



**Mary Taylor, CPA**  
Auditor of State



CITY OF ELYRIA  
LORAIN COUNTY

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CITY OF ELYRIA  
LORAIN COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2007

Federal Grantor/ Pass-Through Grantor/Program Title	Pass Through Entity Number	CFDA Number	Expenditures
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>			
<i>Direct Federal Assistance Program:</i>			
Community Development Block Grant 06	N/A	14.218	\$ 361,706
Community Development Block Grant 07	N/A	14.218	502,059
Total Community Development Block Grant			<u>863,765</u>
<i>Passed Through the Ohio Department of Development:</i>			
HOME - Home Investment Partnership Program	A-C-05-270-2	14.239	334,076
HOME - Home Investment Partnership Program	A-C-07-270-2	14.239	16,453
Total HOME - Home Investment Partnership Program			<u>350,529</u>
<b>Total U.S. Department of Housing &amp; Urban Development</b>			<u>1,214,294</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	<u>1,500</u>
<b>Total U.S. Federal Emergency Management Agency</b>			<u>1,500</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-07	93.994	115,919
	47-2-001-1-MC-08	93.994	95,369
Dental Sealant Program	47-2-001-1-AJ-06	93.994	49
	47-2-001-1-AJ-07	93.994	26,314
Total Maternal and Child Health Services Block Grant			<u>237,651</u>
<i>Passed Through Ohio Department of Health and Human Services:</i>			
Infrastructure (Disease/Bioterrorism)	47-1-001-2-BI-07	93.283	41,067
	47-1-001-2-BI-08	93.283	14,355
Total Infrastructure (Disease/Bioterrorism)			<u>55,422</u>
<b>Total U.S. Department of Health &amp; Human Services</b>			<u>293,073</u>

(Continued)

CITY OF ELYRIA  
LORAIN COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2007

Federal Grantor/ Pass-Through Grantor/Program Title	Pass Through Entity Number	CFDA Number	Expenditures
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<i>Passed Through the Ohio Department of Justice:</i>			
Edwin Byrne Memorial Justice Assistance Grant	2007-DJ-BX-0680	16.738	12,053
Victims of Crime Act	N/A	16.575	39,781
Bulletproof Vest Partnership Program Grant		16.607	<u>367</u>
<b>Total U.S. Department of Justice</b>			<u>52,201</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	41,587
Federal Highway Administration Grant/State Project No 05169	N/A	20.205	199,864
Federal Highway Administration Grant/State Project No 437048	N/A	20.205	<u>75,828</u>
Total Federal Highway Administration Grant			<u>317,279</u>
<i>Passed Through the Ohio Department of Public Safety</i>			
Governors Highway Safety Office STEP Grant	HVEO-2007-47-00-00-00413-00	20.600	<u>18,417</u>
Total Ohio Department of Public Safety			<u>18,417</u>
<b>Total U.S. Department of Transportation</b>			<u>335,696</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Direct Federal Assistance Program:</i>			
Assistance to Firefighters Grant Program	N/A	97.044	23,520
<i>Passed Through the Ohio Department of Homeland Security</i>			
Buffer Zone Protection Plan for Midway Mall	S07-BZPP-47-0090	97.078	<u>18,875</u>
<b>Total U.S. Department of Homeland Security</b>			<u>42,395</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>58,025</u>
<b>Total U.S. Environmental Protection Agency</b>			<u>58,025</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 1,997,184</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, 2007**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – SUBRECIPIENTS**

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

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

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

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

These loans are collateralized by mortgages on the property. At December 31, 2007, the gross amount of loans outstanding under this program was \$1,830,985.

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

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

These loans are collateralized by mortgages on the property. At December 31, 2007, the gross amount of loans outstanding under this program was \$2,434,232.

**CITY OF ELYRIA  
LORAIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Continued)**

CFDA - Catalog of Federal Domestic Assistance.

N/A - Not applicable.



# 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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 24, 2008. 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.

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.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the City's management in a separate letter dated June 24, 2008.

#### **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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-001.

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 24, 2008.

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

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



**Mary Taylor, CPA**  
Auditor of State

June 24, 2008



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON 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 each of its major federal programs for the year ended December 31, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2007.

#### Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we noted matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated June 24, 2008.

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 27, 2008. 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 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 24, 2008

CITY OF ELYRIA  
LORAIN COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2007

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Development Block Grant/CFDA No. 14.218 Home Investment Partnership Program/CFDA No. 14.239 Federal Highway Administration Grant/CFDA No. 20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

FINDING NUMBER 2007-001

**Certification of Availability of Funds – Noncompliance**

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 of 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 in the process of collection to the credit of an appropriate fund free from

CITY OF ELYRIA  
LORAIN COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2007

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

**FINDING NUMBER 2007-001  
(Continued)**

**Certification of Availability of Funds – Noncompliance (Continued)**

any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

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.

**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.

Nine percent of expenditures tested (six of 62) vouchers 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.

Twenty-nine percent of the blanket certificates tested (18 of 62) noted that 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.

**CITY OF ELYRIA  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2007**

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

**FINDING NUMBER 2007-001  
(Continued)**

**Certification of Availability of Funds – Noncompliance (Continued)**

Thirteen percent of the blanket certificates tested (three of 22) were outstanding at year-end for the same line item appropriation. Also, forty-one percent of blanket certificates tested (nine of 22) were open beyond fiscal year-end

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 that 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 City Auditor should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation. 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). Late in 2007, City Council authorized the use of blanket certificates and super-blanket certificates and the City is now using "then and now" certification to ensure that expenditures are not processed prior to receiving the fiscal officer's certification.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**CITY OF ELYRIA  
LORAIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2007**

<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><u>Explain:</u></b>
2006-001	Ohio Rev. Code Section 5705.41 (D)(1) – Certification of availability of funds.	No	Reissued as Finding Number 2007-001
2006-002	Ohio Rev. Code Section 5705.10 (H) – Negative Cash Balance	No	Reissued as Management Letter Comment.

**CITY OF ELYRIA, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the fiscal year ended  
December 31, 2007

Prepared by:

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

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City of Elyria, Ohio  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended, December 31, 2007

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

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City of Elyria, Ohio  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended, December 31, 2007

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

**JOHN T. FARRELL**  
Chief Deputy Auditor

June 24, 2008

**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, 2007. 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 2006, 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 2007, the basic financial statements, notes to the financial statements, and relevant supplemental financial statement schedules for 2007. 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, Elyria City School District, Invacare Corporation and Knorr Brake Truck Systems follow. Despite the change in top employers, Elyria's economy remains diversified with a stable income tax base. Income tax revenues in the General Fund declined in 2007 after remaining stable in 2006. In 2007, income tax collections received in the General Fund totaled \$18,350,811 (cash basis), a decrease of 3.89% as compared to 2006 collections. Payments from individuals continued to drop off at a rate of 17.44% while net profit receipts decreased by 31.81%, reflecting the regions weakened economy. Taxes from withholding rose a modest .3% submitted by companies located in the City.

## **MAJOR INITIATIVES**

### **FOR THE YEAR:**

The City addressed the following infrastructure problems in 2007.

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 were completed in 2007. All of these projects were funded with 89% State Issue II grant funds and 11% City funds. In addition, the repair and reconstruction of Gulf Road from Hilltop Park to Windbrook Drive was completed in 2007 with a 89% State Issue II 10-year, 0% loan and 11% City funds.

In addition to the fore mentioned infrastructure projects, the John A. Howard Elyria Municipal Court Complex was completed in 2007. The City issued \$9,539,445 in general obligation long-

term bonds in 2007 to replace the \$9.0 million short-term general obligation bond anticipation notes that were issued to fund this project.

### **FOR THE FUTURE:**

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

The repair and reconstruction of Leona Street from Griswold Road to the cul-de-sac, Bell Avenue from Lorain Boulevard west to the railroad tracks and Case Avenue from South Abbe Road to Prospect Street are scheduled to begin in 2008. All of these projects have been approved for 89% State Issue II grant funding with the remaining 11% provided from City funds. In addition, the repair and reconstruction of Bellfield Avenue from Cleveland Street to Poplar Street is scheduled to begin in 2008. This project has been approved for a 89% State Issue II 10-year, 0% loan with the remaining 11% provided from City funds.

The rehabilitation of State Route 57 from Chestnut Ridge Road to Lorain Boulevard is scheduled to begin in late 2008. 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 2007, 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, September 2006 and again in July 2007. 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, 2007. These issues include \$40,801,758 in general obligation bonds, \$10,850,000 in general obligation notes, \$843,242 in

special assessment bonds, \$9,609,280 in Ohio Water Development Authority loans and \$434,173 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, 2007, the City's net debt (as defined in the Ohio Revised Code) of \$50,410,781 was below the legal limit of \$54,185,385.

**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>
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
2007	1,469,598

Return on investments improved in 2007 due to higher interest rates offered in the marketplace. The overall rate of return on the City's investments for 2007 was approximately 5.89%. 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, 2007 the City contributed approximately \$4.9 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, 2006. 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.

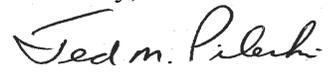
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States 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-ONE CONSECUTIVE YEARS** (fiscal years ended 1986-2006). 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 black ink that reads "Ted M. Pileski". The signature is written in a cursive style with a large, looping initial "T".

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, 2006

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.



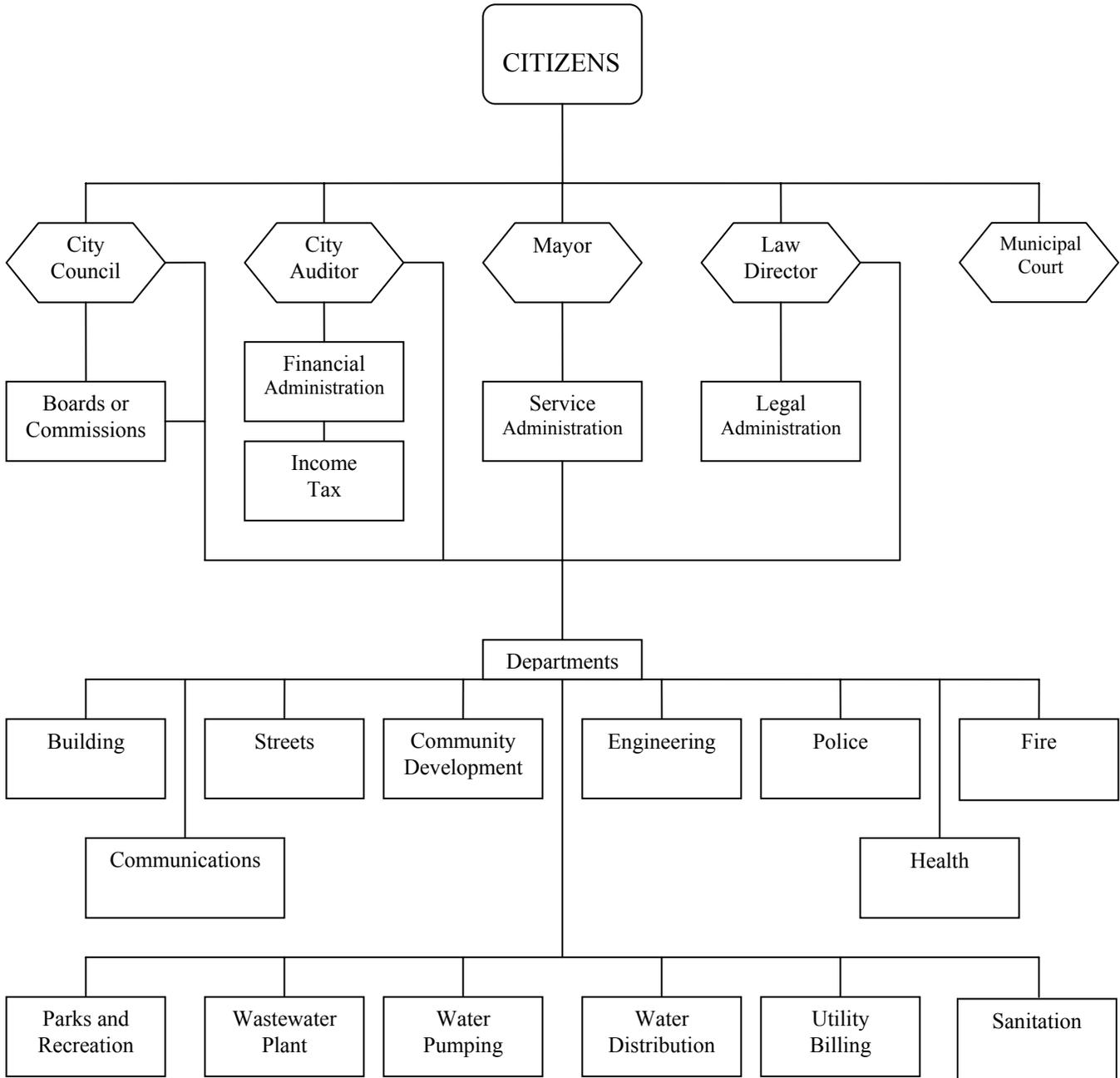
*Oliver S. Cox*

President

*Jeffrey R. Emery*

Executive Director

# City of Elyria, Ohio Organizational Chart



City of Elyria, Ohio  
List of Elected and Appointed Officials  
December 31, 2007

