

**Mary Taylor, CPA**  
Auditor of State



**CITY OF ELYRIA  
LORAIN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Federal Awards Expenditures Schedule	1
Notes to the Federal Awards Expenditures Schedule	3
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	5
Independent Accountants' Report on Compliance with Requirements Applicable to Its Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	7
Schedule of Findings	9
Schedule of Prior Audit Findings	12

**This page intentionally left blank.**

**CITY OF ELYRIA  
LORAIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

<b>Federal Grantor/ Pass-Through Grantor/Program Title</b>	<b>Pass Through Entity Number</b>	<b>CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>			
<i>Direct Federal Assistance Program:</i>			
Community Development Block Grant 05	N/A	14.218	\$ 341,486
Community Development Block Grant 06	N/A	14.218	465,049
Total Community Development Block Grant			<u>806,535</u>
<i>Passed Through the Ohio Department of Development:</i>			
HOME - Home Investment Partnership Program	A-C-05-270-2	14.239	231,911
Total HOME - Home Investment Partnership Program			<u>231,911</u>
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<u>1,038,446</u>
<b><u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>			
<i>Passed Through United Way of America:</i>			
Emergency Food and Shelter National Board Program	679000-036	85.523	1,498
<b>Total U.S. Federal Emergency Management Agency</b>			<u>1,498</u>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>			
<i>Passed Through Ohio Department of Health and Human Services:</i>			
Maternal and Child Health Services Block Grant			
Child and Family Health Services	47-2-001-1-MC-06	93.994	15,442
	47-2-001-1-MC-07	93.994	95,865
Dental Sealant Program	47-2-001-1-AJ-06	93.994	29,595
Total Maternal and Child Health Services Block Grant			<u>140,902</u>
<i>Passed Through Ohio Department of Health and Human Services:</i>			
Infrastructure (Disease/Bioterrorism)	47-1-001-2-BI-06	93.283	44,953
	47-1-001-2-BI-07	93.283	13,489
Total Infrastructure (Disease/Bioterrorism)			<u>58,442</u>
<i>Passed Through The Lorain County Department of Job and Family Services:</i>			
ODJFS Client Advocacy Grant Program	860.53.06	93.558	17,821
Total ODJFS Client Advocacy Grant Program			<u>17,821</u>
<b>Total U.S. Department of Health &amp; Human Services</b>			<u>217,165</u>

**CITY OF ELYRIA  
LORAIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(CONTINUED)**

<b>Federal Grantor/ Pass-Through Grantor/Program Title</b>	<b>Pass Through Entity Number</b>	<b>CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<i>Passed Through the Ohio Department of Justice:</i>			
Edwin Byrne Memorial Justice Assistance Grant	2005-DJ-BX-1395	16.738	19,741
Victims of Crime Act	N/A	16.575	39,326
Bulletproof Vest Partnership Program Grant		16.607	<u>2,079</u>
<b>Total U.S. Department of Justice</b>			<u>61,146</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed Through the Ohio Department of Transportation</i>			
Federal Highway Administration Grant/State Project No 33410	N/A	20.205	19,593
Federal Highway Administration Grant/State Project No 437048	N/A	20.205	303,854
Total Federal Highway Administration Grant			<u>323,447</u>
<i>Passed Through the Ohio Department of Public Safety</i>			
Governors Highway Safety Office STEP Grant	LEO-06-47-02-30-00584	20.600	25,401
Governors Highway Safety Office STEP Grant	HVEO-07-47-02-30-00584	20.600	6,751
Total Ohio Department of Public Safety			<u>32,152</u>
<b>Total U.S. Department of Transportation</b>			<u>355,599</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Passed Through the Ohio Department of Homeland Security</i>			
Buffer Zone Protection Plan for Midway Mall	S06-BZPP-47-0090	97.078	<u>8,208</u>
<b>Total U.S. Department of Homeland Security</b>			<u>8,208</u>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>			
<i>Direct Federal Assistance Program:</i>			
Brownfield Pilots Cooperative Agreements			
Brownfield Assessment Pilot	N/A	66.811	<u>59,114</u>
<b>Total U.S. Environmental Protection Agency</b>			<u>59,114</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u><u>\$ 1,741,176</u></u>

See Notes to the Schedule of Federal Awards Expenditures.

**CITY OF ELYRIA  
LORAIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (Schedule) summarizes 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 basic financial statements.

CFDA – Catalog of Federal Domestic Assistance.

N/A – Not applicable for direct programs; not available for pass-through programs.

**This page intentionally left blank.**





# Mary Taylor, CPA

Auditor of State

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

City of Elyria  
Lorain County  
131 Court Street  
Elyria, Ohio 44035

To the Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

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

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

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-001 and 2006-002.

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

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

We also noted certain internal control matters that we reported to the City's management in a separate letter dated June 19, 2007.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2006-001 and 2006-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 19, 2007.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA  
Auditor of State

June 19, 2007



# Mary Taylor, CPA

## Auditor of State

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

City of Elyria  
Lorain County  
131 Court Street  
Elyria, Ohio 44035

To the Members of Council:

#### 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 apply to its major federal program for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006.

#### Internal Control Over Compliance

The City's management 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 directly and materially affect a major federal program 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.

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](http://www.auditor.state.oh.us)

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

#### **Federal Awards Expenditures Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, its major fund and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, as of and for the year ended December 31, 2006, and have issued our report thereon dated June 19, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA  
Auditor of State

June 19, 2007

**CITY OF ELYRIA  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 Section .505  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**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)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(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 Section .510?	No
(d)(1)(vii)	Major Programs (list):	CDBG, CFDA #14.218
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

<b>FINDING NUMBER</b>	<b>2006-001</b>
-----------------------	-----------------

**Certification of Availability of Funds - Noncompliance and Significant Deficiency**

**Ohio Rev. Code Section 5705.41 (D)(1)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41 (D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

CITY OF ELYRIA  
LORAIN COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 Section .505  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)

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

FINDING NUMBER	2006-001
----------------	----------

**Certification of Availability of Funds - Noncompliance and Significant Deficiency (Continued)**

1. **“Then and Now” certificate** - If the fiscal officer can certify that both at the time the contract or order was made (“then”), and at the time the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the City can authorize the drawing of a warrant for the payment of the amount due. The City has 30 days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the City.

2. **Blanket Certificate** – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. **Super Blanket Certificate** – The City may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not extended beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Fourteen percent of expenditures tested (ten (10) of seventy-one (71)) had purchase orders dated after the corresponding invoice. Failure to properly certify the availability of funds can result in overspending funds and negative cash balances.

Ten percent of the blanket certificates tested (seven (7) blankets from a total purchase order population of seventy-one (71)) noted the City Council had not established amounts for the blanket certificates by ordinance or resolution as stated in section 5705.41 (D). Failing to establish blanket purchase order amounts by ordinance or resolution may result in resources of the City being unavailable for needed purchases and may result in overspending funds and negative cash balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the City’s funds exceeding budgetary spending limitations, we recommend the City Auditor certify the funds are or will be available prior to obligation by the City. When prior certification is not possible, “then and now” certification should be used.

We recommend the City certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41 (D) requires to authorize disbursements. The City Auditor should sign the certification at the time the City incurs a commitment, and only when the requirements of 5705.41 (D) are satisfied. The Auditor should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**CITY OF ELYRIA  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 Section .505  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

<b>FINDING NUMBER</b>	<b>2006-001</b>
-----------------------	-----------------

**Certification of Availability of Funds - Noncompliance and Significant Deficiency (Continued)**

The City Auditor should deny payment requests when prior certification or “then and now” certification are not obtained.

We also recommend the City maintain blanket purchase orders pursuant to the aforementioned section of the code. The fiscal officer should continue to monitor the activity associated with each blanket purchase order for compliance. We also recommend the City adopt a policy regarding blanket certificates, by resolution or ordinance, which reflects a maximum amount for the certificate. Purchase orders should indicate whether they are blanket or super blanket.

**Officials’ Response**

The City recognizes that, in some cases, purchase orders for some goods and services were dated after the invoice date which is in violation to ORC Section 5705.41 (D)(1). The City will address this issue at the next department head meeting to achieve better compliance. The City will also utilize the “then and now” certificate and address City Council to establish a threshold for super blankets to achieve better compliance as well.

<b>FINDING NUMBER</b>	<b>2006-002</b>
-----------------------	-----------------

**Negative Cash Balance - Noncompliance and Significant Deficiency**

**Ohio Rev. Code Section 5705.10 (H)** requires that money paid into a fund shall be used only for the purposes for which such fund is established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. The following funds had deficit fund balance as of June 30, 2006:

FUND	AMOUNT
Two Falls Trail Improvement Project Fund	(\$122,086)
Block Grant Fund	(55,721)
Health Grants Fund	(43,259)

We recommend the City review the activities of these funds periodically to ensure that adequate fund balances are maintained and to ensure that monies paid into a fund are used for the purposes for which the fund is established.

**Officials’ Response:**

The City recognizes that negative cash balances occurred throughout the year in certain funds, particularly reimbursement type grant funds where the City incurs expenditures and is reimbursed some time after which is in violation of ORC Section 5705.10. The City will monitor cash balances throughout the year in order to take the necessary measures to eliminate negative cash balances.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

None.

CITY OF ELYRIA  
LORAIN COUNTY

**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**OMB CIRCULAR A -133 § .315 (b)**  
**DECEMBER 31, 2006**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2005-001	Ohio Rev. Code Section 5705.41 (B) – Expenditures Plus Encumbrances Exceeding Appropriations.	No	Reissued as management letter comment.
2005-002	Ohio Rev. Code Section 5705.41(D)(1) – Certification of availability of funds.	No	Reissued as Schedule of Findings item 2006-001.



**CITY OF ELYRIA, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the fiscal year ended  
December 31, 2006

Prepared by:

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



City of Elyria, Ohio  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended, December 31, 2006

TABLE OF CONTENTS

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	1 – 7
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	8
Organizational Chart .....	9
List of Elected and Appointed Officials .....	10
 <b>FINANCIAL SECTION</b>	
Independent Accountants’ Report .....	11 – 12
Management’s Discussion and Analysis .....	13 – 26
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	27
Statement of Activities .....	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	29
Reconciliation of Total Governmental Fund Balances To Net Assets of Governmental Activities.....	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	32
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund – Legal Appropriation Level.....	33 – 37
Statement of Net Assets – Proprietary Funds .....	38 – 39
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds .....	40
Statement of Cash Flows – Proprietary Funds .....	41
Statement of Fiduciary Assets and Liabilities – Agency Funds .....	42
Notes to the Basic Financial Statements.....	43 – 75
Nonmajor Governmental Funds Descriptions.....	76 – 79
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	80 – 85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	86 – 90
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Non-GAAP Budgetary Basis) - Chestnut Commons / Ridge Improvement Fund – Legal Appropriation Level.....	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Non-GAAP Budgetary Basis) - Municipal Court Construction/Improvement Fund – Legal Appropriation Level.....	92
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Non-GAAP Budgetary Basis) – Legal Appropriation Level:	
Street Construction Maintenance and Repair Fund.....	93
State Highway Fund.....	94
Fire Pension Fund.....	95
Police Pension Fund.....	96
Health Grant Fund.....	97
Municipal Motor Vehicle Tax Fund.....	98
Block Grant Fund.....	99

City of Elyria, Ohio  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended, December 31, 2006

TABLE OF CONTENTS (cont.)

	Page
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Non-GAAP Budgetary Basis) – Legal Appropriation Level (Continued):	
C.H.I.P. Grant Fund.....	100
USEPA Brownfield Grant Fund.....	101
Muni Court Technology Fund.....	102
Muni Court Security Fund.....	103
Special Parking Fines Fund.....	104
Legal Research & Court Computerization Fund.....	105
Muni Court Special Collections Fund.....	106
Food Service Operations Fund.....	107
Dental Health Grant Fund.....	108
Special Traffic Magistrate Fund.....	109
Swimming Pool Inspection Fund.....	110
Law Enforcement Fund.....	111
Mandatory Drug Fine Fund.....	112
Indigent Drivers Alcohol Treatment Fund.....	113
Alcohol Enforcement and Education Fund.....	114
Police Levy Fund.....	115
Wagner Trust Fund.....	116
Findley Trust Fund.....	117
Cemetery Maintenance and Improvement Fund.....	118
General Bond Retirement Fund.....	119
Special Assessment Bond Retirement Fund .....	120
Bridge Projects Fund.....	121
Parks Improvement Fund.....	122
Cascade/Elywood Fund.....	123
State Issue II Capital Projects Fund.....	124-125
Two Falls Trail Improvement Project Fund.....	126
State Route 57 Rehabilitation Fund.....	127
Energy Conservation Fund.....	128
Municipal Building Construction Fund.....	129
Industrial Parkway Fund.....	130
Cemetery Trust Fund.....	131
Proprietary Funds Descriptions.....	133
Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget and Actual – (Non-GAAP Budgetary Basis) – Water Fund – Legal Appropriation Level.....	134 – 135
Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget and Actual – (Non-GAAP Budgetary Basis) – Special Parks and Recreation Fund – Legal Appropriation Level.....	136
Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget and Actual – (Non-GAAP Budgetary Basis) – Sanitation Fund – Legal Appropriation Level.....	137
Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget and Actual – (Non-GAAP Budgetary Basis) – Wastewater Pollution Control Fund – Legal Appropriation Level.....	138 – 139
Internal Service Funds Descriptions.....	141
Combining and Individual Fund Statements and Schedules:	
Combining Statement of Net Assets – Internal Service Funds.....	142
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds.....	143
Combining Statement of Cash Flows – Internal Service Funds.....	144

City of Elyria, Ohio  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended, December 31, 2006

TABLE OF CONTENTS (cont.)	Page
Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget and Actual – (Non-GAAP Budgetary Basis) – Legal Appropriation Level Employees’ Health Insurance Fund.....	145
Schedule of Revenues, Expenses, and Changes in Fund Equity – Budget and Actual – (Non-GAAP Budgetary Basis) – Legal Appropriation Level Workers’ Compensation Fund.....	146
Agency Funds Descriptions.....	147 – 148
Combining Statement of Changes in Assets and Liabilities – All Agency Funds .....	149 – 151
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Function and Activity, Before Accumulated Depreciation.....	152
Schedule of Changes by Function and Activity, Before Accumulated Depreciation.....	153
 STATISTICAL SECTION	
Explanation of Schedules.....	S
Financial Trends -	
Net Assets by Component – Last Four Years (Accrual Basis of Accounting).....	S1
Changes in Net Assets – Last Four Years (Accrual Basis of Accounting).....	S2-S3
Fund Balances, Governmental Funds – Last Four Years (Modified Accrual Basis of Accounting).....	S4
Changes in Fund Balances, Governmental Funds – Last Four Years (Modified Accrual Basis of Accounting).....	S5
Revenue Capacity -	
Assessed Valuation and Estimated Actual Values of Taxable Property – Last Ten Years.....	S6-S7
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years.....	S8-S9
Property Tax Levies and Collections – Last Ten Years.....	S10-S11
Principal Taxpayers – Real Estate Tax - 2006 and 1997.....	S12
Income Tax Revenue Base and Collections – Last Ten Years.....	S13
Debt Capacity -	
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Four Years...	S14-S15
Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita – Last Ten Years.....	S16
Computation of Direct and Overlapping Governmental Activities Debt – December 31, 2006.	S17
Legal Debt Margin – Last Ten Years.....	S18-S19
Pledged Revenue Coverage – Wastewater Pollution Control - Last Ten Years.....	S20
Economic and Demographic Information -	
Principal Employers – Current Year and Nine Years Ago.....	S21
Demographic and Economic Statistics – Last Ten Years.....	S22-S23
Full-Time Equivalent City Government Employees by Function/Program – Last Five Years...	S24
Operating Indicators by Function/Program – Last Five Years.....	S25-S28
Capital Assets Statistics by Function/Program – Last Four Years.....	S29-S30

**(THIS PAGE INTENTIONALLY LEFT BLANK)**



**TED M. PILESKE, CPA**  
City Auditor

**JOHN T. FARRELL**  
Chief Deputy Auditor

June 19, 2007

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

As the elected Auditor of the City of Elyria (the “City”), I am pleased to present the Comprehensive Annual Financial Report (“CAFR”) of Elyria, Ohio for the year ended December 31, 2006. 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 governmental and business-type activities and various funds 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 is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, received from the Governmental Finance Officers Association of the United States and Canada (“GFOA”) in 2005, the City’s organization chart and a list of principal officials. The Financial Section includes the Independent Accountants’ Report, management’s discussion and analysis which provides an assessment of the City’s finances for 2006, the basic financial statements, notes to the financial statements and related footnotes, and relevant supplemental financial statement schedules for 2006. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

## **GOVERNMENTAL STRUCTURE**

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 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. In recent years, the face of Elyria's economy has begun to change. Throughout the 1980's and 1990's, the largest employers in the City were manufacturing firms such as Invacare, General Motors and York International. Today, Invacare Corporation is the only one of these companies that still remains in Elyria. As a result, a shift of the largest employers in the City from manufacturing to service oriented employers has taken place. Lorain County Government is the largest employer in regards to income tax revenues received by the City, while EMH Regional Medical Center, Invacare Corporation, Elyria City School District and Lorain County Community College follow. Despite the change in top employers, Elyria's economy remains diversified with a strong income tax base. Income tax revenues in the General Fund remained stable in 2006 after significant growth in 2005. In 2005, income tax revenues rose 14.74% over 2004 with total collections received in the General Fund of \$19,410,149 (cash basis). This growth was primarily due to the reduction of the income tax credit given to residents who work in and pay income tax to other municipalities from 100% to 50% for the six month period beginning July 1, 2004 and ending December 31, 2004 causing an increase in payments received from individuals in 2005. In 2006, total income tax collections received in the General Fund totaled \$19,093,330 (cash basis), a decrease of only 1.63% as compared to 2005 collections. Payments from individuals dropped off considerably as was expected because the tax credit was restored to 100%, however there was considerable growth in withholding tax submitted by companies located in the City and tax on the net profits of companies which are two indicators of a stable local economy.

## **MAJOR INITIATIVES**

### **FOR THE YEAR:**

The City addressed the following infrastructure problems in 2006.

The repair and reconstruction of Broad Street from West Avenue to West Bridge Street, West Bridge Street from Broad Street to West River Street, Second Street from East Avenue to West Avenue, Middle Avenue from Second Street to Broad Street, Court Street from Second Street to Broad Street, Clark Street from Winckles Street to Abbe Road, East River Road from Broad Street to Clark Street, Furnace Street from West River Road to State Route 57, Foster Avenue from Furnace Street to West River Road and Oberlin Road from West Avenue to the corporation



line were completed in 2006. All of these projects were funded with 89% State Issue II grant funds and 11% City funds.

### **FOR THE FUTURE:**

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

The repair and reconstruction of South Abbe Road from University Avenue to Chestnut Ridge Road, Ford Road from Burr Oak Park to the corporation line, Harwood Street from Cleveland Street to Poplar Street, Beebe Avenue from Cleveland Street to Poplar Street, Depot Street from Washington Avenue to East Avenue and Washington Avenue from Broad Street to the bridge over the Black River are all scheduled to begin in 2007. All of these projects have been approved for 89% State Issue II grant funding, with the remaining 11% provided from City funds.

Construction of a new Municipal Court Complex began in 2006 and will be completed in 2007. The estimated cost of this project is \$10.4 million. The City issued \$9.0 million in general obligation bond anticipation notes to fund this project with the remaining coming from municipal court funds. The City plans to issue long-term general obligation bonds in 2007 to replace the short-term general obligation bond anticipation notes.

The rehabilitation of State Route 57 from Chestnut Ridge Road to Lorain Boulevard is scheduled to begin in late 2007. The total estimated cost of this project is \$20.5 million. The City's share of this project is \$2.7 million and is being funded with a 10-year Ohio Department of Transportation State Infrastructure Bank loan. \$15.7 million of the remaining cost of this project is being funded by grant monies from the Federal Highway Administration through the Northeast Ohio Area Wide Coordinating Agency with the remaining \$2.1 million funded by grant monies from the Ohio Department of Transportation. The construction period of this project is expected to run for two years.

**GENERAL GOVERNMENTAL FUNCTIONS** - The general governmental functions of the City consist of six functions / activities: public safety, health, culture and recreation, community environment, highways and streets, and general government.

The function of public safety consists of the operation of the City's police, fire, safety service, communications, prisoner support, and traffic lights departments. The function of health consists of the operation of the City's health and cemetery departments. The function of culture and recreation consists of the operation of the City's parks and recreation, swimming pools and ice rink departments. The function of community environment consists of the operation of the City's community planning and zoning, community development, housing costs enforcement, block grant administration and rehab operations and comprehensive housing improvement program departments. The function of general government consists primarily of the various administrative departments and municipal court departments.

**ENTERPRISE OPERATIONS** – The City’s enterprise operations consist of four separate funds:

**Water, Special Parks and Recreation, Sanitation, and Wastewater Pollution Control.**

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, and throughout the “blackout” of August 2003. Also, the City has recently completed 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 Pollution Control** 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 2006, the City increased sanitation rates to keep up with increasing operating costs.

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 agency funds under its jurisdiction. These funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, or other funds.

**DEBT ADMINISTRATION** – The City’s most recent bond rating of A2 was obtained from Moody’s Investors Service in 2001 and confirmed in July 2004, April 2005 and again in September 2006. 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, 2006. These issues include \$32,821,150 in general obligation bonds, \$15,755,000 in general obligation notes, \$1,086,230 in special assessment bonds, \$11,455,596 in Ohio Water Development Authority loans and \$360,729 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 5.5% of the assessed valuation of real and personal property. At December 31, 2006, the City’s net debt (as defined in the Ohio Revised Code) of \$47,104,547 was well below the legal limit of \$56,508,377.

**CASH MANAGEMENT** – Monies temporarily idle during the year and invested are governed by the City Charter and the Ohio Revised Code. The City invests these funds in a common group of bank accounts and short-term investments such as certificates of deposit, money market accounts, federal agency securities, repurchase agreements 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>
1997	\$ 1,778,733
1998	1,508,901
1999	1,229,010
2000	1,690,000
2001	1,620,592
2002	680,710
2003	431,678
2004	356,060
2005	696,259
2006	1,259,434

Return on investments improved in 2006 due to higher interest rates offered in the marketplace. The overall rate of return on the City’s investments for 2006 was approximately 4.67%. 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 Ohio Public Employees Retirement System (“OPERS”). 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, 2006 the City contributed approximately \$4.7 million to the two plans.

**INDEPENDENT AUDIT** – State statutes require an annual audit. This year the City’s audit was performed by State Auditor, Mary Taylor, CPA. 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 independent accountants’ report on the basic financial statements is included in the financial section of this report and is unqualified.

## **AWARDS**

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, 2005. 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.

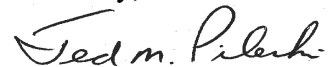
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America 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 **TWENTY CONSECUTIVE YEARS** (fiscal years ended 1986-2005). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

## ACKNOWLEDGMENTS

A special thank you to Chief Deputy Auditor John T. Farrell who assisted me in preparing this report. I would also like to thank my entire staff whose dedicated service made this report possible.

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,

A handwritten signature in cursive script that reads "Ted M. Pileski".

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, 2005

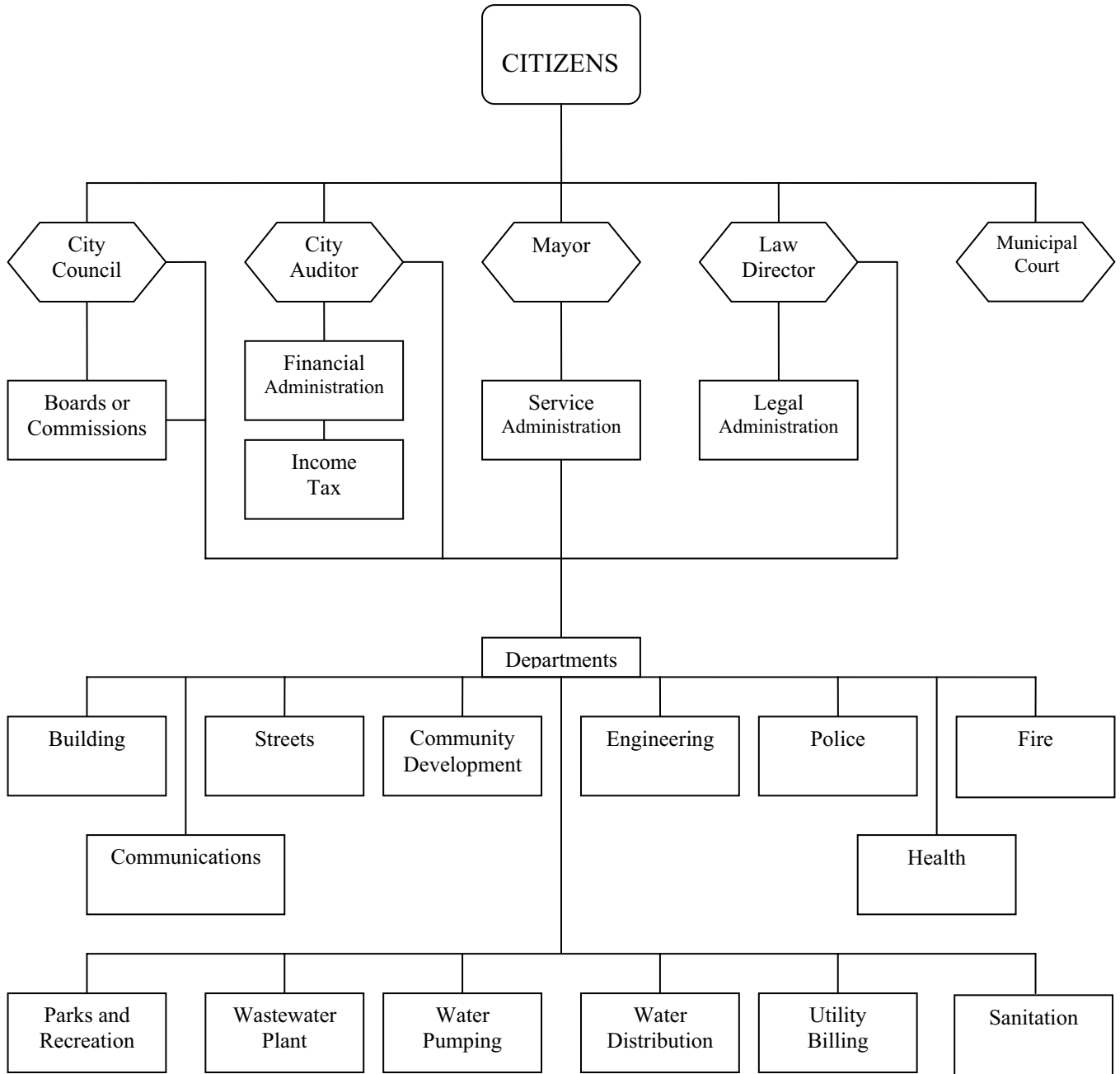
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# City of Elyria, Ohio Organizational Chart



City of Elyria, Ohio  
List of Elected and Appointed Officials  
December 31, 2006

Elected Officials

Mayor  
Auditor  
Law Director  
Judge  
Judge  
Court Clerk  
Council Member – Ward 1  
Council Member – Ward 2  
Council Member – Ward 3  
Council Member – Ward 4  
Council Member – Ward 5  
Council Member – Ward 6  
Council Member – Ward 7  
Council Member – At large  
Council Member – At large  
Council Member – At large  
Council Member – At large

William M. Grace  
Ted M. Pileski  
Terry S. Shilling  
Lisa A. Locke-Graves  
John R. Musson  
Eric J. Rothgery  
Joseph L. Monteleone Jr.  
Forrest L. Bullock  
Garry L. Gibbs  
Bonnie R. Ivancic  
Herman M Larkins  
Eddie L. Mitchell  
E. Kenneth Burkhard  
John A. Baird  
Michael J. Lotko III  
Thomas G. Callahan  
Victor F. Stewart III

Appointed Officials

Administrative Assistant  
Safety Service Director  
Administrative Assistant  
Assistant Safety Service Director  
Assistant Safety Service Director  
Assistant Safety Service Director  
EEO-MBE Coordinator  
Administrative Legal Council to the Mayor  
Chief Deputy Auditor  
Assistant Law Director  
Prosecutor  
Assistant Prosecutor  
Assistant Prosecutor  
Assistant Prosecutor  
Assistant Prosecutor  
Assistant Prosecutor  
Council Clerk  
Assistant Council Clerk

Rebecca M. Stewart  
Chris Eichenlaub  
Martha Syrowski  
James Hutchison  
Matthew R. Lundy  
William D. Ogle  
LaTaunya V. Conley  
Thomas J. Smith  
John T. Farrell  
Michael E. Szekely  
Jay B. Grunda  
Cynthia M. Adams  
Michelle D. Nedwick  
Quentin J. Nolan  
Linda M. Powers  
Honey Rothschild  
Arthur J. Weber  
Nell A. Fike

Department Heads

Building Department  
Communications Superintendent  
Community Development Director  
City Planning Director  
Engineer  
Fire Chief  
Health Commissioner  
Income Tax Administrator  
Medical Director  
Parks and Recreation Director  
Police Chief  
Street Superintendent  
Utilities Superintendant  
Wastewater Plant Superintendent  
Water Distribution Superintendent  
Water Pumping Plant Superintendent

Phillip Lahetta  
Larry A. Showalter  
Carol A. Naworocki  
Angela J. Byington  
John Hart  
John F. Zielinski  
Kathryn C. Boylan  
Ted M. Pileski  
Dr. Douglas M. McDonald  
Frank J. Gustoff  
Michael Medders  
Gary M. Dickerson  
Thomas A. Brand  
Terry Korzan  
Harold Connerth  
Samuel F. Jacob





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

City of Elyria  
Lorain County  
131 Court Street  
Elyria, Ohio 44035

To the Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General 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 19, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

June 19, 2007

CITY OF ELYRIA, OHIO  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

As management of the City of Elyria, we offer readers of the City of Elyria's financial statements this narrative overview and analysis of the financial activities of the City of Elyria for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 7 of this report.

### Financial Highlights

- The assets of the City of Elyria exceeded its liabilities at the close of the most recent fiscal year by \$89,178,568 (*net assets*). Of this amount, \$69,701,878 or 78% represents investments in capital assets, net of related debt. Net assets of the City of Elyria increased \$542,229 in 2006.
- The General Fund balance remained stable with only a minor decrease of \$171,887 or 3.10%. This stability can be attributed to strong income tax collections which were even with 2005 collections. The 2005 income tax collections were significantly higher than 2004 collections due to the temporary reduction of the income tax credit given to residents who work and pay income tax to other municipalities making the strong income tax collections of 2006 more attributable to factors that indicate an improving local economy such as higher withholding taxes and taxes on net profits.
- The City of Elyria's short-term debt increased by \$5,885,000 as the City issued one-year general obligation bond anticipation notes for the following projects: \$9.0 million for the construction of a new Municipal Court Complex, \$775,000 for the acquisition of two new pumper trucks for the Fire Department and \$710,000 for the design work for the rehabilitation of State Route 57. The City retired one-year general obligation bond anticipation notes for the following projects: \$1.4 million for various improvements to the water system and \$3.6 million for various wastewater pollution control plant improvements. The City also retired an additional \$4.87 million in one-year general obligation bond anticipation notes for other projects with short-term debt proceeds and/or existing monies and re-issued \$140,000 for sanitation trucks, \$1.7 million for the City Hall project and \$3.43 million for the Chestnut Commons project resulting in the net increase of \$5,885,000.
- The City's long-term debt increased by \$1,595,264 as the City issued long-term general obligation bonds for the following projects: \$1,637,987 for various water system improvements and \$3,685,188 for various wastewater pollution control plant improvements. The city also incurred long-term debt in the form of State Issue II construction loans totaling \$185,511 for the reconstruction and resurfacing of West Avenue and portions of Lake Avenue and the construction of the Third Street storm sewer. Principal retired on other existing bonds and construction loans amounted to \$3,457,855 and long-term compensated absences decreased by \$455,567 resulting in the net increase of \$1,595,264.

## Overview of the Financial Statements

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

**Government-Wide Financial Statements.** The *government-wide statements* are designed to provide readers with a broad overview of the City of Elyria's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City of Elyria that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Elyria include public safety, health, culture and recreation, community environment, highways and streets, and general government. The business-type activities of the City of Elyria include water, special parks & recreation, sanitation, and wastewater pollution control operations.

The government-wide financial statements can be found on pages 27-28 of this report.

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal

CITY OF ELYRIA, OHIO  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Elyria maintains forty-one (41) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Chestnut Commons/Ridge Improvement Fund and the Muni Court Construction/Improvement Fund, all of which are considered to be major funds under generally accepted accounting principles. Data from the other thirty-eight (38) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Elyria adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund in the basic financial statements to demonstrate compliance with its budget. Budgetary comparison schedules for other funds are provided elsewhere in this report.

The basic governmental fund financial statements can be found on pages 29-37 of this report.

***Proprietary funds.*** The City of Elyria maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Elyria uses enterprise funds to account for its Water, Sanitation, and Wastewater utilities, and for its Special Parks & Recreation programs. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Elyria's various functions. The City of Elyria uses internal service funds to account for its worker's compensation and employee health insurance expenditures. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Special Parks and Recreation, Sanitation, and Wastewater Pollution Control operations, all of which are considered to be major funds of the City of Elyria. Conversely, our Employee Health Insurance and Worker's Compensation internal service funds are combined into a single, aggregated presentation

CITY OF ELYRIA, OHIO  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* on pages 142-144 of this report.

The basic proprietary fund financial statements can be found on pages 38-41 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Of these classifications, the City utilizes only agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Elyria's own programs.

The basic fiduciary fund financial statement can be found on page 42 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-75 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Elyria, assets exceeded liabilities by \$89,178,568 at the close of the most recent fiscal year.

By far, the largest portion of the City of Elyria's net assets (78 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure) to provide services to citizens, less any related debt used to acquire those assets; consequently, these assets are *not* available for future spending. Although the City of Elyria's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A condensed statement of net assets follows in Table 1.

**CITY OF ELYRIA, OHIO**  
**Management's Discussion and Analysis**  
For the Year Ended December 31, 2006  
Unaudited

**Table 1**  
**CITY OF ELYRIA'S**  
**Condensed Statement of Net Assets**

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 39,133,333	\$ 30,593,629	\$ 9,094,052	\$ 11,800,793	\$ 48,227,385	\$ 42,394,422
Capital assets	65,485,937	61,048,659	56,111,646	56,238,226	121,597,583	117,286,885
Total assets	<u>104,619,270</u>	<u>91,642,288</u>	<u>65,205,698</u>	<u>68,039,019</u>	<u>169,824,968</u>	<u>159,681,307</u>
Current liabilities	25,792,430	13,559,356	2,514,544	6,741,450	28,306,974	20,300,806
Non-Current liabilities outstanding	26,884,204	28,285,857	25,455,222	22,458,305	52,339,426	50,744,162
Total liabilities	<u>52,676,634</u>	<u>41,845,213</u>	<u>27,969,766</u>	<u>29,199,755</u>	<u>80,646,400</u>	<u>71,044,968</u>
Net assets:						
Invested in capital assets, net of related debt	37,882,715	35,063,198	31,819,163	34,470,219	69,701,878	69,533,417
Restricted	8,089,058	8,028,277			8,089,058	8,028,277
Unrestricted	5,970,863	6,705,600	5,416,769	4,369,045	11,387,632	11,074,645
Total net assets	<u>\$ 51,942,636</u>	<u>\$ 49,797,075</u>	<u>\$ 37,235,932</u>	<u>\$ 38,839,264</u>	<u>\$ 89,178,568</u>	<u>\$ 88,636,339</u>

An additional portion of the City of Elyria's net assets at December 31, 2006 (9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining net assets of \$11,387,632 at December 31, 2006 are unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Table 2 on Page 18 indicates the changes in net assets for the years ended December 31, 2006 and 2005.

**Governmental activities.** In 2006, the net assets for the governmental activities of the City increased by \$2,145,561. Tax revenue accounts for \$28,929,009 of the \$42,490,224 total revenue for governmental activities, or 68%. The major recipients of intergovernmental revenue from state and federal sources (i.e. grants, contributions, gasoline and motor vehicle taxes) were the General Fund, receiving \$3,496,190, the Street Construction Maintenance and Repair fund receiving \$1,997,877 and the State Issue II Fund receiving \$908,337.

The City's direct charges to users of governmental services made up \$5,637,587 or 13% of total governmental revenue. These charges are for jail rental fees charged to other governmental entities, fees related to health department activities, fees related to parks and recreation activities, fines and forfeitures related to Elyria Municipal Court activities and various licenses and permits.

Public safety which includes police and fire protection, safety service, communications and the jail operations accounts for \$20,851,317 of the \$40,344,663 total expenses for governmental activities in 2006, or 52%. The next largest program is general government, which equals \$8,271,237 or 20% of total governmental expenses.

