITAL RESTRICTED FOR CAPITAL ACQUISITIONS OR CONSTRUCTION		346,544	(963,389)	23,330,561	986,168
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR	11,058,309				33,772,025
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	<u>10,647,792</u>	<u>422,333</u>	<u>(1,124,326)</u>	<u>22,922,651</u>	<u>32,868,450</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR	525,910	1,580	1,521,516	10,804,548	12,853,554
DEPRECIATION ON FIXED ASSETS ACQUIRED WITH CONTRIBUTED CAPITAL RESTRICTED FOR CAPITAL ACQUISITIONS OR CONSTRUCTION				(986,168)	(986,168)
CONTRIBUTED CAPITAL AT END OF YEAR	<u>525,910</u>	<u>1,580</u>	<u>1,521,516</u>	<u>9,818,380</u>	<u>11,867,386</u>
FUND EQUITY AT END OF YEAR	<u>\$ 11,173,702</u>	<u>\$ 423,913</u>	<u>\$ 397,190</u>	<u>\$ 32,741,031</u>	<u>\$ 44,735,836</u>

**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 4,969,014	\$ 215,788	\$ 2,502,350	\$ 9,226,751	\$ 16,913,903
Cash payments to suppliers for goods and services	(2,101,908)	(138,326)	(1,631,616)	(3,575,926)	(7,447,776)
Cash payments to employees for services	(2,338,034)	(104,432)	(1,085,722)	(2,727,888)	(6,256,076)
Settlement proceeds				175,000	175,000
Other operating revenues	15,384	84,599	600	118,141	218,724
Other operating expenses	(98,590)	(16,647)	(26,964)	(129,058)	(271,259)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>445,866</u>	<u>40,982</u>	<u>(241,352)</u>	<u>3,087,020</u>	<u>3,332,516</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of notes	6,100,000		330,000		6,430,000
Capital grants received		42,777	149,652		192,429
Acquisition and construction of capital assets	(1,117,668)	(8,600)	(351,433)	(815,562)	(2,293,263)
Principal and interest paid on notes, bonds and loans payable	(1,190,187)			(4,101,450)	(5,291,637)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>3,792,145</u>	<u>34,177</u>	<u>128,219</u>	<u>(4,917,012)</u>	<u>(962,471)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	49,961	3,003	17,809	203,977	274,750
Short-term investments converted to cash	482,994		204,894	1,953,386	2,641,274
Purchase of short-term investments	(5,200,000)			(2,631,875)	(7,831,875)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>(4,667,045)</u>	<u>3,003</u>	<u>222,703</u>	<u>(474,512)</u>	<u>(4,915,851)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(429,034)</u>	<u>78,162</u>	<u>109,570</u>	<u>(2,304,504)</u>	<u>(2,545,806)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,767,182</u>	<u>114,769</u>	<u>249,258</u>	<u>5,810,890</u>	<u>7,942,099</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,338,148</u>	<u>\$ 192,931</u>	<u>\$ 358,828</u>	<u>\$ 3,506,386</u>	<u>\$ 5,396,293</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Operating income (loss)	\$ (362,970)	\$ 29,937	\$ (327,162)	\$ (66,704)	\$ (726,899)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation		13,303	117,043	2,565,963	3,559,508
Changes in assets and liabilities		(5,982)	(143)	(6,519)	(12,644)
Accounts receivable				76,305	76,305
Rehabilitation loans receivable				175,000	175,000
Settlements receivable				(1,490)	(6,962)
Inventory of supplies		(278)		(6,296)	(45,072)
Prepaid expenses		(14,218)		59,057	52,180
Accounts payable		(16,083)		(107,951)	172,177
Contracts payable relating to operating activities		(21,019)		301,147	44,538
Accrued wages and benefits		(44,687)		77,154	34,857
Compensated absences payable		52,820		(21,810)	9,528
Deferred revenue		(158)		9,528	9,528
Total adjustments	<u>808,836</u>	<u>11,045</u>	<u>85,810</u>	<u>3,153,724</u>	<u>4,059,415</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 445,866</u>	<u>\$ 40,982</u>	<u>\$ (241,352)</u>	<u>\$ 3,087,020</u>	<u>\$ 3,332,516</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Unrealized appreciation (depreciation) in fair value of investment				\$ 17,697	\$ 17,697

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WATER FUND-LEGAL APPROPRIATION LEVEL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2002

	WATER FUND (continued)		
	Budget	Actual	Variance Favorable (Unfavorable)
TOTAL EXPENSES			
Operating loss	12,008,120	11,390,855	617,265
	(7,022,520)	(6,360,578)	661,942
NONOPERATING REVENUES			
Proceeds of notes	6,100,000	6,100,000	
Other sources	545,000	598,706	53,706
TOTAL NONOPERATING REVENUES	6,645,000	6,698,706	53,706
OPERATING TRANSFERS IN	6,000	4,090	(1,910)
	(371,520)	342,218	713,738
Net income (loss)			
Adjustment for prior year encumbrances	1,601,381	1,601,381	
FUND EQUITY AT BEGINNING OF YEAR	602,960	602,960	
FUND EQUITY AT END OF YEAR	\$ 1,832,821	\$ 2,546,559	\$ 713,738

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WATER FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	WATER FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for service	\$ 4,752,000	\$ 4,790,135	\$ 38,135
Licenses and permits	135,400	139,726	4,326
Interest earnings	45,900	45,871	(29)
Special assessments	11,300	11,765	465
Fines and forfeitures	23,100	23,783	683
Miscellaneous revenues	17,900	18,997	1,097
TOTAL REVENUES	4,985,600	5,030,277	44,677
EXPENSES			
Public Utility Services			
Personal services	740,000	735,278	4,722
Fringe benefits	247,500	246,443	1,057
Operation and maintenance	200,370	184,092	16,278
Capital outlay	68,600	60,008	8,592
Total Public Utilities	1,256,470	1,225,821	30,649
Water Pumping			
Personal services	987,114	980,395	6,719
Fringe benefits	301,228	295,718	5,510
Operation and maintenance	1,056,700	933,576	123,124
Capital outlay	1,122,726	1,116,646	6,080
Total Water Pumping	3,467,768	3,326,335	141,433
Water Distribution			
Personal services	447,891	442,526	5,365
Fringe benefits	131,100	130,361	739
Operation and maintenance	130,950	125,313	5,637
Capital outlay	57,495	34,300	23,195
Total Water Distribution	767,436	732,500	34,936
Water Miscellaneous			
Personal services	185,047	179,835	5,212
Fringe benefits	60,433	59,696	737
Operation and maintenance	685,146	676,954	8,192
Capital outlay	4,156,632	3,763,885	392,747
Debt service:			
Principal retirement	1,092,314	1,092,313	1
Interest	97,874	97,874	
Reimbursements	239,000	235,642	3,358
Total Water Miscellaneous	6,516,446	6,106,199	410,247