Elected Officials

Mayor  
Auditor  
Law Director  
Judge  
Judge  
Court Clerk  
Council Member – Ward 1 (term ended 5/16/07)  
Council Member – Ward 1 (term began 5/21/07)  
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.  
Robert L. Hartman  
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  
William D. Ogle  
Gerald L. Klein  
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  
Mukund R. Moghe  
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, 2007, 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, 2007, 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 24, 2008, 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 24, 2008

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, 2007. 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 \$89,980,381 (*net assets*). Of this amount, \$69,262,456 or 77% represents investments in capital assets, net of related debt. Net assets of the City of Elyria increased \$801,813 in 2007.
- The General Fund balance remained stable with only a minor increase of \$4,359 or .10%. This stability can be attributed to an increase of \$658,119 or 18.82% in intergovernmental revenue primarily due to an increase in inheritance tax revenue of \$707,238. This dramatic increase offset the decrease in income tax revenue in 2007 of \$594,550 or 3.13% to keep the General Fund balance stable. The decreases in income tax revenue was primarily due to significant decreases in net profit and individual tax receipts.
- The City of Elyria's short-term debt decreased by \$4,905,000 as the City issued one-year general obligation bond anticipation notes for the following projects: \$3.6 million for the purpose of completing an energy conservation program, \$1.25 million for water system improvements, and \$600,000 for wastewater system improvements. The City also retired an additional \$15.755 million in one-year general obligation bond anticipation notes for other projects with short-term debt proceeds and/or existing monies, including \$9.0 million in Municipal Court construction notes, and re-issued \$110,000 for sanitation trucks, \$700,000 for the City Hall project, \$450,000 for fire pumper trucks, \$710,000 for design work for the rehabilitation of State Route 57, and \$3.43 million for the Chestnut Commons project resulting in the net decrease of \$4,905,000.
- The City's long-term debt increased by \$6,367,275 as the City issued \$9,539,445 in long-term general obligation bonds for the construction of the John A. Howard Municipal Court building and received a State Issue II loan in the amount of \$126,944 for the resurfacing of Gulf Road from Hilltop Park to Windbrook Drive. Principal retired on other existing bonds and construction loans amounted to \$3,701,642 and long-term compensated absences increased by \$157,264 and capital lease obligations increased by \$245,264 resulting in the net increase of \$6,367,275.

### **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

CITY OF ELYRIA, OHIO  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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 28-29 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 year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF ELYRIA, OHIO  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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-three (43) 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, the Municipal Court Construction/Improvement Fund, and the Energy Conservation Fund, all of which are considered to be major funds under generally accepted accounting principles. Data from the other thirty-nine (39) 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 30-38 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 in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* on pages 144-146 of this report.

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The basic proprietary fund financial statements can be found on pages 39-42 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 43 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 44-76 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 \$89,980,381 at the close of the most recent fiscal year.

By far, the largest portion of the City of Elyria's net assets (77 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.

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 32,546,591	\$ 39,133,333	\$ 8,430,343	\$ 9,094,052	\$ 40,976,934	\$ 48,227,385
Capital assets	74,731,868	65,485,937	54,166,931	56,111,646	128,898,799	121,597,583
Total assets	<u>107,278,459</u>	<u>104,619,270</u>	<u>62,597,274</u>	<u>65,205,698</u>	<u>169,875,733</u>	<u>169,824,968</u>
Current liabilities	17,655,910	25,792,430	3,532,740	2,514,544	21,188,650	28,306,974
Non-Current liabilities outstanding	35,253,933	26,884,204	23,452,769	25,455,222	58,706,702	52,339,426
Total liabilities	<u>52,909,843</u>	<u>52,676,634</u>	<u>26,985,509</u>	<u>27,969,766</u>	<u>79,895,352</u>	<u>80,646,400</u>
Net assets:						
Invested in capital assets, net of related debt	38,008,622	37,882,715	31,253,834	31,819,163	69,262,456	69,701,878
Restricted	8,427,220	8,089,058			8,427,220	8,089,058
Unrestricted	7,932,774	5,970,863	4,357,931	5,416,769	12,290,705	11,387,632
Total net assets	<u>\$ 54,368,616</u>	<u>\$ 51,942,636</u>	<u>\$ 35,611,765</u>	<u>\$ 37,235,932</u>	<u>\$ 89,980,381</u>	<u>\$ 89,178,568</u>

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An additional portion of the City of Elyria's net assets at December 31, 2007 (9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining net assets of \$12,290,705 at December 31, 2007 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, 2007 and 2006.

**Governmental activities.** In 2007, the net assets for the governmental activities of the City increased by \$2,425,980. Tax revenue accounts for \$28,827,447 of the \$43,179,535 total revenue for governmental activities, or 67%. 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 \$4,154,309, the Street Construction Maintenance and Repair fund receiving \$1,894,670 the Block Grant fund receiving \$827,164, and the State Issue II Fund receiving \$659,937.

The City's direct charges to users of governmental services made up \$5,031,941 or 12% 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.

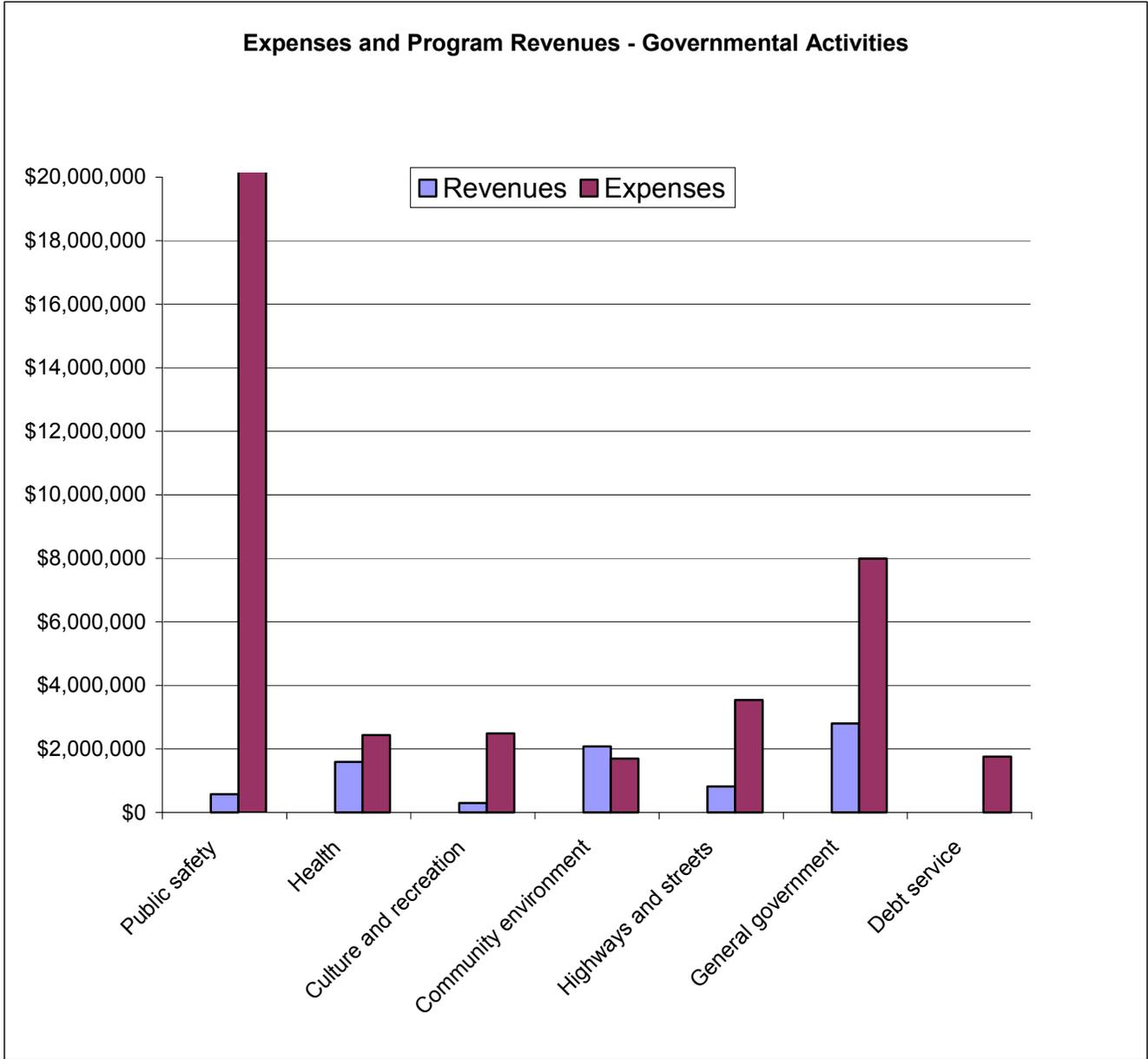
Public safety which includes police and fire protection, safety service, communications and the jail operations accounts for \$20,746,034 of the \$40,753,555 total expenses for governmental activities in 2007, or 51%. The next largest program is general government, which equals \$8,043,382 or 20% of total governmental expenses.