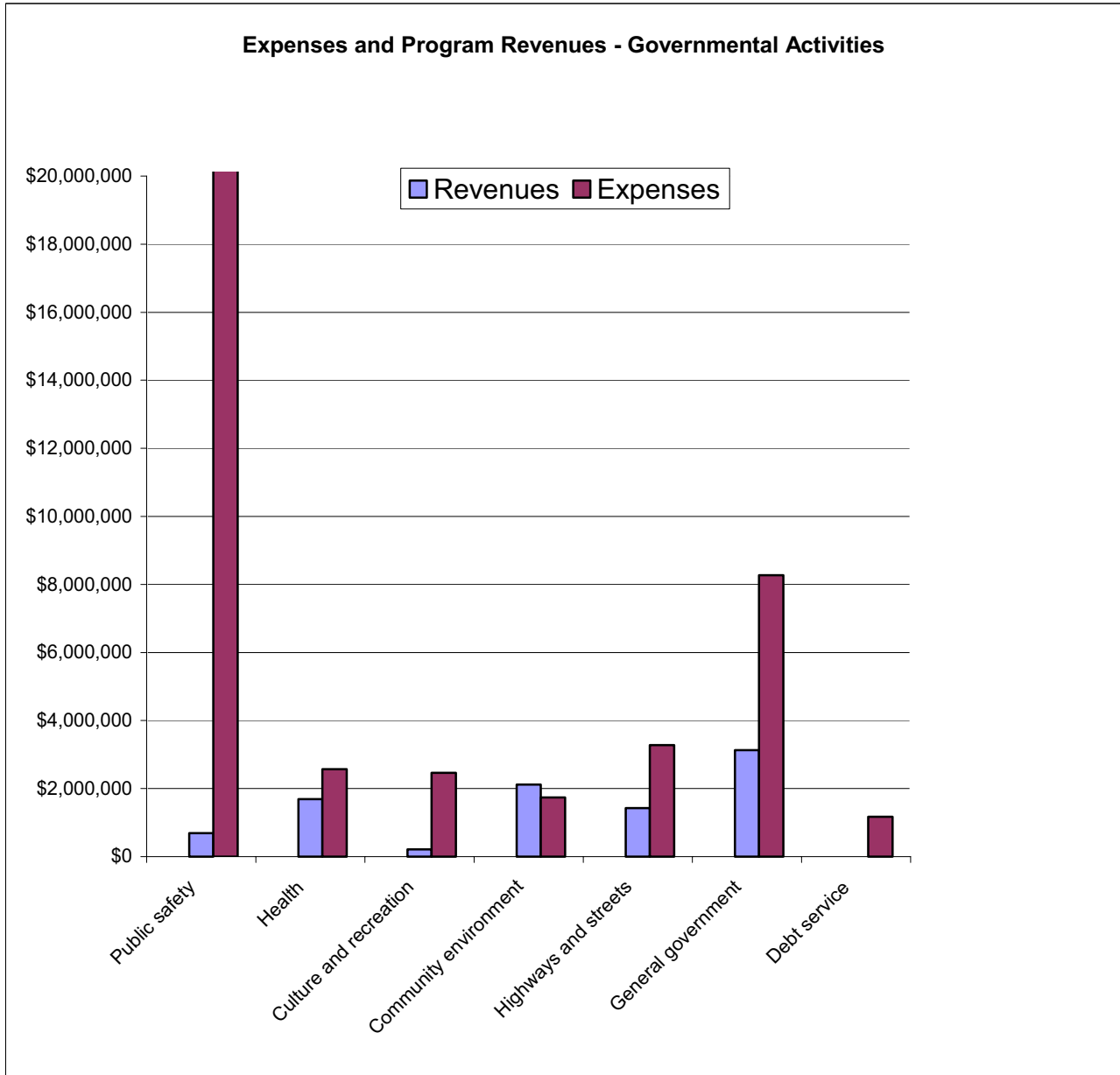
**CITY OF ELYRIA, OHIO**  
**Management's Discussion and Analysis**  
For the Year Ended December 31, 2006  
Unaudited

**Table 2**  
**CITY OF ELYRIA'S Changes in Net Assets**

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 5,637,587	\$ 4,969,842	\$ 18,746,665	\$ 18,500,626	\$ 24,384,252	\$ 23,470,468
Operating grants and contributions	1,670,498	1,653,771	32,355	104,008	1,702,853	1,757,779
Capital grants and contributions	1,964,958	2,528,848	171,709	105,505	2,136,667	2,634,353
General revenues:						
Property taxes	3,913,589	3,726,157			3,913,589	3,726,157
Income taxes	21,470,263	23,057,107			21,470,263	23,057,107
Gasoline and motor vehicle taxes	3,050,275	2,769,274			3,050,275	2,769,274
Other taxes	494,882	464,747			494,882	464,747
Grants and contributions not restricted to specific programs	2,849,785	3,116,189			2,849,785	3,116,189
Other	1,438,387	596,130	537,397	397,896	1,975,784	994,026
Total revenues	<u>42,490,224</u>	<u>42,882,065</u>	<u>19,488,126</u>	<u>19,108,035</u>	<u>61,978,350</u>	<u>61,990,100</u>
Expenses:						
Public safety	20,851,317	19,528,348			20,851,317	19,528,348
Health	2,568,869	2,992,268			2,568,869	2,992,268
Culture and recreation	2,463,610	2,374,010			2,463,610	2,374,010
Community environment	1,741,812	1,870,225			1,741,812	1,870,225
Highways and streets	3,276,038	3,240,837			3,276,038	3,240,837
General government	8,271,237	7,948,645			8,271,237	7,948,645
Debt service	1,171,780	986,994			1,171,780	986,994
Water			6,641,584	6,375,523	6,641,584	6,375,523
Special Parks & Recreation			317,879	292,998	317,879	292,998
Sanitation			3,132,454	3,184,255	3,132,454	3,184,255
Wastewater			10,999,541	10,371,975	10,999,541	10,371,975
Total expenses	<u>40,344,663</u>	<u>38,941,327</u>	<u>21,091,458</u>	<u>20,224,751</u>	<u>61,436,121</u>	<u>59,166,078</u>
Increase (decrease) in net assets	2,145,561	3,940,738	(1,603,332)	(1,116,716)	542,229	2,824,022
Net assets - 1/1/2006	49,797,075	45,856,337	38,839,264	39,955,980	88,636,339	85,812,317
Net assets - 12/31/2006	<u>\$ 51,942,636</u>	<u>\$ 49,797,075</u>	<u>\$ 37,235,932</u>	<u>\$ 38,839,264</u>	<u>\$ 89,178,568</u>	<u>\$ 88,636,339</u>

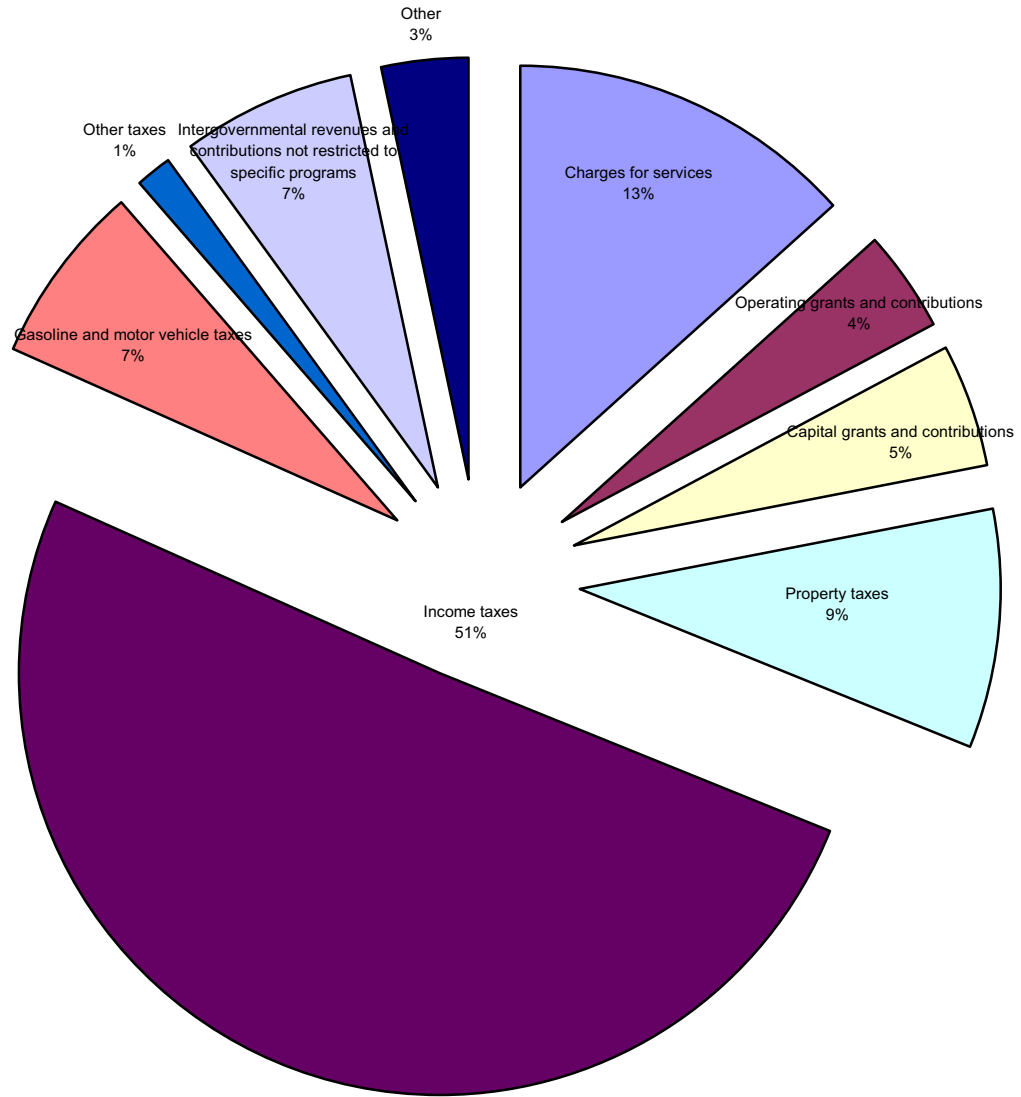


CITY OF ELYRIA, OHIO  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited



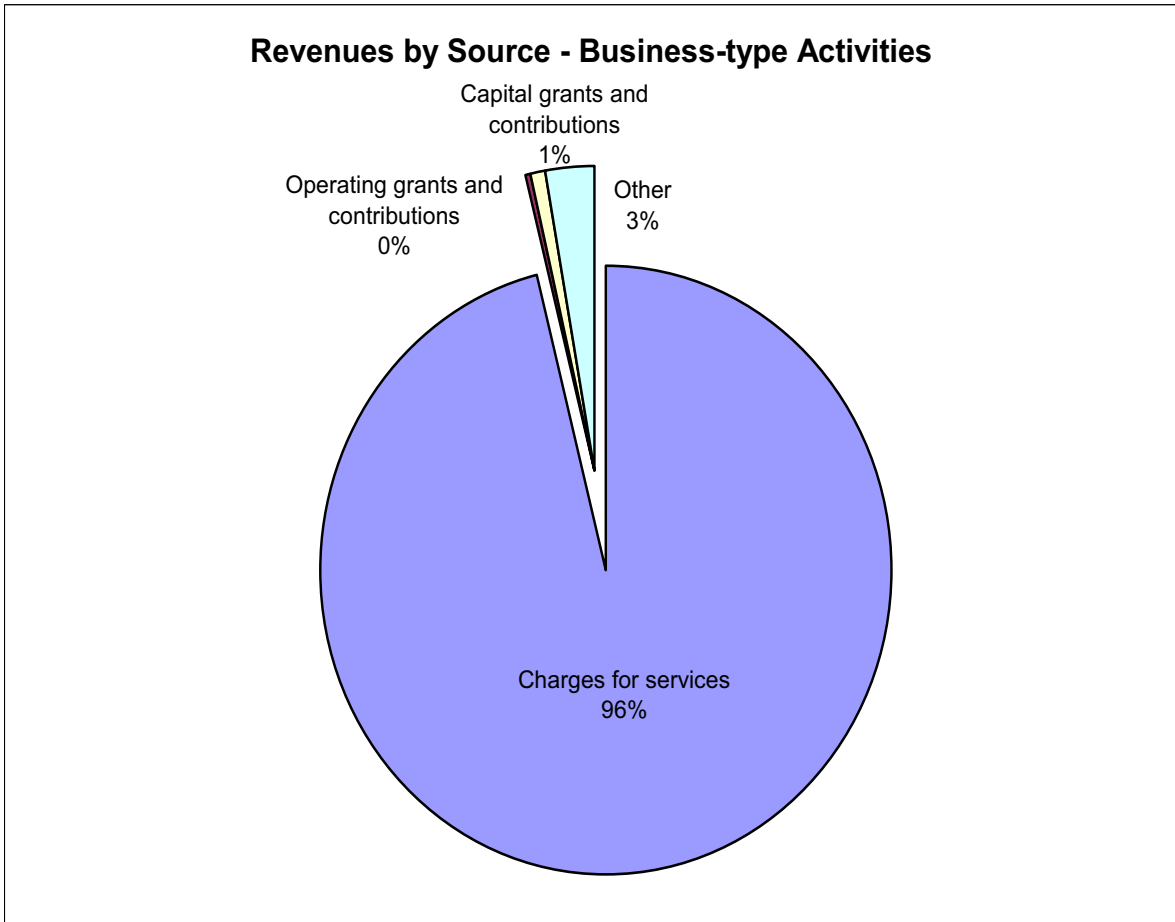
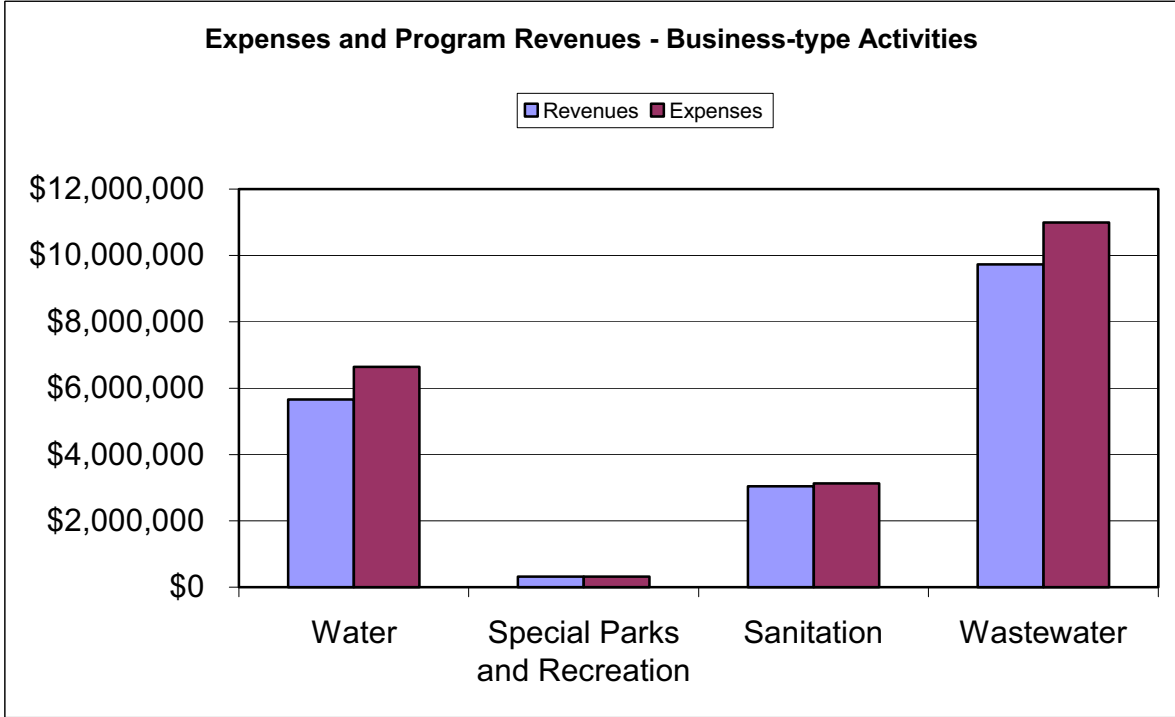
CITY OF ELYRIA, OHIO  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

**Revenues by Source - Governmental Activities**



**Business-type activities.** The net assets for the business-type activities of the City decreased by \$1,603,332, mainly because the user fees charged for these business-type activities have not been sufficient to meet the increasing expenses of these activities. Elyria City Council has enacted a series of rate increases to correct this difference. The third in a series of five rate increases went into effect January 1, 2006 which apparently was not sufficient to reverse this trend. Additional rate increases of 4.5% for water, sanitation and sewer services are scheduled and have been approved by Elyria City Council for January 1, 2007 and 2008. The major revenue source of the business-type activities was charges for services of \$18,746,665.

CITY OF ELYRIA, OHIO  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2006  
 Unaudited



## Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term outflows, inflows and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,483,832, a decrease of \$2,731,758 in comparison with the prior year. Approximately 184% of this total amount is reserved to indicate that it is not readily available for new spending since it has already been committed to 1) liquidate contracts and purchase orders of \$9,719,475, 2) pay for rehabilitation loans totaling \$3,993,408 under the Block Grant and C.H.I.P. Grant programs and 3) to pay debt service of \$1,471,603 and 4) paying for qualified expenditures under an endowment totaling \$442,440. The unreserved fund deficit of (\$15,228,772) is due to the one year general obligation bond anticipation notes that were issued for various capital projects and reported as a liability in the individual capital project funds because the capital projects do not represent current financial resources, they are not reported in the governmental funds financial statements. The negative fund balances will be eliminated in the capital project funds upon the issuance of long-term general obligation bonds, the proceeds of which will retire the short-term notes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund unreserved fund balance was \$5,016,011 while the total fund balance was \$5,375,514. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 17% of total General Fund expenditures, while total fund balance represents 19% of that same amount.

The General Fund balance decreased from \$5,547,401 at December 31, 2005 to \$5,375,514 at December 31, 2006. The following schedule presents a summary of General Fund revenues for the fiscal year ended December 31, 2006 and a comparison to prior year's revenues.

**CITY OF ELYRIA, OHIO**  
**Management's Discussion and Analysis**  
For the Year Ended December 31, 2006  
Unaudited

<u>Revenues</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2005</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$ 21,043,194	72.85%	\$ 66,932	0.32%
Intergovernmental revenues	3,496,190	12.10%	137,970	4.11%
Charges for services	2,138,905	7.41%	793,742	59.01%
Licenses and permits	781,804	2.71%	208,973	36.48%
Investment income	293,670	1.02%	143,722	95.85%
Special assessments	10,427	0.04%	(1,475)	(12.39%)
Fines and forfeitures	644,692	2.23%	(536,339)	(45.41%)
Miscellaneous revenues	<u>475,092</u>	<u>1.64%</u>	<u>416,932</u>	716.87%
Totals	<u>\$ 28,883,974</u>	<u>100.00%</u>	<u>\$ 1,230,457</u>	4.45%

The increase in intergovernmental revenues is primarily due to increased inheritance tax revenue recorded in 2006. The increase in charges for services is due to increases charged for recreation center fees, cemetery fees, ice rink fees, swimming pool fees and various increases in health department services. Municipal Court costs totaling \$638,388 in 2006 classified as fines and forfeitures in prior years have been included in charges for services in 2006. This accounts for 47.46% of the increase in charges for services and 54.05% of the decrease in fines and forfeitures in 2006. The increase in licenses and permits is primarily due to the building permits obtained for the new Super WalMart Store in Elyria. The increase in investment income was due to higher interest rates offered in the marketplace and more dollars to invest. The increase in miscellaneous revenues is due to the settlement of a court case involving the City of Elyria and York International Corporation. The City filed suit against York International Corporation after management closed their Elyria plant while still in an abatement agreement with the City. The case was settled out of court with the City receiving \$456,500.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended December 31, 2006 and a comparison to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2005</u>	<u>Percent of Increase (Decrease)</u>
Current:				
Public safety	\$ 16,204,793	55.98%	\$ 1,825,673	12.70%
Health	1,809,649	6.25%	(8,828)	(0.49%)
Culture and recreation	2,111,693	7.29%	200,856	10.51%
Community environment	794,881	2.75%	(49,214)	(5.83%)
General government	7,141,271	24.67%	380,558	5.63%
Capital outlay	<u>887,377</u>	<u>3.06%</u>	<u>587,009</u>	195.43%
Total	<u>\$ 28,949,664</u>	<u>100.00%</u>	<u>\$ 2,936,054</u>	11.29%

The increase in public safety is due to an increase in wage rates, an increase in overtime in the fire department and increased health care and fuel costs. The increase in culture and recreation and general government is due to an increase in wage rates and increased health care costs. The increase in capital outlay is due to the purchase of two new fire

**CITY OF ELYRIA, OHIO**  
**Management's Discussion and Analysis**  
For the Year Ended December 31, 2006  
Unaudited

trucks in 2006 and the decrease in community environment was caused by the payment of unused sick and vacation time to the retiring planning director in 2005.

The other major governmental funds of the City are the Chestnut Commons/Ridge Improvement Fund and the Muni Court Construction/Improvement Fund.

The fund balance for the Chestnut Commons/Ridge Improvement Fund decreased by \$295,991 and the fund balance in the Muni Court Construction/Improvement Fund decreased by \$907,045 in 2006 due to the expenditure of general bond anticipation note proceeds.

**Enterprise funds.** The City's enterprise funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water, Special Parks and Recreation, Sanitation and Wastewater Pollution Control funds at the end of the year amounted to \$692,652, \$336,057, \$7,888 and \$4,433,236, respectively. The increase / (decrease) in net assets for these funds were (\$894,520), \$41,831, \$113,683 and (\$953,688), respectively, during 2006. Elyria City Council has approved rate increases for each of the next two years for users of the water and wastewater pollution control systems, as well as for garbage pick-up, to increase net assets in the future. Other factors concerning the operations and financial condition of these funds have been addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

As required by State statute, Elyria City Council adopts an annual appropriation (budget) ordinance for all City funds under its control. In addition to the City's General Fund, forty-seven (47) funds representing various governmental, proprietary and fiduciary activities were included in the 2006 appropriation process.

The City's General Fund is organized and structured upon the basis of five (5) functions or activities, each with its own group of departments. Each department is appropriated funds at the major account level (personal services, fringe benefits, operation and maintenance, capital outlay, debt service, transfers out and reimbursements). These major accounts are broken down to minor line items for internal control purposes.

In terms of the total General Fund and diversity of services offered to the public, the following function/activities are as follows:

<u>Function/Activity</u>	<u>2006 Annual Expended*</u>	<u>% Expended</u>
Public Safety	\$17,311,582	56.10
Health	1,850,770	6.00
Culture and Recreation	2,156,565	6.99
Community Environment	849,613	2.75
General Government	<u>8,689,776</u>	<u>28.16</u>
Total Expenditures	<u>\$30,858,306</u>	<u>100.0</u>

\* - under the budgetary basis of accounting

Net differences between the original expenditure budget amount of \$31,032,387 and the final budget amount of \$32,669,236 (\$1,636,849 increase in appropriations) were significant with the largest change being an increase in advances out as Elyria City Council approved loans from the General Fund to the State Route 57 Rehabilitation Fund, the Energy Conservation Fund, the Block Grant Fund, the CHIP Grant Fund and the Two Falls Trail Improvement Fund in the amounts of \$474,853, \$175,000, \$109,759, \$381 and \$2,970, respectively. The other two significant changes to the budget were for general government in the amount of \$629,234 and for public safety in the amount of \$549,700. The change for general government was needed primarily for underground plumbing repair and replacement for the gasoline storage tanks, escalating health care costs, higher fuel costs and professional services associated with the Elyria 2015 plan. The change for public safety was needed primarily for additional overtime and pension costs for the fire department, water rescue equipment purchased for the fire department, equipment for the new police cruisers, handguns for the police department, higher fuel costs and escalating health care costs.

### **Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2006 amounts to \$121,597,583 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, utility distribution and collection systems, infrastructure, machinery and equipment and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$4,310,698 (an increase of \$4,437,278 for governmental activities and a decrease of \$126,580 for business-type activities), net of depreciation expense of \$7.1 million.

Major capital asset events during the fiscal year included the following:

- Construction continued on the new Municipal Court Complex with additional capitalized costs of \$1,454,519.
- Acquisition of two new fire pumper trucks with capitalized costs of \$775,000.
- Completion of various electrical upgrades at the Water Pumping Plant was completed with additional costs of \$603,958.

Additional information on the City's capital assets can be found in Note 8 on pages 60-61 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total long-term bonded debt outstanding of \$33,907,380. Of this amount, \$20,124,263 comprises debt backed by the full faith and credit of the City, \$1,086,230 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$12,696,887 is business-type activity debt that is retired by user fees collected for business-type activities and also backed by the full faith and credit of the City.

**CITY OF ELYRIA, OHIO**  
**Management's Discussion and Analysis**  
For the Year Ended December 31, 2006  
Unaudited

At the end of the current fiscal year, the City also had total short-term bond anticipation general obligation notes outstanding of \$15,755,000. Of this amount, \$3,430,000 for the Chestnut Commons/Ridge project, \$1,700,000 for completion of the new City Hall, \$140,000 for the purchase of new garbage trucks, \$9,000,000 for the construction of a new Municipal Court, \$775,000 for the acquisition of two new fire trucks and \$710,000 for the design work associated with the rehabilitation of State Route 57. The City plans to issue long-term bonds to retire the notes issued for the construction of the new Municipal Court in 2007.

In addition to general obligation bonds and notes outstanding at December 31, 2006, the City also had \$11,455,596 of Ohio Water Development Authority loans outstanding to finance sewer projects and \$360,729 of State Issue II Ohio Public Works Commission loans outstanding to finance various infrastructure projects.

The City's most recent bond rating of A2 was obtained from Moody's Investors Service in 2001 and confirmed in July 2004, April 2005 and again in September 2006.

State statutes limit the amount of unvoted general obligation debt the City may issue to 5.5% of its total assessed valuation. The current debt limitation for the City of Elyria is \$56,508,377 which is significantly in excess of the City's outstanding unvoted general obligation debt that is subject to the limitation of \$47,104,547.

Additional information on the City's long-term debt can be found in Note 13 on pages 67-72 of this report.

**Economic Factors and Next Year's Budget and Rates**

The unemployment rate for the City is currently 5.8%, which is the same rate it was a year ago. This compares unfavorably to the state's average unemployment rate of 5.5% and unfavorably to the national average rate of 4.6%.

During the current fiscal year, unreserved fund balance in the General Fund decreased \$171,887, leaving a fund balance at December 31, 2006 of \$5,375,514. The City has appropriated approximately \$1.4 million of this amount for spending in the 2007 fiscal year budget.

The water, sanitation and sewer rates were all increased 4.5% for the 2006 budget year to meet increasing operating costs.

All of these factors were considered in preparing the City's budget for the 2007 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the City Auditor, City of Elyria, 131 Court Street, Elyria, Ohio 44035.



**City of Elyria, Ohio**  
**Statement of Net Assets**  
**December 31, 2006**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Equity in pooled cash and cash equivalents	\$ 15,754,577	\$ 3,644,861	\$ 19,399,438
Investments	4,258,542	2,989,700	7,248,242
Receivables:			
Property tax	3,502,086		3,502,086
Income tax	5,526,138		5,526,138
Other local tax	181,478		181,478
Accounts	575,833	1,347,161	1,922,994
Accrued interest	75,216	90,130	165,346
Rehabilitation loans	3,993,408	291,038	4,284,446
Special assessments	1,280,931	132,248	1,413,179
Due from other governments	3,612,405		3,612,405
Inventory of supplies		269,051	269,051
Prepaid expenses	200,818	106,743	307,561
Bond issuance costs	171,901	223,120	395,021
Capital assets (net of accumulated depreciation):			
Land	6,184,200	656,488	6,840,688
Buildings and system	19,619,200	12,730,791	32,349,991
Improvements	800,106	3,956,746	4,756,852
Utility distribution and collection systems	5,804,962	34,544,145	40,349,107
Infrastructure	25,030,267		25,030,267
Machinery and equipment	2,556,555	2,067,935	4,624,490
Construction in progress	5,490,647	2,155,541	7,646,188
Total capital assets	<u>65,485,937</u>	<u>56,111,646</u>	<u>121,597,583</u>
Total assets	<u>104,619,270</u>	<u>65,205,698</u>	<u>169,824,968</u>
<b>LIABILITIES</b>			
Accounts payable	343,891	356,953	700,844
Contracts payable	2,002,046	876,627	2,878,673
Accrued wages and benefits	1,444,440	314,906	1,759,346
Compensated absences payable	351,991	189,474	541,465
Claims payable	673,763		673,763
Accrued interest payable	139,773	477,349	617,122
Unearned revenue	5,221,526	159,235	5,380,761
General obligation notes payable	15,615,000	140,000	15,755,000
Non-current liabilities:			
Due within one year	1,687,141	2,648,694	4,335,835
Due in more than one year	25,197,063	22,806,528	48,003,591
Total liabilities	<u>52,676,634</u>	<u>27,969,766</u>	<u>80,646,400</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	37,882,715	31,819,163	69,701,878
Restricted for:			
Expendable:			
Public safety	1,124,522		1,124,522
Health	212,739		212,739
Community environment	3,836,932		3,836,932
Highways and streets	766,727		766,727
Debt service	1,471,603		1,471,603
Other purposes	234,095		234,095
Nonexpendable:			
Health	442,440		442,440
Unrestricted	5,970,863	5,416,769	11,387,632
Total net assets	<u>\$ 51,942,636</u>	<u>\$ 37,235,932</u>	<u>\$ 89,178,568</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Elyria, Ohio**  
**Statement of Activities**  
**For the Year Ended December 31, 2006**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
Governmental activities:							
Public safety	\$ 20,851,317	\$ 489,385	\$ 174,731	\$ 27,600	\$ (20,159,601)	\$	\$ (20,159,601)
Health	2,568,869	1,066,153	615,949	10,540	(876,227)		(876,227)
Culture and recreation	2,463,610	192,011	14,792	8,555	(2,248,252)		(2,248,252)
Community environment	1,741,812	757,840	865,026	490,915	371,969		371,969
Highways and streets	3,276,038			1,427,348	(1,848,690)		(1,848,690)
General government	8,271,237	3,132,198			(5,139,039)		(5,139,039)
Interest and fiscal charges	1,171,780				(1,171,780)		(1,171,780)
Total governmental activities	40,344,663	5,637,587	1,670,498	1,964,958	(31,071,620)		(31,071,620)
Business-type activities:							
Water	6,641,584	5,653,958			(987,626)		(987,626)
Special parks & recreation	317,879	321,078		10,000	13,199		13,199
Sanitation	3,132,454	3,038,891	32,355	161,709	100,501		100,501
Wastewater	10,999,541	9,732,738			(1,266,803)		(1,266,803)
Total business-type activities	21,091,458	18,746,665	32,355	171,709	(2,140,729)		(2,140,729)
Total primary government	\$ 61,436,121	\$ 24,384,252	\$ 1,702,853	\$ 2,136,667	(31,071,620)	(2,140,729)	(33,212,349)
General revenues:							
Property taxes					3,913,589		3,913,589
Municipal income taxes					21,470,263		21,470,263
Gasoline and motor vehicle taxes					3,050,275		3,050,275
Other local taxes					494,882		494,882
Intergovernmental revenues and contributions not restricted to specific programs					2,849,785		2,849,785
Investment earnings					850,323	396,537	1,246,860
Miscellaneous					554,055	140,860	694,915
Proceeds from sale of capital assets					34,009		34,009
Total general revenues					33,217,181	537,397	33,754,578
Change in net assets					2,145,561	(1,603,332)	542,229
Net assets - beginning					49,797,075	38,839,264	88,636,339
Net assets - ending					\$ 51,942,636	\$ 37,235,932	\$ 89,178,568

The notes to the basic financial statements are an integral part of this statement.

City of Elyria, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2006

	General	Chestnut Commons/Ridge Improvement	Muni Court Construction/ Improvement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in pooled cash and cash equivalents	\$ 3,066,940	\$ 600,046	\$ 8,687,853	\$ 3,212,272	\$ 15,567,111
Investments		191,900	75,900	2,641,542	2,909,342
Accounts receivable	467,133		24,750	30,886	522,769
Rehabilitation loans receivable		1,875	40,448	3,993,408	3,993,408
Accrued interest receivable	11,013			16,095	27,108
Due from other funds	449,483			1,527,604	2,000,000
Due from other governments	2,084,801			782,458	2,867,259
Income tax receivable	4,743,680			2,103,842	6,847,522
Property tax receivable	1,398,244			134,689	1,532,933
Other local tax receivable	46,789			1,280,931	1,327,720
Special assessments receivable					
Total assets	<u>\$ 12,268,083</u>	<u>\$ 793,821</u>	<u>\$ 8,828,951</u>	<u>\$ 15,723,727</u>	<u>\$ 37,614,582</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 275,001			\$ 68,890	\$ 343,891
Contracts payable	79,290	19,900	225,534	1,676,577	2,001,301
Accrued wages and benefits	1,185,802			257,971	1,443,773
Compensated absences payable	300,983			51,008	351,991
Due to other funds				449,483	449,483
Unearned revenue	4,276,493			4,648,818	8,925,311
Notes payable	775,000	3,430,000	9,000,000	2,410,000	15,615,000
Total liabilities	<u>\$ 6,892,569</u>	<u>\$ 3,449,900</u>	<u>\$ 9,225,534</u>	<u>\$ 9,562,747</u>	<u>\$ 29,130,750</u>
Fund balances:					
Reserved for:					
Encumbrances	359,503	269,948	7,801,127	1,288,897	9,719,475
Rehabilitation loans				3,993,408	3,993,408
Endowment				442,440	442,440
Debt service				1,471,603	1,471,603
Unreserved, reported in:					
General fund	5,016,011			3,069,667	8,085,678
Special revenue funds				(4,105,035)	(4,105,035)
Capital projects funds (deficit)		(2,926,027)	(8,197,710)		(11,123,737)
Total fund balances	<u>\$ 5,375,514</u>	<u>\$ (2,656,079)</u>	<u>\$ (396,583)</u>	<u>\$ 6,160,980</u>	<u>\$ 8,483,832</u>
Total liabilities and fund balances	<u>\$ 12,268,083</u>	<u>\$ 793,821</u>	<u>\$ 8,828,951</u>	<u>\$ 15,723,727</u>	<u>\$ 37,614,582</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Elyria, Ohio**  
**Reconciliation of Total Governmental Fund Balances**  
**to Net Assets of Governmental Activities**  
**December 31, 2006**

Governmental Fund Balances	\$ 8,483,832
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	65,485,937
Other assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	3,703,785
Internal service funds are used by management to charge the costs of employee health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	920,340
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds.	(26,884,204)
Accrued interest on long-term debt is not normally expected to be liquidated with available financial resources and therefore is not reported in the funds.	(139,773)
The expenditures for prepaid items are recognized immediately in the funds and therefore are not reported as an asset in the funds.	200,818
The expenditure for bond issuance costs are recognized immediately in the funds and therefore are not reported as an asset in the funds.	171,901
Net assets of governmental activities	\$ 51,942,636

The notes to the basic financial statements are an integral part of this statement.

**City of Elyria, Ohio**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2006**

	<u>General</u>	<u>Chestnut Commons/ Ridge Improvement</u>	<u>Muni Court Construction/ Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ 1,586,675	\$	\$	\$ 2,326,914	\$ 3,913,589
Income	18,961,637			3,167,620	22,129,257
Other Local	494,882			890,408	1,385,290
Intergovernmental revenues	3,496,190			5,155,197	8,651,387
Charges for service	2,138,905			243,827	2,382,732
Licenses and permits	781,804			69,410	851,214
Investment income	293,670	32,213	210,016	314,424	850,323
Special assessments	10,427			342,713	353,140
Fines and forfeitures	644,692		337,560	515,093	1,497,345
Contributions	475,092	502,010		56,739	558,749
Miscellaneous revenues	28,883,974	534,223	547,576	78,963	554,055
Total Revenues	<u>28,883,974</u>	<u>534,223</u>	<u>547,576</u>	<u>13,161,308</u>	<u>43,127,081</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	16,204,793			4,078,381	20,283,174
Health	1,809,649			726,176	2,535,825
Culture and recreation	2,111,693			28,286	2,139,979
Community environment	794,881			833,820	1,628,701
Highways and streets				1,454,247	1,454,247
General government	7,141,271		167,882	337,726	7,646,879
Capital outlay	887,377	718,214	1,286,739	4,788,159	7,680,489
Debt service:					
Principal retirement					
Interest and fiscal charges				1,416,807	1,416,807
Total expenditures	<u>28,949,664</u>	<u>830,214</u>	<u>1,454,621</u>	<u>14,720,974</u>	<u>45,955,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(65,690)</u>	<u>(295,991)</u>	<u>(907,045)</u>	<u>(1,559,666)</u>	<u>(2,828,392)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
Transfers out	(134,493)			344,967	344,967
Premium on sale of bonds/notes				(210,474)	(344,967)
Proceeds from sale of capital assets				62,625	62,625
Total other financing sources (uses)	28,296			5,713	34,009
Net change in fund balances	<u>(106,197)</u>	<u>(295,991)</u>	<u>(907,045)</u>	<u>202,831</u>	<u>96,634</u>
Fund balances (deficit) - beginning	(171,887)	(2,360,088)	510,462	(1,356,835)	(2,731,758)
Fund balances (deficit) - ending	<u>5,547,401</u>	<u>(2,656,079)</u>	<u>(396,583)</u>	<u>7,517,815</u>	<u>11,215,590</u>
Fund balances (deficit) - ending	<u>\$ 5,375,514</u>	<u>\$ (2,656,079)</u>	<u>\$ (396,583)</u>	<u>\$ 6,160,980</u>	<u>\$ 8,483,832</u>

The notes to the basic financial statements are an integral part of this statement.