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SPECIAL PARKS AND RECREATION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SPECIAL PARKS AND RECREATION FUND			
REVENUES			
Intergovernmental revenues	\$ 42,700	\$ 42,777	\$ 77
Charges for service	200,000	215,788	15,788
Interest earnings	2,200	3,003	803
Miscellaneous revenues	82,200	88,052	5,852
TOTAL REVENUES	<u>327,100</u>	<u>349,620</u>	<u>22,520</u>
EXPENSES			
Special Parks and Recreation			
Personal services	109,100	104,432	4,668
Fringe benefits	17,930	16,709	1,221
Operation and maintenance	177,700	152,998	24,702
Capital outlay	18,600	18,600	
Total Special Parks and Recreation	<u>323,330</u>	<u>292,739</u>	<u>30,591</u>
TOTAL EXPENSES	<u>323,330</u>	<u>292,739</u>	<u>30,591</u>
Net income	3,770	56,881	53,111
Adjustment for prior year encumbrances	18,334	18,334	
FUND EQUITY AT BEGINNING OF YEAR	<u>93,584</u>	<u>93,584</u>	
FUND EQUITY AT END OF YEAR	<u>\$ 115,688</u>	<u>\$ 168,799</u>	<u>\$ 53,111</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SANITATION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
SANITATION FUND			
REVENUES			
Intergovernmental revenues	\$ 150,000	\$ 150,000	\$
Charges for services	2,400,000	2,502,210	102,210
Interest earnings	10,000	13,719	3,719
Miscellaneous revenues		2,082	2,082
TOTAL REVENUES	<u>2,560,000</u>	<u>2,668,011</u>	<u>108,011</u>
EXPENSES			
Sanitation			
Personal services	1,093,505	1,085,722	7,783
Fringe benefits	388,365	386,612	1,753
Operation and maintenance	1,077,860	1,046,179	31,681
Capital outlay	335,402	305,839	29,563
Reimbursements	180,000	180,000	
Total Sanitation	<u>3,075,132</u>	<u>3,004,352</u>	<u>70,780</u>
Recycling			
Operation and maintenance	97,634	95,521	2,113
Capital outlay	52,715	52,715	
Total Recycling	<u>150,349</u>	<u>148,236</u>	<u>2,113</u>
TOTAL EXPENSES	<u>3,225,481</u>	<u>3,152,588</u>	<u>72,893</u>
Operating loss	(665,481)	(484,577)	180,904
NON-OPERATING REVENUES			
Proceeds of notes	330,000	330,000	
Other sources		4,684	4,684
TOTAL NON-OPERATING REVENUES	<u>330,000</u>	<u>334,684</u>	<u>4,684</u>
OPERATING TRANSFERS IN	<u>5,000</u>	<u>4,090</u>	<u>(910)</u>
Net loss	(330,481)	(145,803)	184,678
Adjustment for prior year encumbrances	36,950	36,950	
FUND EQUITY AT BEGINNING OF YEAR	<u>406,391</u>	<u>406,391</u>	
FUND EQUITY AT END OF YEAR	<u>\$ 112,860</u>	<u>\$ 297,538</u>	<u>\$ 184,678</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WASTEWATER POLLUTION CONTROL FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 9,190,000	\$ 9,096,677	\$ (93,323)
Fees, licenses and permits	127,600	130,074	2,474
Interest earnings	186,957	182,189	(4,768)
Miscellaneous revenues	371,700	377,661	5,961
TOTAL REVENUES	9,876,257	9,786,601	(89,656)
EXPENSES			
Wastewater Pollution Control			
Personal services	2,425,420	2,411,397	14,023
Fringe benefits	746,400	741,064	5,336
Operation and maintenance	1,385,094	1,384,995	99
Capital outlay	749,950	496,203	253,747
Total Wastewater Pollution Control	5,306,864	5,033,659	273,205
Wastewater Pollution Control Miscellaneous			
Personal services	344,274	316,491	27,783
Fringe benefits	75,781	75,780	1
Operation and maintenance	474,500	456,901	17,599
Capital outlay	1,158,915	1,136,459	22,456
Debt service:			
Principal retirement	1,333,312	1,333,311	1
Interest	1,532,140	1,532,139	1
Reimbursement	1,000,000	980,406	19,594
Total Wastewater Pollution Control Miscellaneous	5,918,922	5,831,487	87,435
Southeast Sanitary Sewer			
Operation and maintenance	250	250	
Capital outlay	22,230	22,230	
Debt service:			
Principal retirement	1,200,000	1,200,000	
Interest	36,000	36,000	
Total Southeast Sanitary Sewer	1,258,480	1,258,480	

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WASTEWATER POLLUTION CONTROL FUND-LEGAL APPROPRIATION LEVEL (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
TOTAL EXPENSES	12,484,266	12,123,626	360,640
Operating loss	(2,608,009)	(2,337,025)	270,984
NONOPERATING REVENUES			
Other financing sources		76	76
TOTAL NONOPERATING REVENUES		76	76
OPERATING TRANSFERS IN	1,241,000	1,240,090	(910)
OPERATING TRANSFERS OUT	(1,236,000)	(1,236,000)	
Net loss	(2,603,009)	(2,332,859)	270,150
Adjustment for prior year encumbrances	821,259	821,259	
FUND EQUITY AT BEGINNING OF YEAR	6,652,284	6,652,284	
FUND EQUITY AT END OF YEAR	\$ 4,870,534	\$ 5,140,684	\$ 270,150

INTERNAL SERVICE FUNDS

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

* * * * *

Employees' Health Insurance

To account for the operations of the City's self-insured health plan.

Workers' Compensation

To account for the operations of the City's workers' compensation plan.

**CITY OF ELYRIA, OHIO
COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
DECEMBER 31, 2002**

	Employees' Health Insurance	Workers' Compensation	Totals
ASSETS			
Current:			
Equity in pooled cash and cash equivalents	\$ 197,559	\$ 247,023	\$ 444,582
Other short-term investments		2,421,876	2,421,876
Receivables:			
Accrued interest		11,771	11,771
Total current assets	197,559	2,680,670	2,878,229
Fixed assets -			
Machinery and equipment	4,582		4,582
Less: Accumulated depreciation	(4,582)		(4,582)
Net fixed assets	0		0
TOTAL ASSETS	\$ 197,559	\$ 2,680,670	\$ 2,878,229
LIABILITIES			
Current:			
Accounts payable	1,604		1,604
Accrued wages and benefits	607,614	336,376	943,990
Compensated absences payable		65	65
Total current liabilities	609,218	336,441	945,659
TOTAL LIABILITIES	609,218	336,441	945,659
FUND EQUITY			
Contributed capital:			
From other City funds	466,244		466,244
Total contributed capital	466,244		466,244
Retained earnings - unreserved	(877,903)	2,344,229	1,466,326
TOTAL FUND EQUITY	(411,659)	2,344,229	1,932,570
TOTAL LIABILITIES AND FUND EQUITY	\$ 197,559	\$ 2,680,670	\$ 2,878,229