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

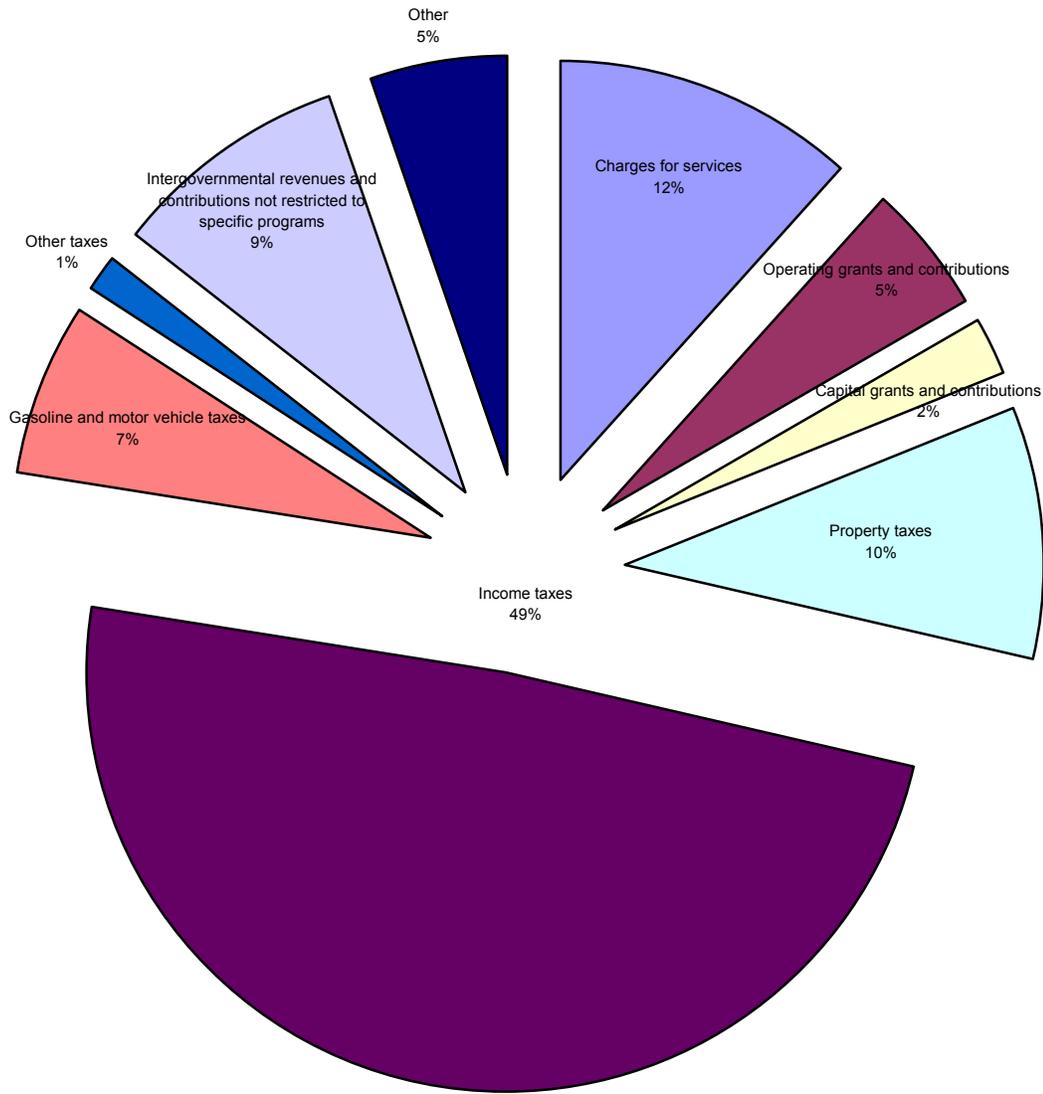
	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 5,031,941	\$ 5,637,587	\$ 19,264,957	\$ 18,746,665	\$ 24,296,898	\$ 24,384,252
Operating grants and contributions	2,242,188	1,670,498	124,112	32,355	2,366,300	1,702,853
Capital grants and contributions	769,089	1,964,958	182,504	171,709	951,593	2,136,667
General revenues:						
Property taxes	4,194,264	3,913,589			4,194,264	3,913,589
Income taxes	21,187,484	21,470,263			21,187,484	21,470,263
Gasoline and motor vehicle taxes	2,936,903	3,050,275			2,936,903	3,050,275
Other taxes	508,796	494,882			508,796	494,882
Grants and contributions not restricted to specific programs	3,992,282	2,849,785			3,992,282	2,849,785
Other	2,316,588	1,438,387	430,077	537,397	2,746,665	1,975,784
<b>Total revenues</b>	<b>43,179,535</b>	<b>42,490,224</b>	<b>20,001,650</b>	<b>19,488,126</b>	<b>63,181,185</b>	<b>61,978,350</b>
Expenses:						
Public safety	20,746,034	20,851,317			20,746,034	20,851,317
Health	2,452,163	2,568,869			2,452,163	2,568,869
Culture and recreation	2,500,151	2,463,610			2,500,151	2,463,610
Community environment	1,704,949	1,741,812			1,704,949	1,741,812
Highways and streets	3,551,406	3,276,038			3,551,406	3,276,038
General government	8,043,382	8,271,237			8,043,382	8,271,237
Debt service	1,755,470	1,171,780			1,755,470	1,171,780
Water			6,926,055	6,641,584	6,926,055	6,641,584
Special Parks & Recreation			337,082	317,879	337,082	317,879
Sanitation			3,316,235	3,132,454	3,316,235	3,132,454
Wastewater			11,046,445	10,999,541	11,046,445	10,999,541
<b>Total expenses</b>	<b>40,753,555</b>	<b>40,344,663</b>	<b>21,625,817</b>	<b>21,091,458</b>	<b>62,379,372</b>	<b>61,436,121</b>
Increase (decrease) in net assets	2,425,980	2,145,561	(1,624,167)	(1,603,332)	801,813	542,229
Net assets - 1/1/2007	51,942,636	49,797,075	37,235,932	38,839,264	89,178,568	88,636,339
<b>Net assets - 12/31/2007</b>	<b>\$ 54,368,616</b>	<b>\$ 51,942,636</b>	<b>\$ 35,611,765</b>	<b>\$ 37,235,932</b>	<b>\$ 89,980,381</b>	<b>\$ 89,178,568</b>

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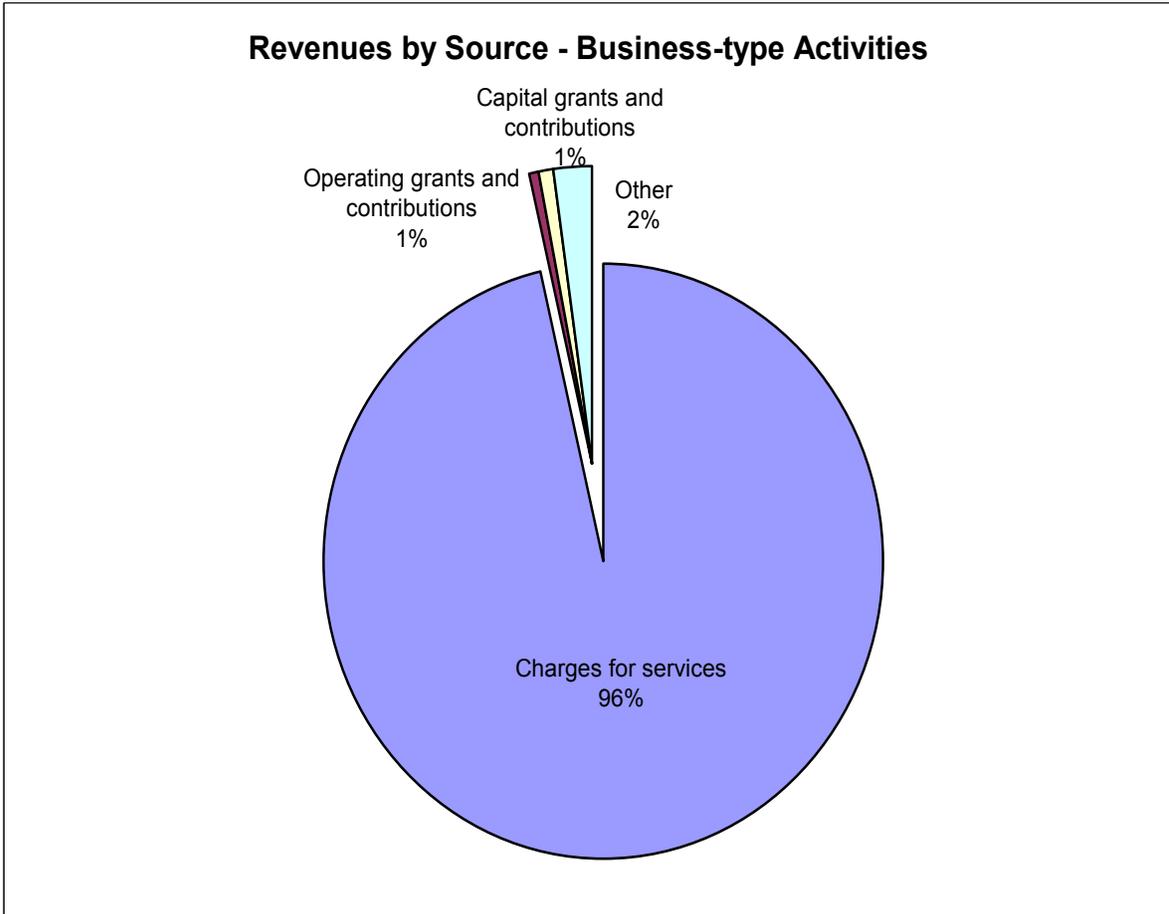
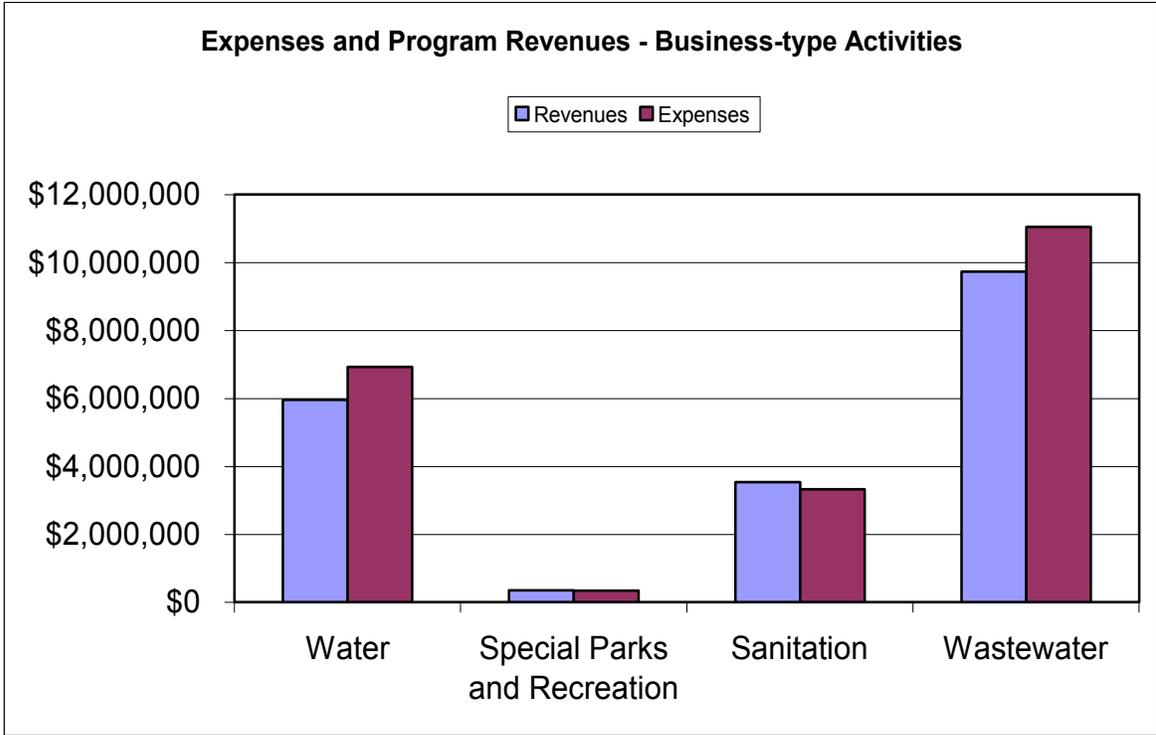
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**Revenues by Source - Governmental Activities**



**Business-type activities.** The net assets for the business-type activities of the City decreased by \$1,624,167, 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 fourth in a series of five rate increases went into effect January 1, 2007 which apparently was not sufficient to reverse this trend. A fifth and final rate increase of 4.5% for water, sanitation and sewer services is scheduled and has been approved by Elyria City Council for January 1, 2008. The major revenue source of the business-type activities was charges for services of \$19,264,957.