City of Elyria, Ohio  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 For the Year Ended December 31, 2006

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

Net change in fund balances - total governmental funds	\$	(2,731,758)
<p>Governmental funds report capital outlays as expenditures;          however, in the statement of activities, the cost of those assets          is allocated over the estimated useful lives and reported as          depreciation expense. This is the amount by which capital          expenditures exceeded depreciation in the current period.</p>		
		4,437,278
<p>Revenues in the statement of activities that do not provide          current financial resources are not reported as revenues          in the funds until such amounts are measurable and available.</p>		
		(670,866)
<p>Cash activity pertaining to bonded indebtedness and compensated absence          obligations is recorded as revenues and expenditures of the funds but is applied          directly to the obligations in the government-wide financial statements and is not          recorded in the statement of changes in net assets. In addition, increases in the          compensated absence liability are recorded in the statement of changes in net assets          but are not recorded in the funds.</p>		
		1,401,653
<p>In the Statement of Activities, interest is accrued on outstanding          bonds, whereas in governmental funds, an interest expenditure is          reported when due.</p>		
		13,763
<p>Governmental funds report prepaid items such as insurance coverage          as expenditures. However, in the Statement of Activities, the rest          of those assets are expensed during the period to which the benefits relate.</p>		
		(1,689)
<p>Governmental funds report bond issuance costs as expenditures.          However, in the Statement of Activities, these assets are amortized          over the life of the bonds.</p>		
		(10,535)
<p>Internal service funds are used by management to charge the costs of          employees' health insurance and workers' compensation insurance.          The net expense of certain activities of internal service funds is          reported with governmental activities.</p>		
		(292,285)
Change in net assets of governmental activities.	<u>\$</u>	<u>2,145,561</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF ELYRIA, OHIO  
STATEMENT 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, 2006

	<b>GENERAL FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Taxes	\$ 18,860,000	\$ 20,897,600	\$ 21,222,360	\$ 324,760
Intergovernmental revenues	2,809,831	3,172,831	3,178,112	5,281
Charges for services	1,988,685	1,988,685	1,830,927	(157,758)
Licenses and permits	516,700	716,700	781,804	65,104
Interest earnings	130,000	200,000	290,757	90,757
Special assessments	12,000	12,000	10,427	(1,573)
Fines and forfeitures	700,000	700,000	649,760	(50,240)
Miscellaneous revenues	261,400	261,400	296,532	35,132
<b>TOTAL REVENUES</b>	<b>25,278,616</b>	<b>27,949,216</b>	<b>28,260,679</b>	<b>311,463</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Personal services	4,834,030	4,884,030	4,852,964	31,066
Fringe benefits	1,438,144	1,451,144	1,423,704	27,440
Operation and maintenance	500,798	507,298	418,133	89,165
Capital outlay	107,589	143,589	140,976	2,613
<b>Total Police</b>	<b>6,880,561</b>	<b>6,986,061</b>	<b>6,835,777</b>	<b>150,284</b>
<b>Fire</b>				
Personal services	5,361,875	5,611,875	5,554,297	57,578
Fringe benefits	1,753,177	1,777,877	1,751,435	26,442
Operation and maintenance	476,085	501,085	496,835	4,250
Capital outlay	837,000	991,000	939,396	51,604
<b>Total Fire</b>	<b>8,428,137</b>	<b>8,881,837</b>	<b>8,741,963</b>	<b>139,874</b>
<b>Communications</b>				
Personal services	100,287	99,162	98,875	287
Fringe benefits	27,503	29,128	27,844	1,284
Operation and maintenance	20,706	20,706	20,918	(212)
<b>Total Communications</b>	<b>148,496</b>	<b>148,996</b>	<b>147,637</b>	<b>1,359</b>
<b>Safety Service</b>				
Personal services	244,579	236,054	230,021	6,033
Fringe benefits	73,566	82,091	80,055	2,036
Operation and maintenance	12,700	12,700	12,614	86
<b>Total Safety Service</b>	<b>330,845</b>	<b>330,845</b>	<b>322,690</b>	<b>8,155</b>
<b>Prisoner Support</b>				
Personal services	740,486	725,166	716,734	8,432
Fringe benefits	299,524	304,844	296,826	8,018
Operation and maintenance	276,645	276,645	249,955	26,690
<b>Total Prisoner Support</b>	<b>1,316,655</b>	<b>1,306,655</b>	<b>1,263,515</b>	<b>43,140</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>17,104,694</b>	<b>17,654,394</b>	<b>17,311,582</b>	<b>342,812</b>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO  
STATEMENT 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, 2006

	<b>GENERAL FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>HEALTH</b>				
<b>Health Center</b>				
Personal services	855,676	877,676	876,219	1,457
Fringe benefits	252,010	247,110	240,905	6,205
Operation and maintenance	283,646	283,646	267,494	16,152
Capital outlay	5,500	5,500	5,500	
<b>Total Health Center</b>	<b>1,396,832</b>	<b>1,413,932</b>	<b>1,390,118</b>	<b>23,814</b>
<b>Health - Solid Waste</b>				
Personal services	39,594	40,594	39,954	640
Fringe benefits	9,853	8,853	8,168	685
Operation and maintenance	10,451	15,451	13,490	1,961
Capital outlay		10,000	9,995	5
<b>Total Health - Solid Waste</b>	<b>59,898</b>	<b>74,898</b>	<b>71,607</b>	<b>3,291</b>
<b>Health - ODJFS - Client Advocacy</b>				
Personal services	19,428	19,428	10,541	8,887
Fringe benefits	12,694	12,694	6,266	6,428
Operation and maintenance	4,200	4,200	1,014	3,186
<b>Total Health - ODJFS Client Advocacy</b>	<b>36,322</b>	<b>36,322</b>	<b>17,821</b>	<b>18,501</b>
<b>Cemetery</b>				
Personal services	300,507	289,043	282,713	6,330
Fringe benefits	98,578	100,042	85,186	14,856
Operation and maintenance	6,000	6,000	3,325	2,675
<b>Total Cemetery</b>	<b>405,085</b>	<b>395,085</b>	<b>371,224</b>	<b>23,861</b>
<b>TOTAL HEALTH</b>	<b>1,898,137</b>	<b>1,920,237</b>	<b>1,850,770</b>	<b>69,467</b>
<b>CULTURE AND RECREATION</b>				
<b>Parks and Recreation</b>				
Personal services	1,049,699	1,095,199	1,079,036	16,163
Fringe benefits	360,285	348,285	339,551	8,734
Operation and maintenance	396,085	402,085	392,103	9,982
Capital outlay		19,500	19,500	
<b>Total Parks and Recreation</b>	<b>1,806,069</b>	<b>1,865,069</b>	<b>1,830,190</b>	<b>34,879</b>
<b>Swimming Pools</b>				
Personal services	80,000	86,259	86,258	1
Fringe benefits	12,120	13,120	13,068	52
Operation and maintenance	84,250	84,250	73,325	10,925
<b>Total Swimming Pools</b>	<b>176,370</b>	<b>183,629</b>	<b>172,651</b>	<b>10,978</b>
<b>Ice Rink</b>				
Personal services	30,000	30,500	30,252	248
Fringe benefits	4,545	4,745	4,530	215
Operation and maintenance	125,500	125,500	118,942	6,558
<b>Total Ice Rink</b>	<b>160,045</b>	<b>160,745</b>	<b>153,724</b>	<b>7,021</b>
<b>TOTAL CULTURE AND RECREATION</b>	<b>2,142,484</b>	<b>2,209,443</b>	<b>2,156,565</b>	<b>52,878</b>

(Continued on subsequent page)



CITY OF ELYRIA, OHIO  
STATEMENT 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, 2006

	<b>GENERAL FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>COMMUNITY ENVIRONMENT</b>				
<b>Community Planning and Zoning</b>				
Personal services	54,200	66,283	62,254	4,029
Fringe benefits	16,265	16,265	11,868	4,397
Operation and maintenance	2,950	42,950	28,808	14,142
<b>Total Community Planning and Zoning</b>	<b>73,415</b>	<b>125,498</b>	<b>102,930</b>	<b>22,568</b>
<b>Community Development</b>				
Personal services	17,875	18,025	17,836	189
Fringe benefits	5,706	4,416	4,460	(44)
Operation and maintenance	5,450	7,450	6,145	1,305
<b>Total Community Development</b>	<b>29,031</b>	<b>29,891</b>	<b>28,441</b>	<b>1,450</b>
<b>Housing Code Enforcement</b>				
Personal services	516,754	496,254	491,762	4,492
Fringe benefits	171,484	156,484	148,923	7,561
Operation and maintenance	71,108	81,608	67,557	14,051
Capital outlay		10,000	10,000	
<b>Total Housing Code Enforcement</b>	<b>759,346</b>	<b>744,346</b>	<b>718,242</b>	<b>26,104</b>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<b>861,792</b>	<b>899,735</b>	<b>849,613</b>	<b>50,122</b>
<b>GENERAL GOVERNMENT</b>				
<b>Mayor</b>				
Personal services	148,741	152,441	148,795	3,646
Fringe benefits	36,932	37,634	36,621	1,013
Operation and maintenance	6,850	6,850	5,049	1,801
<b>Total Mayor</b>	<b>192,523</b>	<b>196,925</b>	<b>190,465</b>	<b>6,460</b>
<b>Administrative Support</b>				
Personal services	94,592	94,992	94,201	791
Fringe benefits	24,093	25,027	23,609	1,418
Operation and maintenance	13,900	14,582	14,154	428
<b>Total Administrative Support</b>	<b>132,585</b>	<b>134,601</b>	<b>131,964</b>	<b>2,637</b>
<b>JEDD Income Tax Department</b>				
Personal services	29,908	45,408	42,296	3,112
Fringe benefits	15,160	15,160	9,470	5,690
Operation and maintenance	167,000	227,750	195,101	32,649
<b>Total JEDD Income Tax Department</b>	<b>212,068</b>	<b>288,318</b>	<b>246,867</b>	<b>41,451</b>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO  
STATEMENT 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, 2006

	<b>GENERAL FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>Finance Administration</b>				
Personal services	500,908	507,908	489,063	18,845
Fringe benefits	143,009	143,009	137,048	5,961
Operation and maintenance	31,500	31,500	30,113	1,387
<b>Total Finance Administration</b>	<b>675,417</b>	<b>682,417</b>	<b>656,224</b>	<b>26,193</b>
<b>Legal Administration</b>				
Personal services	573,676	523,676	518,810	4,866
Fringe benefits	225,023	176,023	169,133	6,890
Operation and maintenance	61,000	101,000	71,421	29,579
<b>Total Legal Administration</b>	<b>859,699</b>	<b>800,699</b>	<b>759,364</b>	<b>41,335</b>
<b>Legislative Activity</b>				
Personal services	260,894	263,894	258,758	5,136
Fringe benefits	130,856	130,856	128,169	2,687
Operation and maintenance	53,600	53,600	36,665	16,935
<b>Total Legislative Activity</b>	<b>445,350</b>	<b>448,350</b>	<b>423,592</b>	<b>24,758</b>
<b>Presiding Judge</b>				
Personal services	381,995	383,435	377,879	5,556
Fringe benefits	129,404	132,450	133,574	(1,124)
Operation and maintenance	38,750	38,750	37,651	1,099
<b>Total Presiding Judge</b>	<b>550,149</b>	<b>554,635</b>	<b>549,104</b>	<b>5,531</b>
<b>Judge</b>				
Personal services	351,707	354,707	349,890	4,817
Fringe benefits	125,440	123,340	121,915	1,425
Operation and maintenance	37,850	40,410	36,654	3,756
<b>Total Judge</b>	<b>514,997</b>	<b>518,457</b>	<b>508,459</b>	<b>9,998</b>
<b>Clerk of Courts</b>				
Personal services	1,060,017	1,040,017	1,028,767	11,250
Fringe benefits	348,336	326,336	316,931	9,405
Operation and maintenance	145,600	145,600	103,615	41,985
<b>Total Clerk of Courts</b>	<b>1,553,953</b>	<b>1,511,953</b>	<b>1,449,313</b>	<b>62,640</b>
<b>Civil Service Commission</b>				
Personal services	25,043	25,043	23,407	1,636
Fringe benefits	3,670	3,670	3,425	245
Operation and maintenance	14,265	14,265	11,737	2,528
<b>Total Civil Service Commission</b>	<b>42,978</b>	<b>42,978</b>	<b>38,569</b>	<b>4,409</b>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO  
STATEMENT 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, 2006

<b>GENERAL FUND</b>				
	<u>Budgeted Amounts</u>			<b>Variance</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>with Final Budget Positive (Negative)</b>
<b>Buildings and Lands</b>				
Personal services	95,161	98,161	95,703	2,458
Fringe benefits	28,489	30,459	29,933	526
Operation and maintenance	313,000	361,650	344,481	17,169
Capital outlay		14,000	12,500	1,500
<b>Total Buildings and Lands</b>	<u>436,650</u>	<u>504,270</u>	<u>482,617</u>	<u>21,653</u>
<b>Engineering</b>				
Personal services	180,221	189,361	182,905	6,456
Fringe benefits	40,434	45,294	44,038	1,256
Operation and maintenance	24,200	24,200	23,723	477
<b>Total Engineering</b>	<u>244,855</u>	<u>258,855</u>	<u>250,666</u>	<u>8,189</u>
<b>Central Maintenance Garage</b>				
Personal services	339,483	345,483	340,727	4,756
Fringe benefits	119,400	116,400	114,197	2,203
Operation and maintenance	497,030	597,030	564,704	32,326
Capital outlay		60,000	820	59,180
<b>Total Central Maintenance Garage</b>	<u>955,913</u>	<u>1,118,913</u>	<u>1,020,448</u>	<u>98,465</u>
<b>Miscellaneous General Government</b>				
Operation and maintenance	1,641,600	2,026,600	1,982,124	44,476
<b>Total Miscellaneous General Government</b>	<u>1,641,600</u>	<u>2,026,600</u>	<u>1,982,124</u>	<u>44,476</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>8,458,737</u>	<u>9,087,971</u>	<u>8,689,776</u>	<u>398,195</u>
<b>TOTAL EXPENDITURES</b>	<u>30,465,844</u>	<u>31,771,780</u>	<u>30,858,306</u>	<u>913,474</u>
Excess (deficiency) of revenues over expenditures	<u>(5,187,228)</u>	<u>(3,822,564)</u>	<u>(2,597,627)</u>	<u>1,224,937</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Advances in		497,063	497,063	
Transfers in	725,754	6,657	6,657	
Advances out		(762,963)	(762,963)	
Transfers out	(566,543)	(134,493)	(134,493)	
Proceeds of notes	775,000	775,000	775,000	
Other financing sources	988,200	1,444,700	1,483,460	38,760
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,922,411</u>	<u>1,825,964</u>	<u>1,864,724</u>	<u>38,760</u>
Net change in fund balances	(3,264,817)	(1,996,600)	(732,903)	1,263,697
Adjustment for prior year encumbrances	1,298,551	1,298,551	1,298,551	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,909,011</u>	<u>1,909,011</u>	<u>1,909,011</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ (57,255)</u>	<u>\$ 1,210,962</u>	<u>\$ 2,474,659</u>	<u>\$ 1,263,697</u>

The notes to the basic financial statements are an integral part of this statement.

City of Elyria, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2006

Business-type Activities-Enterprise Funds

	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals	Governmental Activities - Internal Service Funds
<b>ASSETS</b>						
Current Assets:						
Equity in pooled cash and cash equivalents	\$ 1,041,093	123,530	\$ 256,232	2,224,006	\$ 3,644,861	\$ 187,466
Investments	233,200	206,500		2,550,000	2,989,700	1,349,200
Interest receivable	15,675	1,115	8,527	64,813	90,130	5,785
Accounts receivable (net of allowance for uncollectibles)	408,628		166,621	771,912	1,347,161	
Rehabilitation loans				291,038	291,038	
Special assessments	26,985			105,263	132,248	
Inventories	200,713	10,751		57,587	269,051	
Prepaid items	31,368		17,596	57,779	106,743	
Total current assets	<u>1,957,662</u>	<u>341,896</u>	<u>448,976</u>	<u>6,122,398</u>	<u>8,870,932</u>	<u>1,542,451</u>
Noncurrent Assets:						
Bond issuance costs	137,932			85,188	223,120	
Capital assets:						
Land	55,169			580,575	635,744	
Buildings	8,053,312	156,826	20,744	24,625,449	32,999,918	
Improvements other than buildings	6,311,692	155,351	58,000	20,652,719	27,177,762	
Utility distribution and collection systems	17,855,585	20,000		34,644,791	52,520,376	
Machinery and equipment	4,787,963	114,895	2,425,583	3,809,823	11,138,264	
Construction in progress	135,177			2,020,364	2,155,541	
Less accumulated depreciation	<u>(20,906,838)</u>	<u>(247,434)</u>	<u>(2,035,374)</u>	<u>(47,344,057)</u>	<u>(70,533,703)</u>	
Total capital assets (net of accumulated depreciation)	<u>16,292,060</u>	<u>199,638</u>	<u>630,284</u>	<u>38,989,664</u>	<u>56,111,646</u>	
Total assets	<u>18,387,654</u>	<u>541,534</u>	<u>1,079,260</u>	<u>45,197,250</u>	<u>65,205,698</u>	<u>1,542,451</u>

(Continued on subsequent page)

City of Elyria, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2006

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 141,261	\$ 1,372	\$ 15,506	\$ 145,750	\$ 303,889
Accrued wages and benefits	108,555	4,128	73,785	128,438	314,906
Compensated absences	98,557	339	15,105	75,473	189,474
Claims payable					
Contracts payable	390,440		127,964	358,223	876,627
Accrued interest payable	32,400			444,949	477,349
Unearned revenue	26,985		26,987	105,263	159,235
General obligation notes - current	301,825		140,000	126,509	140,000
General obligation bonds - current				1,846,318	428,334
Construction loans payable - current				3,230,923	1,846,318
Total current liabilities	<u>1,100,023</u>	<u>5,839</u>	<u>399,347</u>	<u>5,839</u>	<u>4,736,132</u>
Noncurrent liabilities:					
General obligation bonds payable (net of unamortized discounts)	8,709,874			3,558,679	12,268,553
Compensated absences - long-term	604,744		181,741	516,254	1,302,739
Construction loans payable - long-term				9,609,278	9,609,278
Total noncurrent liabilities	<u>9,314,618</u>		<u>181,741</u>	<u>13,684,211</u>	<u>23,180,570</u>
Total liabilities	<u>10,414,641</u>	<u>5,839</u>	<u>581,088</u>	<u>16,915,134</u>	<u>27,916,702</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	7,280,361	199,638	490,284	23,848,880	31,819,163
Unrestricted	692,652	336,057	7,888	4,433,236	5,469,833
Total net assets	<u>\$ 7,973,013</u>	<u>\$ 535,695</u>	<u>\$ 498,172</u>	<u>\$ 28,282,116</u>	<u>\$ 37,288,996</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net assets of business-type activities

(53,064)

\$ 37,235,932

The notes to the basic financial statements are an integral part of this statement.

**City of Elyria, Ohio**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2006**

	<b>Water</b>	<b>Special Parks and Recreation</b>	<b>Sanitation</b>	<b>Wastewater Pollution Control</b>	<b>Totals</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>						
Charges for sales and services	\$ 5,474,381	\$ 321,078	\$ 3,038,891	\$ 9,591,882	\$ 18,426,232	\$ 5,342,219
Tap fees	179,577			140,856	320,433	
Other	30,007	13,126	6,328	91,399	140,860	19,683
Total operating revenues	<u>5,683,965</u>	<u>334,204</u>	<u>3,045,219</u>	<u>9,824,137</u>	<u>18,887,525</u>	<u>5,361,902</u>
<b>Operating expenses:</b>						
Personal services	2,638,882	120,828	1,338,465	3,566,441	7,664,616	18,247
Fringe benefits	810,457	18,290	459,916	1,084,462	2,373,125	5,573,263
Operating and maintenance	1,644,604	144,473	1,215,112	3,055,481	6,059,670	42,051
Depreciation	1,179,711	34,288	129,825	2,298,437	3,642,261	
Total operating expenses	<u>6,273,654</u>	<u>317,879</u>	<u>3,143,318</u>	<u>10,004,821</u>	<u>19,739,672</u>	<u>5,633,561</u>
Operating income (loss)	<u>(589,689)</u>	<u>16,325</u>	<u>(98,099)</u>	<u>(180,684)</u>	<u>(852,147)</u>	<u>(271,659)</u>
<b>Nonoperating revenues (expenses) :</b>						
Recycling grant	96,626	15,506	32,355	259,887	32,355	68,736
Investment income	(401,457)		24,518	396,537	396,537	
Interest expense	(304,831)		(6,800)	(1,032,891)	(1,441,148)	
Total nonoperating revenue (expenses)	<u>(894,520)</u>	<u>15,506</u>	<u>50,073</u>	<u>(773,004)</u>	<u>(1,012,256)</u>	<u>68,736</u>
Income (loss) before contributions and transfers	(894,520)	31,831	(48,026)	(953,688)	(1,864,403)	(202,923)
Capital contributions - recycling grant	(894,520)	10,000	161,709	(953,688)	171,709	
Changes in net assets	8,867,533	41,831	113,683	(953,688)	(1,692,694)	(202,923)
Total net assets - beginning	<u>7,973,013</u>	<u>493,864</u>	<u>384,489</u>	<u>29,235,804</u>	<u>1,070,199</u>	<u>1,070,199</u>
Total net assets - ending	<u>\$ 7,973,013</u>	<u>\$ 535,695</u>	<u>\$ 498,172</u>	<u>\$ 28,282,116</u>	<u>\$ 89,362</u>	<u>\$ 867,276</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.  
Change in net assets of business - type activities

The notes to the basic financial statements are an integral part of this statement.

City of Elyria, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 5,623,216	\$ 321,078	\$ 3,107,704	\$ 9,634,702	\$ 18,686,700
Cash payments to suppliers for goods and services	(2,208,229)	(161,924)	(1,735,395)	(4,518,908)	(8,624,456)
Cash payments to employees for services	(2,800,502)	(119,497)	(1,211,195)	(3,244,661)	(7,375,855)
Settlement proceeds				42,000	42,000
Other operating revenues	30,007	13,126	6,328	91,399	140,860
Net cash provided by (used for) operating activities	<u>644,492</u>	<u>52,783</u>	<u>167,442</u>	<u>2,004,532</u>	<u>2,869,249</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from the sale of notes / bonds (net of issuance costs)	1,600,000		140,000	3,600,000	5,340,000
Capital grants received		10,000	194,064		204,064
Acquisition and construction of capital assets	(834,777)	(39,685)	(255,496)	(1,912,790)	(3,042,748)
Principal and interest paid on notes, bonds and loans payable	(2,030,666)		(176,800)	(6,469,823)	(8,677,289)
Net cash provided by (used for) capital and related financing activities	<u>(1,265,443)</u>	<u>(29,685)</u>	<u>(98,232)</u>	<u>(4,782,613)</u>	<u>(6,175,973)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	91,864	15,521	16,621	242,205	366,211
Short-term investments converted to cash		173,100	52,600	2,036,314	2,262,014
Purchase of short-term investments	(233,200)	(206,500)		(2,550,000)	(2,989,700)
Net cash provided by (used for) investing activities	<u>(141,336)</u>	<u>(17,879)</u>	<u>69,221</u>	<u>(271,481)</u>	<u>(361,475)</u>
Net increase (decrease) in cash and cash equivalents	<u>(762,287)</u>	<u>5,219</u>	<u>138,431</u>	<u>(3,049,562)</u>	<u>(3,668,199)</u>
Cash and cash equivalents, January 1	1,803,380	118,311	117,801	5,273,568	7,313,060
Cash and cash equivalents, December 31	<u>\$ 1,041,093</u>	<u>\$ 123,530</u>	<u>\$ 256,232</u>	<u>\$ 2,224,006</u>	<u>\$ 3,644,861</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>					
Operating income (loss)	<u>\$ (589,689)</u>		<u>\$ (98,099)</u>	<u>\$ (180,684)</u>	<u>\$ (852,147)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,179,711	34,288	129,825	2,298,437	3,642,261
Changes in assets and liabilities:					
Accounts receivable	(30,742)		92,499	(98,036)	(36,279)
Rehabilitation loans receivable				9,514	9,514
Settlements receivable				42,000	42,000
Special assessments receivable	11,736			(105,263)	(93,527)
Inventory of supplies	(5,846)	(313)		(1,677)	(7,836)
Prepaid expenses	471		265	867	1,603
Accounts payable	51,319	853	(953)	92,146	143,365
Contracts payable relating to operating activities	(580)		32,875	42,288	74,583
Accrued wages and benefits	32,502	1,553	20,075	32,637	86,767
Compensated absences payable	7,346	77	14,641	(232,960)	(210,896)
Claims payable					
Deferred revenue	(11,736)		(23,686)	105,263	69,841
Total adjustments	<u>1,234,181</u>	<u>36,458</u>	<u>265,541</u>	<u>2,185,216</u>	<u>3,721,396</u>
Net cash provided by (used for) operating activities	<u>\$ 644,492</u>	<u>\$ 52,783</u>	<u>\$ 167,442</u>	<u>\$ 2,004,532</u>	<u>\$ 2,869,249</u>
<b>Noncash investing, capital, and financing activities</b>					
Unrealized appreciation (depreciation) in fair value of investments	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (20,056)</u>	<u>\$ (20,056)</u>

The notes to the basic financial statements are an integral part of this statement.

**City of Elyria, Ohio**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2006**

**ASSETS**

Equity in pooled cash and cash equivalents	\$ 792,644
Cash and cash equivalents-segregated accounts	524,976
Investments	297,276
Receivables:	
Property taxes	823,577
Income taxes	19,131
Accrued interest	2,347
Total assets	<u>\$ 2,459,951</u>

**LIABILITIES**

Accounts payable	\$ 515,960
Due to other governments	929,249
Other liabilities	1,014,742
Total liabilities	<u>\$ 2,459,951</u>

The notes to the basic financial statements are an integral part of this statement.



**CITY OF ELYRIA, OHIO  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**NOTE 1 – DESCRIPTION OF CITY OPERATIONS**

**(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 followed the provisions of Statement No. 14 and Statement No. 39 of the Governmental Accounting Standards Board (“GASB Statement No. 14” and “GASB Statement No. 39”) regarding the definition of its financial reporting entity. For financial reporting purposes, the City’s reporting entity includes all funds, agencies, boards and commissions for which the City is financially accountable, as well as any organizations that raise or hold economic resources for the direct benefit of the City. 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 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). In addition, no other organization raises and holds resources for the direct benefit of the City.

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

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

## **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 PRESENTATION – FUND ACCOUNTING**

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.

#### **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).

**Permanent Funds** – These funds are used to account for financial resources that are legally restricted to the extent that only investment earnings, and not principal, may be used for purposes that support the City's programs.

## **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 the City's self-insured health plan and workers' compensation plan provided to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis.

## **Fiduciary Fund Types**

***Private-purpose Trust Funds*** – Private-purpose trust funds are used to account for trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds. During 2006, the City did not utilize any such trust funds.

***Agency Funds*** – Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. For accounting measurement purposes, the agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations but do, however, use the accrual basis of accounting to recognize receivables and payables. The City's agency funds are used to collect and distribute deposits, inspection fees and bonds for developers various fees for State Agencies and Lorain County, fines for Elyria Municipal Court, property taxes for the Elyria Public Library, income taxes for Elyria Township, deposits for users of the City's water and sewer systems, and deposits for City employees who enrolled in the Employees Section 125 Cafeteria Plan.

***Other Fiduciary Funds*** – Other fiduciary funds include pension trust funds and investment trust funds. During 2006, the City did not utilize any such trust funds.

Fiduciary funds are not included in the government-wide statements.

## **(B) GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements report information about the City as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. The effect of interfund activity has been removed from these

statements, with the exception of certain receivables due from other fiduciary funds of the City which are not included in the government-wide financial statements.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of business-type activities of the City and for each program of the governmental activities.

Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or activity. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

## **(C) FUND FINANCIAL STATEMENTS**

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The City's major governmental funds are the General Fund, the Chestnut Commons/Ridge Improvement Fund, and the Municipal Court Construction/Improvement Fund.

The General Fund is the primary operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in other funds.

The Chestnut Commons/Ridge Improvement Fund is used to account for monies restricted for the construction of an access road into the Chestnut Commons development and improvements to Chestnut Ridge Road.

The Municipal Court Construction/Improvement Fund is used to account for debt proceeds and monies restricted for the construction and improvement of the new and current court facilities. This fund has been reclassified from a special revenue fund to a capital projects fund which had no impact on total fund balance.

The City's four enterprise funds (Water Fund, Special Parks and Recreation Fund, Sanitation Fund, and Wastewater Pollution Control Fund) are the City's major proprietary funds. A description of these funds appears on page 133 of this report.

Nonmajor funds are aggregated and presented in a single column. The internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements.

## **(D) BASIS OF ACCOUNTING**

### **(1) Government-Wide Financial Statements**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of

the timing of related cash flows. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the governmental-wide statements and the statements for governmental funds.

## **(2) Governmental Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Revenues are considered available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For the City, available means expected to be received within sixty days of year-end. Revenues that are deemed both measurable and available by the City include investment earnings, income taxes withheld by employers, estate taxes, fines and forfeitures and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or if received in advance, deferred until expenditures are made.

Property taxes and special assessments, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt which has not matured and expenditures related to compensated absences are recognized when paid. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

## **(3) Proprietary Fund Financial Statements**

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation are recorded in the proprietary 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.

## **(E) 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 City 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.

The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 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 (accounting principles generally accepted in the United States of America) basis are:

- (1) Revenues 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:

<b>Net Change in Fund Balance</b>	
	<u>General Fund</u>
GAAP Basis	\$ (171,887)
Increase (decrease) due to:	
Net Adjustment for Revenue Accruals:	2,110,589
Net Adjustment for Expenditure Accruals:	(2,671,605)
	<u>                    </u>
Budget basis	<u>\$ (732,903)</u>

**(F) ASSETS, LIABILITIES AND NET ASSETS OR EQUITY**

**(1) 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 5 years.

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 financial statements 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.

**(2) Receivables**

Receivables at December 31, 2006 consist of property taxes, income taxes withheld by employers, other local taxes, accounts (billings for user charged services and fine monies collected by the Elyria Municipal Court which are initially accounted for in the Municipal Court Agency Fund), accrued interest on investments, rehabilitation loans (see Note 15 on page 73 for more detail), special assessments, amounts due from other funds which represents advances made by the General Fund to the Block Grant Fund, the CHIP Grant Fund, and the Two Falls

Trail Improvement Fund which will be repaid from monies to be received from other governments, and to the State Route 57 Rehabilitation Fund and the Energy Conservation Fund which will be repaid upon the borrowing of funds for these project.

### **(3) Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and proprietary fund financial statements.

### **(4) Capital Assets and Depreciation**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental activities column of the government-wide statement of net assets. Capital assets used by proprietary funds are reported in both the business-type activities column of the government-wide statement of net assets and in the individual proprietary funds.

Capital assets, which include property, plant, equipment, utility distribution and collection systems (sewers) and infrastructure (e.g., streets, roads and bridges, etc.) are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost where historical cost is not available. Estimated historical cost is based on replacement cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and Systems	20 – 40 years
Improvements	10 – 40 years
Utility Distribution and Collection Systems	40 – 80 years
Infrastructure	10 – 40 years
Machinery and Equipment	2 – 20 years

### **(5) 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.

The portion of the liability not expected to be liquidated with expendable, available financial resources is not reported as a fund liability in the governmental fund financial statements, but is reported under the governmental activities column of the government-wide statement of net assets. The General Fund is typically used to liquidate the portion of the City's compensated absences liability pertaining to its governmental activities. The liability for business-type activities is reported under that column in the government-wide statement of net assets, as well as the individual proprietary fund to which they relate.

#### **(6) Claims**

As described in Note 4, 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.

#### **(7) Long-term Obligations**

In the government-wide statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **(8) 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.

#### **(9) Fund Equity / Net Assets**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Net assets are the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by other governments, creditors or grantors.

**NOTE 3 – ACCOUNTABILITY AND COMPLIANCE**

**(A) ACCOUNTABILITY**

At December 31, 2006, the following funds had a deficit fund or net assets balance:

	<u>Deficit Balance</u>
Special Revenue Funds –	
USEPA Brownfield Grant	\$ 1,710
Capital Projects Funds –	
Chestnut Commons/Ridge Improvement	2,656,079
Muni Court Construction/Improvement	396,583
State Issue II Capital Projects	8,548
Two Falls Trail Improvement	2,970
State Route 57 Rehabilitation	800,288
Energy Conservation	1,543,000
Municipal Building Construction	1,689,173
Internal Service Fund –	
Employees’ Health Insurance	317,651

The deficit in the USEPA Brownfield Grant Fund balance will be eliminated through the receipt of grant monies. The deficit in the Chestnut Commons/Ridge Improvement Fund balance will be eliminated through the issuance of special assessment long-term bonds, the proceeds of which will be used to retire the outstanding general obligation notes in the City’s Chestnut Commons/Ridge Improvement Fund. The deficit in the Muni Court Construction/Improvement Fund balance will be eliminated through the issuance of long-term bonds, the proceeds of which will be used to retire the outstanding general obligation notes in the City’s Muni Court Construction/Improvement Fund. The deficits in the State Issue II and Two Falls Trail Improvement funds will be eliminated through the receipt of grant monies. The deficit in the State Route 57 Rehabilitation Fund balance will be eliminated through the receipt of monies from the City’s General Bond Retirement Fund and/or the proceeds from the State Infrastructure Loan Bank Program. The deficit in the Municipal Building Construction Fund 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 Municipal Building Construction Fund. The Employees’ Health Insurance Fund deficit will be eliminated through increased charges to other City funds and increased contributions from employees.

The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

## **(B) LEGAL COMPLIANCE**

Contrary to Section 5705.41(B) of the Ohio Revised Code, the following funds had expenditures plus encumbrances exceeding appropriations at the legal level of budgetary control at December 31, 2006.

<u>Fund / Department / Major Account</u>	<u>Appropriation</u>	<u>Expenditure &amp; Encumbrance</u>	<u>Excess</u>
General			
Communications			
Operation and Maintenance	\$ 20,706	\$ 20,918	\$ 212
General			
Community Development			
Fringe Benefits	4,416	4,460	44
General			
Presiding Judge			
Fringe Benefits	132,450	133,574	1,124
Special Traffic Magistrate			
Special Traffic Magistrate			
Personal Services	19,500	19,615	115
Two Falls Trail Improvement Project			
Two Falls Trail Improvement Project			
Capital Outlay	530,000	539,111	9,111

Management will conduct a closer monitoring of budgetary activity to ensure expenditures and encumbrances do not exceed appropriations in accordance with Ohio Revised Code Section 5705.41(B).

Contrary to Section 5705.10 of the Ohio Revised Code, the City had funds during the year that had negative cash balances. The funds were corrected by year-end.

Management will conduct a closer monitoring of budgetary activity to ensure there are no negative cash balances in accordance with Ohio Revised Code Section 5705.10.

### **NOTE 4 – 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 normally 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 official's liability, professional liability for health department employees and 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 2006.
- (D) The changes in the liabilities for self-insured risks for the years ended December 31, 2006 and 2005 are as follows:

	Health Benefits	Workers' Compensation Benefits
Balance January 1, 2005	\$ 593,707	\$ 251,643
Incurred claims, net of changes in estimates	5,053,794	240,920
Payments	<u>(5,074,613)</u>	<u>(286,254)</u>
Balance December 31, 2005	572,888	206,309
Incurred claims, net of changes in estimates	5,057,914	409,915
Payments	<u>(5,131,415)</u>	<u>(441,848)</u>
Balance December 31, 2006	<u>\$ 499,387</u>	<u>\$ 174,376</u>

The liabilities above represent the City's best estimates based upon available information and the requirements of the GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and Statement No. 30, *Risk Financing Omnibus – an Amendment of GASB Statement No. 10*, 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 last three years.

## **NOTE 5 – CONTINGENCIES**

### **(A) ENVIRONMENTAL MATTERS**

- (1) The State of Ohio issued the City a new National Pollution Discharge Elimination System permit effective June 30, 2000. The City is currently appealing certain terms of the permit.

- (2) The City continues to offer a sanitary lateral repair loan program to property owners with defective sanitary laterals, and continues to perform sanitary sewer rehabilitation under a bid maintenance contract.
- (3) The City has begun a City-wide Brownfields inventory with grant money obtained from the United States Environmental Protection Agency. The City has also begun a Phase II Environmental Site Assessment on City-owned property on Elm Street.
- (4) The City has completed a sewer overflow characterization study that includes an outfall survey along all sections of the Black River within City limits, flow monitoring, hydraulic analysis, and water quality analysis. A report with the results of this study has been drafted and is currently under review.
- (5) The City has installed a gas venting system in the southeast quadrant of the City's landfill located on Garden Street that was closed in 1976. Additional analysis of the landfill is currently underway.
- (6) The City has performed several activities related to the City's Storm Water Management Plan. These activities include public education and outreach, construction site run-off control, illicit discharge detection and post-construction site run-off control.

#### **(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, 2006, 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 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.

#### **NOTE 6 – 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 statement of net assets and balance sheets as "Equity in pooled cash and cash equivalents" and "Investments" and the segregated amounts are separately disclosed.

The investment and deposit of City monies is governed by the provisions of the Charter, Codified Ordinances of the City, and the Ohio Revised Code. Accordingly, only financial institutions that qualify under Section 135.14 (M)(I) of the Ohio Revised Code 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 2006, 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, 2006, all of the City's deposits and investments (excluding Star Ohio) were held by local banks or financial institutions that qualify under Section 135.14 (M)(I) of the Ohio Revised Code.

#### **(A) DEPOSITS**

At December 31, 2006, the carrying amount of the City's pooled and segregated deposits was \$20,321,776 and the bank balance was \$20,982,363. Of the bank balance, \$600,000 was covered by federal depository insurance and \$20,382,363 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**

Pursuant to Article 17 of the Charter of the City of Elyria, the Treasury Investment Board, which is comprised of the Mayor, the City Auditor, and the Administrative Legal Counsel is vested with the power to provide for the investment of all funds of the City in the manner provided by the general laws of the State of Ohio. The Treasury Investment Board may and has delegated the responsibility of the purchase and sale of investments to the City Auditor.

It is the policy of the City to invest public funds in a manner which will provide the highest investment return with the maximum security, safety and preservation of principal while meeting the daily cash flow demands of the City. To the extent possible, the City attempts to match its investments with anticipated cash flow requirements.

At December 31, 2006 the fair value of the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value / Carry Value</u>
Repurchase Agreements	\$ 2,740,000
U.S. Agency Obligations	3,665,321
State Treasury Asset	
Reserve Fund (Star Ohio)	1,535,479
	<u>\$ 7,940,800</u>

### ***Interest Rate Risk***

In accordance with its investment policy, the City does not invest in securities that 1) mature more than five (5) years from the date of purchase if such securities bear interest at a fixed rate or 2) securities that mature more than two (2) years from the date of settlement if such securities bear interest at a variable rate. Other than these two requirements, the City has no written policy regarding interest rate risk.

At December 31, 2006, the City's investments had maturities as follows:

	<u>Portfolio Weighted Average Maturity</u>
Less than 1 year	53.84%
1 to 5 years	46.16%

### ***Credit Risk***

State law limits investments in corporate debt to the top two ratings issued by nationally recognized statistical rating organizations. The City does not have a written policy limiting its corporate debt investments to the top ratings. However, Star Ohio and U.S. Agencies are rated AAA, which is the top rating available for those investment types. In addition, the underlying securities supporting the repurchase agreements in which the City invests are obligations of the U.S. government.

### ***Custodial Credit Risk***

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As noted earlier, at December 31, 2006, the carrying amount of the City's deposits was \$20,321,776 and the bank balance was \$20,982,363. Of the bank balance \$600,000 was covered by federal depository insurance and \$20,382,363 was covered by pooled and /or pledged collateral, as allowed by the Ohio Revised Code, but not necessarily held in the City's name (uncollateralized). The City has no written policy limiting the dollar amount of holdings by any single counterparty.

## (C) RECONCILIATION TO COMBINED BALANCE SHEET CLASSIFICATION

A summary of the deposits and investments as of December 31, 2006 follows:

Deposits	\$ 20,321,776
Investments	<u>7,940,800</u>
TOTAL	<u>\$ 28,262,576</u>

**Reconciliation to Financial Statements:** Total cash and investments are reported as follows:

### Government-wide Financial Statements

#### Unrestricted:

Equity in pooled cash and cash equivalents	\$ 19,399,438
Investments	<u>7,248,242</u>
	<u>\$ 26,647,680</u>

### Fund Financial Statements

#### Balance Sheet - Governmental Funds:

Equity in pooled cash and cash equivalents	\$ 15,567,111
Investments	2,909,342

#### Statement of Net Assets - Proprietary Funds:

Cash and cash equivalents	3,832,327
Investments	<u>4,338,900</u>
Total Governmental and Proprietary Funds	<u>26,647,680</u>

#### Statement of Fiduciary Net Assets:

Equity in pooled cash and cash equivalents	792,644
Cash and cash equivalents - segregated accounts	524,976
Investments	<u>297,276</u>
	<u>\$ 28,262,576</u>

## NOTE 7 – 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 2006 and the last triannual update occurred 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.

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 varying percentages 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.

Beginning in 2006, personal property taxes were reduced 25% per year for each of the next four years through 2009 at which point the tax will be eliminated. Telephone companies will switch from being public utility to general business taxpayers beginning in 2007. Over the next five years beginning in 2007, telephone property will phase out and be eliminated from taxation in 2011. The revenue from personal property tax was reimbursed to local governments beginning in 2006 from a new Commercial Activity Tax (CAT) collected by the State of Ohio. The City does not expect to suffer any significant negative impact in its tax receipts over the next five years as a result of this change.

The assessed value upon which the 2005 levy (collected in 2006) was based was approximately \$1.027 billion. 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 2006 was \$3,913,589.

## **(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 2006 in the fund financial statements was \$22,129,257.

## NOTE 8 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2006 was as follows:

	Balance at January 1, 2006	Increases	Decreases	Balance at December 31, 2006
<u>Governmental activities</u>				
Not being depreciated:				
Land	\$ 6,181,570	\$ 2,630	\$	\$ 6,184,200
Construction in progress	732,277	4,902,886	(144,516)	5,490,647
Subtotal	<u>6,913,847</u>	<u>4,905,516</u>	<u>(144,516)</u>	<u>11,674,847</u>
Other capital assets:				
Buildings and systems	28,239,315	2,795		28,242,110
Improvements	2,397,850	54,732		2,452,582
Utility distribution and collection systems	13,428,982	172,785		13,601,767
Infrastructure	50,697,563	1,618,132		52,315,695
Machinery and equipment	11,339,640	1,346,778	(591,625)	12,094,793
Subtotal	<u>106,103,350</u>	<u>3,195,222</u>	<u>(591,625)</u>	<u>108,706,947</u>
Accumulated depreciation:				
Buildings and systems	(7,756,360)	(866,550)		(8,622,910)
Improvements	(1,508,001)	(144,475)		(1,652,476)
Utility distribution and collection systems	(7,628,017)	(168,788)		(7,796,805)
Infrastructure	(25,554,386)	(1,731,042)		(27,285,428)
Machinery and equipment	(9,521,774)	(573,903)	557,439	(9,538,238)
Subtotal	<u>(51,968,538)</u>	<u>(3,484,758)</u>	<u>557,439</u>	<u>(54,895,857)</u>
Net other capital assets	<u>54,134,812</u>	<u>(289,536)</u>	<u>(34,186)</u>	<u>53,811,090</u>
Net capital assets	<u>\$ 61,048,659</u>	<u>\$ 4,615,980</u>	<u>\$ (178,702)</u>	<u>\$ 65,485,937</u>

Depreciation was charged to the functions as follows:

Governmental activities:	
Public safety	\$ 593,723
Health	31,728
Culture and recreation	321,590
Community environment	114,690
Highways and streets	1,812,721
General government	610,306
TOTAL	<u>\$ 3,484,758</u>

	Balance at January 1, 2006	Increases	Decreases	Balance at December 31, 2006
<u>Business-type activities</u>				
Not being depreciated:				
Land	\$ 656,488	\$	\$	\$ 656,488
Construction in progress	977,036	1,641,565	(463,060)	2,155,541
Subtotal	1,633,524	1,641,565	(463,060)	2,812,029
Other capital assets:				
Buildings	33,029,054		(32,136)	32,996,918
Improvements	25,981,962	1,195,800		27,177,762
Utility distribution and collection systems	51,868,620	651,756		52,520,376
Machinery and equipment	10,799,314	489,620	(150,670)	11,138,264
Subtotal	121,678,950	2,337,176	(182,806)	123,833,320
Accumulated depreciation:				
Buildings	(19,611,975)	(686,288)	32,136	(20,266,127)
Improvements	(21,847,697)	(1,373,319)		(23,221,016)
Utility distribution and collection systems	(17,152,723)	(823,508)		(17,976,231)
Machinery and equipment	(8,461,853)	(759,146)	150,670	(9,070,329)
Subtotal	(67,074,248)	(3,642,261)	182,806	(70,533,703)
Net other capital assets	54,604,702	(1,305,085)		53,299,617
Net capital assets	<u>\$ 56,238,226</u>	<u>\$ 336,480</u>	<u>\$ (463,060)</u>	<u>\$ 56,111,646</u>

Depreciation was charged to the functions as follows:

Business-type activities:	
Water	\$ 1,179,711
Special Parks & Recreation	34,288
Sanitation	129,825
Wastewater Pollution Control	2,298,437
TOTAL	<u>\$ 3,642,261</u>

**Construction in progress** - The City has active construction projects as of December 31, 2006 under governmental activities of \$1,763,480 for the new Elyria Municipal Court Complex, \$804,464 on the State Route 57 Rehabilitation Project, \$1,543,000 on the Energy Conservation project, \$810,771 on the Chestnut Ridge Improvement project, \$500,127 on the Two Falls Trail project, and \$68,805 for various parks and recreation projects. The City also has active construction projects as of December 31, 2006 under business-type activities of \$135,176 for various improvement projects at the Water Pumping Plant, \$2,020,136 for the Wastewater Pollution Control Rehabilitation Project and \$229 for the Findley Estate sewer line.

## NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES

The following balances at December 31, 2006 represent interfund receivables and payables:

<u>GOVERNMENTAL FUNDS</u>	<u>Receivables</u>	<u>Payables</u>
<b>GENERAL FUND</b>	\$ 449,483	\$
<b>SPECIAL REVENUE FUNDS:</b>		
Block Grant		109,759
Chip Grant		381
<b>CAPITAL PROJECTS FUND:</b>		
State Issue II Projects		373
Two Falls Trail Improvements		2,970
State Route 57 Rehabilitation		161,000
Energy Conservation		175,000
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u>\$ 449,483</u>	<u>\$ 449,483</u>

The governmental funds interfund balances represent grant program expenditures that had not been reimbursed as of December 31, 2006.

## NOTE 10 – 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 Ohio Public Employees Retirement System (“OPERS”). 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 OPERS on a voluntary basis. The payrolls for employees covered by OPERS and OP&F for the year ended December 31, 2006 were \$18,155,077 and \$10,377,820, respectively. The City’s total payroll for 2006 was \$29,947,175.

### (B) OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

**Plan Description** – All employees of the City, other than police and fire personnel, are required to be members of OPERS, a cost-sharing, multiple-employer pension plan. OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS 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 Ohio Public Employees Retirement System, 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 9.0% of their covered payroll to OPERS. The 2006 employer contribution rate for local government employer units was 13.70% of covered payroll including 4.50% that is used to fund postretirement health care benefits. The City's total contributions to OPERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2006, 2005, and 2004 were \$1,672,001, \$1,720,371, and \$1,784,053 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, 2006, 2005, and 2004 were \$1,449,038, \$1,337,028 and \$1,391,575, respectively, which equaled the required contribution for each year.

## (D) CONTRIBUTIONS TO THE PLANS

Contributions to the plans by State statute for the year ended December 31, 2006 are summarized as follows:

Plan/Contributor	Statutorily Determined	
	Contribution Rate (%)	Contribution \$'s
OP&F:		
Fire Personnel		
By City	24.00%	\$ 1,224,089
By Employees	10.00%	510,037
	<u>34.00%</u>	<u>1,734,126</u>
Police Personnel		
By City	19.50%	1,029,230
By Employees	10.00%	527,745
	<u>29.50%</u>	<u>1,556,975</u>
Less -		
Health Care Portion	(7.75%)	<u>(804,281)</u>
Total OP&F Contributions		<u>2,486,820</u>
OPERS:		
By City	13.70%	2,489,827
By Employees	9.00%	1,633,957
	<u>22.70%</u>	<u>4,123,784</u>
Less -		
Health Care Portion	(4.50%)	<u>(817,826)</u>
Total OPERS Contributions		<u>3,305,958</u>
TOTAL PENSION PLAN CONTRIBUTIONS		<u>\$ 5,792,778</u>

## NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

### OPERS:

In addition to the pension benefits described in Note 10, OPERS 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, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers*.

A portion of each employer's contribution to OPERS 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 OPERS is 13.70% of covered payroll, of which 4.50% is the portion that is used to fund health care benefits under OPERS.

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 2005 actuarial computations (latest available) were as follows:

**Funding Method.** The individual 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.** All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

**Investment Return.** The investment assumption rate for 2005 was 6.50 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 at the projected wage inflation rate plus an additional factor ranging from .50% to 6% annually for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

The number of active contributing participants in the traditional and combined plans as of December 31, 2006 was 369,214. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804. The City's actual contributions for 2006, which were used to fund postemployment benefits, were \$817,826. OPERS's net assets available for payment of other postemployment benefits at December 31, 2005 (latest actuarial information available) were \$11.1 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$31.3 billion and \$20.2 billion, respectively. The fund's total health care expenses for the year ended December 31, 2005 were \$1.232 billion.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**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 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 2006 that was used to fund postemployment benefits was \$409,002 for police and \$395,279 for fire personnel. The fund's total health care expenses for the year ended December 31, 2005 (the latest information available) were \$108,039,449, which was net of member contributions of \$55,271,881. The total number of participants in OP&F who were eligible to receive health care benefits at December 31, 2005 (the latest information available) was 13,922 police and 10,537 fire personnel.

**NOTE 12 – 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 government-wide statement of net assets as of December 31, 2006 because it is held in trust for the exclusive benefit of plan participants and their beneficiaries.



## NOTE 13 – DEBT, NOTES, AND OTHER LONG-TERM OBLIGATIONS

The original issue date, maturity date, interest rate, and original issuance amount for each of the City's bonds, notes, and other long-term obligations outstanding as of December 31, 2006 is listed below:

<b>GOVERNMENTAL ACTIVITIES</b>	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Special Assessment Debt</b>				
East Broad Street Storm Sewer Bonds	1990	2006	6.100	\$ 1,045,000
Ford Road Improvement Bonds	1992	2013	6.350	850,000
Sewer Overflow Elimination Bonds	1994	2009	7.375	96,626
Murray Ridge Watermain Bonds	1994	2009	7.375	103,507
Griswold Road Improvement Bonds	1995	2015	5.875	475,000
Westway Garden Improvement Bonds	1996	2008	5.250	1,440,000
Weller Rd. State Issue II Loan	1997	2007	0.000	309,557
<b>General Obligation Debt</b>				
Griswold Road State Issue II Loan	1995	2006	0.000	245,271
Recreational Facilities Bonds	1999	2009	3.150	1,870,000
Fire Station Construction Bonds	1999	2012	3.150	1,720,000
Police and Fire Pension Liability Bonds	1999	2023	3.150	1,285,000
City Hall Construction Bonds	2001	2026	4.750	8,200,000
Schaden Road State Issue II Loan	1999	2009	0.000	72,312
Middle Avenue State Issue II Loan	1999	2009	0.000	67,809
E. Broad St./St. Route 57 Issue II Loan	2000	2010	0.000	43,414
Murray Ridge Rd./Garford Ave. Issue II Loan	2001	2012	0.000	138,234
David Drive/Gulf Road State Issue II Loan	2002	2013	0.000	114,118
City Hall Construction Notes	2005	2006	4.000	1,900,000
City Hall Construction Notes	2006	2007	4.500	1,700,000
Various Purpose Improvement Bonds	2005	2022	4.410	9,592,856
Industrial Parkway Bonds	2005	2024	4.410	6,831,910
Chestnut Commons Construction Notes	2005	2006	4.000	2,800,000
Chestnut Commons Construction Notes	2006	2007	4.000	3,430,000
Fire Pumper Notes	2006	2007	4.500	775,000
State Route 57 Rehabilitation Notes	2006	2007	4.500	710,000
Municipal Court Construction Notes	2006	2007	4.500	9,000,000
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>General Obligation Debt</b>				
Wastewater Plant Improvement OWDA Loan	1986	2014	8.480	\$ 17,125,478
Westside Interceptor Sewer OWDA Loan	1987	2009	7.110	11,695,507
East Broad Street Storm Sewer Bonds	1990	2006	6.100	708,900
Water System Improvement Bonds	1999	2019	3.400	1,440,000
Murray Ridge Watermain Bonds	1994	2009	7.375	244,867
Waterworks System Improvement Bonds	2005	2030	4.410	6,404,109
Water System Improvement Notes	2005	2006	4.000	1,400,000
Refuse Packer Notes	2005	2006	4.000	170,000
Sanitary Sewer System Improvement Notes	2005	2006	4.000	3,600,000
Refuse Packer Notes	2006	2007	4.500	140,000
Water Pumping Improvement Bonds	2006	2026	4.175	1,637,987
Wastewater Pollution Control Improvement Bonds	2006	2026	4.175	3,685,188

A listing of changes in the bonds, notes and other long-term obligations of the City for the year ended December 31, 2006 are as follows:

	Balance January 1, 2006	Additions	(Reductions)	Balance December 31, 2006
<b><u>Special Assessment Debt:</u></b>				
6.10% - 11.00% 1990 East Broad Street Storm Sewer Bonds Due 2006	\$ 30,930	\$	\$ (30,930)	\$
6.35% 1992 Ford Road Improvement Bonds Due 2013	460,000		(45,000)	415,000
7.375% 1994 Sewer Overflow Elimination Bonds Due 2009	34,753		(7,599)	27,154
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	37,217		(8,141)	29,076
5.875% 1995 Griswold Road Improvement Bonds Due 2015	335,000		(25,000)	310,000
5.295% 1996 Westway Garden Improvement Bonds Due 2008	445,000		(140,000)	305,000
<b>Total Special Assessment Debt</b>	<b>1,342,900</b>		<b>(256,670)</b>	<b>1,086,230</b>
<b><u>General Obligation Bonds And Construction Loans:</u></b>				
3.15% - 4.25% 1999 Recreational Facilities Bonds Due 2009	810,000		(190,000)	620,000
3.15% - 4.45% 1999 Fire Station Construction Bonds Due 2012	1,195,000		(150,000)	1,045,000
3.15% - 5.00% 1999 Police and Fire Pension Liability Bonds Due 2023	1,065,000		(40,000)	1,025,000
4.75% 2001 City Hall Construction Bonds Due 2026	7,375,000		(230,000)	7,145,000
4.41% 2005 Various Purpose Bonds Due 2022	9,032,856		(413,560)	8,619,296
4.41% 2005 Industrial Parkway Bonds Due 2024	1,736,910		(66,943)	1,669,967
<b>Total General Obligation Bonds</b>	<b>21,214,766</b>		<b>(1,090,503)</b>	<b>20,124,263</b>
0.00% 1997 State Issue II Loan Weller Road Due 2007	30,954		(30,954)	
0.00% 1999 State Issue II Loan Schaden Road Due 2009	21,695		(7,231)	14,464
0.00% 1999 State Issue II Loan Middle Avenue Due 2009	20,342		(6,781)	13,561
0.00% 2000 State Issue II Loan E. Broad St. / State Rt. 57 Intersection Due 2010	19,538		(4,341)	15,197
0.00% 2001 State Issue II Loan Murray Ridge Rd. / Garford Ave. Due 2012	82,942		(13,823)	69,119
0.00% 2002 State Issue II Loan David Drive / Gulf Road Due 2013	79,882		(11,412)	68,470

(Continued on subsequent page)

**GOVERNMENTAL ACTIVITIES (continued)**

<b>General Obligation Bonds And Construction Loans (continued):</b>	Balance January 1, 2006	Additions	(Reductions)	Balance December 31, 2006
0.00% 2006 State Issue II Loan West Ave. / Lake Ave. Due 2016		12,726	(1,273)	11,453
0.00% 2006 State Issue II Loan Third Street Storm Sewer Due 2026		172,785	(4,320)	168,465
<b>Total Construction Loans</b>	<u>255,353</u>	<u>185,511</u>	<u>(80,135)</u>	<u>360,729</u>
<b>Total General Obligation Bonds And Construction Loans</b>	<u>\$ 21,470,119</u>	<u>\$ 185,511</u>	<u>\$ (1,170,638)</u>	<u>\$ 20,484,992</u>

**General Obligation Bond Anticipation Notes****Capital Projects Notes Payable**

4.00% City Hall Construction Noted Due July 2006	\$ 1,900,000	\$	\$ (1,900,000)	\$
4.50% City Hall Construction Noted Due July 2007		1,700,000		1,700,000
4.50% Fire Pumper Notes Due July 2007		775,000		775,000
4.50% State Route 57 Rehabilitation Notes Due July 2007		710,000		710,000
4.50% Municipal Court Construction Notes Due July 2007		9,000,000		9,000,000
4.00% Chestnut Commons Construction Notes Due October 2006	2,800,000		(2,800,000)	
4.00% Chestnut Commons Construction Notes Due October 2007		<u>3,430,000</u>		<u>3,430,000</u>
<b>Total Capital Projects Notes Payable</b>	<u>\$ 4,700,000</u>	<u>\$ 15,615,000</u>	<u>\$ (4,700,000)</u>	<u>\$ 15,615,000</u>

**Other Obligations**

Compensated absences - non-current portion	\$ 5,472,838	\$ 250,383	\$ (410,239)	\$ 5,312,982
<b>Total Other Obligations</b>	<u>\$ 5,472,838</u>	<u>\$ 250,383</u>	<u>\$ (410,239)</u>	<u>\$ 5,312,982</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES DEBT AND OTHER LONG-TERM OBLIGATIONS</b>	<u>\$ 32,985,857</u>	<u>\$ 16,050,894</u>	<u>\$ (6,537,547)</u>	<u>\$ 42,499,204</u>

(Continued on subsequent page)

**BUSINESS-TYPE ACTIVITIES**

<b>General Obligation Bonds And Construction Loans:</b>	Balance January 1, 2006	Additions	(Reductions)	Balance December 31, 2006
8.48% 1986 OWDA Loan Wastewater Plant Improvement Due 2014	\$ 9,829,377	\$	\$ (837,045)	\$ 8,992,332
7.11% 1987 OWDA Loan Westside Interceptor Sewer Due 2009	3,339,271		(876,007)	2,463,264
6.10% - 11.00% 1990 East Broad Street Storm Sewer Bonds Due 2006	79,070		(79,070)	
4.2275% 1999 Water System Improvement Bonds Due 2019	1,120,000		(60,000)	1,060,000
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	88,028		(19,261)	68,767
4.41% 2005 Waterworks System Improvement Bonds Due 2030	6,404,109		(159,164)	6,244,945
4.175% Water Pumping Improvement Bonds Due 2026		1,637,987		1,637,987
4.175% Wastewater Pollution Control Improvement Bonds Due 2026		3,685,188		3,685,188
<b>Total General Obligation Bonds And Construction Loans</b>	<b>20,859,855</b>	<b>5,323,175</b>	<b>(2,030,547)</b>	<b>24,152,483</b>
<b><u>General Obligation Bond Anticipation Notes</u></b>				
4.00% 2005 Refuse Packer Notes Due July 2006	170,000		(170,000)	
4.00% Water System Improvement Notes Due October 2006	1,400,000		(1,400,000)	
4.00% Sanitary Sewer System Improvement Notes Due October 2006	3,600,000		(3,600,000)	
4.50% Refuse Packer Notes Due July 2007		140,000		140,000
<b>Total General Obligation Bond Anticipation Notes</b>	<b>5,170,000</b>	<b>140,000</b>	<b>(5,170,000)</b>	<b>140,000</b>
<b><u>Other Obligations</u></b>				
Compensated absences - non-current portion	1,598,450	54,561	(350,272)	1,302,739
<b>TOTAL BUSINESS ACTIVITIES DEBT AND OTHER LONG-TERM OBLIGATIONS</b>	<b>\$ 27,628,305</b>	<b>\$ 5,517,736</b>	<b>\$ (7,550,819)</b>	<b>\$ 25,595,222</b>

All notes have been issued in anticipation of long-term 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.

## **FUTURE DEBT SERVICE REQUIREMENTS**

A summary of the City's future debt service requirements for its bond and note obligations as of December 31, 2006 follows:

### **GOVERNMENTAL ACTIVITIES**

<u>Due In</u>	<u>Special Assessment Debt</u>		<u>Other Bonds, Notes and Construction Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 242,988	\$ 65,215	\$ 16,799,003	\$ 1,546,090
2008	252,988	51,404	1,219,004	821,798
2009	105,254	36,256	1,249,991	780,905
2010	90,000	30,270	1,057,824	737,745
2011	100,000	24,600	1,095,654	699,815
Thereafter	295,000	38,122	14,678,516	5,084,595
<b>TOTALS</b>	<b>\$ 1,086,230</b>	<b>\$ 245,867</b>	<b>\$ 36,099,992</b>	<b>\$ 9,670,948</b>

### **BUSINESS-TYPE ACTIVITIES**

<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>
2007	\$ 1,846,317	\$ 801,892	\$ 568,334	\$ 549,929
2008	1,990,030	672,650	438,334	527,870
2009	1,588,528	533,122	461,065	511,702
2010	1,159,171	422,150	451,322	492,116
2011	1,257,469	341,008	471,322	477,381
Thereafter	3,614,081	464,174	10,446,510	4,598,126
<b>TOTALS</b>	<b>\$ 11,455,596</b>	<b>\$ 3,234,996</b>	<b>\$ 12,836,887</b>	<b>\$ 7,157,124</b>

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, 2006, the City had the capacity to issue approximately \$ 9,403,830 of additional, unvoted general obligation debt.

Long-term liability activity excluding activity pertaining to short-term Capital Projects bond anticipation notes payable for the year ended December 31, 2006, was as follows:

	Balance January 1, 2006	Additions	Reductions	Balance December 31, 2006	Amount Due in One Year
<b>Governmental Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 21,214,766	\$	\$ (1,090,503)	\$ 20,124,263	\$ 1,130,503
Special Assessment Bonds with Government Commitment	1,342,900		(256,670)	1,086,230	242,988
Total Bonds Payable	<u>22,557,666</u>		<u>(1,347,173)</u>	<u>21,210,493</u>	<u>1,373,491</u>
State Issue II					
Construction Loans	255,353	185,511	(80,135)	360,729	53,500
Compensated Absences	<u>5,472,838</u>	<u>250,383</u>	<u>(410,239)</u>	<u>5,312,982</u>	<u>260,150</u>
<b>Total Governmental Activities Long-Term Liabilities</b>	<u>\$ 28,285,857</u>	<u>\$ 435,894</u>	<u>\$ (1,837,547)</u>	<u>\$ 26,884,204</u>	<u>\$ 1,687,141</u>
<b>Business-Type Activities</b>					
General Obligation Bonds	\$ 7,691,207	\$ 5,323,175	\$ (317,495)	\$ 12,696,887	\$ 428,334
OWDA Loans	13,168,648		(1,713,052)	11,455,596	1,846,318
Compensated Absences	<u>1,598,450</u>	<u>54,561</u>	<u>(350,272)</u>	<u>1,302,739</u>	<u>374,042</u>
<b>Total Business-Type Activities Long-Term Liabilities</b>	<u>\$ 22,458,305</u>	<u>\$ 5,377,736</u>	<u>\$ (2,380,819)</u>	<u>\$ 25,455,222</u>	<u>\$ 2,648,694</u>

#### NOTE 14 – COMMITMENTS

The City has entered into a contract for the assessment of possible brownfield sites within the City. The estimated cost of this project is \$194,000 and will be funded with USEPA Brownfield grant monies.

The City has also entered into three contracts for the construction of a new Municipal Court Complex. The estimated cost of the construction is \$8,749,367. The City issued short-term general obligation bond anticipation notes in the amount of \$9,000,000 in 2006 to fund this project and plans to replace these notes with long-term general obligation bonds in 2007. The bonds will primarily be retired with court costs deposited in the Municipal Court Construction/Improvement Fund.

The City has also entered into a contract for the construction of the Two Falls Trail which includes a walking bridge over the Black River near the West Falls. The total estimated cost of this project is \$588,380 and is being funded with grant monies from the Ohio Department of Natural Resources and from the Federal Highway Administration Grant program.

The City has also entered into a contract for improvements to Chestnut Ridge Road near the new Chestnut Commons development. The total estimated cost for these improvements is \$828,722 and is being funded with a donation of \$502,010 from Forest City Management, the developer of Chestnut Commons and short-term bond anticipation notes. These notes are part of the Chestnut Commons Construction notes that were issued in 2006 and will eventually be replaced with long-term general obligation bonds. The debt service on these bonds will be paid from tax increment financing payments in lieu of taxes and/or special assessments.

The City has also entered into a contract for design work for the rehabilitation of State Route 57 from Chestnut Ridge Road to Lorain Boulevard. The estimated cost of this contract is \$870,750. The City issued short-term general obligation bond anticipation notes in the amount of \$710,000 to fund this design work. The remaining \$160,750 will be financed through a loan from the General Fund which will be repaid from proceeds from a State Infrastructure Loan Bank loan.

The City has also entered into a contract for various improvements to its facilities to lower utility costs and to conserve energy. The total estimated cost of this contract is \$3,647,800. The City plans to issue \$3.6 million in short-term general obligation bond anticipation notes in early 2007 to fund this project that will eventually be replaced with long-term general obligation bonds.

The City has also entered into a contract for the rehabilitation of portions of the Wastewater Pollution Control Plant. The estimated total cost of this improvement is \$2,107,000 and is being funded with short-term bond anticipation notes that will ultimately be replaced with long-term general obligation bonds.

#### **NOTE 15 – 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 16 – NEW ACCOUNTING STANDARDS**

In April 2004, the Governmental Accounting Standards Board (the GASB) issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes uniform financial reporting standards for Other Postemployment Benefit (OPEB) plans and supersedes guidance included in Statement No. 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*. The standards in Statement No. 43 apply to OPEB trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or third parties that administer them. Statement No. 43 will not be effective for the City until 2007 and, as such, the City has not determined the impact, if any, that this statement will have on its financial statements.

In May 2004, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section*, which significantly modifies the statistical section of the comprehensive annual financial report. Statement No. 44 improves the understandability and usefulness of the information that the State and local governments present as supplementary information in the statistical section. The provisions of this Statement were implemented by the City in 2006.

During August 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which addresses how state and local governments should account and report their costs and obligations related to postemployment health care and other non-pension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. Statement No. 45 also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. Statement No. 45 will not be effective for the City until 2008 and, as such, the City has not determined the impact, if any that this statement will have on its financial statements.

In December 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Legislation an amendment of GASB Statement No. 34*, which clarifies that a legally enforceable enabling legislation restriction for purposes of determining the existence of restricted net assets is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor. Limitations on the use of net assets imposed by enabling legislation must be reported as restricted net assets under GASB Statement No. 34 Under Statement No. 46, the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. In addition, this statement specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation, or if legal enforceability is reevaluated, and requires governments to disclose the portion of total net assets that is restricted by enabling legislation. The provisions of this Statement were implemented by the City in 2006. This Statement had no impact on the City.

In June 2005, the GASB released Statement No. 47, *Accounting for Termination Benefits* which provides guidance to governmental employers for measuring, recognizing and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered. The provisions of this Statement were implemented by the City in 2006. This Statement had no impact on the City.

**NOTE 17 – TRANSFERS**

<u>Transfer-in</u>		<u>Transfer-out</u>	<u>Total</u>
<u>Other Governmental Funds</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	
\$344,967	\$134,493	\$210,474	\$344,967

Interfund transfers included \$110,493 from the General fund to the Street Construction Maintenance and Repair fund for the purchase of three new dump trucks, \$23,000 from the General fund to the Food Service Operations fund to meet operating needs, \$1,000 from the General fund to the Swimming Pool Inspection fund to meet operating needs, \$10,474 from the



Cemetery Trust fund to the Cemetery Maintenance and Improvement fund which represents investment earnings that are required to be transferred and spent from the maintenance per the trust agreement and \$200,000 from the General Bond Retirement fund to the Municipal Building Construction fund to retire short-term bond anticipation notes. The difference between transfers-in and transfers-out represents transfers made from the Unclaimed Monies Agency Fund and Consumer Deposits Agency Fund to the General Fund and enterprise funds, respectively.

**NOTE 18 – SUBSEQUENT EVENT**

On January 25, 2007, the City issued short-term bond anticipation notes in the amount of \$3.6 million for various energy conservation improvements.

On May 8, 2007, the majority of voting residents approved an amendment to the City’s Charter that requires City Council to seek voter approval for any change to the income tax credit given to residents who work in and pay municipal income tax to other cities as well as any change to the income tax rate.

On May 21, 2007, City Council approved legislation providing for the issuance and sale of long-term general obligation bonds in the maximum aggregate principal amount of \$9.5 million for the construction of a new municipal court facility. The proceeds from the sale of the bonds will be used to retire the short-term general obligation bond anticipation notes outstanding at December 31, 2006 in the Muni Court Construction / Improvement Fund.

## **Nonmajor Governmental Funds**

### **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.

#### ***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.

#### ***Health Grant***

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

#### ***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.

#### ***USEPA Brownfield Grant***

To account for monies received from the United States Environmental Protection Agency designated for assessment of possible brownfield sites within the City.

#### ***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.

## **SPECIAL REVENUE FUNDS (cont.)**

### ***Muni Court Security***

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

### ***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.

### ***Muni Court Special Collections***

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

### ***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.

### ***Dental Health Grant***

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

### ***Special Traffic Magistrate***

To account for revenue received from fees on court cases that are restricted for employing a traffic magistrate.

### ***Swimming Pool Inspection***

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

### ***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.

### ***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.

### ***Alcohol Enforcement and Education***

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

**SPECIAL REVENUE FUNDS (cont.)**

***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.

***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.

**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.

**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).

\* \* \* \* \*

***Bridge Projects***

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

***Parks Improvement***

To account for monies restricted for improvements to be made to City parks.

## **CAPITAL PROJECTS FUNDS (Cont.)**

### ***Cascade / Elywood***

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

### ***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.

### ***Two Falls Trail Improvement***

To account for monies restricted for improvements to be made to Two Falls Trail.

### ***State Route 57 Rehabilitation***

To account for monies restricted for improvements to be made to State Route 57.

### ***Energy Conservation***

To account for monies restricted for improvements to City facilities to lower utility costs and to conserve energy.

### ***Municipal Building Construction***

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

### ***Industrial Parkway***

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

## **PERMANENT FUND**

***Permanent Funds*** are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

\* \* \* \* \*

### ***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.

**City of Elyria, Ohio**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2006**

	Special Revenue						
	Street	State Highway	Fire Pension	Police Pension	Health Grant	Municipal Motor Vehicle Tax	Block Grant
<b>ASSETS</b>							
Equity in pooled cash and cash equivalents	\$ 380,349	\$ 92,016	\$ 90	\$ 13	\$ 15,788	\$ 273,287	\$
Investments			106,300	104,100			
Accounts receivable							1,785,778
Rehabilitation loans receivable	112	27	32	31		80	
Accrued interest receivable	915,453	74,226	25,032	25,032	204,760		109,708
Due from other governments							
Income tax receivable			252,580	252,580		134,689	
Property tax receivable							
Other local tax receivable							
Special assessments receivable							
Total assets	<u>\$ 1,295,914</u>	<u>\$ 166,269</u>	<u>\$ 384,034</u>	<u>\$ 381,756</u>	<u>\$ 220,548</u>	<u>\$ 408,056</u>	<u>\$ 1,895,486</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 43,449	\$	\$	\$	\$ 1,019	\$	\$ 5,123
Contracts payable		9,515					32,130
Accrued wages and benefits	40,660				11,719		15,864
Compensated absences payable	15,083				2,423		5,285
Due to other funds							109,759
Deferred revenue	602,450	48,847	276,446	276,446	96,527		
General obligation notes payable							
Total liabilities	<u>701,642</u>	<u>58,362</u>	<u>276,446</u>	<u>276,446</u>	<u>111,688</u>		<u>168,161</u>
<b>FUND BALANCES</b>							
Reserved for encumbrances	156,332	1,129			2,470	70,285	100,031
Reserved for rehab loans							1,785,778
Reserved for endowment							
Reserved for debt service	437,940	106,778	107,588	105,310	106,390	337,771	(158,484)
Unreserved, undesignated (deficit)	594,272	107,907	107,588	105,310	108,860	408,056	1,727,325
Total fund balances (deficit)	<u>\$ 1,295,914</u>	<u>\$ 166,269</u>	<u>\$ 384,034</u>	<u>\$ 381,756</u>	<u>\$ 220,548</u>	<u>\$ 408,056</u>	<u>\$ 1,895,486</u>
Total liabilities and fund balances							

(Continued on subsequent page)

City of Elyria, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2006

	Special Revenue					
	CHIP Grant	USEPA Brownfield Grant	Muni Court Technology	Muni Court Security	Special Parking Fines	Legal Research and Court Computerization
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$		\$ 155,589	\$ 61	\$ 23,387	\$ 205,128
Investments			12,800	117,500	19,700	
Accounts receivable	2,207,630		11,307	6,511	368	3,373
Rehabilitation loans receivable						
Accrued interest receivable			392	319	184	
Due from other governments						
Income tax receivable						
Property tax receivable						
Other local tax receivable						
Special assessments receivable						
Total assets	<u>\$ 2,207,630</u>	<u>\$</u>	<u>\$ 180,088</u>	<u>\$ 124,391</u>	<u>\$ 43,639</u>	<u>\$ 208,501</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$		\$ 1,052	\$ 2,100	\$	\$ 732
Contracts payable	93,454	1,710	428	1,826		
Accrued wages and benefits	1,828		3,575	216		
Compensated absences payable	650		574			
Due to other funds	381					
Deferred revenue						
General obligation notes payable						
Total liabilities	<u>96,313</u>	<u>1,710</u>	<u>5,629</u>	<u>4,142</u>		<u>732</u>
<b>FUND BALANCES</b>						
Reserved for encumbrances	19,721		15,704			386
Reserved for rehab loans	2,207,630	135,293				
Reserved for endowment						
Reserved for debt service						
Unreserved, undesignated (deficit)	(116,034)	(137,003)	158,755	120,249	43,639	207,383
Total fund balances (deficit)	<u>2,111,317</u>	<u>(1,710)</u>	<u>174,459</u>	<u>120,249</u>	<u>43,639</u>	<u>207,769</u>
Total liabilities and fund balances	<u>\$ 2,207,630</u>	<u>\$</u>	<u>\$ 180,088</u>	<u>\$ 124,391</u>	<u>\$ 43,639</u>	<u>\$ 208,501</u>

(Continued on subsequent page)

City of Elyria, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2006

	Special Revenue						
	Muni Court Special Collections	Food Service Operations	Dental Health Grant	Special Traffic Magistrate	Swimming Pool Inspection	Law Enforcement	Mandatory Drug Fine
<b>ASSETS</b>							
Equity in pooled cash and cash equivalents	\$ 202,307	\$ 17,069	\$ 41,628	\$ 16,321	\$ 597	\$ 131,766	\$ 26,705
Investments				2,356			25
Accounts receivable	5,559						
Rehabilitation loans receivable							
Accrued interest receivable						119	
Due from other governments		5	15,000				58
Income tax receivable							
Property tax receivable							
Other local tax receivable							
Special assessments receivable							
Total assets	<u>\$ 207,866</u>	<u>\$ 17,074</u>	<u>\$ 56,628</u>	<u>\$ 18,677</u>	<u>\$ 597</u>	<u>\$ 131,885</u>	<u>\$ 26,788</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable		\$	\$	\$	\$	\$ 453	\$ 1,400
Contracts payable							
Accrued wages and benefits		2,889	323	891	204		
Compensated absences payable		730			74		
Due to other funds							
Deferred revenue			7,500				
General obligation notes payable							
Total liabilities		<u>3,619</u>	<u>7,823</u>	<u>891</u>	<u>278</u>	<u>453</u>	<u>1,400</u>
<b>FUND BALANCES</b>							
Reserved for encumbrances			595			8,577	11,600
Reserved for rehab loans							
Reserved for endowment							
Reserved for debt service							
Unreserved, undesignated (deficit)	207,866	13,455	48,210	17,786	319	122,855	13,788
Total fund balances (deficit)	<u>207,866</u>	<u>13,455</u>	<u>48,805</u>	<u>17,786</u>	<u>319</u>	<u>131,432</u>	<u>25,388</u>
Total liabilities and fund balances	<u>\$ 207,866</u>	<u>\$ 17,074</u>	<u>\$ 56,628</u>	<u>\$ 18,677</u>	<u>\$ 597</u>	<u>\$ 131,885</u>	<u>\$ 26,788</u>

(Continued on subsequent page)



City of Elyria, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2006

	Special Revenue					Total Special Revenue Funds
	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Police Levy	Wagner Trust	Findley Trust	
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$ 309,426	\$ 5,079	\$ 499,061	\$ 4,784	\$ 93	\$ 2,445,568
Investments	197,400	16,700			181,000	755,500
Accounts receivable	1,184	203				30,886
Rehabilitation loans receivable					483	3,993,408
Accrued interest receivable	1,101	28	1,957			4,941
Due from other governments						1,369,211
Income tax receivable			782,458			782,458
Property tax receivable						505,160
Other local tax receivable						134,689
Special assessments receivable						
Total assets	<u>\$ 509,111</u>	<u>\$ 22,010</u>	<u>\$ 1,283,476</u>	<u>\$ 4,784</u>	<u>\$ 181,576</u>	<u>\$ 10,021,821</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$	\$	\$ 9,330	\$	\$ 2,814	\$ 67,490
Contracts payable			6,857		16,641	162,835
Accrued wages and benefits			176,779		1,375	257,933
Compensated absences payable			25,729		244	51,008
Due to other funds						110,140
Deferred revenue			309,977			1,618,193
General obligation notes payable						
Total liabilities			<u>528,672</u>		<u>19,455</u>	<u>2,267,599</u>
<b>FUND BALANCES</b>						
Reserved for encumbrances		630	146,673		19,309	691,147
Reserved for rehab loans						3,993,408
Reserved for endowment						
Reserved for debt service						
Unreserved, undesignated (deficit)	509,111	21,380	608,131	4,784	142,812	3,069,667
Total fund balances (deficit)	<u>509,111</u>	<u>22,010</u>	<u>754,804</u>	<u>4,784</u>	<u>162,121</u>	<u>7,754,222</u>
Total liabilities and fund balances	<u>\$ 509,111</u>	<u>\$ 22,010</u>	<u>\$ 1,283,476</u>	<u>\$ 4,784</u>	<u>\$ 181,576</u>	<u>\$ 10,021,821</u>

(Continued on subsequent page)

City of Elyria, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2006

	Debt Service		Capital Projects				
	General Bond Retirement	Special Assessment Bond Retirement	Total Debt Service	Bridge Projects	Parks Improvement	Cascade / Elywood	State Issue II Capital Projects
<b>ASSETS</b>							
Equity in pooled cash and cash equivalents	\$ 16,828	\$	\$ 16,828	\$ 1,206	\$ 43,378	\$ 28,161	\$ 5,241
Investments	1,439,900		1,439,900				
Accounts receivable							
Rehabilitation loans receivable					13	8	
Accrued interest receivable	7,494		7,494				
Due from other governments	158,393		158,393				
Income tax receivable							
Property tax receivable	1,598,682		1,598,682				
Other local tax receivable							
Special assessments receivable		1,280,931	1,280,931				
Total assets	\$ 3,221,297	\$ 1,280,931	\$ 4,502,228	\$ 1,206	\$ 43,391	\$ 28,169	\$ 5,241
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	\$	\$	\$	\$	\$	\$
Contracts payable						1,400	13,378
Accrued wages and benefits							38
Compensated absences payable							373
Due to other funds	1,749,694	1,280,931	3,030,625				
Deferred revenue							
General obligation notes payable	1,749,694	1,280,931	3,030,625			1,400	13,789
Total liabilities							
<b>FUND BALANCES</b>							
Reserved for encumbrances							103,505
Reserved for rehab loans	1,471,603		1,471,603	1,206	43,391	26,769	(112,053)
Reserved for endowment				1,206	43,391	26,769	(8,548)
Reserved for debt service	1,471,603		1,471,603		43,391	28,169	5,241
Unreserved, undesignated (deficit)							
Total fund balances (deficit)	\$ 3,221,297	\$ 1,280,931	\$ 4,502,228	\$ 1,206	\$ 43,391	\$ 28,169	\$ 5,241
Total liabilities and fund balances							

(Continued on subsequent page)

City of Elyria, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2006

	Capital Projects					Total Capital Projects Funds	Cemetery Trust	Total Nonmajor Governmental Funds
	Two Falls Trail Improvement	State Route 57 Rehabilitation	Energy Conservation	Muni Building Construction	Industrial Parkway			
<b>ASSETS</b>								
Equity in pooled cash and cash equivalents		\$ 195,163	\$	\$ 24	\$ 473,045	\$ 746,218	\$ 3,658	\$ 3,212,272
Investments				10,800		10,800	435,342	2,641,542
Accounts receivable								30,886
Rehabilitation loans receivable								3,993,408
Accrued interest receivable		57		3	139	220	3,440	16,095
Due from other governments								1,527,604
Income tax receivable								782,458
Property tax receivable								2,103,842
Other local tax receivable								134,689
Special assessments receivable								1,280,931
Total assets	\$	\$ 195,220	\$	\$ 10,827	\$ 473,184	\$ 757,238	\$ 442,440	\$ 15,723,727
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$		\$	\$	\$ 7,856	\$ 1,400	\$	\$ 68,890
Contracts payable		124,508	1,368,000			1,513,742		1,676,577
Accrued wages and benefits						38		257,971
Compensated absences payable		161,000	175,000			339,343		51,008
Due to other funds	2,970							449,483
Deferred revenue		710,000				2,410,000		4,648,818
General obligation notes payable		995,508	1,543,000	1,700,000	7,856	4,264,523		2,410,000
Total liabilities	2,970	995,508	1,543,000	1,700,000	7,856	4,264,523		9,562,747
<b>FUND BALANCES</b>								
Reserved for encumbrances	97,393	191,794			205,058	597,750		1,288,897
Reserved for rehab loans							442,440	3,993,408
Reserved for endowment								442,440
Reserved for debt service								1,471,603
Unreserved, undesignated (deficit)	(100,363)	(992,082)	(1,543,000)	(1,689,173)	260,270	(4,105,035)		(1,035,368)
Total fund balances (deficit)	(2,970)	(800,288)	(1,543,000)	(1,689,173)	465,328	(3,507,285)	442,440	6,160,980
Total liabilities and fund balances	\$	\$ 195,220	\$	\$ 10,827	\$ 473,184	\$ 757,238	\$ 442,440	\$ 15,723,727