**CITY OF ELYRIA, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2002**

	Employees' Health Insurance	Workers' Compensation	Totals
OPERATING REVENUES			
Charges for services	\$ 4,036,138	\$ 263,445	\$ 4,299,583
Other		94,689	94,689
TOTAL OPERATING REVENUES	<u>4,036,138</u>	<u>358,134</u>	<u>4,394,272</u>
OPERATING EXPENSES			
Personal services		15,968	15,968
Fringe benefits	4,664,052	312,944	4,976,996
Contractual services	13,360	32,123	45,483
TOTAL OPERATING EXPENSES	<u>4,677,412</u>	<u>361,035</u>	<u>5,038,447</u>
OPERATING LOSS	<u>(641,274)</u>	<u>(2,901)</u>	<u>(644,175)</u>
NONOPERATING REVENUES			
Investment income	7,367	86,803	94,170
TOTAL NONOPERATING REVENUES	<u>7,367</u>	<u>86,803</u>	<u>94,170</u>
NET INCOME (LOSS)	<u>(633,907)</u>	<u>83,902</u>	<u>(550,005)</u>
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR	<u>(243,996)</u>	<u>2,260,327</u>	<u>2,016,331</u>
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	<u>(877,903)</u>	<u>2,344,229</u>	<u>1,466,326</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR	<u>466,244</u>		<u>466,244</u>
CONTRIBUTED CAPITAL AT END OF YEAR	<u>466,244</u>		<u>466,244</u>
FUND EQUITY AT END OF YEAR	<u>\$ (411,659)</u>	<u>\$ 2,344,229</u>	<u>\$ 1,932,570</u>

**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Employees' Health Insurance	Workers' Compensation	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 4,036,138	\$ 263,445	\$ 4,299,583
Cash payments to suppliers for goods and services	(4,346,511)	(377,486)	(4,723,997)
Cash paid to employees for services		(15,968)	(15,968)
Other operating revenues		94,689	94,689
	(310,373)	(35,320)	(345,693)
NET CASH USED FOR OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	7,937	94,643	102,580
Short-term investments converted to cash	196,000	1,790,266	1,986,266
Purchase of short-term investments		(2,421,876)	(2,421,876)
	203,937	(536,967)	(333,030)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES			
NET DECREASE IN CASH AND CASH EQUIVALENTS	(106,436)	(572,287)	(678,723)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	303,995	819,310	1,123,305
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 197,559	\$ 247,023	\$ 444,582
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Operating loss	\$ (641,274)	\$ (2,901)	\$ (644,175)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Change in assets and liabilities:			
Accounts payable	(10)		(10)
Accrued wages and benefits	330,911	(32,436)	298,475
Compensated absences payable		17	17
Total Adjustments	330,901	(32,419)	298,482
NET CASH USED FOR OPERATING ACTIVITIES	\$ (310,373)	\$ (35,320)	\$ (345,693)
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Unrealized appreciation in fair value of investments	\$	\$ 11,258	\$ 11,258

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEES' HEALTH INSURANCE FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 4,025,000	\$ 4,036,138	\$ 11,138
Interest earnings	7,950	7,937	(13)
TOTAL REVENUES	4,032,950	4,044,075	11,125
EXPENSES			
GENERAL GOVERNMENT			
Employees' Health Insurance	4,333,151	4,333,151	
Fringe benefits	24,000	13,360	10,640
Operation and maintenance			
Total Employees' Health Insurance	4,357,151	4,346,511	10,640
TOTAL GENERAL GOVERNMENT	4,357,151	4,346,511	10,640
TOTAL EXPENSES	4,357,151	4,346,511	10,640
Net loss	(324,201)	(302,436)	21,765
FUND EQUITY AT BEGINNING OF YEAR	499,996	499,996	
FUND EQUITY AT END OF YEAR	\$ 175,795	\$ 197,560	\$ 21,765

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WORKERS' COMPENSATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	\$ 262,000	\$ 263,445	\$ 1,445
Interest earnings	83,440	83,384	(56)
Miscellaneous revenues	89,249	94,689	5,440
TOTAL REVENUES	434,689	441,518	6,829
EXPENSES			
FUND OPERATIONS			
Workers' Compensation	16,200	15,841	359
Personal services	346,233	345,444	789
Fringe benefits			
Operation and maintenance	32,735	32,123	612
Total Workers' Compensation	395,168	393,408	1,760
TOTAL FUND OPERATIONS	395,168	393,408	1,760
TOTAL EXPENSES	395,168	393,408	1,760
Net income	39,521	48,110	8,589
FUND EQUITY AT BEGINNING OF YEAR	2,590,717	2,590,717	
FUND EQUITY AT END OF YEAR	\$ 2,630,238	\$ 2,638,827	\$ 8,589

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by a governmental unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units, and / or other funds. These include (a) expendable trust funds, (b) nonexpendable trust funds, and (c) agency funds.

* * * * *

EXPENDABLE TRUSTS

Wagner Trust

To accumulate donations to provide for park and recreation expenditures.

Findley Trust

To accumulate donations to provide for park and recreation expenditures.

Cemetery Maintenance and Improvement

To accumulate monies from cemetery lot sales to provide for the repair, maintenance and improvement of City cemeteries.

NONEXPENDABLE TRUST

Cemetery Trust

To accumulate monies from cemetery lot sales. The original amounts received must be preserved intact. Interest earnings are transferred to the Cemetery Maintenance and Improvement Fund.

AGENCY

Consumer Deposits

Security deposits charged by the public utilities division for water services.

Excavating Permits

Security deposits held by the City for excavating projects.

State Health Fees

Fees collected by the City for the State of Ohio.

Unclaimed Monies

Monies left unclaimed which are held for five years and then deposited to the General Fund per Section 9.39 of the Ohio Revised Code.

TRUST AND AGENCY FUNDS (continued)

AGENCY (continued)

Municipal Court

Fines and fees collected by the Elyria Municipal Court to be disbursed to various parties.

Land Purchase Deposits

To account for deposits on the sale of City owned land.

Lorain County Utility Charges

To account for the collection of utility charges for other jurisdictions to be paid to Lorain County.

Payroll Revolving

To account for monies withheld from employees' salaries and wages to be disbursed to other governmental entities.

Fire Damage Deposits

Insurance proceeds held by the City to guarantee the proper repair, securing or removal of fire damage buildings.

Police Department Deposit

Evidence monies held by the City to be disbursed to various parties as decreed by the Elyria Municipal Court.

State Building Fees

Ohio Board of Building Standards Assessment fees collected by the City for the State of Ohio.

Lower Black River Water Quality

To account for monies deposited with the City by various entities to be used for a cooperative study of the water quality of the lower Black River as mandated by the State of Ohio Environmental Protection Agency.

Contractors' Deposits

Security deposits held by the City so contractors obtain a certificate of occupancy on building projects upon completion.

Employee Cafeteria Plan

To account for monies withheld from employees' salaries and wages for reimbursement of Section 125 Plan health care and dependent care expenses.

Little League East Site Monies

To account for grant monies awarded to Little League East by the Lorain County Solid Waste District and deposited with the City to be used for improvements to existing baseball fields.