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## 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 \$9,707,296, an increase of \$1,223,464 in comparison with the prior year. Approximately 83% 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 \$2,096,281, 2) pay for rehabilitation loans totaling \$4,265,218 under the Block Grant and C.H.I.P. Grant programs, 3) to pay debt service of \$1,262,673 and 4) paying for qualified expenditures under an endowment totaling \$447,349. The unreserved fund balance of \$1,635,775 includes a negative balance of (\$7,740,000) 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 \$4,945,240 while the total fund balance was \$5,379,873. 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 increased from \$5,375,514 at December 31, 2006 to \$5,379,873 at December 31, 2007. The following schedule presents a summary of General Fund revenues for the fiscal year ended December 31, 2007 and a comparison to prior year's revenues.

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<u>Revenues</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2006</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$ 20,587,377	72.03%	\$ (455,817)	(2.17)%
Intergovernmental revenues	4,154,309	14.53%	658,119	18.82%
Charges for services	2,083,255	7.29%	(55,650)	(2.60)%
Licenses and permits	670,534	2.34%	(111,270)	(14.23)%
Investment income	339,704	1.19%	46,034	15.68%
Special assessments	14,053	.05%	3,626	34.78%
Fines and forfeitures	610,677	2.14%	(34,015)	(5.28)%
Miscellaneous revenues	<u>122,711</u>	<u>.43%</u>	<u>(352,381)</u>	<u>(74.17)%</u>
<b>Totals</b>	<b><u>\$ 28,582,620</u></b>	<b><u>100.00%</u></b>	<b><u>\$ (301,354)</u></b>	<b><u>(1.04)%</u></b>

The decrease in tax revenues is primarily due to decreased net profit tax revenue received by businesses in 2007. The increase in intergovernmental revenues is due to increased inheritance tax revenue recorded in 2007. The decrease in charges for services is due to the transfer of vital statistics records to the Lorain County Health department. The decrease in licenses and permits is primarily due to the large commercial construction projects and building permits obtained in 2006 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 decrease in miscellaneous revenues is due to the 2006 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 which was recorded in 2006.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended December 31, 2007 and a comparison to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2006</u>	<u>Percent of Increase (Decrease)</u>
Current:				
Public safety	\$ 16,385,974	57.49%	\$ 181,181	1.12%
Health	1,760,429	6.18%	(49,220)	(2.72)%
Culture and recreation	2,184,062	7.66%	72,369	3.43%
Community environment	798,698	2.80%	3,817	.48%
General government	7,129,400	25.01%	(11,871)	(.17)%
Capital outlay	<u>245,179</u>	<u>.86%</u>	<u>(642,198)</u>	<u>(72.37)%</u>
<b>Total</b>	<b><u>\$ 28,503,742</u></b>	<b><u>100.00%</u></b>	<b><u>\$ (445,922)</u></b>	<b><u>(1.54)%</u></b>

The increase in public safety is due to an increase in wage rates in the police department along with the related increase in pension payments. The decrease in health is due to the elimination of the Ohio Department of Jobs and Family Services Client Advocacy project as well as a decrease in operating supplies in the Health Administration department. The increase in culture and recreation and community environment is due to increased wages

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and retirement benefits. The decrease in general government is due to an increase in wage rates, retirement benefits and debt service on two fire pumpers offset by decreases in professional services, income tax collection fees, and transfers-out. The decrease in capital outlay is due to the purchase of two new fire trucks in 2006 and no major vehicle purchase in 2007.

The other major governmental funds of the City are the Chestnut Commons/Ridge Improvement Fund, the Municipal Court Construction/Improvement Fund and the Energy Conservation Fund.

The fund balance for the Chestnut Commons/Ridge Improvement Fund and the Energy Conservation Fund decreased by (\$585,523) and (\$1,813,100) respectively in 2007 due to the expenditure of general bond anticipation note proceeds. The fund balance in the Municipal Court Construction/Improvement Fund increased by \$2,546,946 in 2007 due to the issuance of \$9,389,250 in long-term general obligation bonds, the proceeds of which retired the outstanding short-term general bond anticipation notes and \$390,000 transfers-in from related municipal court special revenue funds which offset 2007 construction payments.

**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 \$457,308, \$363,088, \$252,830 and \$3,161,545, respectively. The increase / (decrease) in net assets for these funds were (\$925,658), \$46,341, \$214,527 and (\$1,135,602), respectively, during 2007. Elyria City Council has approved rate increases for 2008 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-eight (48) funds representing various governmental, proprietary and fiduciary activities were included in the 2007 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.

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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>2007 Annual Expended*</u>	<u>% Expended</u>
Public Safety	\$16,670,265	53.63
Health	1,790,180	5.76
Culture and Recreation	2,301,794	7.40
Community Environment	811,871	2.61
General Government	<u>9,512,273</u>	<u>30.60</u>
Total Expenditures	<u>\$30,636,383</u>	<u>100.0</u>

\* - under the budgetary basis of accounting

Net differences between the original expenditure budget amount of \$32,333,802 and the final budget amount of \$33,129,299 (\$795,497 increase in appropriations) were significant with the largest change being an increase in transfers out as Elyria City Council approved transfers from the General Fund to the Street Construction Maintenance and Repair Fund and the State Highway Fund in the amounts of \$120,000, and \$250,000, respectively. The other two significant changes to the budget were for general government in the amount of \$58,900 and for public safety in the amount of \$78,214. The change for general government was needed primarily for professional services related to contract negotiations and increased insurance costs and the increase in public safety was needed primarily for overtime costs in the fire department.

### **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, 2007 amounts to \$128,898,799 (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 \$7,301,216 (an increase of \$9,245,931 for governmental activities and a decrease of \$1,944,715 for business-type activities), net of depreciation expense of \$7.2 million.

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

- Completion of the new John A. Howard Elyria Municipal Court Complex with additional capitalized costs of \$7,748,293.
- Completion of the Two Falls Trail with additional capitalized costs of \$75,828.
- Completion of improvements to the intersection of Chestnut Ridge Road and State Route 57 with additional capitalized costs of \$652,563.
- Completion of mortar lining of various water lines in the City with capitalized costs of \$444,279.

Additional information on the City's capital assets can be found in Note 8 on pages 62-63 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total long-term bonded debt outstanding of \$41,645,000. Of this amount, \$ 28,533,205 comprises debt backed by the full faith and credit of the City, \$843,242 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$12,268,553 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.

At the end of the current fiscal year, the City also had total short-term bond anticipation general obligation notes outstanding of \$10,850,000. Of this amount, \$3,430,000 for the Chestnut Commons/Ridge project, \$700,000 for completion of the new City Hall, \$110,000 for the purchase of new garbage trucks, \$450,000 for the acquisition of two new fire trucks and \$710,000 for the design work associated with the rehabilitation of State Route 57 were for re-issue of notes on existing projects. In addition, \$3,600,000 in short-term bond anticipation notes were issued for the Energy Conservation project, \$1,250,000 for water system improvements, and \$600,000 for wastewater system improvements.

In addition to general obligation bonds and notes outstanding at December 31, 2007, the City also had \$9,609,280 of Ohio Water Development Authority loans outstanding to finance sewer projects and \$434,173 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, September 2006 and again in July 2007.

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 \$54,185,385 which is in excess of the City's outstanding unvoted general obligation debt that is subject to the limitation of \$50,410,781.

Additional information on the City's long-term debt can be found in Note 13 on pages 69-74 of this report.

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

The unemployment rate for the City is currently 6.3%, which is .5% higher than it was a year ago. This compares unfavorably to the state's average unemployment rate of 5.6% and unfavorably to the national average rate of 4.6%.

During the current fiscal year, unreserved fund balance in the General Fund decreased \$70,771, leaving a fund balance at December 31, 2007 of \$5,379,873. The City has appropriated approximately \$3.6 million of this amount for spending in the 2008 fiscal year budget.

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The water, sanitation and sewer rates were all increased 4.5% for the 2008 budget year to meet increasing operating costs.

All of these factors were considered in preparing the City's budget for the 2008 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, 2007**

	<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	\$ 10,672,678	\$ 3,994,861	\$ 14,667,539
Investments	3,266,150	2,195,700	5,461,850
Receivables:			
Property tax	3,429,975		3,429,975
Income tax	5,301,128		5,301,128
Other local tax	223,215		223,215
Accounts	274,700	1,190,331	1,465,031
Accrued interest	70,298	59,653	129,951
Rehabilitation loans	4,265,217	277,453	4,542,670
Special assessments	967,195	117,963	1,085,158
Tax increment financing payments	324,305		324,305
Due from other governments	3,356,666		3,356,666
Inventory of supplies		277,123	277,123
Prepaid expenses	189,221	100,461	289,682
Bond issuance costs	205,843	216,798	422,641
Capital assets (net of accumulated depreciation):			
Land	6,184,200	656,488	6,840,688
Buildings and system	28,285,115	12,044,503	40,329,618
Improvements	1,241,484	2,559,130	3,800,614
Utility distribution and collection systems	5,635,184	36,521,795	42,156,979
Infrastructure	26,177,022		26,177,022
Machinery and equipment	2,770,008	2,357,609	5,127,617
Construction in progress	4,438,855	27,406	4,466,261
Total assets	<u>107,278,459</u>	<u>62,597,274</u>	<u>169,875,733</u>
<b>LIABILITIES</b>			
Accounts payable	321,250	207,359	528,609
Contracts payable	585,576	359,176	944,752
Accrued wages and benefits	1,530,301	295,253	1,825,554
Compensated absences payable	311,936	138,311	450,247
Claims payable	574,021		574,021
Accrued interest payable	158,732	413,834	572,566
Unearned revenue	5,284,094	158,807	5,442,901
General obligation notes payable	8,890,000	1,960,000	10,850,000
Non-current liabilities:			
Due within one year	1,659,575	2,638,417	4,297,992
Due in more than one year	33,594,358	20,814,352	54,408,710
Total liabilities	<u>52,909,843</u>	<u>26,985,509</u>	<u>79,895,352</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	38,008,622	31,253,834	69,262,456
Restricted for:			
Expendable:			
Public safety	972,925		972,925
Health	291,798		291,798
Community environment	4,307,144		4,307,144
Highways and streets	883,238		883,238
Debt service	1,262,673		1,262,673
Other purposes	262,093		262,093
Nonexpendable:			
Health	447,349		447,349
Unrestricted	7,932,774	4,357,931	12,290,705
Total net assets	<u>\$ 54,368,616</u>	<u>\$ 35,611,765</u>	<u>\$ 89,980,381</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, 2007**

Functions/Programs	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>Governmental activities:</b>							
Public safety	\$ 20,746,034	\$ 439,121	\$ 138,997	\$	\$ (20,167,916)	\$	\$ (20,167,916)
Health	2,452,163	950,272	645,012		(856,879)		(856,879)
Culture and recreation	2,500,151	205,283	87,854		(2,207,014)		(2,207,014)
Community environment	1,704,949	673,805	1,330,544	75,828	375,228		375,228
Highways and streets	3,551,406			693,261	(2,858,145)		(2,858,145)
General government	8,043,382	2,763,460	39,781		(5,240,141)		(5,240,141)
Interest and fiscal charges	1,755,470				(1,755,470)		(1,755,470)
Total governmental activities	40,753,555	5,031,941	2,242,188	769,089	(32,710,337)		(32,710,337)
<b>Business-type activities:</b>							
Water	6,926,055	5,859,917		100,577	(965,561)		(965,561)
Special parks & recreation	337,082	337,529		8,975	9,422		9,422
Sanitation	3,316,235	3,339,642	124,112	72,952	220,471		220,471
Wastewater	11,046,445	9,727,869			(1,318,576)		(1,318,576)
Total business-type activities	21,625,817	19,264,957	124,112	182,504	(2,054,244)		(2,054,244)
Total primary government	\$ 62,379,372	\$ 24,296,898	\$ 2,366,300	\$ 951,593	(32,710,337)		(34,764,581)
<b>General revenues:</b>							
Property taxes					4,194,264		4,194,264
Municipal income taxes					21,187,484		21,187,484
Gasoline and motor vehicle taxes					2,936,903		2,936,903
Other local taxes					508,796		508,796
Intergovernmental revenues and contributions not restricted to specific programs					3,992,282		3,992,282
Investment earnings					1,087,322	314,195	1,401,517
Miscellaneous					177,512	115,882	293,394
Settlement proceeds					1,050,804		1,050,804
Gain from sale of capital assets					950		950
Total general revenues					35,136,317	430,077	35,566,394
Change in net assets					2,425,980	(1,624,167)	801,813
Net assets - beginning					51,942,636	37,235,932	89,178,568
Net assets - ending					\$ 54,368,616	\$ 35,611,765	\$ 89,980,381