City of Elyria, Ohio  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2006

	Street	Special Revenue						
	Construction Maintenance and Repair	State Highway	Fire Pension	Police Pension	Health Grant	Municipal Motor Vehicle Tax	Block Grant	CHIP Grant
<b>REVENUES</b>								
Taxes:								
Property	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Other						890,408		
Intergovernmental revenues	1,997,877	161,990	22,053	22,053	471,505		697,963	159,255
Charges for service					150,422			
Licenses and permits								
Interest earnings	10,176	3,207	12,049	11,833		24,012		
Special assessments								
Fines and forfeitures								
Contributions								
Miscellaneous revenues	3,388							
Total revenues	<u>2,011,441</u>	<u>165,197</u>	<u>313,699</u>	<u>313,483</u>	<u>621,927</u>	<u>914,420</u>	<u>698,023</u>	<u>159,255</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	435,935		234,672	254,674				
Health					514,173			
Culture and recreation								
Community environment							649,238	123,759
Highways and streets	1,314,379	135,827						
General government								
Capital outlay	90,130				10,540		52,167	
Debt service:								
Principal retirement			26,400	13,600				
Interest and fiscal charges			32,700	16,845				
Total expenditures	<u>1,840,444</u>	<u>135,827</u>	<u>293,772</u>	<u>285,119</u>	<u>524,713</u>	<u>953,108</u>	<u>701,405</u>	<u>123,759</u>
Excess (deficiency) of revenues over (under) expenditures	<u>170,997</u>	<u>29,370</u>	<u>19,927</u>	<u>28,364</u>	<u>97,214</u>	<u>(38,688)</u>	<u>(3,382)</u>	<u>35,496</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	110,493							
Transfers out								
Premiums from sale of notes / bonds								
Gain on sale of capital assets								
Total other financing sources (uses)	<u>110,493</u>							
Net change in fund balances	281,490	29,370	19,927	28,364	97,214	(38,688)	(3,382)	35,496
Fund balances (deficit) - beginning	312,782	78,537	87,661	76,946	11,646	446,744	1,730,707	2,075,821
Fund balances (deficit) - ending	<u>\$ 594,272</u>	<u>\$ 107,907</u>	<u>\$ 107,588</u>	<u>\$ 105,310</u>	<u>\$ 108,860</u>	<u>\$ 408,056</u>	<u>\$ 1,727,325</u>	<u>\$ 2,111,317</u>

(Continued on subsequent page)

City of Elyria, Ohio  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2006**

	Special Revenue							
	USEPA Brownfield Grant	Muni Court Technology	Muni Court Security	Special Parking Fines	Legal Research and Court Computerization	Muni Court Special Collections	Food Service Operations	Dental Health Grant
<b>REVENUES</b>								
Taxes:								
Property								
Income								
Other								
Intergovernmental revenues	59,975							31,165
Charges for service								
Licenses and permits		6,179	5,637	2,091			66,210	
Interest earnings							1,097	
Special assessments		179,816	88,682	15,710	53,728			
Fines and forfeitures								
Contributions								
Miscellaneous revenues								
Total revenues	<u>59,975</u>	<u>185,995</u>	<u>94,319</u>	<u>17,801</u>	<u>53,728</u>	<u>87,355</u>	<u>67,307</u>	<u>31,165</u>
<b>EXPENDITURES</b>								
Current:								
Public safety								
Health								33,649
Culture and recreation								
Community environment	60,823							
Highways and streets								
General government		115,477	89,292	2,987	17,178			
Capital outlay				5,250				
Debt service:								
Principal retirement								
Interest and fiscal charges								
Total expenditures	<u>60,823</u>	<u>115,477</u>	<u>89,292</u>	<u>8,237</u>	<u>17,178</u>		<u>75,136</u>	<u>33,649</u>
Excess (deficiency) of revenues								
over (under) expenditures	<u>(648)</u>	<u>70,518</u>	<u>5,027</u>	<u>9,564</u>	<u>36,550</u>	<u>87,355</u>	<u>(7,829)</u>	<u>(2,484)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in								
Transfers out								23,000
Premiums from sale of notes / bonds								
Gain on sale of capital assets								
Total other financing sources (uses)								
Net change in fund balances	<u>(848)</u>	<u>70,518</u>	<u>5,027</u>	<u>9,564</u>	<u>36,550</u>	<u>87,355</u>	<u>23,000</u>	<u>(2,484)</u>
Fund balances (deficit) - beginning	<u>(862)</u>	<u>103,941</u>	<u>115,222</u>	<u>34,075</u>	<u>171,219</u>	<u>120,511</u>	<u>(1,716)</u>	<u>51,289</u>
Fund balances (deficit) - ending	<u>\$(1,710)</u>	<u>\$ 174,459</u>	<u>\$ 120,249</u>	<u>\$ 43,639</u>	<u>\$ 207,769</u>	<u>\$ 207,866</u>	<u>\$ 13,455</u>	<u>\$ 48,805</u>

(Continued on subsequent page)

City of Elyria, Ohio  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2006**

	Special Traffic Magistrate	Swimming Pool Inspection	Law Enforcement	Mandatory Drug Fine	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Police Levy	Wagner Trust	Findley Trust
<b>REVENUES</b>									
Taxes:									
Property	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income							3,167,620		
Other							27,600		
Intergovernmental revenues									
Charges for service		3,200							
Licenses and permits		48	3,585	1,544	24,192	998	27,403	528	8,581
Interest earnings									
Special assessments				7,256	45,773	1,760			
Fines and forfeitures	35,013							4,179	44,005
Contributions									2,000
Miscellaneous revenues			73,208	307					
Total revenues	<u>35,013</u>	<u>3,248</u>	<u>76,793</u>	<u>9,107</u>	<u>69,965</u>	<u>2,758</u>	<u>3,222,623</u>	<u>4,707</u>	<u>54,586</u>
<b>EXPENDITURES</b>									
Current:									
Public safety			23,613	10,061			3,119,426		
Health									28,286
Culture and recreation		5,303							
Community environment									
Highways and streets									
General government									
Capital outlay	22,817		8,250	7,455	32,742		143,295	8,000	16,870
Debt service:									
Principal retirement									
Interest and fiscal charges									
Total expenditures	<u>22,817</u>	<u>5,303</u>	<u>31,863</u>	<u>17,516</u>	<u>32,742</u>		<u>3,262,721</u>	<u>8,000</u>	<u>45,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,196</u>	<u>(2,055)</u>	<u>44,930</u>	<u>(8,409)</u>	<u>37,223</u>	<u>2,758</u>	<u>(40,098)</u>	<u>(3,293)</u>	<u>9,430</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in		1,000							
Transfers out									
Premiums from sale of notes / bonds			2,213				3,500		
Gain on sale of capital assets			2,213				3,500		
Total other financing sources (uses)		<u>1,000</u>	<u>4,426</u>	<u>(8,409)</u>	<u>37,223</u>	<u>2,758</u>	<u>(36,598)</u>	<u>(3,293)</u>	<u>9,430</u>
Net change in fund balances	<u>12,196</u>	<u>(1,055)</u>	<u>47,143</u>	<u>(1,374)</u>	<u>471,888</u>	<u>19,252</u>	<u>791,402</u>	<u>8,077</u>	<u>152,691</u>
Fund balances (deficit) - beginning	<u>5,590</u>	<u>1,374</u>	<u>84,289</u>	<u>33,797</u>	<u>471,888</u>	<u>19,252</u>	<u>791,402</u>	<u>8,077</u>	<u>152,691</u>
Fund balances (deficit) - ending	<u>\$ 17,786</u>	<u>\$ 319</u>	<u>\$ 131,432</u>	<u>\$ 25,388</u>	<u>\$ 509,111</u>	<u>\$ 22,010</u>	<u>\$ 754,804</u>	<u>\$ 4,784</u>	<u>\$ 162,121</u>

(Continued on subsequent page)

**City of Elyria, Ohio**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2006**

	Special Revenue		Debt Service		Capital Projects				
	Cemetery Maintenance and Improvement	Total Special Revenue	General Bond Retirement	Special Assessment Bond/Retirement	Total Debt Service	Bridge Projects	Parks Improvement	Cascade / Elywood	State Issue II Capital Projects
<b>REVENUES</b>									
Taxes:									
Property	\$	559,194	\$	1,767,720	\$	1,767,720	\$		\$
Income		3,167,620							
Other		890,408							
Intergovernmental revenues		3,651,436	139,675		139,675				908,337
Charges for service		234,093							
Licenses and permits	83,671	69,410							
Interest earnings	2,241	145,401	102,649	7,275	109,924	52	3,900	1,309	206
Special assessments				342,713	342,713				
Fines and forfeitures		515,093							
Contributions		48,184						8,555	
Miscellaneous revenues		78,963							
Total revenues	85,912	9,359,802	2,010,044	349,988	2,360,032	52	3,900	9,864	908,543
<b>EXPENDITURES</b>									
Current:									
Public safety		4,078,381							
Health	97,915	726,176							
Culture and recreation		28,286							
Community environment		833,820							
Highways and streets		1,454,247							
General government		280,493	43,266	13,967	57,233		40,680	7,419	921,783
Capital outlay		1,291,024							
Debt service:									
Principal retirement		40,000	1,039,659	272,148	1,311,807				
Interest and fiscal charges		49,545	907,825	64,493	972,318				
Total expenditures	97,915	8,781,972	1,990,750	350,608	2,341,358		40,680	7,419	921,783
Excess (deficiency) of revenues over (under) expenditures	(12,003)	577,830	19,294	(620)	18,674	52	(36,780)	2,445	(13,240)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in									
Transfers out	10,474	144,967	(200,000)		(200,000)				
Premiums from sale of bonds			62,625		62,625				
Gain on sale of capital assets		5,713							
Total other financing sources (uses)	10,474	150,680	(137,375)		(137,375)				
Net change in fund balances	(1,529)	728,510	(118,081)	(620)	(118,701)	52	(36,780)	2,445	(13,240)
Fund balances (deficit) - beginning	42,829	7,025,712	1,589,684	620	1,590,304	1,154	80,171	24,324	4,692
Fund balances (deficit) - ending	\$ 41,300	\$ 7,754,222	\$ 1,471,603	\$	\$ 1,471,603	\$ 1,206	\$ 43,391	\$ 26,769	\$ (8,548)

(Continued on subsequent page)

City of Elyria, Ohio  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2006

	Capital Projects						Total Nonmajor Governmental Funds
	Two Falls Trail Improvement	State Rt. 57 Rehabilitation	Energy Conservation	Municipal Building Construction	Industrial Parkway	Total Capital Projects	
<b>REVENUES</b>							
Taxes:							
Property		\$	\$	\$	\$	\$	\$
Income							
Other							
Intergovernmental revenues	438,748				17,001	1,364,086	
Charges for service							9,734
Licenses and permits							
Interest earnings		3,176		1,216	28,250	38,109	20,990
Special assessments							
Fines and forfeitures							
Contributions						8,555	
Miscellaneous revenues							
Total revenues	<u>438,748</u>	<u>3,176</u>		<u>1,216</u>	<u>45,251</u>	<u>1,410,750</u>	<u>30,724</u>
<b>EXPENDITURES</b>							
Current:							
Public safety							
Health							
Culture and recreation							
Community environment							
Highways and streets							
General government							
Capital outlay	441,718	496,706	1,543,000	16,871	28,958	3,497,135	
Debt service:							
Principal retirement							
Interest and fiscal charges					65,000	65,000	
Total expenditures	<u>441,718</u>	<u>496,706</u>	<u>1,543,000</u>	<u>16,871</u>	<u>129,467</u>	<u>3,597,644</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(2,970)</u>	<u>(493,530)</u>	<u>(1,543,000)</u>	<u>(15,655)</u>	<u>(84,216)</u>	<u>(2,186,894)</u>	<u>30,724</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in				200,000		200,000	
Transfers out							(10,474)
Premiums from sale of notes / bonds							
Gain on sale of capital assets							
Total other financing sources (uses)	<u>(2,970)</u>	<u>(493,530)</u>	<u>(1,543,000)</u>	<u>200,000</u>	<u>(84,216)</u>	<u>(1,986,894)</u>	<u>(10,474)</u>
Net change in fund balances		<u>(306,758)</u>		<u>(1,873,518)</u>	<u>549,544</u>	<u>(1,520,391)</u>	<u>20,250</u>
Fund balances (deficit) - beginning		<u>\$ (800,288)</u>		<u>\$ (1,689,173)</u>	<u>\$ 465,328</u>	<u>\$ (3,507,285)</u>	<u>\$ 442,440</u>
Fund balances (deficit) - ending							<u>\$ 6,160,980</u>



CITY OF ELYRIA, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
CHESTNUT COMMONS / RIDGE IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2006

<b>CHESTNUT COMMONS / RIDGE IMPROVEMENT FUND</b>				
	<b><u>Budgeted Amounts</u></b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	
<b>REVENUES</b>				
Interest earnings	\$ 8,000	\$ 8,000	\$ 31,692	\$ 23,692
Miscellaneous revenues		502,000	502,010	10
<b>TOTAL REVENUES</b>	<b>8,000</b>	<b>510,000</b>	<b>533,702</b>	<b>23,702</b>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Chestnut Commons / Ridge Impr.</b>				
Operating & maintenance	18,033	102,713	102,712	1
Debt service - principal retirement	2,800,000	2,800,000	2,800,000	
Interest	112,000	112,000	112,000	
Capital outlay	248,200	909,450	909,450	
<b>Total Chestnut Commons / Ridge Impr.</b>	<b>3,178,233</b>	<b>3,924,163</b>	<b>3,924,162</b>	<b>1</b>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<b>3,178,233</b>	<b>3,924,163</b>	<b>3,924,162</b>	<b>1</b>
<b>TOTAL EXPENDITURES</b>	<b>3,178,233</b>	<b>3,924,163</b>	<b>3,924,162</b>	<b>1</b>
Excess (deficiency) of revenues over expenditures	(3,170,233)	(3,414,163)	(3,390,460)	23,703
<b>OTHER FINANCING SOURCES</b>				
Proceed of notes	2,900,000	3,430,000	3,430,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>2,900,000</b>	<b>3,430,000</b>	<b>3,430,000</b>	
Net change in fund balance	(270,233)	15,837	39,540	23,703
Adjustment for prior year encumbrances	51,782	51,782	51,782	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>410,775</b>	<b>410,775</b>	<b>410,775</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 192,324</b>	<b>\$ 478,394</b>	<b>\$ 502,097</b>	<b>\$ 23,703</b>

CITY OF ELYRIA, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
MUNICIPAL COURT CONSTRUCTION / IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>MUNICIPAL COURT CONSTRUCTION / IMPROVEMENT FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest earnings	\$ 10,000	\$ 110,000	\$ 172,815	\$ 62,815
Fines and forfeitures	230,000	280,000	332,841	52,841
Miscellaneous revenues			594	594
<b>TOTAL REVENUES</b>	<u>240,000</u>	<u>390,000</u>	<u>506,250</u>	<u>116,250</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Muni Court Constr/Imp</b>				
Operation and maintenance	183,031	183,031	169,155	13,876
Capital outlay	8,132,500	9,253,368	9,138,605	114,763
<b>Total Muni Court Constr/Imp</b>	<u>8,315,531</u>	<u>9,436,399</u>	<u>9,307,760</u>	<u>128,639</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>8,315,531</u>	<u>9,436,399</u>	<u>9,307,760</u>	<u>128,639</u>
<b>TOTAL EXPENDITURES</b>	<u>8,315,531</u>	<u>9,436,399</u>	<u>9,307,760</u>	<u>128,639</u>
Net change in fund balance	(8,075,531)	(9,046,399)	(8,801,510)	244,889
<b>OTHER FINANCING SOURCES</b>				
Proceeds of notes	7,600,000	9,000,000	9,000,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>7,600,000</u>	<u>9,000,000</u>	<u>9,000,000</u>	
Net change in fund balances	(475,531)	(46,399)	198,490	244,889
Adjustment for prior year encumbrances	179,957	179,957	179,957	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>358,635</u>	<u>358,635</u>	<u>358,635</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 63,061</u>	<u>\$ 492,193</u>	<u>\$ 737,082</u>	<u>\$ 244,889</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, 2006

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,870,000	\$ 1,870,000	\$ 1,904,477	\$ 34,477
Charges for service			135	135
Interest earnings	2,000	2,000	10,537	8,537
Miscellaneous revenues	4,900	4,450	12,540	8,090
<b>TOTAL REVENUES</b>	<u>1,876,900</u>	<u>1,876,450</u>	<u>1,927,689</u>	<u>51,239</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Traffic Lights</b>				
Personal services	269,112	269,112	262,692	6,420
Fringe benefits	80,194	88,194	83,311	4,883
Operation and maintenance	99,900	99,900	94,436	5,464
Capital outlay	81,680	81,680	81,680	
<b>Total Traffic Lights</b>	<u>530,886</u>	<u>538,886</u>	<u>522,119</u>	<u>16,767</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>530,886</u>	<u>538,886</u>	<u>522,119</u>	<u>16,767</u>
<b>HIGHWAYS AND STREETS</b>				
<b>Street</b>				
Personal services	812,386	792,386	744,713	47,673
Fringe benefits	256,660	228,660	214,131	14,529
Operation and maintenance	383,350	403,350	385,165	18,185
Capital outlay		130,493	128,943	1,550
<b>Total Street</b>	<u>1,452,396</u>	<u>1,554,889</u>	<u>1,472,952</u>	<u>81,937</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>1,452,396</u>	<u>1,554,889</u>	<u>1,472,952</u>	<u>81,937</u>
<b>TOTAL EXPENDITURES</b>	<u>1,983,282</u>	<u>2,093,775</u>	<u>1,995,071</u>	<u>98,704</u>
Excess (deficiency) of revenues over expenditures	(106,382)	(217,325)	(67,382)	149,943
<b>OTHER FINANCING SOURCES</b>				
Transfers in		60,500	110,493	49,993
Other financing sources			4,688	4,688
<b>TOTAL OTHER FINANCING SOURCES</b>		<u>60,500</u>	<u>115,181</u>	<u>54,681</u>
Net change in fund balance	(106,382)	(156,825)	47,799	204,624
Adjustment for prior year encumbrances	95,968	95,968	95,968	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>62,714</u>	<u>62,714</u>	<u>62,714</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 52,300</u>	<u>\$ 1,857</u>	<u>\$ 206,481</u>	<u>\$ 204,624</u>

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, 2006

	<u>STATE HIGHWAY FUND</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 150,000	\$ 150,000	\$ 154,417	\$ 4,417
Interest earnings	500	500	3,214	2,714
<b>TOTAL REVENUES</b>	<u>150,500</u>	<u>150,500</u>	<u>157,631</u>	<u>7,131</u>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>State Highway</b>				
Operation and maintenance	289,371	289,371	215,131	74,240
<b>Total State Highway</b>	<u>289,371</u>	<u>289,371</u>	<u>215,131</u>	<u>74,240</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>289,371</u>	<u>289,371</u>	<u>215,131</u>	<u>74,240</u>
<b>TOTAL EXPENDITURES</b>	<u>289,371</u>	<u>289,371</u>	<u>215,131</u>	<u>74,240</u>
Net change in fund balance	(138,871)	(138,871)	(57,500)	81,371
Adjustments for prior year encumbrances	38,473	38,473	38,473	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>100,399</u>	<u>100,399</u>	<u>100,399</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 81,372</u>	<u>\$ 81,371</u>

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, 2006

	<b>FIRE PENSION FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Taxes	\$ 255,900	\$ 255,900	\$ 279,688	\$ 23,788
Intergovernmental revenues	27,000	27,000	22,053	(4,947)
Interest earnings	2,000	2,000	12,037	10,037
<b>TOTAL REVENUES</b>	<u>284,900</u>	<u>284,900</u>	<u>313,778</u>	<u>28,878</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Fire Pension</b>				
Fringe benefits	230,000	230,000	230,000	
Operation and maintenance	5,000	5,000	4,672	328
Debt service - principal retirement	26,400	26,400	26,400	
Interest	32,700	32,700	32,700	
<b>Total Fire Pension</b>	<u>294,100</u>	<u>294,100</u>	<u>293,772</u>	<u>328</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>294,100</u>	<u>294,100</u>	<u>293,772</u>	<u>328</u>
<b>TOTAL EXPENDITURES</b>	<u>294,100</u>	<u>294,100</u>	<u>293,772</u>	<u>328</u>
Net change in fund balance	(9,200)	(9,200)	20,006	29,206
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>86,384</u>	<u>86,384</u>	<u>86,384</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 77,184</u>	<u>\$ 77,184</u>	<u>\$ 106,390</u>	<u>\$ 29,206</u>

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, 2006

	<b>POLICE PENSION FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Taxes	\$ 255,900	\$ 255,900	\$ 279,688	\$ 23,788
Intergovernmental revenues	27,000	27,000	22,053	(4,947)
Interest earnings	2,000	2,000	11,826	9,826
<b>TOTAL REVENUES</b>	<u>284,900</u>	<u>284,900</u>	<u>313,567</u>	<u>28,667</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police Pension</b>				
Fringe benefits	250,000	250,000	250,000	
Operation and maintenance	5,000	5,000	4,674	326
Debt service - principal retirement	13,600	13,600	13,600	
Interest	16,845	16,845	16,845	
<b>Total Police Pension</b>	<u>285,445</u>	<u>285,445</u>	<u>285,119</u>	<u>326</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>285,445</u>	<u>285,445</u>	<u>285,119</u>	<u>326</u>
<b>TOTAL EXPENDITURES</b>	<u>285,445</u>	<u>285,445</u>	<u>285,119</u>	<u>326</u>
Net change in fund balance	(545)	(545)	28,448	28,993
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>75,665</u>	<u>75,665</u>	<u>75,665</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 75,120</u>	<u>\$ 75,120</u>	<u>\$ 104,113</u>	<u>\$ 28,993</u>

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, 2006

	<b>HEALTH GRANT FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 469,630	\$ 469,630	\$ 480,186	\$ 10,556
Charges for services	265,700	265,700	150,422	(115,278)
<b>TOTAL REVENUES</b>	<b>735,330</b>	<b>735,330</b>	<b>630,608</b>	<b>(104,722)</b>
<b>EXPENDITURES</b>				
<b>HEALTH</b>				
<b>Child and Family Health Services</b>				
Personal services	126,635	139,635	139,397	238
Fringe benefits	41,562	42,562	42,427	135
Operation and maintenance	83,837	75,437	75,095	342
<b>Total Child and Family Health Services</b>	<b>252,034</b>	<b>257,634</b>	<b>256,919</b>	<b>715</b>
<b>Infant Mortality Program</b>				
Personal services	74,710	71,710	69,266	2,444
Fringe benefits	31,222	32,122	30,286	1,836
Operation and maintenance	43,628	46,628	45,177	1,451
<b>Total Infant Mortality Program</b>	<b>149,560</b>	<b>150,460</b>	<b>144,729</b>	<b>5,731</b>
<b>CFHS Project Income</b>				
Personal services	130,420	125,492	74,520	50,972
Fringe benefits	44,016	35,050	20,693	14,357
Operation and maintenance	69,406	75,706	57,305	18,401
<b>Total CFHS Project Income</b>	<b>243,842</b>	<b>236,248</b>	<b>152,518</b>	<b>83,730</b>
<b>Infrastructure (Disease/Bioterrorism)</b>				
Personal services	35,980	32,000	26,971	5,029
Fringe benefits	13,115	12,871	9,052	3,819
Operation and maintenance	5,972	16,400	14,383	2,017
Capital outlay		11,000	10,540	460
<b>Total Infrastructure (Disease/Bioterrorism)</b>	<b>55,067</b>	<b>72,271</b>	<b>60,946</b>	<b>11,325</b>
<b>Tobacco Grant</b>				
Personal services	7,912	7,912	6,853	1,059
Fringe benefits	1,278	1,278	1,031	247
Operation and maintenance	1,881	1,881		1,881
<b>Total Tobacco Grant</b>	<b>11,071</b>	<b>11,071</b>	<b>7,884</b>	<b>3,187</b>
<b>TOTAL HEALTH</b>	<b>711,574</b>	<b>727,684</b>	<b>622,996</b>	<b>104,688</b>
<b>TOTAL EXPENDITURES</b>	<b>711,574</b>	<b>727,684</b>	<b>622,996</b>	<b>104,688</b>
Net change in fund balance	23,756	7,646	7,612	(34)
Adjustment for prior year encumbrances	1,581	1,581	1,581	
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<b>5,851</b>	<b>5,851</b>	<b>5,851</b>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<b>\$ 31,188</b>	<b>\$ 15,078</b>	<b>\$ 15,044</b>	<b>\$ (34)</b>

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, 2006

	<u>MUNICIPAL MOTOR VEHICLE TAX FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 900,000	\$ 894,400	\$ 882,356	\$ (12,044)
Interest earnings	10,000	10,000	24,115	14,115
<b>TOTAL REVENUES</b>	<u>910,000</u>	<u>904,400</u>	<u>906,471</u>	<u>2,071</u>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>Municipal Motor Vehicle Tax</b>				
Operation and maintenance	1,400	1,400	1,066	334
Capital outlay	1,200,000	1,200,000	1,022,327	177,673
<b>Total Municipal Motor Vehicle Tax</b>	<u>1,201,400</u>	<u>1,201,400</u>	<u>1,023,393</u>	<u>178,007</u>
<b>TOTAL HIGHWAYS &amp; STREETS</b>	<u>1,201,400</u>	<u>1,201,400</u>	<u>1,023,393</u>	<u>178,007</u>
<b>TOTAL EXPENDITURES</b>	<u>1,201,400</u>	<u>1,201,400</u>	<u>1,023,393</u>	<u>178,007</u>
Net change in fund balance	(291,400)	(297,000)	(116,922)	180,078
Adjustment for prior year encumbrances	180,661	180,661	180,661	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>139,264</u>	<u>139,264</u>	<u>139,264</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 28,525</u>	<u>\$ 22,925</u>	<u>\$ 203,003</u>	<u>\$ 180,078</u>



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, 2006

	<b>BLOCK GRANT FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 860,000	\$ 950,915	\$ 603,142	\$ (347,773)
Charges for services			60	60
Miscellaneous revenues	100,000	100,500	108,512	8,012
<b>TOTAL REVENUES</b>	<u>960,000</u>	<u>1,051,415</u>	<u>711,714</u>	<u>(339,701)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Administration</b>				
Personal services	99,884	102,384	101,225	1,159
Fringe benefits	24,784	24,784	22,015	2,769
Operation and maintenance	192,905	192,905	132,881	60,024
Capital outlay	95,000	103,377	76,808	26,569
<b>Total Administration</b>	<u>412,573</u>	<u>423,450</u>	<u>332,929</u>	<u>90,521</u>
<b>Rehab/Operations</b>				
Personal services	290,854	293,854	290,761	3,093
Fringe benefits	86,719	86,719	80,532	6,187
Operation and maintenance	122,000	232,000	213,802	18,198
<b>Total Rehab/Operations</b>	<u>499,573</u>	<u>612,573</u>	<u>585,095</u>	<u>27,478</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>912,146</u>	<u>1,036,023</u>	<u>918,024</u>	<u>117,999</u>
<b>TOTAL EXPENDITURES</b>	<u>912,146</u>	<u>1,036,023</u>	<u>918,024</u>	<u>117,999</u>
Excess (deficiency) of revenues over expenditures	47,854	15,392	(206,310)	(221,702)
<b>OTHER FINANCING SOURCES(USES)</b>				
Advances in			109,759	109,759
Advances out	(14,892)	(14,892)	(14,891)	1
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<u>(14,892)</u>	<u>(14,892)</u>	<u>94,868</u>	<u>109,760</u>
Net change in fund balance	32,962	500	(111,442)	(111,942)
Adjustment for prior year encumbrances	77,380	77,380	77,380	
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<u>(77,203)</u>	<u>(77,203)</u>	<u>(77,203)</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 33,139</u>	<u>\$ 677</u>	<u>\$ (111,265)</u>	<u>\$ (111,942)</u>

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, 2006

	<u>C.H.I.P. GRANT FUND</u>			
	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 412,333	\$ 396,205	\$ 159,255	\$ (236,950)
Miscellaneous revenues	50,000	50,050	56,154	6,104
<b>TOTAL REVENUES</b>	<u>462,333</u>	<u>446,255</u>	<u>215,409</u>	<u>(230,846)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>C.H.I.P. Grant</b>				
Personal services	45,159	45,659	45,102	557
Fringe benefits	11,546	11,776	11,310	466
Operation and maintenance	405,200	404,470	226,681	177,789
<b>Total C.H.I.P. Grant</b>	<u>461,905</u>	<u>461,905</u>	<u>283,093</u>	<u>178,812</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>461,905</u>	<u>461,905</u>	<u>283,093</u>	<u>178,812</u>
<b>TOTAL EXPENDITURES</b>	<u>461,905</u>	<u>461,905</u>	<u>283,093</u>	<u>178,812</u>
Excess (deficiency) of revenues over expenditures	428	(15,650)	(67,684)	(52,034)
<b>OTHER FINANCING SOURCES</b>				
Advances in			381	381
<b>TOTAL OTHER FINANCING SOURCES</b>			<u>381</u>	<u>381</u>
Net change in fund balance	428	(15,650)	(67,303)	(51,653)
Adjustment for prior year encumbrances	21,183	21,183	21,183	
<b>FUND (DEFICIT) AT BEGINNING OF YEAR</b>	<u>(5,467)</u>	<u>(5,467)</u>	<u>(5,467)</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 16,144</u>	<u>\$ 66</u>	<u>\$ (51,587)</u>	<u>\$ (51,653)</u>

CITY OF ELYRIA, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
USEPA BROWNFIELD GRANT FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>USEPA BROWNFIELD GRANT FUND</b>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 230,000	\$ 200,863	\$ 59,975	\$ (140,888)
<b>TOTAL REVENUES</b>	<u>230,000</u>	<u>200,863</u>	<u>59,975</u>	<u>(140,888)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>USEPA Brownfield</b>				
Operation and maintenance	200,000	200,000	196,117	3,883
<b>Total USEPA Brownfield</b>	<u>200,000</u>	<u>200,000</u>	<u>196,117</u>	<u>3,883</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>200,000</u>	<u>200,000</u>	<u>196,117</u>	<u>3,883</u>
<b>TOTAL EXPENDITURES</b>	<u>200,000</u>	<u>200,000</u>	<u>196,117</u>	<u>3,883</u>
Excess (deficiency) of revenues over expenditures	30,000	863	(136,142)	(137,005)
<b>OTHER FINANCING (USES)</b>				
Advances out	(863)	(863)	(862)	1
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>(863)</u>	<u>(863)</u>	<u>(862)</u>	<u>1</u>
Net change in fund balance	29,137		(137,004)	(137,004)
Adjustment for prior year encumbrances	194,000	194,000	194,000	
<b>FUND (DEFICIT) AT BEGINNING OF YEAR</b>	<u>(194,000)</u>	<u>(194,000)</u>	<u>(194,000)</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 29,137</u>	<u>\$</u>	<u>\$ (137,004)</u>	<u>\$ (137,004)</u>

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, 2006

	<b>MUNI COURT TECHNOLOGY FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Interest earnings	\$ 200	\$ 200	\$ 7,409	\$ 7,209
Fines and forfeitures	175,000	175,000	181,591	6,591
<b>TOTAL REVENUES</b>	<u>175,200</u>	<u>175,200</u>	<u>189,000</u>	<u>13,800</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Muni Court Technology</b>				
Personal services	31,940	31,940	11,527	20,413
Fringe benefits	9,335	9,335	5,072	4,263
Operation and maintenance	128,700	128,700	99,128	29,572
Capital outlay	40,000	40,000	15,000	25,000
<b>Total Muni Court Technology</b>	<u>209,975</u>	<u>209,975</u>	<u>130,727</u>	<u>79,248</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>209,975</u>	<u>209,975</u>	<u>130,727</u>	<u>79,248</u>
<b>TOTAL EXPENDITURES</b>	<u>209,975</u>	<u>209,975</u>	<u>130,727</u>	<u>79,248</u>
Net change in fund balance	(34,775)	(34,775)	58,273	93,048
Adjustment for prior year encumbrances	19,064	19,064	19,064	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>73,366</u>	<u>73,366</u>	<u>73,366</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 57,655</u>	<u>\$ 57,655</u>	<u>\$ 150,703</u>	<u>\$ 93,048</u>

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, 2006

	<b>MUNI COURT SECURITY FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Interest earnings	\$ 2,000	\$ 2,000	\$ 5,520	\$ 3,520
Fines and forfeitures	70,000	70,000	87,378	17,378
<b>TOTAL REVENUES</b>	<u>72,000</u>	<u>72,000</u>	<u>92,898</u>	<u>20,898</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Muni Court Security</b>				
Personal services	62,000	68,000	66,044	1,956
Fringe benefits	9,400	10,400	10,006	394
Operation and maintenance	15,000	15,000	13,019	1,981
<b>Total Muni Court Security</b>	<u>86,400</u>	<u>93,400</u>	<u>89,069</u>	<u>4,331</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>86,400</u>	<u>93,400</u>	<u>89,069</u>	<u>4,331</u>
<b>TOTAL EXPENDITURES</b>	<u>86,400</u>	<u>93,400</u>	<u>89,069</u>	<u>4,331</u>
Net change in fund balance	(14,400)	(21,400)	3,829	25,229
Adjustment for prior year encumbrances	1,775	1,775	1,775	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>111,299</u>	<u>111,299</u>	<u>111,299</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 98,674</u>	<u>\$ 91,674</u>	<u>\$ 116,903</u>	<u>\$ 25,229</u>

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, 2006

	<u>SPECIAL PARKING FINES FUND</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest earnings	\$ 500	\$ 500	\$ 1,975	\$ 1,475
Fines and forfeitures	10,000	10,000	16,290	6,290
<b>TOTAL REVENUES</b>	<u>10,500</u>	<u>10,500</u>	<u>18,265</u>	<u>7,765</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Special Parking Fine</b>				
Operation and maintenance	9,000	9,000	2,987	6,013
Capital outlay	15,000	15,000	5,250	9,750
<b>Total Special Parking Fine</b>	<u>24,000</u>	<u>24,000</u>	<u>8,237</u>	<u>15,763</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>24,000</u>	<u>24,000</u>	<u>8,237</u>	<u>15,763</u>
<b>TOTAL EXPENDITURES</b>	<u>24,000</u>	<u>24,000</u>	<u>8,237</u>	<u>15,763</u>
Net change in fund balance	(13,500)	(13,500)	10,028	23,528
Adjustments for prior year encumbrances	390	390	390	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>32,669</u>	<u>32,669</u>	<u>32,669</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 19,559</u>	<u>\$ 19,559</u>	<u>\$ 43,087</u>	<u>\$ 23,528</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 - LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>LEGAL RESEARCH &amp; COURT COMPUTERIZATION FUND</u>			
	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 53,000	\$ 53,000	\$ 54,266	\$ 1,266
<b>TOTAL REVENUES</b>	<u>53,000</u>	<u>53,000</u>	<u>54,266</u>	<u>1,266</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Legal Research &amp; Court Computerization</b>				
Operation and maintenance	33,350	33,350	17,564	15,786
Capital outlay	25,000	25,000		25,000
<b>Total Legal Research &amp; Court Comp.</b>	<u>58,350</u>	<u>58,350</u>	<u>17,564</u>	<u>40,786</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>58,350</u>	<u>58,350</u>	<u>17,564</u>	<u>40,786</u>
<b>TOTAL EXPENDITURES</b>	<u>58,350</u>	<u>58,350</u>	<u>17,564</u>	<u>40,786</u>
Net change in fund balance	(5,350)	(5,350)	36,702	42,052
Adjustments for prior year encumbrances	1,864	1,864	1,864	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>165,443</u>	<u>165,443</u>	<u>165,443</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 161,957</u>	<u>\$ 161,957</u>	<u>\$ 204,009</u>	<u>\$ 42,052</u>

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, 2006

	<u>MUNI COURT SPECIAL COLLECTIONS FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines and forfeitures	\$ 35,000	\$ 35,000	\$ 87,817	\$ 52,817
<b>TOTAL REVENUES</b>	<u>35,000</u>	<u>35,000</u>	<u>87,817</u>	<u>52,817</u>
Net change in fund balance	35,000	35,000	87,817	52,817
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>114,490</u>	<u>114,490</u>	<u>114,490</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 149,490</u>	<u>\$ 149,490</u>	<u>\$ 202,307</u>	<u>\$ 52,817</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, 2006

	<b>FOOD SERVICE OPERATIONS FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Licenses and permits	\$ 61,500	\$ 61,500	\$ 66,210	\$ 4,710
Interest earnings	500	500	1,093	593
<b>TOTAL REVENUES</b>	<u>62,000</u>	<u>62,000</u>	<u>67,303</u>	<u>5,303</u>
<b>EXPENDITURES</b>				
<b>HEALTH</b>				
<b>Food Service</b>				
Personal services	60,499	60,499	58,375	2,124
Fringe benefits	17,193	17,193	12,571	4,622
Operation and maintenance	6,310	6,310	2,960	3,350
<b>Total Food Service</b>	<u>84,002</u>	<u>84,002</u>	<u>73,906</u>	<u>10,096</u>
<b>TOTAL HEALTH</b>	<u>84,002</u>	<u>84,002</u>	<u>73,906</u>	<u>10,096</u>
<b>TOTAL EXPENDITURES</b>	<u>84,002</u>	<u>84,002</u>	<u>73,906</u>	<u>10,096</u>
Excess (deficiency) of revenues over expenditures	(22,002)	(22,002)	(6,603)	15,399
<b>OTHER FINANCING SOURCES</b>				
Transfers in	23,000	23,000	23,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	
Net change in fund balance	998	998	16,397	15,399
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>672</u>	<u>672</u>	<u>672</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 1,670</u>	<u>\$ 1,670</u>	<u>\$ 17,069</u>	<u>\$ 15,399</u>

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, 2006

	<u>DENTAL HEALTH GRANT FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 45,000	\$ 35,800	\$ 35,752	\$ (48)
<b>TOTAL REVENUES</b>	<u>45,000</u>	<u>35,800</u>	<u>35,752</u>	<u>(48)</u>
<b>EXPENDITURES</b>				
<b>HEALTH</b>				
<b>Dental Sealant Program</b>				
Personal services	20,208	22,208	17,665	4,543
Fringe benefits	3,264	3,364	2,676	688
Operation and maintenance	23,528	23,528	15,992	7,536
<b>Total Dental Sealant Program</b>	<u>47,000</u>	<u>49,100</u>	<u>36,333</u>	<u>12,767</u>
<b>TOTAL HEALTH</b>	<u>47,000</u>	<u>49,100</u>	<u>36,333</u>	<u>12,767</u>
<b>TOTAL EXPENDITURES</b>	<u>47,000</u>	<u>49,100</u>	<u>36,333</u>	<u>12,767</u>
Net change in fund balance	(2,000)	(13,300)	(581)	12,719
Adjustment for prior year encumbrances	2,098	2,098	2,098	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>39,483</u>	<u>39,483</u>	<u>39,483</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 39,581</u>	<u>\$ 28,281</u>	<u>\$ 41,000</u>	<u>\$ 12,719</u>

CITY OF ELYRIA, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
SPECIAL TRAFFIC MAGISTRATE FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>SPECIAL TRAFFIC MAGISTRATE FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and forfeitures	\$ 10,050	\$ 30,000	\$ 35,064	\$ 5,064
<b>TOTAL REVENUES</b>	<u>10,050</u>	<u>30,000</u>	<u>35,064</u>	<u>5,064</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Special Traffic Magistrate</b>				
Personal services	12,000	19,500	19,615	(115)
Fringe benefits	<u>1,644</u>	<u>3,044</u>	<u>2,972</u>	<u>72</u>
<b>Total Special Traffic Magistrate</b>	<u>13,644</u>	<u>22,544</u>	<u>22,587</u>	<u>(43)</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>13,644</u>	<u>22,544</u>	<u>22,587</u>	<u>(43)</u>
<b>TOTAL EXPENDITURES</b>	<u>13,644</u>	<u>22,544</u>	<u>22,587</u>	<u>(43)</u>
Net change in fund balance	(3,594)	7,456	12,477	5,021
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>3,608</u>	<u>3,608</u>	<u>3,608</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 14</u>	<u>\$ 11,064</u>	<u>\$ 16,085</u>	<u>\$ 5,021</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, 2006