**CITY OF ELYRIA, OHIO
COMBINING BALANCE SHEET
ALL FIDUCIARY FUNDS
DECEMBER 31, 2002**

	Expendable Trust		Nonexpendable Trust
	Wagner Trust	Findley Trust	Cemetery Maintenance and Improvement Cemetery Trust
ASSETS			
Equity in pooled cash and cash equivalents	6,469	116,343	\$ 381,512
Cash and cash equivalents - segregated accounts			
Other short-term investments			
Receivables -			
Accrued interest		15	15
TOTAL ASSETS	<u>\$ 6,469</u>	<u>\$ 116,358</u>	<u>\$ 381,527</u>
LIABILITIES			
Accounts payable		623	\$ 2,744
Accrued wages and benefits		738	2,430
Compensated absences payable			124
Due to other funds			
Due to other governments			
Other liabilities			
TOTAL LIABILITIES		<u>1,361</u>	<u>5,298</u>
FUND BALANCE			
Reserved for encumbrances		651	1,772
Reserved for endowment			381,527
Unreserved - undesignated	6,469	114,346	84,841
TOTAL FUND BALANCE	<u>6,469</u>	<u>114,997</u>	<u>381,527</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,469</u>	<u>\$ 116,358</u>	<u>\$ 381,527</u>

**CITY OF ELYRIA, OHIO
COMBINING BALANCE SHEET
ALL FIDUCIARY FUNDS (continued)
DECEMBER 31, 2002**

	Agency							
	Consumer Deposits	Excavating Permits	State Health Fees	Unclaimed Monies	Municipal Court	Land Purchase Deposits	Lorain County Utility Charges	Payroll Revolving
ASSETS								
Equity in pooled cash and cash equivalents	\$ 298,981	\$ 7,350	\$ 4,670	\$ 46,053	\$	\$ 1,385	\$ 33,831	\$ 94,545
Cash and cash equivalents - segregated accounts	282,000				388,970			
Other short-term investments								
Receivables -								
Accrued interest	648			55				
TOTAL ASSETS	\$ 581,629	\$ 7,350	\$ 4,670	\$ 46,108	\$ 388,970	\$ 1,385	\$ 33,831	\$ 94,545
LIABILITIES								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$ 94,470
Accrued wages and benefits								
Compensated absences payable					127,066			
Due to other funds					261,904		33,831	75
Due to other governments	581,629	7,350	4,670	46,108		1,385		
Other liabilities	581,629	7,350	4,670	46,108	388,970	1,385	33,831	94,545
TOTAL LIABILITIES								
FUND BALANCE								
Reserved for encumbrances								
Reserved for endowment								
Unreserved - undesignated								
TOTAL FUND BALANCE								
TOTAL LIABILITIES AND FUND BALANCE	\$ 581,629	\$ 7,350	\$ 4,670	\$ 46,108	\$ 388,970	\$ 1,385	\$ 33,831	\$ 94,545

**CITY OF ELYRIA, OHIO
COMBINING BALANCE SHEET
ALL FIDUCIARY FUNDS (continued)
DECEMBER 31, 2002**

	Agency							
	Fire Damage Deposits	Police Department Deposit	State Building Fees	Lower Black River Water Quality	Contractors' Deposits	Employee Cafeteria Plan	Total-All Fiduciary Funds	
ASSETS								
Equity in pooled cash and cash equivalents	\$ 40,000	\$ 79,538	\$ 4,469	\$ 75,307	\$ 16,265	\$ 7,384	\$ 1,305,958	
Cash and cash equivalents - segregated accounts							388,970	
Other short-term investments							282,000	
Receivables -							788	
Accrued interest								
TOTAL ASSETS	<u>\$ 40,000</u>	<u>\$ 79,538</u>	<u>\$ 4,469</u>	<u>\$ 75,307</u>	<u>\$ 16,265</u>	<u>\$ 7,384</u>	<u>\$ 1,977,716</u>	
LIABILITIES								
Accounts payable	\$ 40,000	\$	\$	\$ 75,307	\$	\$	\$ 213,144	
Accrued wages and benefits							3,168	
Compensated absences payable							124	
Due to other funds							127,066	
Due to other governments			4,469				43,045	
Other liabilities		79,538			16,265	7,384	1,001,563	
TOTAL LIABILITIES	<u>40,000</u>	<u>79,538</u>	<u>4,469</u>	<u>75,307</u>	<u>16,265</u>	<u>7,384</u>	<u>1,388,110</u>	
FUND BALANCE								
Reserved for encumbrances							2,423	
Reserved for endowment							381,527	
Unreserved - undesignated							205,656	
TOTAL FUND BALANCE							<u>589,606</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 40,000</u>	<u>\$ 79,538</u>	<u>\$ 4,469</u>	<u>\$ 75,307</u>	<u>\$ 16,265</u>	<u>\$ 7,384</u>	<u>\$ 1,977,716</u>	

CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Wagner Trust	Findley Trust	Cemetery Maintenance and Improvement	Totals
REVENUES				
Charges for services	\$	\$	\$ 81,445	\$ 81,445
Investment Income	282	3,530	1,926	5,738
Contributions	5,861	53,416	7,719	66,996
TOTAL REVENUES	6,143	56,946	91,090	154,179
EXPENDITURES				
Current:				
Health			112,186	112,186
Culture and recreation	11,487	65,439		76,926
Capital outlay		53,881	1,810	55,691
TOTAL EXPENDITURES	11,487	119,320	113,996	244,803
Excess (deficiency) of revenues over expenditures	(5,344)	(62,374)	(22,906)	(90,624)
OTHER FINANCING SOURCES				
Operating transfers in			8,083	8,083
TOTAL OTHER FINANCING SOURCES			8,083	8,083
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,344)	(62,374)	(14,823)	(82,541)
FUND BALANCE AT BEGINNING OF YEAR	11,813	177,371	101,436	290,620
FUND BALANCE AT END OF YEAR	\$ 6,469	\$ 114,997	\$ 86,613	\$ 208,079

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 WAGNER TRUST FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	WAGNER TRUST FUND		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 250	\$ 303	\$ 53
Miscellaneous revenues	6,500	5,861	(639)
TOTAL REVENUES	6,750	6,164	(586)
EXPENDITURES			
Wagner Trust			
Operation and maintenance	18,542	11,487	7,055
Total Wagner Trust	18,542	11,487	7,055
TOTAL EXPENDITURES	18,542	11,487	7,055
Excess (deficiency) of revenues over expenditures	(11,792)	(5,323)	6,469
Adjustment for prior year encumbrances	1,659	1,659	
FUND BALANCE AT BEGINNING OF YEAR	10,133	10,133	
FUND BALANCE AT END OF YEAR	\$ 6,469	\$ 6,469	\$ 6,469

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FINDLEY TRUST FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2002

	FINDLEY TRUST FUND		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 3,500	\$ 3,715	\$ 215
Miscellaneous revenues	53,000	53,416	416
TOTAL REVENUES	56,500	57,131	631
EXPENDITURES			
Findley Trust			
Personal services	18,515	17,388	1,127
Fringe benefits	3,363	2,782	581
Operation and maintenance	57,560	45,381	12,179
Capital outlay	53,900	53,881	19
Total Findley Trust	133,338	119,432	13,906
TOTAL EXPENDITURES	133,338	119,432	13,906
Excess (deficiency) of revenues over expenditures	(76,838)	(62,301)	14,537
Adjustment for prior year encumbrances	2,024	2,024	
FUND BALANCE AT BEGINNING OF YEAR	175,673	175,673	
FUND BALANCE AT END OF YEAR	\$ 100,859	\$ 115,396	\$ 14,537