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

City of Elyria, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2007

	General	Chestnut Commons/Ridge Improvement	Muni Court Construction/ Improvement	Energy Conservation	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$ 3,476,717	\$ 179,953	\$ 2,461,118	\$ 234,039	\$ 3,287,038	\$ 9,638,865
Investments	150,000				2,244,750	2,394,750
Accounts receivable	218,748		31,402		24,550	274,700
Rehabilitation loans receivable					4,265,217	4,265,217
Accrued interest receivable	14,349	8,445	8,918	9,861	17,625	59,198
Due from other funds	175,981					175,981
Due from other governments	1,804,919				1,551,747	3,356,666
Income tax receivable	4,559,534				741,594	5,301,128
Property tax receivable	1,389,725				2,040,250	3,429,975
Other local tax receivable	89,237				133,978	223,215
Special assessments receivable					967,195	967,195
Tax increment financing payments receivable					324,305	324,305
Total assets	<u>\$ 11,879,210</u>	<u>\$ 188,398</u>	<u>\$ 2,501,438</u>	<u>\$ 243,900</u>	<u>\$ 15,598,249</u>	<u>\$ 30,411,195</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 233,258				\$ 87,992	\$ 321,250
Contracts payable	112,461		351,075		120,540	584,076
Accrued wages and benefits	1,243,077				286,676	1,529,753
Compensated absences payable	264,749				47,187	311,936
Due to other funds					175,981	175,981
Deferred revenue	4,195,792				4,695,111	8,890,903
Notes payable	450,000	3,430,000		3,600,000	1,410,000	8,890,000
Total liabilities	<u>\$ 6,499,337</u>	<u>\$ 3,430,000</u>	<u>\$ 351,075</u>	<u>\$ 3,600,000</u>	<u>\$ 6,823,487</u>	<u>\$ 20,703,899</u>
Fund balances:						
Reserved for:						
Encumbrances	434,633	3,934	969,682	250,425	437,607	2,096,281
Rehabilitation loans					4,265,218	4,265,218
Endowment					447,349	447,349
Debt service					1,262,673	1,262,673
Unreserved, reported in:						
General fund	4,945,240					4,945,240
Special revenue funds					3,486,845	3,486,845
Capital projects funds (deficit)					(1,124,930)	(6,796,310)
Total fund balances	<u>\$ 5,379,873</u>	<u>\$ (3,241,602)</u>	<u>\$ 1,180,681</u>	<u>\$ (3,606,525)</u>	<u>\$ 8,774,762</u>	<u>\$ 9,707,296</u>
Total liabilities and fund balances	<u>\$ 11,879,210</u>	<u>\$ 188,398</u>	<u>\$ 2,501,438</u>	<u>\$ 243,900</u>	<u>\$ 15,598,249</u>	<u>\$ 30,411,195</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, 2007**

Governmental Fund Balances	\$ 9,707,296
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	74,731,868
Other assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	3,606,809
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.	1,340,244
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds.	(35,253,933)
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.	(158,732)
The expenditures for prepaid items are recognized immediately in the funds and therefore are not reported as an asset in the funds.	189,221
The expenditure for bond issuance costs are recognized immediately in the funds and therefore are not reported as an asset in the funds.	<u>205,843</u>
Net assets of governmental activities	<u>\$ 54,368,616</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 Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2007**

	General	Chestnut Commons/ Ridge Improvement	Muni Court Construction/ Improvement	Energy Conservation	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property	\$ 1,711,494	\$	\$	\$	\$ 2,482,770	\$ 4,194,264
Income	18,367,087				3,055,983	21,423,070
Other Local	508,796				885,794	1,394,590
Tax increment financing payments					103,542	103,542
Intergovernmental revenues	4,154,309				4,811,831	8,966,140
Charges for service	2,083,255				141,438	2,224,693
Licenses and permits	670,534				78,007	748,541
Investment income	339,704	37,813	310,207	41,275	358,323	1,087,322
Special assessments	14,053				349,741	363,794
Fines and forfeitures	610,677		395,971		495,930	1,502,578
Contributions					52,763	52,763
Miscellaneous revenues	122,711				54,801	177,512
<b>Total Revenues</b>	<b>28,582,620</b>	<b>37,813</b>	<b>706,178</b>	<b>41,275</b>	<b>12,856,870</b>	<b>42,224,756</b>
<b>EXPENDITURES</b>						
Current:						
Public safety	16,385,974				4,200,889	20,586,863
Health	1,760,429				711,772	2,472,201
Culture and recreation	2,184,062				22,999	2,207,061
Community environment	798,698				834,417	1,633,115
Highways and streets					1,681,542	1,681,542
General government	7,129,400		300	1,854,375	447,191	7,576,891
Capital outlay	245,179	486,136	7,548,932		2,186,571	12,321,193
Debt service:						
Principal retirement					1,416,488	1,416,488
Interest and fiscal charges					1,173,531	1,699,981
<b>Total expenditures</b>	<b>28,503,742</b>	<b>623,336</b>	<b>7,938,482</b>	<b>1,854,375</b>	<b>12,675,400</b>	<b>51,595,335</b>
Excess (deficiency) of revenues over (under) expenditures	<b>78,878</b>	<b>(585,523)</b>	<b>(7,232,304)</b>	<b>(1,813,100)</b>	<b>181,470</b>	<b>(9,370,579)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in					431,725	1,146,725
Transfers out	325,000		390,000		(747,206)	(1,146,725)
Proceeds from sale of bonds/notes	(399,519)					9,389,250
Proceeds from state issue II loan			9,389,250		126,944	126,944
Settlement proceeds					1,050,804	1,050,804
Premium on sale of bonds/notes					26,095	26,095
Proceeds from sale of capital assets					950	950
<b>Total other financing sources (uses)</b>	<b>(74,519)</b>		<b>9,779,250</b>		<b>889,312</b>	<b>10,594,043</b>
Net change in fund balances	4,359	(585,523)	2,546,946	(1,813,100)	1,070,782	1,223,464
Fund balances (deficit) - beginning	5,375,514	(2,656,079)	(396,583)	(1,543,000)	7,703,980	8,483,832
Fund balances (deficit) - ending	<b>\$ 5,379,873</b>	<b>\$ (3,241,602)</b>	<b>\$ 2,150,363</b>	<b>\$ (3,356,100)</b>	<b>\$ 8,774,762</b>	<b>\$ 9,707,296</b>

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, 2007

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

Net change in fund balances - total governmental funds	\$	1,223,464
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.		9,245,931
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.		(96,975)
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.		(8,369,729)
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(18,960)
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.		(11,597)
Governmental funds report bond issuance costs as expenditures. However, in the Statement of Activities, these assets are amortized over the life of the bonds.		33,942
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.		419,904
Change in net assets of governmental activities.	\$	<u><u>2,425,980</u></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, 2007

	<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	\$ 20,704,000	\$ 20,704,000	\$ 20,560,097	\$ (143,903)
Intergovernmental revenues	3,433,300	4,327,300	4,528,176	200,876
Charges for services	2,181,593	2,181,593	2,321,397	139,804
Licenses and permits	702,900	702,900	670,534	(32,366)
Interest earnings	230,000	250,470	331,852	81,382
Special assessments	11,000	11,000	14,054	3,054
Fines and forfeitures	635,000	635,000	613,865	(21,135)
Miscellaneous revenues	245,500	453,500	425,454	(28,046)
<b>TOTAL REVENUES</b>	<b>28,143,293</b>	<b>29,265,763</b>	<b>29,465,429</b>	<b>199,666</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Personal services	5,258,720	5,258,720	5,175,327	83,393
Fringe benefits	1,619,893	1,619,893	1,540,697	79,196
Operation and maintenance	458,854	486,854	460,368	26,486
Capital outlay	40,497	40,511	40,511	
<b>Total Police</b>	<b>7,377,964</b>	<b>7,405,978</b>	<b>7,216,903</b>	<b>189,075</b>
<b>Fire</b>				
Personal services	5,346,515	5,416,515	5,171,275	245,240
Fringe benefits	1,866,620	1,866,620	1,709,415	157,205
Operation and maintenance	472,186	483,186	473,117	10,069
Capital outlay	212,649	131,649	131,492	157
<b>Total Fire</b>	<b>7,897,970</b>	<b>7,897,970</b>	<b>7,485,299</b>	<b>412,671</b>
<b>Communications</b>				
Personal services	90,100	90,100	88,901	1,199
Fringe benefits	28,545	30,545	29,746	799
Operation and maintenance	24,400	25,700	25,005	695
<b>Total Communications</b>	<b>143,045</b>	<b>146,345</b>	<b>143,652</b>	<b>2,693</b>
<b>Safety Service</b>				
Personal services	241,509	250,909	247,971	2,938
Fringe benefits	85,417	88,917	88,671	246
Operation and maintenance	12,700	12,700	12,699	1
<b>Total Safety Service</b>	<b>339,626</b>	<b>352,526</b>	<b>349,341</b>	<b>3,185</b>
<b>Prisoner Support</b>				
Personal services	872,584	846,584	808,157	38,427
Fringe benefits	322,816	352,816	344,590	8,226
Operation and maintenance	269,422	299,422	286,497	12,925
Capital outlay	37,000	37,000	35,826	1,174
<b>Total Prisoner Support</b>	<b>1,501,822</b>	<b>1,535,822</b>	<b>1,475,070</b>	<b>60,752</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>17,260,427</b>	<b>17,338,641</b>	<b>16,670,265</b>	<b>668,376</b>

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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, 2007

	GENERAL FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>HEALTH</b>				
<b>Health Center</b>				
Personal services	884,304	884,304	836,575	47,729
Fringe benefits	257,149	257,149	242,933	14,216
Operation and maintenance	266,801	258,843	239,736	19,107
Capital outlay	20,619	30,864	24,245	6,619
<b>Total Health Center</b>	<b>1,428,873</b>	<b>1,431,160</b>	<b>1,343,489</b>	<b>87,671</b>
<b>Health - Solid Waste</b>				
Personal services	54,601	54,601	48,802	5,799
Fringe benefits	17,425	17,425	10,519	6,906
Operation and maintenance	7,564	5,548	4,049	1,499
Capital outlay		2,016	2,016	
<b>Total Health - Solid Waste</b>	<b>79,590</b>	<b>79,590</b>	<b>65,386</b>	<b>14,204</b>
<b>Cemetery</b>				
Personal services	316,103	306,103	290,876	15,227
Fringe benefits	96,446	96,446	90,079	6,367
Operation and maintenance	4,000	4,000	350	3,650
<b>Total Cemetery</b>	<b>416,549</b>	<b>406,549</b>	<b>381,305</b>	<b>25,244</b>
<b>TOTAL HEALTH</b>	<b>1,925,012</b>	<b>1,917,299</b>	<b>1,790,180</b>	<b>127,119</b>
<b>CULTURE AND RECREATION</b>				
<b>Parks and Recreation</b>				
Personal services	1,122,281	1,135,281	1,118,757	16,524
Fringe benefits	381,160	389,660	374,369	15,291
Operation and maintenance	427,850	428,850	420,893	7,957
Capital outlay		51,000	51,000	
<b>Total Parks and Recreation</b>	<b>1,931,291</b>	<b>2,004,791</b>	<b>1,965,019</b>	<b>39,772</b>
<b>Swimming Pools</b>				
Personal services	99,200	87,173	87,172	1
Fringe benefits	15,425	14,452	14,209	243
Operation and maintenance	95,200	95,200	93,929	1,271
<b>Total Swimming Pools</b>	<b>209,825</b>	<b>196,825</b>	<b>195,310</b>	<b>1,515</b>
<b>Ice Rink</b>				
Personal services	38,400	36,900	32,071	4,829
Fringe benefits	5,971	5,971	5,215	756
Operation and maintenance	107,600	109,100	104,179	4,921
<b>Total Ice Rink</b>	<b>151,971</b>	<b>151,971</b>	<b>141,465</b>	<b>10,506</b>
<b>TOTAL CULTURE AND RECREATION</b>	<b>2,293,087</b>	<b>2,353,587</b>	<b>2,301,794</b>	<b>51,793</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, 2007