	<b>SWIMMING POOL INSPECTION FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Licenses and permits	\$ 3,700	\$ 3,700	\$ 3,200	\$ (500)
Interest earnings			48	48
<b>TOTAL REVENUES</b>	<u>3,700</u>	<u>3,700</u>	<u>3,248</u>	<u>(452)</u>
<b>EXPENDITURES</b>				
<b>HEALTH</b>				
<b>Swimming Pool Inspection</b>				
Personal services	3,107	3,967	3,958	9
Fringe benefits	504	1,159	965	194
Operation and maintenance	389	229	225	4
<b>Total Swimming Pool Inspection</b>	<u>4,000</u>	<u>5,355</u>	<u>5,148</u>	<u>207</u>
<b>TOTAL HEALTH</b>	<u>4,000</u>	<u>5,355</u>	<u>5,148</u>	<u>207</u>
<b>TOTAL EXPENDITURES</b>	<u>4,000</u>	<u>5,355</u>	<u>5,148</u>	<u>207</u>
Excess (deficiency) of revenues over expenditures	(300)	(1,655)	(1,900)	(245)
<b>OTHER FINANCING SOURCES</b>				
Transfers in		500	1,000	500
<b>TOTAL OTHER FINANCING SOURCES</b>		<u>500</u>	<u>1,000</u>	<u>500</u>
Net change in fund balance	(300)	(1,155)	(900)	255
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,474</u>	<u>1,474</u>	<u>1,474</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 1,174</u>	<u>\$ 319</u>	<u>\$ 574</u>	<u>\$ 255</u>

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, 2006

	<b>LAW ENFORCEMENT FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Interest earnings	\$ 500	\$ 500	\$ 3,500	\$ 3,000
Miscellaneous revenues	31,000	31,000	75,421	44,421
<b>TOTAL REVENUES</b>	<u>31,500</u>	<u>31,500</u>	<u>78,921</u>	<u>47,421</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Law Enforcement</b>				
Operation and maintenance	51,114	51,114	25,039	26,075
Capital outlay	18,300	18,300	16,151	2,149
<b>Total Law Enforcement</b>	<u>69,414</u>	<u>69,414</u>	<u>41,190</u>	<u>28,224</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>69,414</u>	<u>69,414</u>	<u>41,190</u>	<u>28,224</u>
<b>TOTAL EXPENDITURES</b>	<u>69,414</u>	<u>69,414</u>	<u>41,190</u>	<u>28,224</u>
Net change in fund balance	(37,914)	(37,914)	37,731	75,645
Adjustment for prior year encumbrances	14,939	14,939	14,939	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>70,115</u>	<u>70,115</u>	<u>70,115</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 47,140</u>	<u>\$ 47,140</u>	<u>\$ 122,785</u>	<u>\$ 75,645</u>

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, 2006

	<b>MANDATORY DRUG FINE FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Interest earnings	\$ 900	\$ 900	\$ 1,501	\$ 601
Fines and forfeitures	10,000	10,000	7,506	(2,494)
Miscellaneous revenues			308	308
<b>TOTAL REVENUES</b>	<b>10,900</b>	<b>10,900</b>	<b>9,315</b>	<b>(1,585)</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Mandatory Drug Fine</b>				
Operation and maintenance	20,072	20,072	10,761	9,311
Capital outlay	19,055	19,055	19,055	
<b>Total Mandatory Drug Fine</b>	<b>39,127</b>	<b>39,127</b>	<b>29,816</b>	<b>9,311</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>39,127</b>	<b>39,127</b>	<b>29,816</b>	<b>9,311</b>
<b>TOTAL EXPENDITURES</b>	<b>39,127</b>	<b>39,127</b>	<b>29,816</b>	<b>9,311</b>
Net change in fund balance	(28,227)	(28,227)	(20,501)	7,726
Adjustment for prior year encumbrances	8,855	8,855	8,855	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>25,352</b>	<b>25,352</b>	<b>25,352</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 5,980</b>	<b>\$ 5,980</b>	<b>\$ 13,706</b>	<b>\$ 7,726</b>

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, 2006

	<u>INDIGENT DRIVERS ALCOHOL TREATMENT FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest earnings	\$ 8,000	\$ 8,000	\$ 24,525	\$ 16,525
Fines and forfeitures	47,000	47,000	45,725	(1,275)
<b>TOTAL REVENUES</b>	<u>55,000</u>	<u>55,000</u>	<u>70,250</u>	<u>15,250</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Indigent Drivers Alcohol Treatment</b>				
Operation and maintenance	45,100	50,100	36,690	13,410
<b>Total Indigent Drivers Alcohol Treatment</b>	<u>45,100</u>	<u>50,100</u>	<u>36,690</u>	<u>13,410</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>45,100</u>	<u>50,100</u>	<u>36,690</u>	<u>13,410</u>
<b>TOTAL EXPENDITURES</b>	<u>45,100</u>	<u>50,100</u>	<u>36,690</u>	<u>13,410</u>
Net change in fund balance	9,900	4,900	33,560	28,660
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>476,266</u>	<u>476,266</u>	<u>476,266</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 486,166</u>	<u>\$ 481,166</u>	<u>\$ 509,826</u>	<u>\$ 28,660</u>

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, 2006

	<u>ALCOHOL ENFORCEMENT AND EDUCATION FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest earnings	\$ 200	\$ 200	\$ 993	\$ 793
Fines and forfeitures	1,200	1,200	1,755	555
<b>TOTAL REVENUES</b>	<u>1,400</u>	<u>1,400</u>	<u>2,748</u>	<u>1,348</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Alcohol Enforcement and Education</b>				
Operation and maintenance	10,000	10,000	630	9,370
<b>Total Alcohol Enforcement and Education</b>	<u>10,000</u>	<u>10,000</u>	<u>630</u>	<u>9,370</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>10,000</u>	<u>10,000</u>	<u>630</u>	<u>9,370</u>
<b>TOTAL EXPENDITURES</b>	<u>10,000</u>	<u>10,000</u>	<u>630</u>	<u>9,370</u>
Net change in fund balance	(8,600)	(8,600)	2,118	10,718
Adjustment for prior year encumbrances	630	630	630	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>18,403</u>	<u>18,403</u>	<u>18,403</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 10,433</u>	<u>\$ 10,433</u>	<u>\$ 21,151</u>	<u>\$ 10,718</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, 2006

	<b>POLICE LEVY FUND</b>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,033,000	\$ 3,173,958	\$ 3,193,525	\$ 19,567
Interest earnings	15,000	20,000	27,590	7,590
Miscellaneous revenues	20,050	51,862	55,362	3,500
<b>TOTAL REVENUES</b>	<u>3,068,050</u>	<u>3,245,820</u>	<u>3,276,477</u>	<u>30,657</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police Levy</b>				
Personal services	2,233,583	2,278,583	2,041,018	237,565
Fringe benefits	754,990	756,490	675,846	80,644
Operation and maintenance	400,036	455,036	421,251	33,785
Capital outlay	187,081	199,081	184,890	14,191
<b>Total Police Levy</b>	<u>3,575,690</u>	<u>3,689,190</u>	<u>3,323,005</u>	<u>366,185</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>3,575,690</u>	<u>3,689,190</u>	<u>3,323,005</u>	<u>366,185</u>
<b>TOTAL EXPENDITURES</b>	<u>3,575,690</u>	<u>3,689,190</u>	<u>3,323,005</u>	<u>366,185</u>
Excess (deficiency) of revenues over expenditures	(507,640)	(443,370)	(46,528)	396,842
<b>OTHER FINANCING SOURCES</b>				
Other financing sources			1,784	1,784
<b>TOTAL OTHER FINANCING SOURCES</b>			<u>1,784</u>	<u>1,784</u>
Net change in fund balance	(507,640)	(443,370)	(44,744)	398,626
Adjustment for prior year encumbrances	144,326	144,326	144,326	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>363,322</u>	<u>363,322</u>	<u>363,322</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 8</u>	<u>\$ 64,278</u>	<u>\$ 462,904</u>	<u>\$ 398,626</u>

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, 2006

	<b>WAGNER TRUST FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Interest earnings	\$ 100	\$ 100	\$ 528	\$ 428
Miscellaneous revenues	3,000	3,000	4,179	1,179
<b>TOTAL REVENUES</b>	<u>3,100</u>	<u>3,100</u>	<u>4,707</u>	<u>1,608</u>
<b>EXPENDITURES</b>				
<b>Wagner Trust</b>				
Capital outlay	8,000	8,000	8,000	
<b>Total Wagner Trust</b>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	
<b>TOTAL EXPENDITURES</b>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	
Net change in fund balance	(4,900)	(4,900)	(3,293)	1,607
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>8,078</u>	<u>8,078</u>	<u>8,078</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 3,178</u>	<u>\$ 3,178</u>	<u>\$ 4,785</u>	<u>\$ 1,607</u>

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, 2006

	<b>FINDLEY TRUST FUND</b>			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>REVENUES</b>				
Interest earnings	\$ 2,000	\$ 2,000	\$ 8,732	\$ 6,732
Miscellaneous revenues	43,000	43,000	46,005	3,005
<b>TOTAL REVENUES</b>	<u>45,000</u>	<u>45,000</u>	<u>54,737</u>	<u>9,737</u>
<b>EXPENDITURES</b>				
<b>Findley Trust</b>				
Personal services	15,000	15,000	5,217	9,783
Fringe benefits	2,423	2,423	790	1,633
Operation and maintenance	38,950	38,950	23,818	15,132
Capital outlay	40,000	40,000	35,644	4,356
<b>Total Findley Trust</b>	<u>96,373</u>	<u>96,373</u>	<u>65,469</u>	<u>30,904</u>
<b>TOTAL EXPENDITURES</b>	<u>96,373</u>	<u>96,373</u>	<u>65,469</u>	<u>30,904</u>
Net change in fund balance	(51,373)	(51,373)	(10,732)	40,641
Adjustment for prior year encumbrances	2,330	2,330	2,330	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>151,343</u>	<u>151,343</u>	<u>151,343</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 102,300</u>	<u>\$ 102,300</u>	<u>\$ 142,941</u>	<u>\$ 40,641</u>

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, 2006

	<b>CEMETERY MAINTENANCE AND IMPROVEMENT FUND</b>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 82,000	\$ 80,300	\$ 83,672	\$ 3,372
Interest earnings	1,500	1,500	2,306	806
<b>TOTAL REVENUES</b>	<u>83,500</u>	<u>81,800</u>	<u>85,978</u>	<u>4,178</u>
<b>EXPENDITURES</b>				
<b>Cemetery Maintenance and Improvement</b>				
Personal services	45,000	45,000	41,991	3,009
Fringe benefits	8,075	8,075	6,362	1,713
Operation and maintenance	69,425	69,425	53,108	16,317
<b>Total Cemetery Maintenance and Improvement</b>	<u>122,500</u>	<u>122,500</u>	<u>101,461</u>	<u>21,039</u>
<b>TOTAL EXPENDITURES</b>	<u>122,500</u>	<u>122,500</u>	<u>101,461</u>	<u>21,039</u>
Excess (deficiency) of revenues over expenditures	(39,000)	(40,700)	(15,483)	25,217
<b>OTHER FINANCING SOURCES</b>				
Transfers in	15,000	10,500	10,474	(26)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>15,000</u>	<u>10,500</u>	<u>10,474</u>	<u>(26)</u>
Net change in fund balance	(24,000)	(30,200)	(5,009)	25,191
Adjustment for prior year encumbrances	2,852	2,852	2,852	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>42,214</u>	<u>42,214</u>	<u>42,214</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 21,066</u>	<u>\$ 14,866</u>	<u>\$ 40,057</u>	<u>\$ 25,191</u>

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, 2006

	<b>GENERAL BOND RETIREMENT FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Taxes	\$ 1,623,000	\$ 1,768,296	\$ 1,768,297	\$ 1
Intergovernmental revenues	162,000	162,000	139,675	(22,325)
Interest earnings	40,000	93,615	103,141	9,526
<b>TOTAL REVENUES</b>	<u>1,825,000</u>	<u>2,023,911</u>	<u>2,011,113</u>	<u>(12,798)</u>
<b>EXPENDITURES</b>				
<b>DEBT SERVICE</b>				
<b>General Bond Retirement</b>				
Operation and maintenance	51,000	51,000	43,266	7,734
Principal retirement	1,283,588	1,283,588	1,239,659	43,929
Interest	923,336	923,336	909,153	14,183
<b>Total General Bond Retirement</b>	<u>2,257,924</u>	<u>2,257,924</u>	<u>2,192,078</u>	<u>65,846</u>
<b>TOTAL DEBT SERVICE</b>	<u>2,257,924</u>	<u>2,257,924</u>	<u>2,192,078</u>	<u>65,846</u>
<b>TOTAL EXPENDITURES</b>	<u>2,257,924</u>	<u>2,257,924</u>	<u>2,192,078</u>	<u>65,846</u>
Excess (deficiency) of revenues over expenditures	(432,924)	(234,013)	(180,965)	53,048
<b>OTHER FINANCING SOURCES</b>				
Premium on bond sales			5,306	5,306
Premium on note sales		11,087	57,318	46,231
<b>TOTAL OTHER FINANCING SOURCES</b>		<u>11,087</u>	<u>62,624</u>	<u>51,537</u>
Net change in fund balance	(432,924)	(222,926)	(118,341)	104,585
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,551,866</u>	<u>1,551,866</u>	<u>1,551,866</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 1,118,942</u>	<u>\$ 1,328,940</u>	<u>\$ 1,433,525</u>	<u>\$ 104,585</u>

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, 2006

	<u>SPECIAL ASSESSMENT BOND RETIREMENT FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest earnings	\$ 4,000	\$ 7,277	\$ 7,276	\$ (1)
Special assessments	394,689	342,713	342,713	
<b>TOTAL REVENUES</b>	<u>398,689</u>	<u>349,990</u>	<u>349,989</u>	<u>(1)</u>
<b>EXPENDITURES</b>				
<b>DEBT SERVICE</b>				
<b>Special Assessment Bond Retirement</b>				
Operation and maintenance	20,000	13,967	13,967	
Principal retirement	287,620	272,148	272,148	
Interest	91,688	64,494	64,493	1
<b>Total Special Assessment Bond Retirement</b>	<u>399,308</u>	<u>350,609</u>	<u>350,608</u>	<u>1</u>
<b>TOTAL DEBT SERVICE</b>	<u>399,308</u>	<u>350,609</u>	<u>350,608</u>	<u>1</u>
<b>TOTAL EXPENDITURES</b>	<u>399,308</u>	<u>350,609</u>	<u>350,608</u>	<u>1</u>
Net change in fund balance	(619)	(619)	(619)	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>619</u>	<u>619</u>	<u>619</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</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, 2006

	BRIDGE PROJECTS FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 13	\$ 13	\$ 52	\$ 39
<b>TOTAL REVENUES</b>	13	13	52	39
Excess (deficiency) of revenues over expenditures	13	13	52	39
<b>OTHER FINANCING (USES)</b>				
Transfers out	(1,167)	(1,167)		1,167
<b>TOTAL OTHER FINANCING (USES)</b>	(1,167)	(1,167)		1,167
Net change in fund balance	(1,154)	(1,154)	52	1,206
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	1,154	1,154	1,154	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	\$	\$	\$ 1,206	\$ 1,206

CITY OF ELYRIA, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
PARKS IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>PARKS IMPROVEMENT FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Interest earnings	\$ 1,000	\$ 1,000	\$ 4,050	\$ 3,050
<b>TOTAL REVENUES</b>	<u>1,000</u>	<u>1,000</u>	<u>4,050</u>	<u>3,050</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Parks Improvement</b>				
Capital outlay	43,000	43,000	40,680	2,320
<b>Total Parks Improvement</b>	<u>43,000</u>	<u>43,000</u>	<u>40,680</u>	<u>2,320</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>43,000</u>	<u>43,000</u>	<u>40,680</u>	<u>2,320</u>
<b>TOTAL EXPENDITURES</b>	<u>43,000</u>	<u>43,000</u>	<u>40,680</u>	<u>2,320</u>
Net change in fund balance	(42,000)	(42,000)	(36,630)	5,370
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>80,008</u>	<u>80,008</u>	<u>80,008</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 38,008</u>	<u>\$ 38,008</u>	<u>\$ 43,378</u>	<u>\$ 5,370</u>



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, 2006

	<b>CASCADE/ELYWOOD FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Interest earnings	\$ 209	\$ 209	\$ 1,310	\$ 1,101
Miscellaneous revenues		8,555	8,555	
<b>TOTAL REVENUES</b>	<u>209</u>	<u>8,764</u>	<u>9,865</u>	<u>1,101</u>
<b>EXPENDITURES</b>				
<b>CULTURE AND RECREATION</b>				
<b>Cascade/Elywood</b>				
Operating and maintenance	20,640	20,640	4,823	15,817
Capital outlay	16,597	16,597	15,508	1,089
<b>Total Cascade/Elywood</b>	<u>37,237</u>	<u>37,237</u>	<u>20,331</u>	<u>16,906</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>37,237</u>	<u>37,237</u>	<u>20,331</u>	<u>16,906</u>
<b>TOTAL EXPENDITURES</b>	<u>37,237</u>	<u>37,237</u>	<u>20,331</u>	<u>16,906</u>
Net change in fund balance	(37,028)	(28,473)	(10,466)	18,007
Adjustment for prior year encumbrances	18,236	18,236	18,236	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>18,793</u>	<u>18,793</u>	<u>18,793</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 1</u>	<u>\$ 8,556</u>	<u>\$ 26,563</u>	<u>\$ 18,007</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, 2006

	<b>STATE ISSUE II CAPITAL PROJECTS FUND</b>			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental revenues	\$ 351,130	\$ 1,017,739	\$ 910,227	\$ (107,512)
Interest earnings	80	89	206	117
<b>TOTAL REVENUES</b>	<u>351,210</u>	<u>1,017,828</u>	<u>910,433</u>	<u>(107,395)</u>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>Broad St. - West Ave. to W. Bridge</b>				
Personal services		166	165	1
Fringe benefits		25	25	
Operating and maintenance		566	566	
Capital outlay		<u>343,274</u>	<u>312,632</u>	<u>30,642</u>
<b>Total Broad St. - West Ave. to W. Bridge</b>		<u>344,031</u>	<u>313,388</u>	<u>30,643</u>
<b>Clark St. - Winckles St. to Abbe Rd.</b>				
Operating and maintenance		548	547	1
Capital outlay		<u>274,907</u>	<u>249,953</u>	<u>24,954</u>
<b>Total Clark St. - Winckles St. to Abbe Rd.</b>		<u>275,455</u>	<u>250,500</u>	<u>24,955</u>
<b>Oberlin Rd. - West Ave. to Corporation</b>				
Operating and maintenance		537	537	
Capital outlay		<u>157,020</u>	<u>127,917</u>	<u>29,103</u>
<b>Total Oberlin Rd. - West Ave. to Corporation</b>		<u>157,557</u>	<u>128,454</u>	<u>29,103</u>
<b>Third Street Storm Sewer</b>				
Capital outlay	44,562	44,562	28,269	16,293
<b>Total Third Street Storm Sewer</b>	<u>44,562</u>	<u>44,562</u>	<u>28,269</u>	<u>16,293</u>
<b>West Ave. / Oberlin to Parkview</b>				
Capital outlay	206,483	206,483	206,483	
<b>Total West Ave. / Oberlin to Parkview</b>	<u>206,483</u>	<u>206,483</u>	<u>206,483</u>	
<b>West River Rd. / 2nd Street to S.R. 57</b>				
Capital outlay	100,085	100,085	98,195	1,890
<b>Total West River Rd. / 2nd Street to S.R. 57</b>	<u>100,085</u>	<u>100,085</u>	<u>98,195</u>	<u>1,890</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>351,130</u>	<u>1,128,173</u>	<u>1,025,289</u>	<u>102,884</u>
<b>TOTAL EXPENDITURES</b>	<u>351,130</u>	<u>1,128,173</u>	<u>1,025,289</u>	<u>102,884</u>
Excess (deficiency) of revenues over expenditures	80	<u>(110,345)</u>	<u>(114,856)</u>	<u>(4,511)</u>

(Continued on subsequent page)

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, 2006

STATE ISSUE II CAPITAL PROJECTS FUND			
	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		110,434	74
Transfers out	(3,252)	(3,252)	(74)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(3,252)	107,182	(107,182)
Net change in fund balance	(3,172)	(3,163)	(114,856)
Adjustment for prior year encumbrances	13,035	13,035	13,035
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	(9,854)	(9,854)	(9,854)
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	\$ 9	\$ 18	\$ (111,675)
			\$ (111,693)

CITY OF ELYRIA, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
TWO FALLS TRAIL IMPROVEMENT PROJECT FUND - LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>TWO FALLS TRAIL IMPROVEMENT PROJECT FUND</u>			
	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 530,000	\$ 539,111	\$ 438,748	\$ (100,363)
<b>TOTAL REVENUES</b>	<u>530,000</u>	<u>539,111</u>	<u>438,748</u>	<u>(100,363)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
Two Falls Trail Improvement Project				
Capital outlay	530,000	530,000	539,111	(9,111)
<b>Total Two Falls Trail Improvement Project</b>	<u>530,000</u>	<u>530,000</u>	<u>539,111</u>	<u>(9,111)</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>530,000</u>	<u>530,000</u>	<u>539,111</u>	<u>(9,111)</u>
<b>TOTAL EXPENDITURES</b>	<u>530,000</u>	<u>530,000</u>	<u>539,111</u>	<u>(9,111)</u>
Excess (deficiency) of revenues over expenditures		9,111	(100,363)	(109,474)
<b>OTHER FINANCING SOURCES</b>				
Advances in			2,970	2,970
<b>TOTAL OTHER FINANCING SOURCES</b>			<u>2,970</u>	<u>2,970</u>
Net change in fund balance		9,111	(97,393)	(106,504)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$</u>	<u>\$ 9,111</u>	<u>\$ (97,393)</u>	<u>\$ (106,504)</u>

CITY OF ELYRIA, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
STATE ROUTE 57 REHABILITATION FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>STATE ROUTE 57 REHABILITATION FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest earnings	\$	\$	\$ 3,119	\$ 3,119
<b>TOTAL REVENUES</b>			3,119	3,119
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>State Route 57 Rehabilitation</b>				
Operation and maintenance	542,294	703,294	703,293	1
<b>Total State Route 57 Rehabilitation</b>	542,294	703,294	703,293	1
<b>TOTAL HIGHWAYS AND STREETS</b>	542,294	703,294	703,293	1
<b>TOTAL EXPENDITURES</b>	542,294	703,294	703,293	1
Excess (deficiency) of revenues over expenditures	(542,294)	(703,294)	(700,174)	3,120
<b>OTHER FINANCING SOURCES</b>				
Advances in	542,543	703,543	474,853	(228,690)
Advances out	(710,000)	(710,000)	(481,310)	228,690
Proceeds of notes	710,000	710,000	710,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	542,543	703,543	703,543	
Net change in fund balance	249	249	3,369	3,120
Adjustment for prior year encumbrances	542,293	542,293	542,293	
<b>FUND (DEFICIT) AT BEGINNING OF YEAR</b>	(542,293)	(542,293)	(542,293)	
<b>FUND BALANCE AT END OF YEAR</b>	\$ 249	\$ 249	\$ 3,369	\$ 3,120

CITY OF ELYRIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
 ENERGY CONSERVATION FUND-LEGAL APPROPRIATION LEVEL  
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<b>ENERGY CONSERVATION FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Energy Conservation</b>				
Capital outlay	\$ 175,000	\$ 175,000	\$ 175,000	
<b>Total Energy Conservation</b>	175,000	175,000	175,000	
<b>TOTAL COMMUNITY ENVIRONMENT</b>	175,000	175,000	175,000	
<b>TOTAL EXPENDITURES</b>	175,000	175,000	175,000	
Excess (deficiency) of revenues over expenditures	(175,000)	(175,000)	(175,000)	
<b>OTHER FINANCING SOURCES</b>				
Advances in	175,000	175,000	175,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	175,000	175,000	175,000	
Net change in fund balance				
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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, 2006

	<u>MUNICIPAL BUILDING CONSTRUCTION FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest earnings	\$ 259	\$ 259	\$ 1,220	\$ 961
<b>TOTAL REVENUES</b>	<u>259</u>	<u>259</u>	<u>1,220</u>	<u>961</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Municipal Building Const/Imp</b>				
Operation and maintenance	12,174	12,174	12,174	
Capital outlay	4,000	4,700	4,697	3
Principal retirement	1,700,000	1,700,000	1,700,000	
<b>Total Municipal Bldg Const/Imp</b>	<u>1,716,174</u>	<u>1,716,874</u>	<u>1,716,871</u>	<u>3</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>1,716,174</u>	<u>1,716,874</u>	<u>1,716,871</u>	<u>3</u>
<b>TOTAL EXPENDITURES</b>	<u>1,716,174</u>	<u>1,716,874</u>	<u>1,716,871</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	(1,715,915)	(1,716,615)	(1,715,651)	964
<b>OTHER FINANCING SOURCES</b>				
Proceeds of notes	1,700,000	1,700,000	1,700,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	
Net change in fund balance	(15,915)	(16,615)	(15,651)	964
Adjustment for prior year encumbrances	16,173	16,173	16,173	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>10,302</u>	<u>10,302</u>	<u>10,302</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 10,560</u>	<u>\$ 9,860</u>	<u>\$ 10,824</u>	<u>\$ 964</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, 2006

	<b>INDUSTRIAL PARKWAY FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Intergovernmental revenues	\$	\$	\$ 17,001	\$ 17,001
Interest earnings	5,507	5,507	28,857	23,350
<b>TOTAL REVENUES</b>	<u>5,507</u>	<u>5,507</u>	<u>45,858</u>	<u>40,351</u>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>Industrial Parkway</b>				
Operation and maintenance	157,953	157,953	157,952	1
Capital outlay	76,064	76,064	76,064	
Principal retirement		65,000	65,000	
Interest		35,509	35,509	
<b>Total Industrial Parkway</b>	<u>234,017</u>	<u>334,526</u>	<u>334,525</u>	<u>1</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>234,017</u>	<u>334,526</u>	<u>334,525</u>	<u>1</u>
<b>TOTAL EXPENDITURES</b>	<u>234,017</u>	<u>334,526</u>	<u>334,525</u>	<u>1</u>
Net change in fund balance	(228,510)	(329,019)	(288,667)	40,352
Adjustment for prior year encumbrances	234,016	234,016	234,016	
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<u>314,783</u>	<u>314,783</u>	<u>314,783</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 320,289</u>	<u>\$ 219,780</u>	<u>\$ 260,132</u>	<u>\$ 40,352</u>



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, 2006

CEMETERY TRUST FUND				
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Charges for services	\$ 14,300	\$ 9,293	\$ 9,734	\$ 441
Interest earnings	15,000	12,235	12,285	50
<b>TOTAL REVENUES</b>	29,300	21,528	22,019	491
<b>OTHER FINANCING (USES)</b>				
Transfers out	(15,000)	(15,000)	(10,474)	4,526
<b>TOTAL OTHER FINANCING (USES)</b>	(15,000)	(15,000)	(10,474)	4,526
Net change in fund balance	14,300	6,528	11,545	5,017
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	424,037	424,037	424,037	
<b>FUND BALANCE AT END OF YEAR</b>	\$ 438,337	\$ 430,565	\$ 435,582	\$ 5,017

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

## PROPRIETARY FUNDS

*Proprietary 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  
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, 2006

	<b>WATER FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 164,000	\$ 164,000	\$	\$ (164,000)
Charges for service	5,339,700	5,558,648	5,392,195	(166,453)
Licenses and permits	112,000	183,394	184,177	783
Interest earnings	50,000	86,683	89,984	3,301
Special assessments	5,500	10,749	10,749	
Fines and forfeitures	32,000	40,504	40,663	159
Miscellaneous revenues	11,000	26,747	25,408	(1,339)
<b>TOTAL REVENUES</b>	<b>5,714,200</b>	<b>6,070,725</b>	<b>5,743,176</b>	<b>(327,549)</b>
<b>EXPENSES</b>				
<b>Public Utility Services</b>				
Personal services	881,180	907,180	848,235	58,945
Fringe benefits	295,266	295,266	280,362	14,904
Operation and maintenance	285,600	259,600	252,788	6,812
Capital outlay	40,000	40,000	39,916	84
<b>Total Public Utilities</b>	<b>1,502,046</b>	<b>1,502,046</b>	<b>1,421,301</b>	<b>80,745</b>
<b>Water Pumping</b>				
Personal services	1,173,161	1,243,161	1,221,561	21,600
Fringe benefits	382,498	382,498	369,226	13,272
Operation and maintenance	1,123,150	1,271,003	1,172,459	98,544
Capital outlay	28,514	28,761	25,607	3,154
<b>Total Water Pumping</b>	<b>2,707,323</b>	<b>2,925,423</b>	<b>2,788,853</b>	<b>136,570</b>
<b>Water Distribution</b>				
Personal services	525,580	515,580	474,888	40,692
Fringe benefits	164,062	159,062	154,069	4,993
Operation and maintenance	205,569	205,569	190,458	15,111
Capital outlay		15,000	14,995	5
<b>Total Water Distribution</b>	<b>895,211</b>	<b>895,211</b>	<b>834,410</b>	<b>60,801</b>
<b>Water Miscellaneous</b>				
Personal services	276,154	263,926	255,818	8,108
Fringe benefits	85,936	76,936	67,609	9,327
Operation and maintenance	871,634	871,634	469,504	402,130
Capital outlay	1,483,393	1,265,293	1,216,771	48,522
Debt service:				
Principal retirements	1,634,261	1,634,261	1,634,260	1
Interest	384,178	396,406	396,406	
Reimbursements	265,000	274,000	250,814	23,186
<b>Total Water Miscellaneous</b>	<b>5,000,556</b>	<b>4,782,456</b>	<b>4,291,182</b>	<b>491,274</b>
<b>TOTAL EXPENSES</b>	<b>10,105,136</b>	<b>10,105,136</b>	<b>9,335,746</b>	<b>769,390</b>
Operating loss	(4,390,936)	(4,034,411)	(3,592,570)	441,841

(Continued on subsequent page)

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, 2006

	<b>WATER FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>NONOPERATING REVENUES</b>				
Proceeds of bonds		1,600,000	1,600,000	
Proceeds of notes	2,000,000			
Other sources	<u>600,000</u>	<u>632,251</u>	<u>632,251</u>	
<b>TOTAL NONOPERATING REVENUES</b>	<u>2,600,000</u>	<u>2,232,251</u>	<u>2,232,251</u>	
<b>TRANSFERS IN</b>	<u>2,000</u>	<u>2,000</u>	<u>1,970</u>	(30)
Net change in fund equity	(1,788,936)	(1,800,160)	(1,358,349)	441,811
Adjustments for prior year encumbrances	511,972	511,972	511,972	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>1,288,340</u>	<u>1,288,340</u>	<u>1,288,340</u>	
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 11,376</u>	<u>\$ 152</u>	<u>\$ 441,963</u>	<u>\$ 441,811</u>

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, 2006

	<b>SPECIAL PARKS AND RECREATION FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Intergovernmental revenues	\$		\$ 10,000	\$ 10,000
Charges for service		215,000	250,748	35,748
Interest earnings		4,000	15,521	11,521
Miscellaneous revenues		88,000	91,557	3,557
<b>TOTAL REVENUES</b>		<b>307,000</b>	<b>367,826</b>	<b>60,826</b>
<b>EXPENSES</b>				
<b>Special Parks and Recreation</b>				
Personal services		121,000	119,497	1,503
Fringe benefits		19,542	18,091	1,451
Operation and maintenance		200,670	159,582	41,088
Capital outlay		22,000	39,685	1,315
<b>Total Special Parks and Recreation</b>		<b>363,212</b>	<b>336,855</b>	<b>45,357</b>
<b>TOTAL EXPENSES</b>		<b>363,212</b>	<b>336,855</b>	<b>45,357</b>
Net change in fund equity		(56,212)	30,971	106,183
Adjustments for prior year encumbrances		7,640	7,640	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>		<b>283,948</b>	<b>283,948</b>	
<b>FUND EQUITY AT END OF YEAR</b>	<b>\$</b>	<b>235,376</b>	<b>\$ 322,559</b>	<b>\$ 106,183</b>

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, 2006

	<b>SANITATION FUND</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual</u></b>	
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 197,000	\$ 197,000	\$ 194,064	\$ (2,936)
Charges for services	3,000,000	3,075,000	3,107,704	32,704
Interest earnings	5,000	10,000	14,651	4,651
Miscellaneous revenues			6,328	6,328
<b>TOTAL REVENUES</b>	<b>3,202,000</b>	<b>3,282,000</b>	<b>3,322,747</b>	<b>40,747</b>
<b>EXPENSES</b>				
<b>Sanitation</b>				
Personal services	1,178,573	1,227,573	1,211,195	16,378
Fringe benefits	416,006	429,406	425,645	3,761
Operation and maintenance	1,086,800	1,161,800	1,151,020	10,780
Capital outlay	10,000	25,000	24,910	90
Debt service:				
Principal retirement	170,000	170,000	170,000	
Interest	6,800	6,800	6,800	
Reimbursements	230,000	230,000	208,786	21,214
<b>Total Sanitation</b>	<b>3,098,179</b>	<b>3,250,579</b>	<b>3,198,356</b>	<b>52,223</b>
<b>Recycling</b>				
Operation and maintenance	67,668	49,393	42,225	7,168
Capital outlay	212,441	230,716	230,586	130
<b>Total Recycling</b>	<b>280,109</b>	<b>280,109</b>	<b>272,811</b>	<b>7,298</b>
<b>TOTAL EXPENSES</b>	<b>3,378,288</b>	<b>3,530,688</b>	<b>3,471,167</b>	<b>59,521</b>
Operating loss	(176,288)	(248,688)	(148,420)	100,268
<b>NON-OPERATING REVENUES</b>				
Proceeds of notes	140,000	140,000	140,000	
Other financing sources			855	855
<b>TOTAL NONOPERATING REVENUES</b>	<b>140,000</b>	<b>140,000</b>	<b>140,855</b>	<b>855</b>
<b>TRANSFERS IN</b>	<b>2,000</b>	<b>2,000</b>	<b>1,970</b>	<b>(30)</b>
Net change in fund equity	(34,288)	(106,688)	(5,595)	101,093
Adjustments for prior year encumbrances	108,383	108,383	108,383	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<b>62,297</b>	<b>62,297</b>	<b>62,297</b>	
<b>FUND EQUITY AT END OF YEAR</b>	<b>\$ 136,392</b>	<b>\$ 63,992</b>	<b>\$ 165,085</b>	<b>\$ 101,093</b>

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, 2006

<b>WASTEWATER POLLUTION CONTROL FUND</b>				
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 9,395,000	\$ 9,395,000	\$ 9,465,850	\$ 70,850
Fees, licenses and permits	120,000	120,000	140,857	20,857
Interest earnings	75,000	225,000	240,235	15,235
Special assessments		28,000	28,019	19
Miscellaneous revenues	150,000	147,500	157,614	10,114
<b>TOTAL REVENUES</b>	<u>9,740,000</u>	<u>9,915,500</u>	<u>10,032,575</u>	<u>117,075</u>
<b>EXPENSES</b>				
<b>Wastewater Pollution Control</b>				
Personal services	3,114,391	3,026,391	2,876,288	150,103
Fringe benefits	888,197	888,197	833,482	54,715
Operation and maintenance	2,166,430	2,236,016	2,010,391	225,625
Capital outlay	57,287	90,701	54,950	35,751
<b>Total Wastewater Pollution Control</b>	<u>6,226,305</u>	<u>6,241,305</u>	<u>5,775,111</u>	<u>466,194</u>
<b>Wastewater Pollution Control Miscellaneous</b>				
Personal services	302,519	390,519	368,372	22,147
Fringe benefits	91,623	93,623	91,695	1,928
Operation and maintenance	903,415	883,490	767,541	115,949
Capital outlay	3,646,066	3,633,066	2,721,251	911,815
Debt service:				
Principal retirement	5,392,122	5,392,122	5,392,122	
Interest	1,065,806	1,093,331	1,093,331	
Reimbursement	1,000,000	1,088,000	1,007,180	80,820
<b>Total Wastewater Pollution Control Miscellaneous</b>	<u>12,401,551</u>	<u>12,574,151</u>	<u>11,441,492</u>	<u>1,132,659</u>
<b>TOTAL EXPENSES</b>	18,627,856	18,815,456	17,216,603	1,598,853
Operating loss	<u>(8,887,856)</u>	<u>(8,899,956)</u>	<u>(7,184,028)</u>	<u>1,715,928</u>

(Continued on subsequent page)



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, 2006

	<u>WASTEWATER POLLUTION CONTROL FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>NONOPERATING REVENUES</b>				
Proceeds of bonds		3,600,000	3,600,000	
Proceeds of notes	3,400,000			
Other financing sources			46	46
<b>TOTAL NONOPERATING REVENUES</b>	<u>3,400,000</u>	<u>3,600,000</u>	<u>3,600,046</u>	<u>46</u>
<b>TRANSFERS IN</b>	<u>2,000</u>	<u>2,000</u>	<u>1,970</u>	<u>(30)</u>
Net change in fund equity	<u>(5,485,856)</u>	<u>(5,297,956)</u>	<u>(3,582,012)</u>	<u>1,715,944</u>
Adjustments for prior year encumbrances	2,432,165	2,432,165	2,432,165	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>4,911,127</u>	<u>4,911,127</u>	<u>4,911,127</u>	
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 1,857,436</u>	<u>\$ 2,045,336</u>	<u>\$ 3,761,280</u>	<u>\$ 1,715,944</u>

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

## 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 Statement of Net Assets  
Internal Service Funds  
December 31, 2006

	<u>Employees' Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 182,481	\$ 4,985	\$ 187,466
Investments		1,349,200	1,349,200
Interest receivable		5,785	5,785
Total current assets	<u>182,481</u>	<u>1,359,970</u>	<u>1,542,451</u>
Total assets	<u>182,481</u>	<u>1,359,970</u>	<u>1,542,451</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accrued wages and benefits		667	667
Claims payable	499,387	174,376	673,763
Contracts payable	745		745
Total current liabilities	<u>500,132</u>	<u>175,043</u>	<u>675,175</u>
<b>NET ASSETS</b>			
Unrestricted	(317,651)	1,184,927	867,276
Total net assets	<u>\$ (317,651)</u>	<u>\$ 1,184,927</u>	<u>\$ 867,276</u>

**City of Elyria, Ohio**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2006**

	<b>Employees'</b>	<b>Workers'</b>	<b>Total</b>
	<b>Health Insurance</b>	<b>Compensation</b>	
Operating revenues:			
Charges for services	\$ 5,342,219	\$	\$ 5,342,219
Other	785	18,898	19,683
Total operating revenues	<u>5,343,004</u>	<u>18,898</u>	<u>5,361,902</u>
Operating expenses:			
Personal services	5,131,415	18,247	5,149,662
Fringe benefits	14,757	441,848	456,605
Operating and maintenance	5,146,172	27,294	5,173,466
Total operating expenses	<u>15,412,344</u>	<u>487,389</u>	<u>15,900,733</u>
Operating income (loss)	<u>196,832</u>	<u>(468,491)</u>	<u>(271,659)</u>
Nonoperating revenues (expenses)			
Investment income	532	68,204	68,736
Change in net assets	197,364	(400,287)	(202,923)
Total net assets - beginning of year	(515,015)	1,585,214	1,070,199
Total net assets - end of year	<u>\$ (317,651)</u>	<u>\$ 1,184,927</u>	<u>\$ 867,276</u>

City of Elyria, Ohio  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2006

	Employees' Health Insurance	Workers' Compensation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 5,342,978		\$ 5,342,978
Cash payments to suppliers for goods and services	(5,218,928)	(506,917)	(5,725,845)
Cash paid to employees for services		(18,247)	(18,247)
Other operating revenues	785	18,898	19,683
Net cash provided by (used for) operating activities	124,835	(506,266)	(381,431)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	532	73,717	74,249
Short-term investments converted to cash		1,334,021	1,334,021
Purchase of short-term investments		(1,349,200)	(1,349,200)
Net cash provided by investing activities	532	58,538	59,070
Net increase (decrease) in cash and cash equivalents	125,367	(447,728)	(322,361)
Cash and cash equivalents - January 1, 2006	57,114	452,713	509,827
Cash and cash equivalents - December 31, 2006	\$ 182,481	\$ 4,985	\$ 187,466
<b>Reconciliation of operating loss to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 196,832	\$ (468,491)	\$ (271,659)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Changes in assets and liabilities:			
Accounts receivable	759		759
Contracts payable	745	(6,250)	(5,505)
Accrued wages and benefits		531	531
Compensated absences payable		(123)	(123)
Claims payable	(73,501)	(31,933)	(105,434)
Total adjustments	(71,997)	(37,775)	(109,772)
<b>Net cash provided by (used for) operating activities</b>	\$ 124,835	\$ (506,266)	\$ (381,431)
<b>Noncash investing, capital and financing activities:</b>			
Unrealized appreciation (depreciation) in fair value of investments	\$	(1,355)	\$ (1,355)

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, 2006

	<u>EMPLOYEES' HEALTH INSURANCE FUND</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 5,000,000	\$ 5,300,000	\$ 5,343,004	\$ 43,004
Interest earnings	1,500	1,500	532	(968)
<b>TOTAL REVENUES</b>	<u>5,001,500</u>	<u>5,301,500</u>	<u>5,343,536</u>	<u>42,036</u>
<b>EXPENSES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Employees' Health Insurance</b>				
Fringe benefits	5,000,000	5,300,000	5,204,157	95,843
Operation and maintenance	21,000	21,000	14,762	6,238
<b>Total Employees' Health Insurance</b>	<u>5,021,000</u>	<u>5,321,000</u>	<u>5,218,919</u>	<u>102,081</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>5,021,000</u>	<u>5,321,000</u>	<u>5,218,919</u>	<u>102,081</u>
<b>TOTAL EXPENSES</b>	<u>5,021,000</u>	<u>5,321,000</u>	<u>5,218,919</u>	<u>102,081</u>
Net change in fund equity	(19,500)	(19,500)	124,617	144,117
Adjustment for prior year encumbrances	717	717	717	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>56,399</u>	<u>56,399</u>	<u>56,399</u>	
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 37,616</u>	<u>\$ 37,616</u>	<u>\$ 181,733</u>	<u>\$ 144,117</u>

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, 2006

	<u>WORKERS' COMPENSATION FUND</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest earnings	\$ 40,000	\$ 40,000	\$ 61,077	\$ 21,077
Miscellaneous revenues			15,519	15,519
<b>TOTAL REVENUES</b>	<u>40,000</u>	<u>40,000</u>	<u>76,596</u>	<u>36,596</u>
<b>EXPENSES</b>				
<b>Workers' Compensation</b>				
Personal services	21,900	21,900	18,207	3,693
Fringe benefits	455,100	475,100	473,448	1,652
Operation and maintenance	35,670	35,670	33,656	2,014
<b>Total Workers' Compensation</b>	<u>512,670</u>	<u>532,670</u>	<u>525,311</u>	<u>7,359</u>
<b>TOTAL EXPENSES</b>	<u>512,670</u>	<u>532,670</u>	<u>525,311</u>	<u>7,359</u>
Operating loss	(472,670)	(492,670)	(448,715)	43,955
<b>OTHER FINANCING SOURCES</b>				
Other financing sources			3,379	3,379
<b>TOTAL OTHER FINANCING SOURCES</b>			<u>3,379</u>	<u>3,379</u>
Net change in fund equity	(472,670)	(492,670)	(445,336)	47,334
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>1,799,452</u>	<u>1,799,452</u>	<u>1,799,452</u>	
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 1,326,782</u>	<u>\$ 1,306,782</u>	<u>\$ 1,354,116</u>	<u>\$ 47,334</u>



## AGENCY FUNDS

*Agency Funds* are used to account for assets held by a governmental unit as an agent for individuals, private organizations, other governmental units, and / or other funds.