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CEMETERY MAINTENANCE AND IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2002

CEMETERY MAINTENANCE AND IMPROVEMENT FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 2,000	\$ 1,958	\$ (42)
Miscellaneous revenues	78,610	81,445	2,835
TOTAL REVENUES	80,610	83,403	2,793
EXPENDITURES			
Cemetery Maintenance and Improvement			
Personal services	45,000	43,095	1,905
Fringe benefits	7,051	6,895	156
Operation and maintenance	90,213	63,102	27,111
Capital outlay	2,000	1,810	190
Total Cemetery Maintenance and Improvement	144,264	114,902	29,362
TOTAL EXPENDITURES	144,264	114,902	29,362
Excess (deficiency) of revenues over expenditures	(63,654)	(31,499)	32,155
OTHER FINANCING SOURCES			
Operating transfers in	7,000	8,063	1,063
Other sources	7,718	7,719	1
TOTAL OTHER FINANCING SOURCES	14,718	15,802	1,084
Excess (deficiency) of revenues and other sources over expenditures and other uses	(48,936)	(15,697)	33,239
Adjustment for prior year encumbrances	9,123	9,123	
FUND BALANCE AT BEGINNING OF YEAR	94,492	94,492	
FUND BALANCE AT END OF YEAR	\$ 54,679	\$ 87,918	\$ 33,239

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CEMETERY TRUST FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2002

CEMETERY TRUST FUND			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest earnings	\$ 7,000	\$ 8,063	\$ 1,063
Miscellaneous revenues	13,765	14,080	315
TOTAL REVENUES	20,765	22,163	1,398
OPERATING TRANSFERS OUT	(8,084)	(8,083)	1
Net income	12,681	14,080	1,399
FUND BALANCE AT BEGINNING OF YEAR	367,436	367,436	
FUND BALANCE AT END OF YEAR	\$ 380,117	\$ 381,516	\$ 1,399

**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
CONSUMER DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$	730,400	\$ 431,419	\$ 298,981
Other short-term investments	550,320	282,000	550,320	282,000
Accrued interest receivable	1,389	648	1,389	648
Total assets	<u>\$ 551,709</u>	<u>\$ 1,013,048</u>	<u>\$ 983,128</u>	<u>\$ 581,629</u>
Liabilities:				
Other liabilities	\$ 551,709	\$ 179,339	\$ 149,419	\$ 581,629
EXCAVATING PERMITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,700	\$ 4,650	\$	\$ 7,350
Liabilities:				
Other liabilities	\$ 2,700	\$ 4,650	\$	\$ 7,350
STATE HEALTH FEES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,586	\$ 34,879	\$ 34,795	\$ 4,670
Liabilities:				
Accounts payable	\$ 4,586	\$ 34,879	\$ 34,795	\$ 4,670
UNCLAIMED MONIES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 37,876	\$ 22,135	\$ 13,958	\$ 46,053
Other short-term investments	11,400	55	11,400	55
Accrued interest receivable	49	55	49	55
Total assets	<u>\$ 49,325</u>	<u>\$ 22,190</u>	<u>\$ 25,407</u>	<u>\$ 46,108</u>
Liabilities:				
Other liabilities	\$ 49,325	\$ 10,741	\$ 13,958	\$ 46,108
MUNICIPAL COURT FUND				
Assets:				
Cash and cash equivalents-segregated accounts	\$ 333,709	\$ 4,317,652	\$ 4,262,391	\$ 388,970
Liabilities:				
Due to other funds	\$ 103,697	\$ 127,066	\$ 103,697	\$ 127,066
Other liabilities	230,012	261,904	230,012	261,904
Total liabilities	<u>\$ 333,709</u>	<u>\$ 388,970</u>	<u>\$ 333,709</u>	<u>\$ 388,970</u>
LAND PURCHASE DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,385	\$	\$	\$ 1,385
Liabilities:				
Accounts payable	\$ 1,385	\$	\$	\$ 1,385

(Continued on subsequent page)

**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
LORAIN COUNTY UTILITY CHARGES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 26,786	\$ 256,325	\$ 249,280	\$ 33,831
Liabilities:				
Due to other governments	\$ 26,786	\$ 256,325	\$ 249,280	\$ 33,831
PAYROLL REVOLVING FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 165,669	\$ 29,436,276	\$ 29,507,400	\$ 94,545
Liabilities:				
Accounts payable	\$ 165,544	\$ 2,575,780	\$ 2,646,854	\$ 94,470
Due to other governments	125	4,211,472	4,211,522	75
Total liabilities	\$ 165,669	\$ 6,787,252	\$ 6,858,376	\$ 94,545
FIRE DAMAGE DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 16,000	\$ 24,000	\$	\$ 40,000
Liabilities:				
Other liabilities	\$ 16,000	\$ 24,000	\$	\$ 40,000
POLICE DEPARTMENT DEPOSIT FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 79,538	\$ 42,700	\$ 42,700	\$ 79,538
Liabilities:				
Other liabilities	\$ 79,538	\$ 42,700	\$ 42,700	\$ 79,538
STATE BUILDING FEES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,464	\$ 12,309	\$ 11,304	\$ 4,469
Liabilities:				
Due to other governments	\$ 3,464	\$ 12,309	\$ 11,304	\$ 4,469
LOWER BLACK RIVER WATER QUALITY FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 87,854	\$ 91,659	\$ 104,206	\$ 75,307
Liabilities:				
Accounts payable	\$ 87,854	\$ 91,659	\$ 104,206	\$ 75,307

(Continued on subsequent page)

**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Balance January 1, 2002	Additions	Deductions	Balance December 31, 2002
CONTRACTORS' DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 12,175	\$ 22,240	\$ 18,150	\$ 16,265
Liabilities:				
Other liabilities	\$ 12,175	\$ 22,240	\$ 18,150	\$ 16,265
EMPLOYEE CAFETERIA PLAN FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,795	\$ 42,952	\$ 38,363	\$ 7,384
Liabilities:				
Accounts payable	\$ 2,795	\$ 42,952	\$ 38,363	\$ 7,384
LITTLE LEAGUE EAST SITE MONIES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$	\$ 64,300	\$ 64,300	\$
Liabilities:				
Accounts payable	\$	\$ 64,300	\$ 64,300	\$
Assets:				
Equity in pooled cash and cash equivalents	\$ 440,828	\$ 30,784,825	\$ 30,515,875	\$ 709,778
Other short-term investments	561,720	282,000	561,720	282,000
Cash and cash equivalents-segregated accounts	333,709	4,317,652	4,262,391	388,970
Accrued interest receivable	1,438	703	1,438	703
Total assets	\$ 1,337,695	\$ 35,385,180	\$ 35,341,424	\$ 1,381,451
Liabilities:				
Accounts payable	\$ 262,164	\$ 2,809,570	\$ 2,888,518	\$ 183,216
Due to other funds	103,697	127,066	103,697	127,066
Due to other governments	30,375	4,480,106	4,472,106	38,375
Other liabilities	941,459	545,574	454,239	1,032,794
Total Liabilities	\$ 1,337,695	\$ 7,962,316	\$ 7,918,560	\$ 1,381,451

GENERAL FIXED ASSETS ACCOUNT GROUP

The *General Fixed Assets Account Group* is used to account for all property not used in the operations of proprietary funds.