	GENERAL FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>COMMUNITY ENVIRONMENT</b>				
<b>Community Planning and Zoning</b>				
Personal services	55,150	56,650	56,345	305
Fringe benefits	18,600	17,600	16,741	859
Operation and maintenance	5,800	6,800	4,812	1,988
<b>Total Community Planning and Zoning</b>	<u>79,550</u>	<u>81,050</u>	<u>77,898</u>	<u>3,152</u>
<b>Community Development</b>				
Personal services	18,450	19,050	18,540	510
Fringe benefits	6,026	7,126	5,883	1,243
Operation and maintenance	6,350	6,350	5,047	1,303
<b>Total Community Development</b>	<u>30,826</u>	<u>32,526</u>	<u>29,470</u>	<u>3,056</u>
<b>Housing Code Enforcement</b>				
Personal services	518,499	498,499	483,424	15,075
Fringe benefits	171,804	171,804	155,012	16,792
Operation and maintenance	74,633	74,633	66,067	8,566
<b>Total Housing Code Enforcement</b>	<u>764,936</u>	<u>744,936</u>	<u>704,503</u>	<u>40,433</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>875,312</u>	<u>858,512</u>	<u>811,871</u>	<u>46,641</u>
<b>GENERAL GOVERNMENT</b>				
<b>Mayor</b>				
Personal services	156,375	158,075	155,229	2,846
Fringe benefits	37,475	39,775	39,496	279
Operation and maintenance	6,500	6,500	3,881	2,619
<b>Total Mayor</b>	<u>200,350</u>	<u>204,350</u>	<u>198,606</u>	<u>5,744</u>
<b>Administrative Support</b>				
Personal services	100,244	98,944	98,084	860
Fringe benefits	35,728	22,478	21,289	1,189
Operation and maintenance	14,500	14,500	13,699	801
<b>Total Administrative Support</b>	<u>150,472</u>	<u>135,922</u>	<u>133,072</u>	<u>2,850</u>
<b>JEDD Income Tax Department</b>				
Personal services	47,580	41,580	38,364	3,216
Fringe benefits	13,408	13,408	11,994	1,414
Operation and maintenance	215,750	221,750	147,255	74,495
<b>Total JEDD Income Tax Department</b>	<u>276,738</u>	<u>276,738</u>	<u>197,613</u>	<u>79,125</u>

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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, 2007

	GENERAL FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>Finance Administration</b>				
Personal services	525,817	525,817	509,384	16,433
Fringe benefits	146,086	146,086	142,227	3,859
Operation and maintenance	31,850	31,850	29,883	1,967
<b>Total Finance Administration</b>	<u>703,753</u>	<u>703,753</u>	<u>681,494</u>	<u>22,259</u>
<b>Legal Administration</b>				
Personal services	670,691	670,691	607,692	62,999
Fringe benefits	217,909	217,909	187,658	30,251
Operation and maintenance	82,300	82,300	59,856	22,444
<b>Total Legal Administration</b>	<u>970,900</u>	<u>970,900</u>	<u>855,206</u>	<u>115,694</u>
<b>Legislative Activity</b>				
Personal services	271,796	272,796	270,957	1,839
Fringe benefits	132,070	134,070	133,313	757
Operation and maintenance	41,850	41,850	39,979	1,871
<b>Total Legislative Activity</b>	<u>445,716</u>	<u>448,716</u>	<u>444,249</u>	<u>4,467</u>
<b>Defensive Driving</b>				
Personal services	4,000	4,000		4,000
Operation and maintenance	2,960	2,960	2,470	490
<b>Total Defensive Driving</b>	<u>6,960</u>	<u>6,960</u>	<u>2,470</u>	<u>4,490</u>
<b>Presiding Judge</b>				
Personal services	403,576	403,576	400,428	3,148
Fringe benefits	143,371	146,571	145,259	1,312
Operation and maintenance	38,650	38,650	37,892	758
Capital outlay	5,000	5,000		5,000
<b>Total Presiding Judge</b>	<u>590,597</u>	<u>593,797</u>	<u>583,579</u>	<u>10,218</u>
<b>Judge</b>				
Personal services	380,676	377,676	366,556	11,120
Fringe benefits	123,275	126,275	123,040	3,235
Operation and maintenance	39,475	39,475	39,464	11
<b>Total Judge</b>	<u>543,426</u>	<u>543,426</u>	<u>529,060</u>	<u>14,366</u>
<b>Clerk of Courts</b>				
Personal services	1,052,613	1,041,613	1,031,434	10,179
Fringe benefits	328,282	339,282	335,273	4,009
Operation and maintenance	149,500	149,500	132,620	16,880
<b>Total Clerk of Courts</b>	<u>1,530,395</u>	<u>1,530,395</u>	<u>1,499,327</u>	<u>31,068</u>
<b>Civil Service Commission</b>				
Personal services	25,135	25,195	25,191	4
Fringe benefits	3,785	4,035	3,980	55
Operation and maintenance	27,340	27,280	21,885	5,395
<b>Total Civil Service Commission</b>	<u>56,260</u>	<u>56,510</u>	<u>51,056</u>	<u>5,454</u>

(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, 2007

<b>GENERAL FUND</b>				
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>Buildings and Lands</b>				
Personal services	102,617	104,617	102,841	1,776
Fringe benefits	30,990	32,790	32,437	353
Operation and maintenance	364,500	389,500	361,586	27,914
Capital outlay	14,000	14,000	12,500	1,500
<b>Total Buildings and Lands</b>	<u>512,107</u>	<u>540,907</u>	<u>509,364</u>	<u>31,543</u>
<b>Engineering</b>				
Personal services	253,570	231,245	214,221	17,024
Fringe benefits	43,661	47,686	46,635	1,051
Operation and maintenance	24,500	24,500	22,849	1,651
<b>Total Engineering</b>	<u>321,731</u>	<u>303,431</u>	<u>283,705</u>	<u>19,726</u>
<b>Central Maintenance Garage</b>				
Personal services	393,883	363,883	357,500	6,383
Fringe benefits	126,226	126,226	121,133	5,093
Operation and maintenance	555,850	645,850	579,549	66,301
<b>Total Central Maintenance Garage</b>	<u>1,075,959</u>	<u>1,135,959</u>	<u>1,058,182</u>	<u>77,777</u>
<b>Miscellaneous General Government</b>				
Operation and maintenance	1,945,600	2,108,100	2,035,290	72,810
Debt service	620,000	450,000	450,000	
<b>Total Miscellaneous General Government</b>	<u>2,565,600</u>	<u>2,558,100</u>	<u>2,485,290</u>	<u>72,810</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>9,950,964</u>	<u>10,009,864</u>	<u>9,512,273</u>	<u>497,591</u>
<b>TOTAL EXPENDITURES</b>	<u>32,304,802</u>	<u>32,477,903</u>	<u>31,086,383</u>	<u>1,391,520</u>
Excess (deficiency) of revenues over expenditures	<u>(4,161,509)</u>	<u>(3,212,140)</u>	<u>(1,620,954)</u>	<u>1,591,186</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Advances in	285,140	285,140	285,140	
Transfers in	50,860	50,860	3,392	(47,468)
Advances out		(8,267)	(8,267)	
Transfers out	(29,000)	(643,129)	(402,889)	240,240
Proceeds of notes	620,000	450,000	450,000	
Other financing sources	982,000	1,070,000	1,193,790	123,790
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,909,000</u>	<u>1,204,604</u>	<u>1,521,166</u>	<u>316,562</u>
Net change in fund balances	(2,252,509)	(2,007,536)	(99,788)	1,907,748
Adjustment for prior year encumbrances	596,693	596,693	596,693	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>2,474,659</u>	<u>2,474,659</u>	<u>2,474,659</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 818,843</u>	<u>\$ 1,063,816</u>	<u>\$ 2,971,564</u>	<u>\$ 1,907,748</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, 2007

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	
<b>ASSETS</b>					
Current Assets:					
Equity in pooled cash and cash equivalents	\$ 1,563,932	\$ 262,295	\$ 379,185	\$ 1,789,449	\$ 3,994,861
Investments		100,000		2,095,700	2,195,700
Interest receivable	13,980	1,083	1,801	42,789	59,653
Accounts receivable (net of allowance for uncollectibles)	305,507		254,486	507,177	1,067,170
Rehabilitation loans				277,453	277,453
Special assessments	17,990			99,973	117,963
Inventories	206,734	11,074		59,315	277,123
Prepaid items	29,522		16,560	54,379	100,461
Total current assets	<u>2,137,665</u>	<u>374,452</u>	<u>652,032</u>	<u>4,926,235</u>	<u>8,090,384</u>
Noncurrent Assets:					
Bond issuance costs	133,119			83,679	216,798
Capital assets:					
Land	55,169		20,744	580,575	656,488
Buildings	8,053,312	156,826	161,331	24,625,449	32,996,918
Improvements other than buildings	6,311,692	155,351	58,000	20,659,918	27,184,961
Utility distribution and collection systems	18,360,544	20,000		36,987,902	55,368,446
Machinery and equipment	5,019,067	162,882	2,390,997	4,319,710	11,892,656
Construction in progress	27,406				27,406
Less accumulated depreciation	<u>(22,094,269)</u>	<u>(276,111)</u>	<u>(2,061,203)</u>	<u>(49,528,361)</u>	<u>(73,959,944)</u>
Total capital assets (net of accumulated depreciation)	<u>15,732,921</u>	<u>218,948</u>	<u>569,869</u>	<u>37,645,193</u>	<u>54,166,931</u>
Total noncurrent assets:	<u>15,866,040</u>	<u>218,948</u>	<u>569,869</u>	<u>37,728,872</u>	<u>54,383,729</u>
Total assets	<u>18,003,705</u>	<u>593,400</u>	<u>1,221,901</u>	<u>42,655,107</u>	<u>62,474,113</u>

(Continued on subsequent page)

City of Elyria, Ohio  
Statement of Net Assets  
Proprietary Funds  
December 31, 2007