\* \* \* \* \*

### ***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.

### ***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.

## **AGENCY FUNDS (cont.)**

### ***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.

### ***Elyria Township JEDD Income Tax Fund***

To account for the 20% share of the JEDD income tax which is due to Elyria Township.

### ***Elyria Public Library Property Tax Fund***

To account for monies collected from property taxes levied for operating the public library.

### ***Veteran's Memorial Fund***

To account for donations collected by the Veteran's Memorial Committee to be disbursed to the contractor constructing the memorial in Ely Square.

**CITY OF ELYRIA, OHIO  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
<b>CONSUMER DEPOSITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 262,126	\$ 2,903	\$ 542	\$ 264,487
Other short-term investments	201,156	255,576	201,156	255,576
Accrued interest receivable	11,391	2,334	11,391	2,334
Total assets	<u>\$ 474,673</u>	<u>\$ 260,813</u>	<u>\$ 213,089</u>	<u>\$ 522,397</u>
Liabilities:				
Other liabilities	<u>\$ 474,673</u>	<u>\$ 223,672</u>	<u>\$ 175,948</u>	<u>\$ 522,397</u>
<b>EXCAVATING PERMITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,685	\$ 4,100	\$ 1,860	\$ 11,925
Liabilities:				
Other liabilities	<u>\$ 9,685</u>	<u>\$ 4,100</u>	<u>\$ 1,860</u>	<u>\$ 11,925</u>
<b>STATE HEALTH FEES FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 13,668	\$ 32,836	\$ 40,184	\$ 6,320
Liabilities:				
Due to other governments	<u>\$ 13,668</u>	<u>\$ 32,836</u>	<u>\$ 40,184</u>	<u>\$ 6,320</u>
<b>UNCLAIMED MONIES FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 32	\$ 8	\$ 32	\$ 8
Other short-term investments	37,600	41,700	37,600	41,700
Accrued interest receivable	10	13	10	13
Total assets	<u>\$ 37,642</u>	<u>\$ 41,721</u>	<u>\$ 37,642</u>	<u>\$ 41,721</u>
Liabilities:				
Other liabilities	<u>\$ 37,642</u>	<u>\$ 10,760</u>	<u>\$ 6,681</u>	<u>\$ 41,721</u>
<b>MUNICIPAL COURT FUND</b>				
Assets:				
Cash and cash equivalents-segregated accounts	\$ 538,711	\$ 4,431,688	\$ 4,445,423	\$ 524,976
Liabilities:				
Accounts payable	\$ 142,469	\$ 174,152	\$ 142,469	\$ 174,152
Other liabilities	396,242	350,824	396,242	350,824
Total liabilities	<u>\$ 538,711</u>	<u>\$ 524,976</u>	<u>\$ 538,711</u>	<u>\$ 524,976</u>
<b>LAND PURCHASE DEPOSITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,385	\$	\$	\$ 1,385
Liabilities:				
Other liabilities	<u>\$ 1,385</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,385</u>

(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, 2006**

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
<b>LORAIN COUNTY UTILITY CHARGES FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 35,589	\$ 255,380	\$ 216,102	\$ 74,867
Liabilities:				
Due to other governments	\$ 35,589	\$ 255,380	\$ 216,102	\$ 74,867
<b>PAYROLL REVOLVING FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 283,337	\$ 29,336,458	\$ 29,333,192	\$ 286,603
Liabilities:				
Accounts payable	\$ 282,924	\$ 2,794,166	\$ 2,790,925	\$ 286,165
Due to other governments	413	4,217,773	4,217,748	438
Total liabilities	\$ 283,337	\$ 7,011,939	\$ 7,008,673	\$ 286,603
<b>FIRE DAMAGE DEPOSITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 32,140	\$ 72,926	\$ 50,140	\$ 54,926
Liabilities:				
Accounts payable	\$ 32,140	\$ 72,926	\$ 50,140	\$ 54,926
<b>POLICE DEPARTMENT DEPOSIT FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 63,538	\$	\$	\$ 63,538
Liabilities:				
Other liabilities	\$ 63,538	\$	\$	\$ 63,538
<b>STATE BUILDING FEES FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,085	\$ 11,980	\$ 11,149	\$ 4,916
Liabilities:				
Due to other governments	\$ 4,085	\$ 11,980	\$ 11,149	\$ 4,916
<b>LOWER BLACK RIVER WATER QUALITY FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 717	\$	\$	\$ 717
Liabilities:				
Accounts payable	\$ 717	\$	\$	\$ 717

(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, 2006**

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
<b>CONTRACTORS' DEPOSITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 11,225	\$ 16,050	\$ 18,300	\$ 8,975
Liabilities:				
Other liabilities	\$ 11,225	\$ 16,050	\$ 18,300	\$ 8,975
<b>EMPLOYEE CAFETERIA PLAN FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 13,434	\$ 45,791	\$ 45,248	\$ 13,977
Liabilities:				
Other liabilities	\$ 13,434	\$ 45,791	\$ 45,248	\$ 13,977
<b>ELYRIA TOWNSHIP JEDD INCOME TAX FUND</b>				
Assets:				
Income tax receivable	\$ 20,318	\$ 81,350	\$ 82,537	\$ 19,131
Liabilities:				
Due to other governments	\$ 20,318	\$ 19,131	\$ 20,318	\$ 19,131
<b>ELYRIA PUBLIC LIBRARY PROPERTY TAX FUND</b>				
Assets:				
Property tax receivable	\$ 749,562	\$ 823,577	\$ 749,562	\$ 823,577
Liabilities:				
Due to other governments	\$ 749,562	\$ 823,577	\$ 749,562	\$ 823,577
<b>VETERAN'S MEMORIAL FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$	\$ 25,000	\$ 25,000	\$
Liabilities:				
Other liabilities	\$	\$ 25,000	\$ 25,000	\$
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 730,961	\$ 29,803,432	\$ 29,741,749	\$ 792,644
Cash and cash equivalents-segregated accounts	538,711	4,431,688	4,445,423	524,976
Investments	238,756	297,276	238,756	297,276
Property tax receivable	749,562	823,577	749,562	823,577
Income tax receivable	20,318	81,350	82,537	19,131
Accrued interest receivable	11,401	2,347	11,401	2,347
Total assets	\$ 2,289,709	\$ 35,439,670	\$ 35,269,428	\$ 2,459,951
Liabilities:				
Accounts payable	\$ 458,250	\$ 3,041,244	\$ 2,983,534	\$ 515,960
Due to other governments	823,635	5,360,677	5,255,063	929,249
Other liabilities	1,007,824	676,197	669,279	1,014,742
Total Liabilities	\$ 2,289,709	\$ 9,078,118	\$ 8,907,876	\$ 2,459,951

**City of Elyria, Ohio**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**Before Accumulated Depreciation**  
**December 31, 2006**

	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Utilities Distribution and Collection Systems</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
Function and Activity								
Public safety	\$ 1,445,314	\$ 10,231,720	\$ 90,683	\$ 7,131,717	\$	\$	\$	\$ 18,899,434
Health	37,068	151,026	117,208	659,207		13,865		978,374
Culture and recreation	616,373	5,579,102	1,179,146	886,069			569,931	8,830,621
Community environment	429,924	130,140	508,835	212,992	23,916			1,305,807
Highways and streets	1,279,128	27,738		1,665,743		52,301,830	1,614,236	56,888,675
General government	2,376,393	12,122,384	556,710	1,539,065	13,577,851		3,306,480	33,478,883
Total governmental fund capital assets	<u>\$ 6,184,200</u>	<u>\$ 28,242,110</u>	<u>\$ 2,452,582</u>	<u>\$ 12,094,793</u>	<u>\$ 13,601,767</u>	<u>\$ 52,315,695</u>	<u>\$ 5,490,647</u>	<u>\$ 120,381,794</u>

City of Elyria, Ohio  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**Before Accumulated Depreciation**  
**For the Fiscal Year Ended December 31, 2006**

	Governmental Funds Capital Assets January 1, 2006	Additions	Deductions	Governmental Funds Capital Assets December 31, 2006
Function and Activity				
Public safety	\$ 17,994,352	\$ 1,240,928	\$ (335,846)	\$ 18,899,434
Health	961,658	26,035	(9,319)	978,374
Culture and recreation	8,395,319	510,063	(74,761)	8,830,621
Community environment	1,243,640	62,167		1,305,807
Highways and streets	53,970,013	3,083,361	(164,699)	56,888,675
General government	30,452,215	3,178,184	(151,516)	33,478,883
Total	<u>\$ 113,017,197</u>	<u>\$ 8,100,738</u>	<u>\$ (736,141)</u>	<u>\$ 120,381,794</u>

**(THIS PAGE INTENTIONALLY LEFT BLANK)**



## STATISTICAL SECTION

This part of the City of Elyria's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

<u>Contents</u>	<u>Pages</u>
Financial Trends - These schedules contain trend information to help the reader understand how the city's financial position has changed over time.	S1-S5
Revenue Capacity - These schedules contain information to help the reader understand and assess the factors affecting the city's ability to generate its most significant local revenue sources, the property tax and income tax.	S6-S13
Debt Capacity - These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	S14-S20
Economic and Demographic Information - These schedules offer economic and demographic indicators to help the reader understand the environment within which the city's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S21-S30

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**(THIS PAGE INTENTIONALLY LEFT BLANK)**

**City of Elyria, Ohio**  
*Net Assets By Component*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

	2006	2005	2004	2003
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$37,882,715	\$35,063,198	\$33,372,096	\$29,697,842
Restricted:				
Public safety	1,124,522	1,074,095	1,044,444	1,075,665
Health	212,739	105,422	226,439	183,371
Community environment	3,836,932	3,806,528	3,805,840	3,504,795
Highways and streets	766,727	838,063	808,622	1,134,296
Debt service	1,471,603	1,590,304	1,942,362	3,504,081
Other Purposes	234,095	191,675	134,783	348,601
Non-expendable:				
Health	442,440	422,190	417,481	
Unrestricted	5,970,863	6,705,600	4,104,270	3,883,049
<i>Total Governmental Activities Net Assets</i>	<u>\$51,942,636</u>	<u>\$49,797,075</u>	<u>\$45,856,337</u>	<u>\$43,331,700</u>
<b>Business Type - Activities</b>				
Invested in Capital Assets, Net of Related Debt	\$31,819,163	\$34,470,219	\$35,624,042	\$35,748,505
Unrestricted	5,416,769	4,369,045	4,331,938	6,307,046
<i>Total Business-Type Activities Net Assets</i>	<u>\$37,235,932</u>	<u>\$38,839,264</u>	<u>\$39,955,980</u>	<u>\$42,055,551</u>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt	\$69,701,878	\$69,533,417	\$68,996,138	\$65,446,347
Restricted for:				
Public safety	1,124,522	1,074,095	1,044,444	1,075,665
Health	212,739	105,422	226,439	183,371
Community environment	3,836,932	3,806,528	3,805,840	3,504,795
Highways and streets	766,727	838,063	808,622	1,134,296
Debt service	1,471,603	1,590,304	1,942,362	3,504,081
Other Purposes	234,095	191,675	134,783	348,601
Non-expendable:				
Health	442,440	422,190	417,481	
Unrestricted	11,387,632	11,074,645	8,436,208	10,190,095
<i>Total Primary Government Net Assets</i>	<u>\$89,178,568</u>	<u>\$88,636,339</u>	<u>\$85,812,317</u>	<u>\$85,387,251</u>

Source: Respective Comprehensive Annual Financial Reports (Statement of Net Assets)

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

**City of Elyria, Ohio**  
*Changes in Net Assets*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

	2006	2005	2004	2003
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Public safety	\$489,385	\$464,291	\$564,170	\$499,390
Health	1,066,153	1,189,172	1,146,189	1,014,288
Culture and recreation	192,011	170,072	177,792	155,728
Community environment	757,840	4,795	10,176	8,029
Highway and streets				
General Government	<u>3,132,198</u>	<u>3,141,512</u>	<u>2,784,396</u>	<u>2,375,181</u>
Subtotal - Charges for Services	<u>5,637,587</u>	<u>4,969,842</u>	<u>4,682,723</u>	<u>4,052,616</u>
Operating grants and contributions	1,670,498	1,653,771	2,235,083	2,019,139
Capital grants and contributions	1,964,958	2,528,848	2,829,299	1,922,423
<i>Total Governmental Activities Program Revenues</i>	<u>9,273,043</u>	<u>9,152,461</u>	<u>9,747,105</u>	<u>7,994,178</u>
Business-Type Activities:				
Charges for Services:				
Water	5,653,958	5,528,430	5,003,529	4,777,110
Special parks & recreation	321,078	292,890	283,979	214,094
Sanitation	3,038,891	3,017,630	2,975,839	2,645,629
Wastewater	9,732,738	9,661,676	8,820,307	8,946,546
Operating grants and contributions	32,355	104,008	96,028	61,756
Capital grants and contributions	<u>171,709</u>	<u>105,505</u>	<u>51,948</u>	<u>86,131</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>18,950,729</u>	<u>18,710,139</u>	<u>17,231,630</u>	<u>16,731,266</u>
<i>Total Primary Government Program Revenues</i>	<u>\$28,223,772</u>	<u>\$27,862,600</u>	<u>\$26,978,735</u>	<u>\$24,725,444</u>

Source: Respective Comprehensive Annual Financial Reports ( Statement of Activities)

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

**City of Elyria, Ohio**  
*Changes in Net Assets (continued)*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

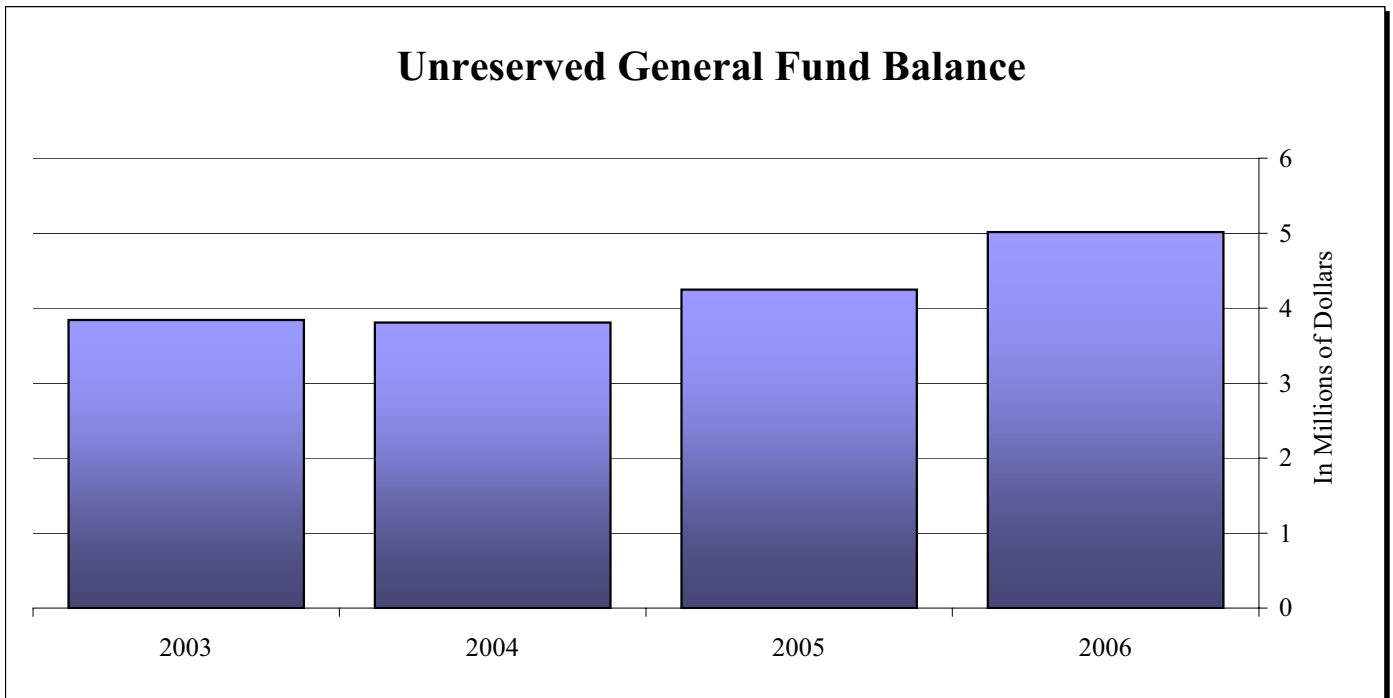
	2006	2005	2004	2003
<b>Expenses</b>				
Governmental Activities:				
Public safety	\$20,851,317	\$19,528,348	\$19,578,462	\$19,808,236
Health	2,568,869	2,992,268	2,789,743	2,749,524
Culture and recreation	2,463,610	2,374,010	2,522,883	2,511,424
Community environment	1,741,812	1,870,225	2,105,014	1,976,381
Highway and streets	3,276,038	3,240,837	3,079,005	3,109,831
General government	8,271,237	7,948,645	7,390,522	7,568,158
Interest and fiscal charges	1,171,780	986,994	1,237,712	1,308,289
<i>Total Governmental Activities Expenses</i>	<u>40,344,663</u>	<u>38,941,327</u>	<u>38,703,341</u>	<u>39,031,843</u>
Business-Type Activities				
Water	6,641,584	6,375,523	5,933,824	5,630,930
Special parks & recreation	317,879	292,998	297,859	299,535
Sanitation	3,132,454	3,184,255	2,978,122	3,035,312
Wastewater	10,999,541	10,371,975	10,354,570	10,811,134
<i>Total Business-Type Activities Expenses</i>	<u>21,091,458</u>	<u>20,224,751</u>	<u>19,564,375</u>	<u>19,776,911</u>
<i>Total Primary Government Program Expenses</i>	<u>61,436,121</u>	<u>59,166,078</u>	<u>58,267,716</u>	<u>58,808,754</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(31,071,620)	(29,788,866)	(28,956,236)	(31,037,665)
Business-Type Activities	<u>(2,140,729)</u>	<u>(1,514,612)</u>	<u>(2,332,745)</u>	<u>(3,045,645)</u>
<i>Total Primary Government Net Expense</i>	<u>(33,212,349)</u>	<u>(31,303,478)</u>	<u>(31,288,981)</u>	<u>(34,083,310)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes:				
Property taxes	3,913,589	3,726,157	3,699,197	3,554,126
Municipal income taxes	\$21,470,263	\$23,057,107	\$20,722,890	\$21,401,274
Gasoline and motor vehicle taxes	3,050,275	2,769,274	2,879,983	2,805,188
Other local taxes	494,882	464,747	512,147	472,301
Unrestricted intergovernmental revenues and contributions	2,849,785	3,116,189	3,012,969	4,070,303
Investment earnings	850,323	414,181	210,665	179,864
Miscellaneous	554,055	146,041	160,670	190,574
Gain on sale of capital assets	34,009	35,908	282,352	
<i>Total Governmental Activities</i>	<u>33,217,181</u>	<u>33,729,604</u>	<u>31,480,873</u>	<u>32,673,630</u>
Business-Type Activities				
Investment earnings	396,537	248,600	82,040	176,754
Miscellaneous	140,860	149,296	151,134	188,606
<i>Total Business-Type Activities Expenses</i>	<u>537,397</u>	<u>397,896</u>	<u>233,174</u>	<u>365,360</u>
<i>Total Primary Government General Revenues and Other Changes in Net Assets</i>	<u>33,754,578</u>	<u>34,127,500</u>	<u>31,714,047</u>	<u>33,038,990</u>
<b>Change in Net Assets</b>				
Governmental Activities	2,145,561	3,940,738	2,524,637	1,635,965
Business-Type Activities	<u>(1,603,332)</u>	<u>(1,116,716)</u>	<u>(2,099,571)</u>	<u>(2,680,285)</u>
<i>Total Primary Government Change in Net Assets</i>	<u>\$542,229</u>	<u>\$2,824,022</u>	<u>\$425,066</u>	<u>(\$1,044,320)</u>

Source: Respective Comprehensive Annual Financial Reports ( Statement of Activities)

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

**City of Elyria, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Four Years*  
*(Modified Accrual Basis of Accounting)*

	2006	2005	2004	2003
<b>General Fund</b>				
Reserved for encumbrances	\$359,503	\$1,298,551	\$311,772	\$432,901
Unreserved	5,016,011	4,248,850	3,807,061	3,840,450
<b>Total General Fund</b>	<b>5,375,514</b>	<b>5,547,401</b>	<b>4,118,833</b>	<b>4,273,351</b>
<b>All Other Governmental Funds</b>				
<b>Fund Balances:</b>				
Reserved for encumbrances	9,359,972	1,669,156	4,057,806	4,410,468
Reserved for rehabilitation loans	3,993,408	3,852,268	3,848,983	3,816,990
Reserved for endowment	442,440	422,190	417,481	395,746
Reserved for debt service	1,471,603	1,590,304	1,942,362	2,243,278
Unreserved Reported in:				
Special Revenue funds	3,069,667	2,890,285	3,119,077	2,266,291
Capital Projects funds	(15,228,772)	(4,756,014)	(8,233,670)	(5,325,869)
<b>Total All Other Governmental Funds</b>	<b>3,108,318</b>	<b>5,668,189</b>	<b>5,152,039</b>	<b>7,806,904</b>
<b>Total Governmental Funds</b>	<b>\$8,483,832</b>	<b>\$11,215,590</b>	<b>\$9,270,872</b>	<b>\$12,080,255</b>



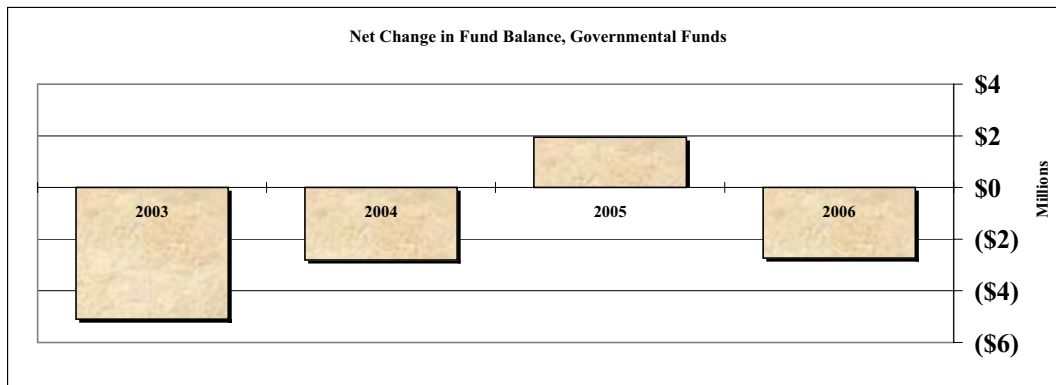
Source: Respective Comprehensive Annual Financial Reports

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

**City of Elyria, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Four Years*  
*(Modified Accrual Basis of Accounting)*

	2006	2005	2004	2003
<b>Revenues</b>				
Taxes:				
Property	\$3,913,589	\$3,726,157	\$3,699,197	\$3,554,126
Income	22,129,257	22,180,474	20,868,259	19,285,562
Other local	1,385,290	464,747	512,147	472,301
Intergovernmental	8,651,387	10,159,309	10,953,412	8,732,358
Charges for services	2,382,732	1,693,792	1,824,885	1,749,706
Licenses and permits	851,214	639,702	564,126	641,996
Investment income	850,323	414,181	210,665	179,864
Special assessments	353,140	398,324	583,061	609,032
Fines and forfeitures	1,497,345	1,839,944	1,710,651	1,660,914
Contributions	558,749	121,587	84,021	53,155
Miscellaneous	554,055	146,041	160,670	190,574
<i>Total Revenues</i>	<u>43,127,081</u>	<u>41,784,258</u>	<u>41,171,094</u>	<u>37,129,588</u>
<b>Expenditures</b>				
Current:				
Public safety	20,283,174	18,400,262	18,880,662	18,918,853
Health	2,535,825	2,894,988	2,764,501	2,673,019
Culture and recreation	2,139,979	1,940,794	2,112,159	2,075,772
Community environment	1,628,701	1,616,507	1,876,381	1,782,620
Highways and streets	1,454,247	1,631,160	1,546,553	1,580,228
General government	7,646,879	7,120,726	6,870,801	7,005,689
Capital outlay	7,680,489	5,556,222	7,538,423	5,626,496
Debt Service:				
Principal retirement	1,416,807	1,588,077	1,479,248	1,429,248
Interest and fiscal charges	1,169,372	1,000,508	1,243,156	1,214,591
<i>Total Expenditures</i>	<u>45,955,473</u>	<u>41,749,244</u>	<u>44,311,884</u>	<u>42,306,516</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,828,392)</u>	<u>35,014</u>	<u>(3,140,790)</u>	<u>(5,176,928)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers-in	344,967	552,458	345,496	697,099
Operating transfers-out	(344,967)	(552,458)	(345,496)	(697,099)
Proceeds from sale of notes/bonds		1,795,000		
Premiums from sale of notes/bonds	62,625	78,796	49,055	74,747
Proceeds from sale of capital assets	34,009	35,908	282,352	
<i>Total Other Financing Sources (Uses)</i>	<u>96,634</u>	<u>1,909,704</u>	<u>331,407</u>	<u>74,747</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$2,731,758)</u></u>	<u><u>\$1,944,718</u></u>	<u><u>(\$2,809,383)</u></u>	<u><u>(\$5,102,181)</u></u>

Debt Service as a Percentage of Noncapital Expenditures	6.76%	7.15%	7.40%	7.21%
---	-------	-------	-------	-------



Source: Respective Comprehensive Annual Financial Reports

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

**City of Elyria, Ohio**  
*Assessed Valuation and Estimated Actual Values of Taxable Property*  
*Last Ten Years*  
*(Amounts in 000's)*

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value Residential	Estimated Actual Value	Public Utility	
			Assessed Value	Estimated Actual Value
2006	\$653,685	\$1,867,671	\$304,086	\$868,817
2005	570,444	1,629,841	284,420	812,628
2004	546,966	1,562,760	272,645	778,986
2003	514,777	1,470,791	259,606	741,731
2002	511,474	1,461,354	260,310	743,743
2001	508,046	1,451,460	255,037	728,677
2000	418,460	1,195,600	242,705	693,443
1999	408,310	1,166,600	237,244	677,840
1998	403,302	1,152,291	234,595	670,271
1997	339,108	968,880	216,724	619,212

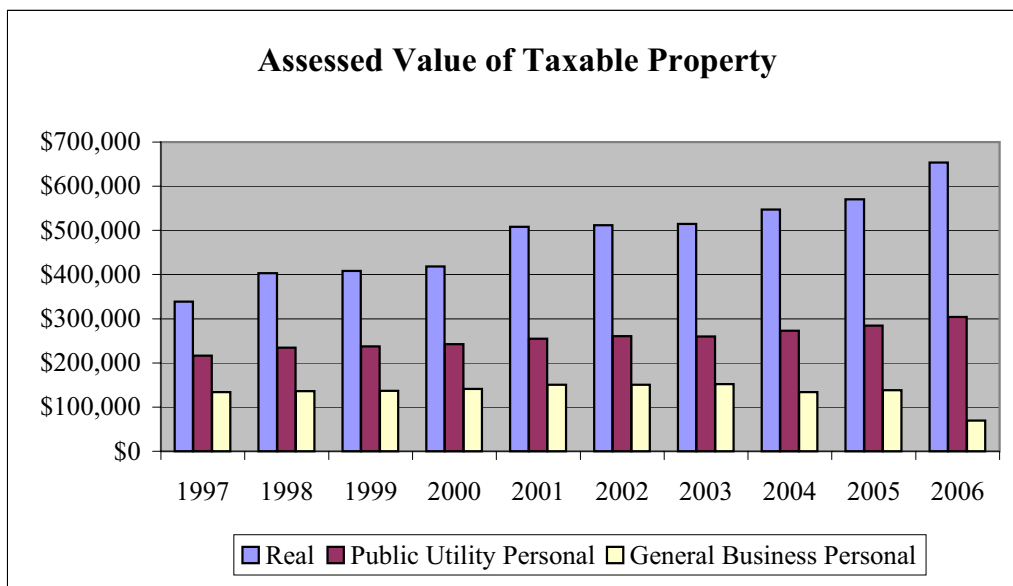
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property is 35 percent of estimated true value. General business tangible personal property was assessed in previous years at 25 percent of estimated true value. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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



Tangible Personal Property				
General Business		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$69,654	\$371,488	\$1,027,425	\$3,107,977	33.06%
138,008	552,033	992,872	2,994,502	33.16
134,118	536,472	953,729	2,878,218	33.14
152,252	609,008	926,635	2,821,530	32.84
150,857	603,428	922,641	2,808,525	32.85
150,928	603,712	914,011	2,783,849	32.83
140,810	563,240	801,975	2,452,283	32.70
137,173	548,692	782,727	2,393,132	32.71
135,854	543,416	773,751	2,365,978	32.70
133,573	534,292	689,405	2,122,384	32.48



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

	2006	2005	2004	2003
<b>Unvoted Millage</b>				
Operating	\$1.7000	\$1.7000	\$1.7000	\$1.7000
Debt Service	1.9000	1.9000	1.9000	1.9000
Fire Pension	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000
<i>Total Unvoted Millage</i>	<u>4.2000</u>	<u>4.2000</u>	<u>4.2000</u>	<u>4.2000</u>
<b>Charter Millage</b>				
Elyria School District	59.4000	56.4800	56.7300	56.7300
Lorain County Vocational School	2.4500	2.4500	2.4500	2.4500
Lorain County	13.4900	13.1900	12.8900	12.8900
Elyria Public Library	1.0000	1.0000		
<i>Total Charter Millage</i>	<u>76.3400</u>	<u>73.1200</u>	<u>72.0700</u>	<u>72.0700</u>
<b>Total Millage</b>	<u><u>\$80.5400</u></u>	<u><u>\$77.3200</u></u>	<u><u>\$76.2700</u></u>	<u><u>\$76.2700</u></u>

**Overlapping Rates by Taxing District**

City School District	\$ 59.4000	\$ 60.2300	\$ 56.4800	\$ 56.7300
County	\$ 13.4900	\$ 13.4900	\$ 13.1900	\$ 12.8900
Joint Vocational School	\$ 2.4500	\$ 2.4500	\$ 2.4500	\$ 2.4500

Source: Lorain County Treasurer

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

Charter millage is consistently applied to all types of property.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

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

2002	2001	2000	1999	1998	1997
\$1.7000	\$1.9000	\$1.9000	\$1.9000	\$1.9000	\$1.9000
1.9000	1.7000	1.7000	1.7000	1.7000	1.7000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
4.2000	4.2000	4.2000	4.2000	4.2000	4.2000
56.8100	57.1100	57.1100	52.7100	52.8100	53.5800
2.4500	2.4500	2.4500	2.4500	2.4500	2.4500
12.8900	10.7900	10.7900	10.7900	10.7900	12.6900
72.1500	70.3500	70.3500	65.9500	66.0500	68.7200
\$76.3500	\$74.5500	\$74.5500	\$70.1500	\$70.2500	\$72.9200

\$ 56.8100	\$ 57.0900	\$ 57.1100	\$ 57.6600	\$ 52.7100	\$ 52.8100
\$ 12.8900	\$ 12.8900	\$ 10.7900	\$ 10.7900	\$ 10.7900	\$ 10.7900
\$ 2.4500	\$ 2.4500	\$ 2.4500	\$ 2.4500	\$ 2.4500	\$ 2.4500

**City of Elyria, Ohio**  
*Property Tax Levies And Collections*  
*Last Ten Years*

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections
2006	\$3,950,279	\$3,387,002	85.74 %	\$136,651	\$3,523,653
2005	3,510,722	3,368,313	95.94	118,928	3,487,241
2004	3,452,984	3,340,625	96.75	119,191	3,459,816
2003	3,258,706	3,149,562	96.65	124,685	3,274,247
2002	3,207,572	3,083,848	96.14	84,844	3,168,692
2001	3,195,744	3,082,725	96.46	94,646	3,177,371
2000	2,761,298	2,659,149	96.30	79,967	2,739,116
1999	2,711,525	2,614,812	96.43	73,834	2,688,646
1998	2,442,132	2,354,220	96.40	62,784	2,417,004
1997	2,131,157	2,059,683	96.65	58,436	2,118,119

Source: Lorain County Auditor

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County does not identify delinquent collections by the year for which the tax was levied.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
89.20 %	\$628,992	15.92 %
99.33	207,688	5.92
100.20	172,612	5.00
100.48	170,382	5.23
98.79	184,434	5.75
99.43	159,358	4.99
99.20	142,766	5.17
99.16	135,307	4.99
98.97	114,687	4.70
99.39	94,616	4.44

**City of Elyria, Ohio**  
*Principal Taxpayers - Real Estate Tax*  
 2006 and 1997  
 (Amounts in 000's)

Taxpayer	2006	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Centro Midway LLC	\$15,548	2.38 %
Ohio Edison	11,337	1.73
New Plan of Midway LLC	7,940	1.21
Alltel Ohio Inc.	7,842	1.20
First Interstate Elyria	6,929	1.06
Hunters Crossing	3,686	0.56
HK New Plan Exchange	3,562	0.54
Elyria United	3,416	0.52
Invacare Corporation	3,372	0.52
Midway Realty Company	3,260	0.50
<b>Total</b>	<b>\$66,892</b>	<b>10.23 %</b>
<b>Total Assessed Valuation</b>	<b>\$653,685</b>	

Taxpayer	1997	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Edison	\$21,979	6.48 %
Alltel Ohio	15,429	4.55
Elyria Joint Venture	13,026	3.84
Columbia Gas	7,143	2.11
First Interstate	5,789	1.71
Sears Roebuck & Company	3,850	1.14
Comprehensive Ventures	3,816	1.13
Holiday Inn of Elyria	2,730	0.79
New Plan	2,678	0.79
Westway Gardens LTD	2,165	0.64
<b>Total</b>	<b>\$78,605</b>	<b>23.18 %</b>
<b>Total Assessed Valuation</b>	<b>\$339,108</b>	

Source: Lorain County Auditor

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

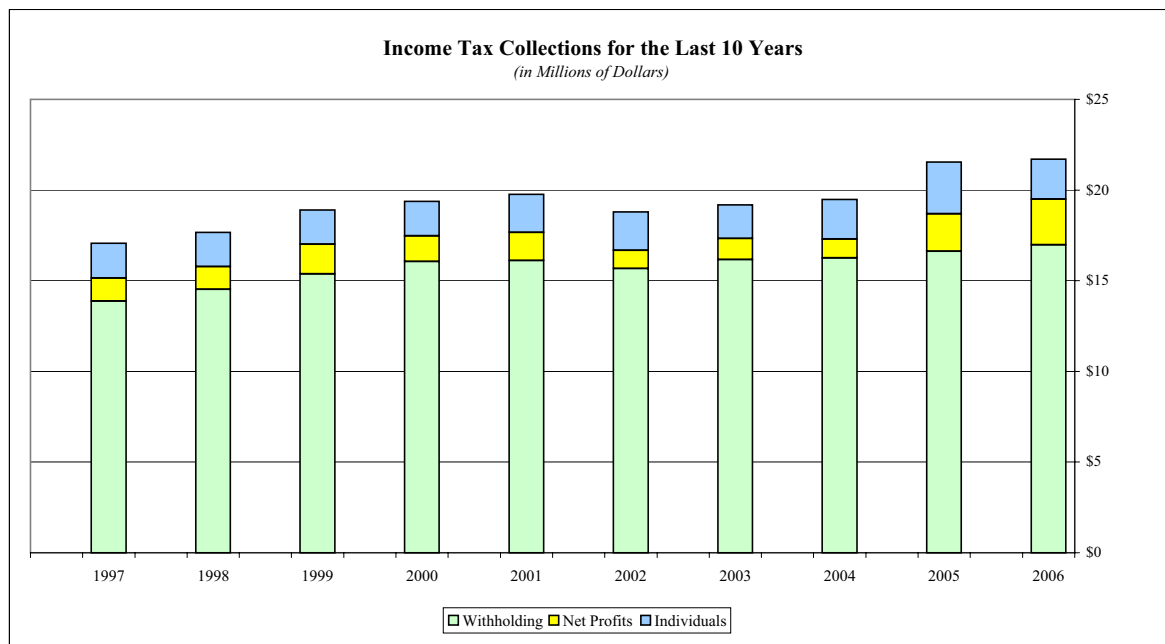
**City of Elyria, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

Tax Year	Tax Rate (1)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2006	1.75%	\$21,709,079	\$16,975,023	78.19%	\$2,519,892	11.61%	\$2,214,164	10.20%
2005	1.75	21,538,559	16,623,249	77.18	2,064,880	9.59	2,850,430 (3)	13.23
2004	1.75	19,473,305	16,248,014	83.44	1,042,124	5.35	2,183,167	11.21
2003	1.75	19,183,875	16,166,587	84.27	1,160,762	6.05	1,856,526	9.68
2002	1.75	18,797,487 (2)	15,678,558 (2)	83.41	1,003,363	5.34	2,115,566	11.25
2001	1.75	19,762,256	16,120,784	81.57	1,545,969	7.82	2,095,503	10.60
2000	1.75	19,371,522	16,070,164	82.96	1,404,907	7.25	1,896,451	9.79
1999	1.75	18,895,462	15,382,528	81.41	1,628,666	8.62	1,884,268	9.97
1998	1.75	17,669,605	14,528,656	82.22	1,257,410	7.12	1,883,539	10.66
1997	1.75	17,058,041	13,875,562	81.34	1,265,997	7.42	1,916,482	11.24

Source: Regional Income Tax Agency and City records

- (1) General Fund tax rate is 1.50%. The remaining .25% is a special tax to be used for law enforcement purposes only and is accounted for in the Police Levy Special Revenue Fund.
- (2) Drop in revenue was due primarily to the closing of the York International Corporation plant which was the City's third largest employer.
- (3) Large increase was due to the reduction of the income tax credit given to residents who work in and pay income tax to other municipalities. Elyria City Council reduced the credit from 100% to 50% for the six month period beginning July 1, 2004 and ending December 31, 2004.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



**City of Elyria, Ohio**  
*Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Four Years*

Year	Governmental Activities				
	General Obligation Notes	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Block Grant U.S. Dept. H.U.D. 108 Loan
2006	\$15,615,000	\$20,124,263	\$1,086,230	\$360,729	\$0
2005	4,700,000	21,214,766	1,342,900	255,353	0
2004	6,800,000	19,950,000	1,581,906	354,423	99,850
2003	6,700,000	20,835,000	2,077,082	453,495	179,850

Source: Respective Comprehensive Annual Reports

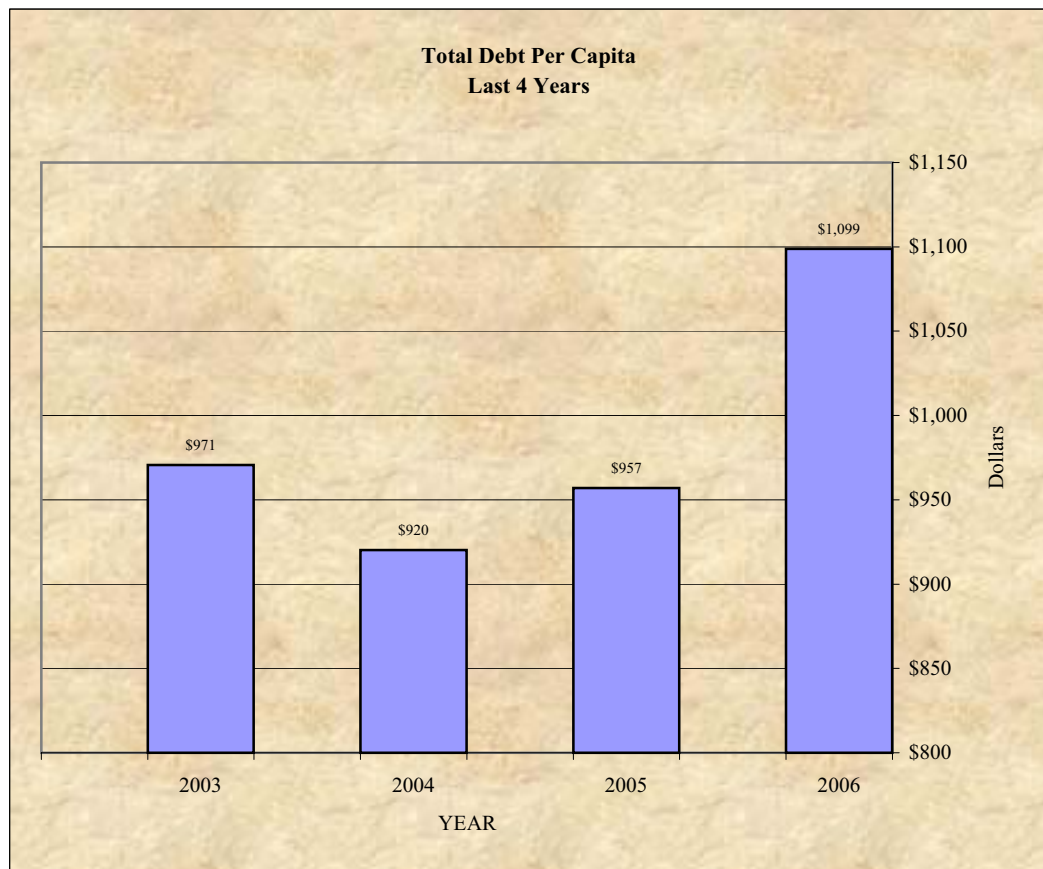
Note: Population and Personal Income data are presented on page S22.