CITY OF ELYRIA, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2002

INVESTMENTS IN GENERAL FIXED ASSETS:

Land	5,453,933
Buildings	16,917,148
Improvements	1,791,558
Collection systems (storm sewers)	13,476,946
Machinery and equipment	12,933,346
Construction in progress	7,089,779
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 57,662,710

INVESTMENTS IN GENERAL FIXED ASSETS FROM:

General obligation notes/bonds	24,286,305
General Fund revenues	8,730,591
Special Revenue Fund revenues	6,527,090
Expendable Trust Fund revenues	770,707
Gifts	2,378,698
Unassigned *	14,969,319
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 57,662,710

* Represents general fixed assets for which sources of funding are not available.

CITY OF ELYRIA, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2002

<u>FUNCTION AND ACTIVITY</u>	<u>Balance January 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2002</u>
Public Safety	\$ 18,657,036	\$ 545,295	\$ 9,782	\$ 19,192,549
Health	1,137,767	23,347	3,000	1,158,114
Culture and recreation	8,223,956	166,139		8,390,095
Community environment	397,110	156,676		553,786
Highways and streets	1,898,458	18,409		1,916,867
General government	<u>21,593,046</u>	<u>4,893,324</u>	<u>35,071</u>	<u>26,451,299</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 51,907,373</u>	<u>\$ 5,803,190</u>	<u>\$ 47,853</u>	<u>\$ 57,662,710</u>

**CITY OF ELYRIA, OHIO
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2002**

Function and Activity	Land	Buildings	Improvements	Collection Systems	Machinery and Equipment	Total *
Public Safety	\$ 1,445,314	\$ 10,245,194	\$ 112,513	\$	\$ 7,389,528	\$ 19,192,549
Health	37,068	153,526	149,775	4,650	813,095	1,158,114
Culture and recreation	616,373	5,428,585	1,108,288	23,916	1,212,933	8,390,095
Community environment	376	39,316	68,969		325,374	434,035
Highways and streets	185,654	27,738			1,703,475	1,916,867
General government	3,169,148	1,022,789	352,013	13,448,380	1,488,941	19,481,271
TOTAL GENERAL FIXED ASSETS	\$ 5,453,933	\$ 16,917,148	\$ 1,791,558	\$ 13,476,946	\$ 12,933,346	\$ 50,572,931

* Does not include construction in progress.

**CITY OF ELYRIA, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	Public Safety	Health	Culture & Recreation	Community Environment	General Government	Total (1)
1993	\$ 10,200,096	\$ 533,915	\$ 1,243,024	\$ 409,915	\$ 4,397,265	\$ 16,784,215
1994	10,288,682	643,197	1,349,512	438,072	4,334,248	17,053,711
1995	11,675,132	820,871	1,639,909	604,661	4,763,608	19,504,181
1996	12,313,487	919,244	1,842,942	607,872	5,164,729	20,848,274
1997	12,077,021	1,047,259	1,991,904	621,052	5,060,306	20,797,542
1998	12,194,712	1,055,016	1,927,025	648,110	5,568,544	21,393,407
1999	13,060,557	1,337,812	2,615,917	672,576	5,541,966	23,228,828
2000	13,849,756	1,521,251	2,183,968	701,736	5,820,754	24,077,465
2001	14,227,350	1,557,719	1,986,733	768,354	5,814,895	24,355,051
2002	15,164,257	1,522,250	2,113,008	817,160	6,356,140	25,972,815

Source: Annual audited financial statements of the City.

NOTE:

(1) Capital outlay and debt service expenditures were allocated to the function to which they relate.

CITY OF ELYRIA, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Taxes (1)	Intergovernmental (1)	Charges for Services	Licenses & Permits	Investment Income	Fines & Forfeitures	Miscellaneous Revenues	Total
1993	\$ 16,295,966	\$ 212,986	\$ 377,512	\$ 296,770	\$ 49,275	\$ 963,081	\$ 128,026	\$ 18,323,616
1994	16,440,561	244,570	380,759	381,650	136,783	992,321	195,471	18,772,115
1995	17,882,343	279,078	400,093	439,322	244,017	1,378,694	134,686	20,758,233
1996	19,025,880	250,424	423,589	432,727	210,874	1,372,815	107,680	21,823,989
1997	18,646,493	202,842	568,146	410,859	219,627	1,319,272	80,559	21,447,798
1998	19,690,620	449,784	692,196	443,879	256,008	1,377,144	96,399	23,006,030
1999	21,380,874	366,157	862,012	413,692	254,481	1,576,407	94,097	24,947,720
2000	21,525,719	281,397	1,061,440	440,160	245,386	1,435,765	81,751	25,071,618
2001	22,319,733	324,748	1,230,862	653,022	189,646	1,188,660	65,570	25,972,241
2002	17,494,375	4,704,524	1,478,621	770,671	88,552	1,245,362	24,583	25,806,688

Source: Annual audited financial statements of the City.

NOTE:

(1) Beginning in 2002, State revenues previously recorded as Taxes were reclassified and recorded as Intergovernmental Revenues.

**CITY OF ELYRIA, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collection	Percent of Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1993	\$ 1,975,250	\$ 1,912,381	96.8%	\$ 48,158	\$ 1,960,539	99.3%	\$ 115,946	5.9%
1994	2,013,124	1,947,467	96.7%	59,667	2,007,134	99.7%	117,208	5.8%
1995	2,114,439	2,038,009	96.4%	73,513	2,111,522	99.9%	117,879	5.6%
1996	2,132,334	2,071,973	97.2%	72,532	2,144,505	100.6%	94,170	4.4%
1997	2,131,157	2,059,683	96.7%	58,436	2,118,119	99.4%	94,616	4.4%
1998	2,442,132	2,354,220	96.4%	62,784	2,417,004	99.0%	114,687	4.7%
1999	2,711,525	2,614,812	96.4%	73,834	2,688,646	99.2%	135,307	5.0%
2000	2,761,298	2,659,149	96.3%	79,967	2,739,116	99.2%	142,766	5.2%
2001	3,195,744	3,082,725	96.5%	94,646	3,177,371	99.4%	159,358	5.0%
2002	3,207,572	3,083,848	96.1%	84,844	3,168,692	98.8%	184,434	5.7%

Source: Lorain County Auditor's Office

CITY OF ELYRIA, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Amounts in 000s)