	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	\$ 109,389	\$ 390	\$ 16,001	\$ 81,579	\$ 207,359
Accrued wages and benefits	101,707	3,356	68,033	122,157	295,253
Compensated absences	85,296	7,618	8,266	37,131	138,311
Claims payable					574,021
Contracts payable	120,716		61,910	176,550	359,176
Accrued interest payable	31,503			382,331	413,834
Unearned revenue	17,990		40,844	99,973	158,807
General obligation notes - current	1,250,000		110,000	600,000	1,960,000
General obligation bonds - current	311,825			126,509	438,334
Construction loans payable - current				1,990,030	1,990,030
Capital lease payable - current				32,504	32,504
Total current liabilities	<u>2,028,426</u>	<u>11,364</u>	<u>305,054</u>	<u>3,648,764</u>	<u>5,993,608</u>
Noncurrent liabilities:					
General obligation bonds payable (net of unamortized discounts)	8,398,049			3,432,170	11,830,219
Compensated absences - long-term	529,875		204,148	595,649	1,329,672
Construction loans payable - long-term				7,619,250	7,619,250
Capital lease payable				212,760	212,760
Total noncurrent liabilities	<u>8,927,924</u>		<u>204,148</u>	<u>11,859,829</u>	<u>20,991,901</u>
Total liabilities	<u>10,956,350</u>	<u>11,364</u>	<u>509,202</u>	<u>15,508,593</u>	<u>26,985,509</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	6,590,047	218,948	459,869	23,984,969	31,253,833
Unrestricted	457,308	363,088	252,830	3,161,545	4,234,771
Total net assets	<u>\$ 7,047,355</u>	<u>\$ 582,036</u>	<u>\$ 712,699</u>	<u>\$ 27,146,514</u>	<u>\$ 35,488,604</u>
					<u>\$ 1,340,244</u>
					<u>\$ 1,340,244</u>
					<u>\$ 576,069</u>
					<u>\$ 576,069</u>
					<u>\$ 123,161</u>
					<u>\$ 35,611,765</u>

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

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 Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2007**

**Business-type Activities -  
Enterprise Funds**

	<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>
Operating revenues:						
Charges for sales and services	\$ 5,745,816	\$ 337,529	\$ 3,339,642	\$ 9,645,476	\$ 19,068,463	\$ 5,520,706
Tap fees	114,101			82,393	196,494	
Other	27,551	18,989	112	69,230	115,882	49,207
Total operating revenues	<u>5,887,468</u>	<u>356,518</u>	<u>3,339,754</u>	<u>9,797,099</u>	<u>19,380,839</u>	<u>5,569,913</u>
Operating expenses:						
Personal services	2,620,981	144,345	1,431,495	3,850,181	8,047,002	18,248
Fringe benefits	837,920	22,408	489,827	1,199,701	2,549,856	5,099,796
Operating and maintenance	1,951,520	141,652	1,290,544	2,935,026	6,318,742	47,741
Depreciation	1,195,931	28,677	133,366	2,260,218	3,618,192	
Total operating expenses	<u>6,606,352</u>	<u>337,082</u>	<u>3,345,232</u>	<u>10,245,126</u>	<u>20,533,792</u>	<u>5,165,785</u>
Operating income (loss)	<u>(718,884)</u>	<u>19,436</u>	<u>(5,478)</u>	<u>(448,027)</u>	<u>(1,152,953)</u>	<u>404,128</u>
Nonoperating revenues (expenses) :						
Recycling grant			124,112		124,112	
Investment income	80,550	17,930	29,241	186,474	314,195	68,840
Interest expense	(387,901)		(6,300)	(874,049)	(1,268,250)	
Total nonoperating revenue (expenses)	<u>(307,351)</u>	<u>17,930</u>	<u>147,053</u>	<u>(687,575)</u>	<u>(829,943)</u>	<u>68,840</u>
Income (loss) before contributions and transfers	<u>(1,026,235)</u>	<u>37,366</u>	<u>141,575</u>	<u>(1,135,602)</u>	<u>(1,982,896)</u>	<u>472,968</u>
Capital contributions	100,577	8,975	72,952	182,504	182,504	
Changes in net assets	(925,658)	46,341	214,527	(1,135,602)	(1,800,392)	472,968
Total net assets - beginning	7,973,013	535,695	498,172	28,282,116	867,276	867,276
Total net assets - ending	<u>\$ 7,047,355</u>	<u>\$ 582,036</u>	<u>\$ 712,699</u>	<u>\$ 27,146,514</u>	<u>\$ 1,340,244</u>	<u>\$ 1,340,244</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. Change in net assets of business - type activities				176,225	<u>176,225</u>	
				<u>(1,624,167)</u>	<u>(1,624,167)</u>	

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, 2007

	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	\$ 5,963,038	\$ 337,529	\$ 3,265,634	\$ 9,992,604	\$ 19,558,805
Cash payments to suppliers for goods and services	(2,522,790)	(165,193)	(1,959,847)	(4,238,343)	(8,886,173)
Cash payments to employees for services	(3,009,191)	(138,010)	(1,306,726)	(3,828,990)	(8,282,917)
Settlement proceeds					
Other operating revenues	27,551	18,989	112	69,230	115,882
Net cash provided by (used for) operating activities	458,608	53,315	(827)	1,994,501	2,505,597
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from the sale of notes / bonds (net of issuance costs)	1,250,000		110,000	600,000	1,960,000
Capital grants received	100,577	8,975	197,064		306,616
Acquisition and construction of capital assets	(915,981)	(47,988)	(72,952)	(783,871)	(1,820,792)
Principal and interest paid on notes, bonds and loans payable	(685,810)		(146,300)	(2,907,984)	(3,740,094)
Net cash provided by (used for) capital and related financing activities	(251,214)	(39,013)	87,812	(3,091,855)	(3,294,270)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	82,245	17,963	35,968	208,497	344,673
Short-term investments converted to cash	233,200	206,500		2,550,000	2,989,700
Purchase of short-term investments	(100,000)			(2,095,700)	(2,195,700)
Net cash provided by investing activities	315,445	124,463	35,968	662,797	1,138,673
Net increase (decrease) in cash and cash equivalents	522,839	138,765	122,953	(434,557)	846,347
Cash and cash equivalents, January 1	1,041,093	123,530	256,232	2,224,006	3,644,861
Cash and cash equivalents, December 31	\$ 1,563,932	\$ 262,295	\$ 379,185	\$ 1,789,449	\$ 3,994,861
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (718,884)	\$ 19,436	\$ (5,478)	\$ (448,027)	\$ (1,152,953)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation		28,677	133,366	2,260,218	3,618,192
Changes in assets and liabilities:					
Accounts receivable	1,195,931				
Rehabilitation loans receivable	103,121				
Settlements receivable					
Special assessments receivable	8,995			5,290	14,285
Inventory of supplies	(6,021)	(323)		(1,728)	(8,072)
Prepaid expenses	1,846		1,036	3,400	6,282
Accounts payable	(47,479)	(982)	495	(64,171)	(112,137)
Contracts payable relating to operating activities	25,072		(66,054)	(68,283)	(109,265)
Accrued wages and benefits	(6,848)	(772)	(5,752)	(6,281)	(19,653)
Compensated absences payable	(88,130)	7,279	15,568	41,053	(24,230)
Claims payable					
Deferred revenue	(8,995)		13,857	(5,290)	(428)
Total adjustments	1,177,492	33,879	4,651	2,442,528	3,658,550
Net cash provided by (used for) operating activities	\$ 458,608	\$ 53,315	\$ (827)	\$ 1,994,501	\$ 2,505,597
<b>Noncash investing, capital, and financing activities</b>					
Unrealized appreciation (depreciation) in fair value of investments	\$	\$	\$	\$ 6,555	\$ 6,555
					\$ 750

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, 2007**

**ASSETS**

Equity in pooled cash and cash equivalents	\$ 775,446
Cash and cash equivalents-segregated accounts	540,372
Investments	352,500
Receivables:	
Property taxes	822,235
Income taxes	18,894
Accrued interest	3,271
Total assets	<u>\$ 2,512,718</u>

**LIABILITIES**

Accounts payable	\$ 487,154
Due to other governments	967,008
Other liabilities	1,058,556
Total liabilities	<u>\$ 2,512,718</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, 2007**

**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 2007, 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 2007, 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, the Municipal Court Construction/Improvement Fund and the Energy Conservation 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.

The Energy Conservation Fund is used to account for monies restricted for improvements to City facilities to lower utility costs and to conserve energy.

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 135 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:

	<u>General Fund</u>
GAAP Basis	\$ 4,359
Increase (decrease) due to:	
Net Adjustment for Revenue Accruals:	2,490,131
Net Adjustment for Expenditure Accruals:	(2,594,278)
	<hr/>
Budget basis	<u>\$ (99,788)</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, 2007 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 74 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.

## **(G) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The following details reconciling items between the governmental fund financial statements and the government-wide financial statements for the year ended December 31, 2007.

### Reconciliation of Net Assets:

#### Long-term liabilities:

Special assessment bonds	\$ 843,242
General obligation bonds	28,533,205
State Issue II construction loans	434,173
Compensated absences	<u>5,443,313</u>
Total long-term liability adjustment	<u>\$ 35,253,933</u>

### Reconciliation of Changes in Net Assets:

#### Capital outlay adjustment:

Government-wide capital outlay	\$ 12,826,258
Depreciation expense	<u>(3,580,327)</u>
Net adjustment for excess capital outlay	<u>\$ 9,245,931</u>

### Issuance of Long-term Debt and Changes in

#### Compensated Absences:

Proceeds from long-term general obligation bonds	\$ (9,539,445)
Proceeds from State Issue II loan	( 126,944)
Principal retired	1,426,991
Net change in compensated absences	<u>( 130,331)</u>
Net adjustment for long-term debt activity	<u>\$ (8,369,729)</u>

### Internal Service:

Change in net assets-fund financial statements	\$ 472,968
Net adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>( 53,064)</u>
Net adjustment for internal service	<u>\$ 419,904</u>

### NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

#### (A) ACCOUNTABILITY

At December 31, 2007, the following funds had a deficit fund or net assets balance:

	<u>Deficit Balance</u>
Special Revenue Funds –	
USEPA Brownfield Grant	\$ 12,484
Capital Projects Funds –	
Chestnut Commons/Ridge Improvement	3,241,602
State Issue II Capital Projects	1,756
Two Falls Trail Improvement	2,970
State Route 57 Rehabilitation	871,000
Energy Conservation	3,356,100
Municipal Building Construction	682,203

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 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.

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, 2007.

<u>Fund / Department / Major Account</u>	<u>Appropriation</u>	<u>Expenditure &amp; Encumbrance</u>	<u>Excess</u>
Street Construction Maintenance and Repair Fund			
Street Department			
Personal Services	\$ 824,493	\$ 840,966	\$ 16,473
Fringe Benefits	241,068	243,671	2,603
Municipal Court Security Fund			
Municipal Court Security Department			
Personal Services	69,500	70,086	586
Fringe Benefits	10,445	11,418	973

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 (H) 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 5705.10 (H).

Contrary to Section 5705.41(D)(1) of the Ohio Revised Code, the City had expenditures that were processed prior to receiving the fiscal officer's certification. City Council has authorized the use of blanket certificates and super-blanket certificates and the fiscal officer is now utilizing the "then and now" certification to ensure that expenditures are not processed prior to receiving the fiscal officer's certification.

Contrary to Section 5705.41(D)(3), the City had blanket certificates prior to City Council establishing amounts for blanket certificates and super-blanket certificates that were outstanding beyond year end. City Council has since established amounts for blanket certificates and super-blanket certificates however, management is under the opinion that it is cost-prohibitive to close these blanket certificates at year end and then re-open them at the beginning of the subsequent year.

#### **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 2007.

(D) The changes in the liabilities for self-insured risks for the years ended December 31, 2007 and 2006 are as follows:

	Health Benefits	Workers' Compensation Benefits
Balance January 1, 2006	\$ 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	499,387	174,376
Incurred claims, net of changes in estimates	4,484,627	515,427
Payments	<u>(4,493,996)</u>	<u>(605,800)</u>
Balance December 31, 2007	<u>\$ 490,018</u>	<u>\$ 84,003</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 August 1, 2007.
- (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 continued a City-wide Brownfields inventory with grant money obtained from the United States Environmental Protection Agency. The City has also continued 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.

- (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. The City has evaluated the options available to relieve landfill gas levels and is working with the U.S Environmental Protection Agency to select and implement the best option.
- (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.