Note: The City of Elyria Implemented GASB Statement 34 in 2003.



**Business-Type Activities**

General Obligation Notes	General Obligation Bonds	OPWC Loans	OWDA Loans	Total Debt	Percentage of Personal Income	Per Capita
\$140,000	\$12,696,887	\$0	\$11,455,596	\$61,478,705	5.68%	\$1,099
5,170,000	7,691,207	0	13,168,648	53,542,874	4.95	957
6,500,000	1,448,094	0	14,758,119	51,492,392	4.76	920
6,230,000	1,592,918	9,991	16,232,982	54,311,318	5.02	971



**City of Elyria, Ohio**  
*Ratio of General Obligation Bonded Debt to Assessed  
Value and Bonded Debt Per Capita  
Last Ten Years*

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capital
2006	55,953	b	\$3,107,977,000	\$48,576,150	1.56 %	\$868.16
2005	55,953	b	2,994,502,000	38,775,973	1.29	693.01
2004	55,953	b	2,878,218,000	34,698,094	1.21	620.13
2003	55,953	b	2,821,530,000	35,357,918	1.25	631.92
2002	55,953	b	2,808,525,000	30,457,742	1.08	544.35
2001	55,953	b	2,783,849,000	27,152,566	0.98	485.27
2000	55,953	b	2,452,283,000	19,079,639	0.78	340.99
1999	56,746	a	2,393,132,000	20,576,712	0.86	362.61
1998	56,746	a	2,365,978,000	16,728,784	0.71	294.80
1997	56,746	a	2,122,384,000	18,005,856	0.85	317.31

Sources:

(1) U. S. Bureau of Census, Census of Population.

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Lorain County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

**City of Elyria, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2006*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (3)	Amount Applicable to City
<b>Direct - City of</b>			
Special Assessment Bonds	\$1,086,230	100.00 %	\$1,086,230
General Obligation Bonds	20,124,263	100.00	20,124,263
OPWC Loans	360,729	100.00	360,729
Capital Projects Notes	<u>15,615,000</u>	100.00	<u>15,615,000</u>
<i>Total Direct Debt</i>	<u>37,186,222</u>		<u>37,186,222</u>
<b>Overlapping</b>			
City School District (1)			
General Obligation Bonds	0	94.19%	0
Lorain County (2)			
General Obligation Bonds	<u>29,840,000</u>	15.52%	<u>4,629,911</u>
<i>Total Overlapping Debt</i>	<u>29,840,000</u>		<u>4,629,911</u>
<b>Total</b>	<u><u>\$67,026,222</u></u>		<u><u>\$41,816,133</u></u>

Source: (1) Elyria School District Treasurer  
(2) Lorain County Auditor

(3) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

**City of Elyria, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2006	2005	2004	2003
Total Assessed Property Value	<u>\$1,027,425,038</u>	<u>\$992,872,390</u>	<u>\$953,729,200</u>	<u>\$926,635,029</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>107,879,629</u>	<u>104,251,601</u>	<u>100,141,566</u>	<u>97,296,678</u>
Debt Outstanding:				
General Obligation Bonds	\$32,821,150	\$28,905,973	\$21,398,094	\$22,427,918
Special Assessment Bonds	1,086,230	1,342,900	1,581,906	2,077,082
General Anticipation Notes	15,755,000	9,870,000	13,300,000	12,930,000
OPWC Loans	360,729	236,353	354,423	463,486
OWDA Loans	<u>11,455,596</u>	<u>13,168,648</u>	<u>14,758,119</u>	<u>16,232,982</u>
Total Gross Indebtedness	61,478,705	53,523,874	51,392,542	54,131,468
Less:				
Special Assessment Bonds	(1,086,230)	(1,342,900)	(1,581,906)	(2,077,082)
OPWC Loans	(360,729)	(236,353)	(354,423)	(463,486)
OWDA Loans	(11,455,596)	(13,168,648)	(14,758,119)	(16,232,982)
General Bond Retirement Fund Balance	<u>(1,471,603)</u>	<u>(1,589,684)</u>	<u>(1,942,362)</u>	<u>(2,243,278)</u>
Total Net Debt Applicable to Debt Limit	<u>47,104,547</u>	<u>37,186,289</u>	<u>32,755,732</u>	<u>33,114,640</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$60,775,082</u>	<u>\$67,065,312</u>	<u>\$67,385,834</u>	<u>\$64,182,038</u>
Legal Debt Margin as a Percentage of the Debt Limit	56.34%	64.33%	67.29%	65.97%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$56,508,377</u>	<u>\$54,607,981</u>	<u>\$52,455,106</u>	<u>\$50,964,927</u>
Total Gross Indebtedness	61,478,705	53,523,874	51,392,542	54,131,468
Less:				
Special Assessment Bonds	(1,086,230)	(1,342,900)	(1,581,906)	(2,077,082)
OPWC Loans	(360,729)	(236,353)	(354,423)	(463,486)
OWDA Loans	(11,455,596)	(13,168,648)	(14,758,119)	(16,232,982)
General Bond Retirement Fund Balance	<u>(1,471,603)</u>	<u>(1,589,684)</u>	<u>(1,942,362)</u>	<u>(2,243,278)</u>
Net Debt Within 5 ½ % Limitations	<u>47,104,547</u>	<u>37,186,289</u>	<u>32,755,732</u>	<u>33,114,640</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$9,403,830</u>	<u>\$17,421,692</u>	<u>\$19,699,374</u>	<u>\$17,850,287</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	16.64%	31.90%	37.55%	35.02%

Source: City Financial Records

2002	2001	2000	1999	1998	1997
<u>\$912,696,533</u>	<u>\$914,011,190</u>	<u>\$801,974,848</u>	<u>\$782,727,714</u>	<u>\$773,751,629</u>	<u>\$689,404,524</u>
<u>95,833,136</u>	<u>95,971,175</u>	<u>84,207,359</u>	<u>82,186,410</u>	<u>81,243,921</u>	<u>72,387,475</u>
\$23,427,742	\$24,352,566	\$16,879,639	\$17,576,712	\$15,128,784	\$15,625,856
2,547,257	2,992,433	3,445,361	3,893,289	4,293,217	4,687,144
7,030,000	2,800,000	2,200,000	3,000,000	1,600,000	2,380,000
588,362	587,707	549,113	603,169	558,347	638,114
<u>17,601,555</u>	<u>18,871,551</u>	<u>20,319,315</u>	<u>21,413,078</u>	<u>22,314,621</u>	<u>23,042,708</u>
51,194,916	49,604,257	43,393,428	46,486,248	43,894,969	46,373,822
(2,547,257)	(2,992,433)	(3,445,361)	(3,893,289)	(4,293,217)	(4,687,144)
(588,362)	(587,707)	(549,113)	(603,169)	(558,347)	(638,114)
(17,601,555)	(18,871,551)	(20,319,315)	(21,413,078)	(22,314,621)	(23,042,708)
<u>(2,424,827)</u>	<u>(2,533,386)</u>	<u>(1,993,416)</u>	<u>(1,656,849)</u>	<u>(1,378,661)</u>	<u>(1,452,787)</u>
<u>28,032,915</u>	<u>24,619,180</u>	<u>17,086,223</u>	<u>18,919,863</u>	<u>15,350,123</u>	<u>16,553,069</u>
<u>\$67,800,221</u>	<u>\$71,351,995</u>	<u>\$67,121,136</u>	<u>\$63,266,547</u>	<u>\$65,893,798</u>	<u>\$55,834,406</u>
70.75%	74.35%	79.71%	76.98%	81.11%	77.13%
<u>\$50,198,309</u>	<u>\$50,270,615</u>	<u>\$44,108,617</u>	<u>\$43,050,024</u>	<u>\$42,556,340</u>	<u>\$37,917,249</u>
51,194,916	49,604,257	43,393,428	46,486,248	43,894,969	46,373,822
(2,547,257)	(2,992,433)	(3,445,361)	(3,893,289)	(4,293,217)	(4,687,144)
(588,362)	(587,707)	(549,113)	(603,169)	(558,347)	(638,114)
(17,601,555)	(18,871,551)	(20,319,315)	(21,413,078)	(22,314,621)	(23,042,708)
<u>(2,424,827)</u>	<u>(2,533,386)</u>	<u>(1,993,416)</u>	<u>(1,656,849)</u>	<u>(1,378,661)</u>	<u>(1,452,787)</u>
<u>28,032,915</u>	<u>24,619,180</u>	<u>17,086,223</u>	<u>18,919,863</u>	<u>15,350,123</u>	<u>16,553,069</u>
<u>\$22,165,394</u>	<u>\$25,651,435</u>	<u>\$27,022,394</u>	<u>\$24,130,161</u>	<u>\$27,206,217</u>	<u>\$21,364,180</u>
44.16%	51.03%	61.26%	56.05%	63.93%	56.34%

**City of Elyria, Ohio**  
*Pledged Revenue Coverage*  
*Wastewater Pollution Control*  
*Last Ten Years*

Year	Wastewater Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2006	\$10,084,024	\$7,706,384	\$2,377,640	\$1,713,052	\$921,805	0.90%
2005	9,916,895	7,002,444	2,914,451	1,671,204	987,717	1.10
2004	8,943,652	6,938,083	2,005,569	1,543,177	1,148,234	0.75
2003	9,112,363	6,983,835	2,128,528	1,436,889	1,427,357	0.74
2002	9,544,225	6,852,152	2,692,073	1,333,311	1,532,139	0.94
2001	9,934,251	5,981,175	3,953,076	1,236,880	1,629,409	1.38
2000	12,948,897 (2)	6,240,652	6,708,245	1,142,078	1,721,912	2.34
1999	9,960,677	5,306,248	4,654,429	944,858	1,921,282	1.62
1998	9,742,854	9,131,441	611,413	766,402	1,891,744	0.23
1997	9,739,476	6,048,454	3,691,022	917,815	1,970,329	1.28

Source: Annual audited financial statements of the City.

(1) Direct operating expenses do not include depreciation and amortization expense.

(2) The large increase in revenue is due to settlement proceeds.

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

<b>2006</b>		
Employer (b)	Employees (b)	Percentage of Total City Employment
Lorain County (c)	1,632	5.53%
EMH Regional Medical Center	1,602	5.43
Invacare Corporation	945	3.20
Elyria City School District	850	2.88
Ridge Tool Company	625	2.12
City of Elyria	520	1.76
Parker Hannifin Corporation	512	1.73
Lorain County Community College	404	1.37
Bendix Commercial Vehicle Systems LLC	396	1.34
Elyria Foundry Company	370	1.25
<b>Total</b>	<b>7,856</b>	<b>26.61%</b>
<b>Total Employment within the City (a)</b>	<b>29,526</b>	
<b>1997</b>		
Employer (b)	(b)	
Lorain County (c)	1,375	4.66%
Invacare Corporation	1,171	3.97
EMH Medical Center	1,200	4.06
Elyria City School District	1,110	3.76
York International Corporation	885	3.00
Ridge Tool Company / Emerson Electric	840	2.84
The City of Elyria	495	1.68
Murray Ridge Production Center	485	1.64
Parker Hannifin Corporation	453	1.53
Lorain County Community College	345	1.17
<b>Total</b>	<b>8,359</b>	<b>28.31%</b>
<b>Total Employment within the City (a)</b>	<b>29,160</b>	

Source: (a) U.S. Department of Labor - Bureau of Labor Statistics

(b) Annual Information Statement - City of Elyria

(c) Lorain County Auditor

**City of Elyria, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2006	55,953 (a)	\$1,082,354,832	\$19,344 (a)	\$38,156 (a)	34.8
2005	55,953 (a)	1,082,354,832	19,344 (a)	38,156 (a)	34.8
2004	55,953 (a)	1,082,354,832	19,344 (a)	38,156 (a)	34.8
2003	55,953 (a)	1,082,354,832	19,344 (a)	38,156 (a)	34.8
2002	55,953 (a)	1,082,354,832	19,344 (a)	38,156 (a)	34.8
2001	55,953 (a)	1,082,354,832	19,344 (a)	38,156 (a)	34.8
2000	55,953 (a)	1,082,354,832	19,344 (a)	38,156 (a)	34.8
1999	56,746 (b)	679,817,080	11,980 (b)	38,156 (b)	33.9
1998	56,746 (b)	679,817,080	11,980 (b)	26,923 (b)	33.9
1997	56,746 (b)	679,817,080	11,980 (b)	26,923 (b)	33.9

(1) Source: U. S. Census

(a) Years 2000 through 2006 - 2000 Federal Census

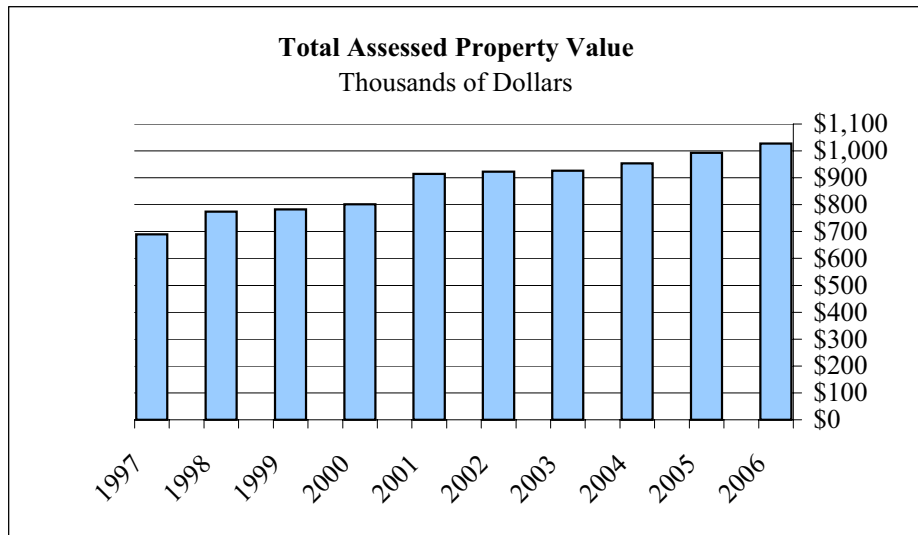
(b) Years 1997 through 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us>"

(3) Source: Ohio Department of Development

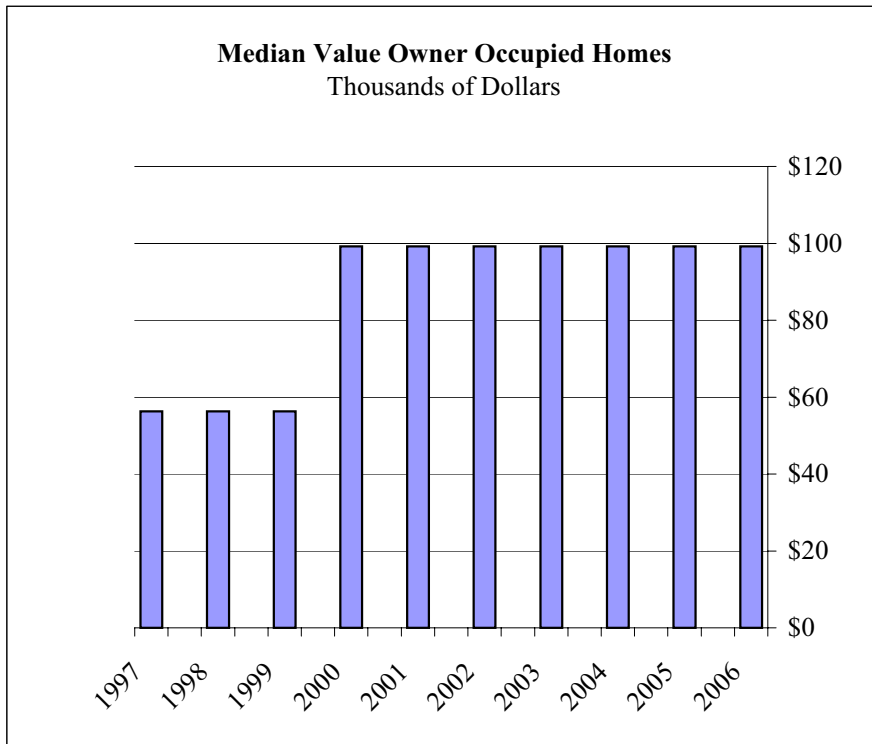
(4) Source: Lorain County Auditor

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





Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Unemployment Rate (3)	Median Value Owner Occupied Homes (1)	Total Assessed Property Value (4)
5.8% (a)	7,761	5.8%	\$99,200 (a)	\$1,027,425
5.8 (a)	7,956	5.7	99,200 (a)	992,872
5.8 (a)	8,130	5.9	99,200 (a)	953,729
5.8 (a)	8,348	7.9	99,200 (a)	926,635
5.8 (a)	8,270	7.4	99,200 (a)	922,641
5.8 (a)	8,551	6.1	99,200 (a)	914,011
5.8 (a)	8,361	5.5	99,200 (a)	801,975
4.4 (b)	8,257	5.2	56,300 (b)	782,727
4.4 (b)	8,257	5.4	56,300 (b)	773,751
4.4 (b)	8,753	6.3	56,300 (b)	689,405



**City of Elyria, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Five Years*

Function/Program	2006	2005	2004	2003	2002
<b>General Government</b>					
Mayor	2.00	2.00	2.00	2.00	2.00
Administration	1.50	1.00	1.50	1.50	1.50
Income Tax	1.00	1.00	1.00	1.00	1.00
Finance	7.50	7.50	7.50	7.50	8.00
Law Director	14.50	14.00	14.00	13.00	14.50
Council	8.00	8.00	8.00	8.00	8.00
Court	45.00	46.00	44.00	45.00	45.00
Civil Service	1.50	1.50	1.50	1.50	1.50
Building & Lands	3.00	3.00	3.00	2.00	2.00
Engineer	5.00	6.00	6.00	7.00	7.00
Central Maintenance	8.00	8.00	7.00	7.00	7.00
<b>Public Safety</b>					
Police	88.00	84.00	85.00	90.00	92.00
Police - School Guards	25.50	25.00	25.50	27.50	27.50
Police - Dispatchers/Office/Other	28.00	28.00	27.00	30.00	32.50
Police - Prisoner Support	22.00	19.00	19.00	20.00	20.00
Police - Animal Wardens	0.00	1.00	1.00	1.00	1.00
Fire	70.00	72.00	66.50	66.50	72.00
Fire - Secretary - Other	2.00	2.00	3.00	3.00	3.00
Communications	2.00	2.00	2.00	2.00	2.00
Safety Service	7.00	8.00	7.00	7.50	7.00
Traffic Lights	4.00	4.00	4.00	4.00	3.00
<b>Health</b>					
Cemetery	6.00	6.50	6.00	5.50	6.50
Health Administration	29.50	31.50	35.50	34.50	35.50
<b>Culture and Recreation</b>					
Parks & Recreation	20.00	21.00	20.00	22.00	22.00
Swimming Pools	27.00	28.00	29.00	34.00	32.50
<b>Community Environment</b>					
Planning	1.00	1.00	2.00	2.00	2.00
Client Advocate	0.00	1.00	1.00	1.00	0.00
Community Development	5.00	5.00	5.00	5.00	4.00
Building	14.00	13.50	14.50	15.50	14.50
<b>Highways and Streets</b>					
Central Maintenance	8.00	8.00	7.00	7.00	7.00
Street M&R	14.00	14.00	14.00	14.00	18.00
<b>Business-type activities</b>					
Sanitation	26.00	26.50	26.00	27.00	27.00
Water	51.00	54.00	54.00	55.00	54.00
Wastewater	53.50	56.50	58.50	59.00	56.50
Totals:	<u>596.00</u>	<u>605.50</u>	<u>603.50</u>	<u>624.00</u>	<u>632.50</u>

**Source:** City Payroll Department - Monthly Employee Count

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

**City of Elyria, Ohio**  
*Operating Indicators by Function/Program*  
*Last Five Years (1)*

Function/Program	2006	2005	2004	2003	2002
<b>General Government</b>					
<i>Council and Clerk</i>					
Number of Ordinances Passed	179	165	194	215	236
Number of Resolutions Passed	69	23	27	30	29
Number of Planning Commission docket items	81	92	128	102	n/a
Zoning Board of Appeals docket items	19	20	24	22	26
<i>Finance Department</i>					
Number of checks/ vouchers issued	27,999	28,006	31,001	28,402	n/a
Interest earnings for fiscal year (cash basis)	\$1,259,434	\$696,259	\$356,060	\$431,678	\$680,710
Agency Ratings - Moody's Financial Services	A2	A2	A2	A2	A2
Health Insurance Costs vs General Fund Expenditures %	17.69%	19.38%	15.03%	19.17%	17.76%
General Fund Receipts (modified accrual basis)	\$28,912,270	\$27,683,228	\$26,460,680	\$25,281,266	\$25,918,364
General Fund Expenditures (modified accrual basis )	\$29,084,157	\$26,254,660	\$26,615,198	\$26,872,551	\$26,343,509
General Fund Balances (modified accrual basis)	\$5,375,514	\$5,547,401	\$4,118,833	\$4,273,351	\$5,864,636
<i>Income Tax Department</i>					
Number of Individual Returns	19,124	24,588	18,801	19,132	n/a
Number of Business Returns	1,735	2,063	2,133	1,994	n/a
Number of business withholding accounts	2,416	2,547	2,520	2,521	2,458
Amount of Penalties and Interest Collected	\$143,012	\$106,738	\$65,607	\$83,690	n/a
Annual number of Corporate withholding forms processed	18,510	17,591	17,846	17,209	n/a
Annual number of balance due statements forms processed	11,301	12,255	11,597	10,304	n/a
Annual number of reconciliations of withholdings processed	2,055	2,217	2,093	2,144	n/a
<i>Engineer Contracted Services</i>					
Dollar amount of Construction overseen by Engineer	\$12,968,072	\$5,082,331	\$1,708,725	\$10,861,153	\$7,650,460
<i>Municipal Court</i>					
Number of Civil Cases	4,077	3,998	4,396	4,505	3,980
Number of Criminal cases	16,276	16,537	16,016	19,356	20,735
<i>Health Department</i>					
Number of Health Inspections	1,142	1,185	1,225	1,217	1,112
Home visits by Public Health Nurses	4,162	3,840	3,884	3,944	4,138
Adult immunizations	6,216	7,322	8,457	7,023	4,990
Childhood immunizations	3,804	4,415	4,800	5,671	5,881
Prenatal Clinic clients	281	306	344	307	367
<i>Civil Service</i>					
Number of police entry tests administered	0	1	0	1	0
Number of fire entry tests administered	0	1	0	1	0
Number of police promotional tests administered	0	0	2	0	3
Number of fire promotional tests administered	2	2	2	2	1
Number of appointments from certified lists	8	10	0	14	15

(1) Information denoted n/a prior to 2003 is not available.

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

(continued)

**City of Elyria, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Five Years (1)*

Function/Program	2006	2005	2004	2003	2002
<b>Building Department Indicators</b>					
Construction Permits Issued	1,811	1,828	2,175	2,366	2,544
Estimated Value of Construction	\$59,250,100	\$36,642,867	\$40,465,710	\$53,933,506	\$83,558,723
Amount of Revenue generated from permits	\$440,594	\$232,806	\$200,335	\$325,933	\$429,331
Amount of Revenue from contractor registrations issued	\$99,175	\$90,250	\$90,845	\$104,874	\$102,950
<b>Public Safety</b>					
<i>Police</i>					
Total Calls for Services	37,700	38,644	40,096	39,409	38,900
Number of traffic citations issued	5,296	5,544	5,204	6,230	7,305
Number of parking citations issued	1,627	2,170	2,297	2,758	3,009
Number of criminal arrests	11,362	12,324	11,603	12,440	13,721
Number of accident reports completed	2,097	2,330	2,530	2,533	2,583
Part 1 Offenses (major offenses)	4,397	4,129	4,575	4,352	4,788
Animal Warden service calls responded to per annual report	n/a	n/a	536	502	525
Police Dept. Auxiliary hours worked	1,820	1,600	1,383	1,752	1,761
DUI Arrests	596	340	449	575	744
Prisoners	3,921	4,149	4,113	4,397	4,546
Prisoner meal costs	\$108,227	\$98,792	\$91,298	\$101,493	\$115,401
Property damage accidents	1,669	1,871	2,014	2,039	2,069
Fatalities from Motor Vehicle Accidents	0	1	3	4	3
<i>Fire</i>					
EMS Calls	2,303	2,201	2,104	2,081	n/a
Fire Calls	218	216	227	197	n/a
Fires with Loss	81	88	114	53	n/a
Fires with Losses exceeding \$10K	26	20	18	21	n/a
Fire Safety Inspections	1,398	628	845	965	n/a
Number of times Mutual Aid given to Fire and EMS	22	16	5	9	n/a
Number of times Mutual Aid received for Fire and EMS	14	12	4	4	n/a
<b>Health</b>					
Cemetery burials	220	216	225	223	234
Cemetery cremations	49	41	39	41	34
Cemetery sale of lots	170	161	217	220	218
Cemetery receipts	\$105,691	\$105,469	\$125,837	\$104,211	\$113,286

(1) Information denoted n/a prior to 2003 is not available.

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

(continued)

**City of Elyria, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Five Years (1)*

Function/Program	2006	2005	2004	2003	2002
<b>Culture and Recreation</b>					
<i>Recreation</i>					
Number of parks	13	14	14	14	14
Size of parks in acreage	358	360	360	360	360
Recreation Swimming pool receipts	\$60,415	\$54,649	\$53,400	\$51,897	\$54,834
Recreation Mens & Womens League/Program receipts	250,748	226,999	218,669	214,094	215,788
Recreation Ice rink receipts	131,596	116,065	124,392	103,831	123,609
Recreation Concessions and miscellaneous receipts	91,557	107,502	110,469	75,817	88,052
Fireworks donations	14,792	22,427	25,274	20,373	24,728
<b>Total Recreation Department receipts</b>	<b>\$549,108</b>	<b>\$527,642</b>	<b>\$532,204</b>	<b>\$466,012</b>	<b>\$507,011</b>
<b>Community Development</b>					
Community Development Block Grants	\$671,358	\$739,003	\$772,000	\$772,000	\$795,000
Community Development Block Grant Program Income	\$108,572	\$116,182	\$227,214	\$62,067	\$171,045
Comprehensive Housing Improvement Program Grants	\$0	\$500,000	\$0	\$0	\$500,000
Comprehensive Housing Improvement Program Income	\$56,154	\$27,750	\$90,817	\$93,880	\$56,378
Enterprise Zone/Community Reinvestment Area Fees	\$7,500	\$6,600	\$5,500	\$9,000	\$11,000
<b>Basic Utility Services</b>					
Refuse collection rates (by month)					
Residential	\$ 15.41	\$ 14.75	\$ 14.11	\$ 13.00	n/a
Homestead	7.13	6.82	6.25	6.00	n/a
Commercial:					
Basic	45.65	43.68	41.80	40.00	n/a
One-yard container	27.39	26.21	25.08	24.00	n/a
Two-yard container	35.60	34.07	32.60	31.20	n/a
Cost per cubic yard	8.90	8.52	8.15	7.80	n/a
Extra pick-up charge	26.02	24.90	23.83	22.80	n/a
Refuse collection customer counts					
Residential	15,058	14,866	15,415	15,338	n/a
Homestead	854	847	884	880	n/a
Commercial	135	134	145	144	n/a
<b>Total</b>	<b>16,047</b>	<b>15,847</b>	<b>16,444</b>	<b>16,362</b>	<b>n/a</b>
Refuse receipts by customer type					
Residential	\$2,876,215.84	\$2,768,636.66	\$2,710,532.97	\$2,697,047.73	n/a
Homestead	74,012.57	71,243.34	70,354.44	70,004.42	n/a
Commercial	109,302.43	110,470.08	114,284.46	113,715.88	n/a
<b>Total</b>	<b>\$3,059,530.84</b>	<b>\$2,950,350.08</b>	<b>\$2,895,171.87</b>	<b>\$2,880,768.03</b>	<b>n/a</b>

(1) Information denoted n/a prior to 2003 is not available.

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

(continued)

**City of Elyria, Ohio**  
*Operating Indicators by Function/Program (continued)*  
*Last Five Years (1)*

Function/Program	2006	2005	2004	2003	2002
<b>Water Department</b>					
Water Rates per 1st 300 Cu ft of water used					
Residential	\$ 5.11	\$ 4.89	\$ 4.68	\$ 4.25	n/a
Homestead	3.61	3.45	3.30	3.00	n/a
Minimum charge 400 - 7,000 Cu ft of water used	1.36	1.30	1.25	1.14	n/a
Minimum charge 7,001 - 20,000 Cu ft of water used	1.33	1.27	1.22	1.11	n/a
Minimum charge > 20,000 Cu ft of water used	1.30	1.24	1.19	1.08	n/a
Water customer counts					
Residential	21,470	21,430	21,397	21,343	n/a
Homestead	1,112	1,098	1,086	1,066	n/a
Commercial	637	633	630	625	n/a
Total	23,219	23,161	23,113	23,034	n/a
Water billings by customer type					
Residential	\$3,185,888.48	\$2,999,626.16	\$2,848,037.63	\$2,570,796.73	n/a
Homestead	81,405.36	79,580.23	69,599.81	67,937.09	n/a
Commercial	1,977,676.29	2,196,874.60	1,979,774.50	1,938,487.37	n/a
Total	\$5,244,970.13	\$5,276,080.99	\$4,897,411.94	\$4,577,221.19	n/a
Water usage by customer type (in hundred cubic feet)					
Residential	1,895,298	1,943,242	1,905,204	1,892,547	n/a
Homestead	53,321	55,124	51,143	53,707	n/a
Commercial	1,739,906	1,896,317	1,555,145	1,648,799	n/a
Total	3,688,525	3,894,683	3,511,492	3,595,053	n/a
<b>Wastewater Department</b>					
Sewer rates per hundred cubic feet					
Minimum Charge 0 to 3 HCF-Sewer OMR	\$ 8.28	\$ 7.92	\$ 7.59	\$ 7.26	n/a
Charge per HCF over 3 HCF	2.76	2.64	2.53	2.42	n/a
Minimum Charge 0 to 3 HCF-DEBT	4.50	4.32	4.14	3.96	n/a
Charge per HCF over 3 HCF	1.50	1.44	1.38	1.32	n/a
Monitor Fee	0.25	0.25	0.25	0.25	n/a
Sewer customer counts by type					
Residential/Homestead	18,302	18,259	18,216	18,156	n/a
Commercial	551	548	545	540	n/a
Total	18,853	18,807	18,761	18,696	n/a
Sewer receipts by customer type					
Residential/Homestead	\$6,632,625.42	\$6,035,827.56	\$6,201,239.03	\$5,396,253.35	n/a
Commercial	2,593,216.76	2,704,411.35	2,603,071.63	2,687,919.49	n/a
Total	\$9,225,842.18	\$8,740,238.91	\$8,804,310.66	\$8,084,172.84	n/a
Sewer usage by customer type (in hundred cubic feet)					
Residential/Homestead	1,541,106	1,601,985	1,588,938	1,558,781	n/a
Commercial	562,467	591,065	613,478	595,924	n/a
Total	2,103,573	2,193,050	2,202,416	2,154,705	n/a

(1) Information denoted n/a prior to 2003 is not available.

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

**City of Elyria, Ohio**  
*Net Assets By Component*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

Function/Program	2006	2005	2004	2003
<b>General Government</b>				
Square Footage Occupied - City Hall	62,103	62,103	62,103	17,500
Square Footage Occupied - Muni Court	17,500	17,500	17,500	17,500
Municipal Court Vehicles	3	3	3	3
Engineering Vehicles	8	8	7	7
Central Maintenance Garage Vehicles	5	5	5	5
<b>Public Safety</b>				
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	53,000	53,000	53,000	53,000
Vehicles	108	100	92	92
<b>Fire</b>				
Stations	4	4	4	4
Square Footage of Station #1 Cedar St.	8,784	8,784	8,784	8,784
Square Footage of Station #2 E. Broad St.	16,364	16,364	16,364	16,364
Square Footage of Station #3 Lorain Blvd.	7,443	7,443	7,443	7,443
Square Footage of Station #4 N. Abbe Rd.	6,750	6,750	6,750	6,750
Vehicles	21	21	21	21
<b>Communications</b>				
Vehicles	8	8	7	7
<b>Safety Service</b>				
Vehicles	6	6	6	6
<b>Health</b>				
<b>Health</b>				
Vehicles	5	5	5	5
<b>Cemetery</b>				
Vehicles	13	13	12	12

Source: City insurance policy vehicle and building location schedules.

Note: The City of Elyria Implemented GASB Statement 34 in 2003.

**City of Elyria, Ohio**  
*Net Assets By Component*  
*Last Four Years*  
*(Accrual Basis of Accounting)*

Function/Program	2006	2005	2004	2003
<b>Culture and Recreation</b>				
Number of Parks	13	14	14	14
Number of Pools	4	4	4	4
Number of Ice Rinks	1	1	1	1
Number of Tennis Courts	4	10	10	10
Number of Skateboarding Areas	1	1	0	0
Number of Baseball Diamonds	10	10	10	10
Number of Soccer Fields	2	2	2	0
Square Footage of North Park Center	22,908	22,908	22,908	22,908
Square Footage of South Park Center	10,256	10,256	10,256	10,256
Square Footage of East Park Center	11,288	11,288	11,288	11,288
Square Footage of West Park Center	9,922	9,922	9,922	9,922
Vehicles	27	27	26	25
<b>Community Environment</b>				
<b>Community Development</b>				
Vehicles	8	8	8	8
<b>Housing Code Enforcement</b>				
Vehicles	9	9	9	9
<b>Highways and Streets</b>				
Streets (miles)	192	192	192	189
Service Vehicles	28	26	26	26
<b>Water</b>				
Water Lines (miles)	220	220	220	219
Vehicles	21	21	20	20
<b>Sanitation</b>				
Vehicles	19	19	19	19
<b>Wastewater</b>				
Sanitary Sewers (miles)	184	184	184	183
Storm Sewers (miles)	113	113	113	112
Vehicles	39	39	38	37

Source: City insurance policy vehicle and building location schedules.

Note: The City of Elyria Implemented GASB Statement 34 in 2003.





**Mary Taylor, CPA**  
Auditor of State

**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 12, 2007**