Tax Year	Collection Year	REAL PROPERTY		PUBLIC UTILITY PROPERTY		TANGIBLE PERSONAL PROPERTY		TOTAL
		Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
1992	1993	\$ 275,785	\$ 787,952	\$ 194,964	\$ 557,041	\$ 115,259	\$ 443,305	\$ 1,788,298
1993	1994	279,526	798,646	198,228	566,368	123,328	493,312	1,858,326
1994	1995	326,363	932,466	219,603	627,438	115,361	461,444	2,021,348
1995	1996	333,403	952,580	218,838	625,251	122,146	488,584	2,066,415
1996	1997	339,108	968,880	216,724	619,212	133,573	534,292	2,122,384
1997	1998	403,302	1,152,291	234,595	670,271	135,854	543,416	2,365,978
1998	1999	408,310	1,166,600	237,244	677,840	137,173	548,692	2,393,132
1999	2000	418,460	1,195,600	242,705	693,443	140,810	563,240	2,452,283
2000	2001	508,046	1,451,460	255,037	728,677	150,928	603,712	2,783,849
2001	2002	511,474	1,461,354	260,310	743,743	150,857	603,428	2,808,525

Source: Lorain County Auditor's Office

NOTE:

(1) The assessed value is computed at approximately the following percentages of the estimated actual value of property: real property - 35%; public utilities - 35% (real property) and 100% (personal property); tangible personal property - 25% and increasing amounts in collection years prior to 1992.

CITY OF ELYRIA, OHIO
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION)

CITY OF ELYRIA

Tax Year	Collection Year	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Total	Elyria School District	Lorain County Vocational School	Lorain County	Total
1992	1993	\$ 2.80	\$ 0.80	\$ 0.30	\$ 0.30	\$ 4.20	\$ 48.95	\$ 2.45	\$ 11.74	\$ 67.34
1993	1994	2.30	1.30	0.30	0.30	4.20	48.95	2.45	11.74	67.34
1994	1995	2.30	1.30	0.30	0.30	4.20	53.68	2.45	12.69	73.02
1995	1996	2.30	1.30	0.30	0.30	4.20	53.58	2.45	12.69	72.92
1996	1997	1.90	1.70	0.30	0.30	4.20	53.58	2.45	12.69	72.92
1997	1998	1.90	1.70	0.30	0.30	4.20	52.81	2.45	10.79	70.25
1998	1999	1.90	1.70	0.30	0.30	4.20	52.71	2.45	10.79	70.15
1999	2000	1.90	1.70	0.30	0.30	4.20	57.11	2.45	10.79	74.55
2000	2001	1.90	1.70	0.30	0.30	4.20	57.11	2.45	10.79	74.55
2001	2002	1.70	1.90	0.30	0.30	4.20	56.81	2.45	12.89	76.35

Source: Lorain County, County Treasurer

**CITY OF ELYRIA, OHIO
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Current Assessments Billed	Current Assessments Collected (1)	Collections As A Percentage Of Amount Due
1993	\$ 351,944	\$ 336,243	95.5%
1994	444,657	427,398	96.1%
1995	387,216	372,889	96.3%
1996	496,597	471,089	94.9%
1997	722,926	660,467	91.4%
1998	613,055	576,301	94.0%
1999	683,552	636,400	93.1%
2000	583,095	513,012	88.0%
2001	670,914	669,458	99.8%
2002	612,665	590,037	96.3%

Source: Lorain County Auditor

NOTE:

(1) Collections made by County Auditor only.
Does not include delinquent amounts collected.

CITY OF ELYRIA, OHIO
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITAL
LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	General Gross Bonded Debt (1)	Debt Service Monies Available (3)	Debt Payable From Enterprise Revenues	Net Bonded Debt	Net Bonded Debt As A Percentage Of Assessed Values	Net Bonded Debt Per Capita
1993	56,746 (2)	\$ 586,008,059	\$ 11,942,270	\$ 606,199	\$ 3,382,270	\$ 7,953,801	1.36	140.16
1994	56,746 (2)	601,081,615	11,648,819	762,933	3,124,019	7,761,867	1.29	136.78
1995	56,746 (2)	661,326,463	10,374,498	872,614	2,289,498	7,212,386	1.09	127.10
1996	56,746 (2)	674,386,318	11,745,177	1,019,819	2,130,177	8,595,181	1.27	151.47
1997	56,746 (2)	689,404,520	18,005,856	1,452,787	2,565,856	13,987,213	2.03	246.49
1998	56,746 (2)	773,751,630	16,728,784	1,378,661	2,113,784	13,236,339	1.71	233.26
1999	56,746 (2)	782,727,713	20,576,712	1,656,849	5,096,712	13,823,151	1.77	243.60
2000	55,953 (2)	801,974,850	19,079,639	1,993,416	4,184,639	12,901,584	1.61	230.58
2001	55,953 (2)	914,011,190	27,152,566	2,533,386	4,062,566	20,556,614	2.25	367.39
2002	55,953 (2)	912,696,530	30,457,742	2,424,827	1,732,742	26,300,173	2.88	470.04

NOTES:

- (1) Includes all general obligation debt except for general obligation debt to be paid from special assessments.
- (2) Source - Bureau of Census
- (3) Includes monies in the General Bond Retirement Debt Service Fund only.

CITY OF ELYRIA, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2002

CITY OF ELYRIA, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2002

OVERALL DEBT LIMITATION	
10 1/2 % of assessed valuation	\$ 95,833,136
Gross indebtedness - outstanding	\$ 51,454,766
Less: Debt exempt from limitation	<u>(20,997,024)</u>
Debt subject to 10 1/2 % limitation	30,457,742
Less: Applicable debt service fund balance	<u>(2,424,827)</u>
Net debt within 10 1/2 % limitation	<u>28,032,915</u>

LEGAL DEBT MARGIN WITHIN 10 1/2 % LIMITATION	\$ 67,800,221
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UNVOTED DEBT LIMITATION	
5 1/2 % OF ASSESSED VALUATION	\$ 50,198,309
Gross indebtedness - outstanding	\$ 51,454,766
Less: Debt exempt from limitation	<u>(20,997,024)</u>
Debt subject to 5 1/2% limitation	30,457,742
Less: Applicable debt service fund balance	<u>(2,424,827)</u>
Net debt within 5 1/2 % limitation	<u>28,032,915</u>

LEGAL DEBT MARGIN WITHIN 5 1/2 % LIMITATION	\$ 22,165,394
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Jurisdiction	Debt Outstanding (1)	Percentage Applicable To City of Elyria (2)	Amount Applicable To City of Elyria
City of Elyria	\$ 22,295,000	100.00%	\$ 22,295,000
Elyria City School District	1,360,000	91.40%	1,243,040
Lorain County	27,235,000	19.96%	5,436,106
TOTAL- OVERLAPPING DEBT	28,595,000		6,679,146
TOTAL- ALL DEBT	\$ 50,890,000		\$ 28,974,146

NOTES:

(1) Source: Individual Jurisdictions (general obligation bonds reported in the enterprise funds and special assessment debt have been excluded)

(2) The percentage of net debt outstanding applicable to the City was determined by dividing each jurisdiction's assessed valuation within the City by the jurisdiction's total assessed valuation.

CITY OF ELYRIA, OHIO
RATIO OF ANNUAL DEBT SERVICE
FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

FISCAL YEAR	PRINCIPAL (1)	INTEREST (1)	TOTAL		TOTAL GENERAL FUND EXPENDITURES	DEBT SERVICE AS A PERCENTAGE OF TOTAL GENERAL FUND EXPENDITURES
			DEBT SERVICE (1)	DEBT SERVICE (1)		
1993	\$ 1,375,000	\$ 356,675	\$	1,731,675	\$ 16,784,215	10.32%
1994	4,035,000	415,128		4,450,128	17,053,711	26.09%
1995	4,425,000	463,083		4,888,083	19,504,181	25.06%
1996	3,940,000	444,451		4,384,451	20,848,274	21.03%
1997	12,575,000	741,491		13,316,491	20,797,542	64.03%
1998	825,000	973,303		1,798,303	21,393,407	8.41%
1999	775,000	714,188		1,489,188	23,228,828	6.41%
2000	585,000	746,102		1,331,102	24,077,465	5.53%
2001	605,000	722,783		1,327,783	24,355,051	5.45%
2002	795,000	1,108,974		1,903,974	25,972,815	7.33%

Source: Annual audited financial statements of the City.

NOTE:

(1) Includes all general obligation notes and bonds except for State Issue II loans and debt intended to be paid from special assessments or enterprise fund revenues.

CITY OF ELYRIA, OHIO
WASTEWATER POLLUTION CONTROL
REVENUE LOAN COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	
1993	\$ 8,665,393	\$ 4,700,155	\$ 3,965,238	\$ 702,974	\$ 2,208,371	\$ 2,911,345	1.36
1994	8,869,271	4,885,519	3,983,752	730,859	2,100,815	2,831,674	1.41
1995	9,466,744	5,075,414	4,391,330	790,484	2,099,111	2,889,595	1.52
1996	9,254,816	5,423,182	3,831,634	849,358	2,037,037	2,886,395	1.33
1997	9,739,476	6,048,454	3,691,022	917,815	1,970,329	2,888,144	1.28
1998	9,742,854	9,131,441	611,413	766,402	1,891,744	2,658,146	0.23
1999	9,960,677	5,306,248	4,654,429	944,858	1,921,282	2,866,140	1.62
2000 (3)	12,948,897	6,240,652	6,708,245	1,142,078	1,721,912	2,863,990	2.34
2001	9,934,251	5,981,175	3,953,076	1,236,880	1,629,409	2,866,289	1.38
2002	9,544,225	6,852,152	2,692,073	1,333,311	1,532,139	2,865,450	0.94

Source: Annual audited financial statements of the City.

NOTES:

- (1) Gross revenue includes operating revenue plus interest income.
- (2) Direct operating expenses include total operating expenses exclusive of depreciation.
- (3) The large increase in gross revenue is due to settlement proceeds. See Note 4(C) in the accompanying notes to the financial statements.

CITY OF ELYRIA, OHIO
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Year	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		BANK DEPOSITS (AMOUNTS IN 000S)		PROPERTY VALUE (AMOUNTS IN 000S)	
	Number of Permits (1)	Value (1)	Number of Permits (1)	Value (1)	Amount (2)	Industrial / Commercial (3)	Residential (3)	
1993	158	\$ 23,196,910	1,320	\$ 18,543,190	\$ 1,170,581	\$ 194,964	\$ 275,784	
1994	170	22,584,705	1,159	16,489,326	1,254,166	198,228	279,526	
1995	161	28,695,067	1,242	19,325,057	1,237,991	219,603	326,363	
1996	198	37,777,498	1,422	17,200,726	1,329,795	218,838	333,403	
1997	199	39,150,586	1,599	17,236,096	920,050	216,724	339,108	
1998	367	40,662,114	1,580	20,528,636	444,974	234,595	403,302	
1999	308	27,867,892	1,357	20,870,414	483,871	237,244	408,310	
2000	255	21,241,393	1,482	18,755,518	513,102	269,710	508,046	
2001	267	39,872,060	1,462	23,057,586	555,591	260,310	511,474	
2002	240	54,770,652	1,590	25,109,046	614,592	255,118	506,721	

NOTES:

- (1) Source: City of Elyria, Building Department
- (2) Source: Federal Reserve Bank, Cleveland, Ohio for Lorain County
- (3) Source: Lorain County Auditor's Office

**CITY OF ELYRIA, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS**

Year	Population	School Enrollment (1)	Unemployment Rate % (2)
1993	56,746 (3)	9,269	7.1
1994	56,746 (3)	9,110	6.3
1995	56,746 (3)	9,012	7.0
1996	56,746 (3)	8,746	6.9
1997	56,746 (3)	8,753	6.3
1998	56,746 (3)	8,257	5.4
1999	56,746 (3)	8,257	5.2
2000	55,953 (3)	8,361	5.5
2001	55,953 (3)	8,551	6.1
2002	55,953 (3)	8,270	7.4

NOTES:

- (1) Source - City of Elyria Board of Education
- (2) Source - Ohio Bureau of Employment Services
- (3) Source - Bureau of Census

CITY OF ELYRIA, OHIO
 PRINCIPAL PROPERTY TAXPAYERS
 DECEMBER 31, 2002

Taxpayer	Type of Business	2002 Assessed Valuation	Percent of Total Assessed Valuation
Elyria Joint Venture	Property Management	\$ 13,491,880	1.48%
Ohio Edison	Electric Utility	12,650,230	1.39%
Alltel Ohio	Telephone Utility	9,418,790	1.03%
West River Road	Retail Store	6,625,150	0.73%
First Interstate	Retail Store	5,713,900	0.63%
American Transmission Systems Inc.	Manufacturing	5,577,670	0.61%
Sears Roebuck & Company	Retail Store	3,925,060	0.43%
Lorain Medical Investors	Medical	3,467,660	0.38%
Elyria United Methodist Village	Retirement / Assisted Living	2,993,080	0.33%
Holiday Inn of Elyria	Hotel	2,945,510	0.32%
TOTAL		\$ 66,808,930	7.32%
TOTAL CITY ASSESSED VALUATION		\$ 912,696,530	

Source: Lorain County Treasurer's Office

CITY OF ELYRIA, OHIO
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2002

Date of incorporation.....	February 23, 1833	Municipal water department:	
Form of government.....	Mayor-Council	Active accounts.....	22,597
Current population.....	55,953	Average daily consumption.....	9,729,142 gallons
Area.....	20.12 square miles	Miles of water mains.....	219 miles (approximately)
Miles of streets	189.0	Sewers:	
Number of street lights.....	4,774	Miles of sanitary sewers.....	183.0 miles (approximately)
Fire protection:		Miles of storm sewers.....	112.0 miles (approximately)
Number of stations.....	4	Building permits issued.....	1,830
Number of firefighters and officers.....	75	Recreation and culture:	
Police protection:		Number of parks.....	18
Number of stations.....	1	Number of libraries.....	2
Number of policepersons and officers.....	99	Number of library volumes.....	374,392 (approximately)
Education (elementary only):		Employees (full time):	
Attendance centers.....	14	Classified service.....	543
Number of classrooms.....	241	Exempt.....	6
Number of teachers.....	235		
Number of students.....	4,865		



**Auditor of State
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CITY OF ELYRIA

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 15, 2003**