## **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, 2007, 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.

## **(B) 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 2007, 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, 2007, 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, 2007, the carrying amount of the City's pooled and segregated deposits was \$14,166,717 and the bank balance was \$14,563,191. Of the bank balance, \$600,000 was covered by federal depository insurance and \$13,963,191 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, 2007 the fair value of the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value / Carry Value</u>
Repurchase Agreements	\$ 2,705,000
U.S. Agency Obligations	2,987,838
State Treasury Asset	
Reserve Fund (Star Ohio)	1,938,152
	<u>\$ 7,630,990</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, 2007, the City’s investments had maturities as follows:

	<u>Average Maturity</u>
Less than 1 year	60.85%
1 to 5 years	39.15%

***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 counterparty, 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, 2007, the carrying amount of the City’s deposits was \$14,166,717 and the bank balance was \$14,563,191. Of the bank balance \$600,000 was covered by federal depository insurance and \$13,963,191 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, 2007 follows:

Deposits	\$ 14,166,717
Investments	<u>7,630,990</u>
TOTAL	<u><u>\$ 21,797,707</u></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	\$ 14,667,539
Investments	5,461,850
	<u>\$ 20,129,389</u>

Fund Financial Statements

Balance Sheet - Governmental Funds:

Equity in pooled cash and cash equivalents	\$ 9,638,865
Investments	2,394,750

Statement of Net Assets - Proprietary Funds:

Cash and cash equivalents	5,028,674
Investments	3,067,100
Total Governmental and Proprietary Funds	<u>20,129,389</u>

Statement of Fiduciary Net Assets:

Equity in pooled cash and cash equivalents	775,446
Cash and cash equivalents - segregated accounts	540,372
Investments	352,500
	<u>\$ 21,797,707</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 2006 levy (collected in 2007) 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 2007 was \$4,194,264.

## **(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 2007 in the fund financial statements was \$21,423,070.

## NOTE 8 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2007 was as follows:

	Balance at January 1, 2007	Increases	Decreases	Balance at December 31, 2007
<u>Governmental activities</u>				
Not being depreciated:				
Land	\$ 6,184,200	\$	\$	\$ 6,184,200
Construction in progress	5,490,647	2,038,999	(3,090,791)	4,438,855
Subtotal	<u>11,674,847</u>	<u>2,038,999</u>	<u>(3,090,791)</u>	<u>10,623,055</u>
Other capital assets:				
Buildings and systems	28,242,110	9,524,274		37,766,384
Improvements	2,452,582	611,599		3,064,181
Utility distribution and collection systems	13,601,767			13,601,767
Infrastructure	52,315,695	2,933,903		55,249,598
Machinery and equipment	12,094,793	823,260	(189,884)	12,728,169
Subtotal	<u>108,706,947</u>	<u>13,893,036</u>	<u>(189,884)</u>	<u>122,410,099</u>
Accumulated depreciation:				
Buildings and systems	(8,622,910)	(858,359)		(9,481,269)
Improvements	(1,652,476)	(170,221)		(1,822,697)
Utility distribution and collection systems	(7,796,805)	(169,778)		(7,966,583)
Infrastructure	(27,285,428)	(1,787,148)		(29,072,576)
Machinery and equipment	(9,538,238)	(594,821)	174,898	(9,958,161)
Subtotal	<u>(54,895,857)</u>	<u>(3,580,327)</u>	<u>174,898</u>	<u>(58,301,286)</u>
Net other capital assets	<u>53,811,090</u>	<u>10,312,709</u>	<u>(14,986)</u>	<u>64,108,813</u>
Net capital assets	<u>\$ 65,485,937</u>	<u>\$ 12,351,708</u>	<u>\$ (3,105,777)</u>	<u>\$ 74,731,868</u>

Depreciation was charged to the functions as follows:

Governmental activities:	
Public safety	\$ 632,027
Health	30,648
Culture and recreation	328,651
Community environment	99,578
Highways and streets	1,883,445
General government	605,978
TOTAL	<u>\$ 3,580,327</u>

	Balance at January 1, 2007	Increases	Decreases	Balance at December 31, 2007
<u>Business-type activities</u>				
Not being depreciated:				
Land	\$ 656,488	\$	\$	\$ 656,488
Construction in progress	2,155,541	15,538	(2,143,673)	27,406
Subtotal	<u>2,812,029</u>	<u>15,538</u>	<u>(2,143,673)</u>	<u>683,894</u>
Other capital assets:				
Buildings	32,996,918			32,996,918
Improvements	27,177,762	7,199		27,184,961
Utility distribution and collection systems	52,520,376	2,848,070		55,368,446
Machinery and equipment	11,138,264	946,343	(191,951)	11,892,656
Subtotal	<u>123,833,320</u>	<u>3,801,612</u>	<u>(191,951)</u>	<u>127,442,981</u>
Accumulated depreciation:				
Buildings	(20,266,127)	(686,288)		(20,952,415)
Improvements	(23,221,016)	(1,404,815)		(24,625,831)
Utility distribution and collection systems	(17,976,231)	(870,420)		(18,846,651)
Machinery and equipment	(9,070,329)	(656,669)	191,951	(9,535,047)
Subtotal	<u>(70,533,703)</u>	<u>(3,618,192)</u>	<u>191,951</u>	<u>(73,959,944)</u>
Net other capital assets	<u>53,299,617</u>	<u>183,420</u>		<u>53,483,037</u>
Net capital assets	<u>\$ 56,111,646</u>	<u>\$ 198,958</u>	<u>\$ (2,143,673)</u>	<u>\$ 54,166,931</u>

Depreciation was charged to the functions as follows:

Business-type activities:	
Water	\$ 1,195,931
Special Parks & Recreation	28,677
Sanitation	133,366
Wastewater Pollution Control	2,260,218
TOTAL	<u>\$ 3,618,192</u>

**Construction in progress** - The City has active construction projects as of December 31, 2007 under governmental activities of \$919,225 on the State Route 57 Rehabilitation Project, \$3,397,375 on the Energy Conservation project, \$69,864 on the Depot Street/Washington Avenue resurfacing project and \$52,391 for various parks and recreation projects. The City also has active construction projects as of December 31, 2007 under business-type activities of \$27,406 for various improvement projects at the Water Pumping Plant.

## NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES

The following balances at December 31, 2007 represent interfund receivables and payables:

<u>GOVERNMENTAL FUNDS</u>	<u>Receivables</u>	<u>Payables</u>
<b>GENERAL FUND</b>	\$ 175,981	\$
<b>SPECIAL REVENUE FUNDS:</b>		
Block Grant		3,745
Chip Grant		7,893
<b>CAPITAL PROJECTS FUND:</b>		
State Issue II Projects		373
Two Falls Trail Improvements		2,970
State Route 57 Rehabilitation		161,000
Energy Conservation		
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u>\$ 175,981</u>	<u>\$ 175,981</u>

The governmental funds interfund balances represent grant program expenditures that had not been reimbursed as of December 31, 2007.

## 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, 2007 were \$19,124,600 and \$10,413,025, respectively. The City’s total payroll for 2007 was \$ 29,537,625.

### (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 9.50% of their covered payroll to OPERS. The 2007 employer contribution rate for local government employer units was 13.85% of covered payroll including 5.00% that was used to fund postretirement health care benefits from January 1, 2007 through June 30, 2007 and 6.00% used to fund postretirement health care benefits from July 1, 2007 through December 31, 2007. The City's total contributions to OPERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2007, 2006, and 2005 were \$1,599,885, \$1,672,001, and \$1,720,371 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, 2007, 2006, and 2005 were \$1,543,560, \$1,449,038 and \$1,337,028, 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, 2007 are summarized as follows:

Plan/Contributor	Statutorily Determined	
	Contribution Rate (%)	Contribution \$'s
OP&F:		
Fire Personnel		
By City	24.00%	\$ 1,151,456
By Employees	10.00%	479,773
	<u>34.00%</u>	<u>1,631,229</u>
Police Personnel		
By City	19.50%	1,094,983
By Employees	10.00%	561,529
	<u>29.50%</u>	<u>1,656,512</u>
Less -		
Health Care Portion	(6.75%)	<u>(702,879)</u>
Total OP&F Contributions		<u>2,584,862</u>
OPERS:		
By City	13.85%	2,652,497
By Employees	9.50%	1,816,837
	<u>23.35%</u>	<u>4,469,334</u>
Less -		
Health Care Portion	1/1/07 - 6/30/07 (5.00%)	(474,318)
	7/1/07 - 12/31/07 (6.00%)	(578,294)
		<u>(1,052,612)</u>
Total OPERS Contributions		<u>3,416,722</u>
TOTAL PENSION PLAN CONTRIBUTIONS		<u>\$ 6,001,584</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 13.85% of covered payroll, of

which 5.00% was the portion that is used to fund health care benefits under OPERS from January 1, 2007 through June 30, 2007 and 6.00% was the portion that is used to fund health care benefits under OPERS from July 1, 2007 through December 31, 2007.

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 2006 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 2006 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 5% annually for the next 8 years. In subsequent years (9 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, 2007 was 374,979. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130. The City's actual contributions for 2007, which were used to fund postemployment benefits, were \$1,052,612. OPERS's net assets available for payment of other postemployment benefits at December 31, 2006 (latest actuarial information available) were \$12.0 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$30.7 billion and \$18.7 billion, respectively. The fund's total health care expenses for the year ended December 31, 2006 were \$1.232 billion.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2007, and January 1, 2008, which allowed 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 6.75% 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 2007 that was used to fund postemployment benefits was \$379,032 for police and \$323,847 for fire personnel. The fund's total health care expenses for the year ended December 31, 2006 (the latest information available) were \$120,373,722, which was net of member contributions of \$58,532,848. The total number of participants in OP&F who were eligible to receive health care benefits at December 31, 2006 (the latest information available) was 14,120 police and 10,563 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, 2007 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, 2007 is listed below:

<b>GOVERNMENTAL ACTIVITIES</b>	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<b>Special Assessment Debt</b>				
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
<b>General Obligation Debt</b>				
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
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
City Hall Construction Bonds	2001	2026	4.750	8,200,000
David Drive/Gulf Road State Issue II Loan	2002	2013	0.000	114,118
Various Purpose Improvement Bonds	2005	2022	4.410	9,592,856
Industrial Parkway Bonds	2005	2024	4.410	6,831,910
West Ave./Lake Ave. State Issue II Loan	2006	2016	0.000	12,726
Third St. Storm Sewer State Issue II Loan	2006	2026	0.000	172,785
City Hall Construction Notes	2006	2007	4.000	1,700,000
Fire Pumper Notes	2006	2007	4.500	775,000
State Route 57 Rehabilitation Notes	2006	2007	4.500	710,000
Chestnut Commons Construction Notes	2006	2007	4.000	3,430,000
Municipal Court Construction Notes	2006	2007	4.500	9,000,000
City Hall Construction Notes	2007	2008	4.250	1,900,000
Fire Pumper Notes	2007	2008	4.250	450,000
State Route 57 Rehabilitation Notes	2007	2008	4.250	710,000
Chestnut Commons Construction Notes	2007	2008	4.000	3,430,000
Energy Conservation Notes	2007	2007	4.000	3,600,000
Energy Conservation Notes	2007	2008	4.000	3,600,000
Municipal Court Construction Bonds	2007	2032	4.000	9,539,445
Gulf Foad State Issue II Loan	2007	2018	0.000	126,944
<b>BUSINESS-TYPE ACTIVITIES</b>				
	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
<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
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
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
Water System Improvement Notes	2007	2008	4.000	1,250,000

A listing of changes in the bonds, notes and other long-term obligations of the City for the year ended December 31, 2007 are as follows:

**GOVERNMENTAL ACTIVITIES**

	Balance January 1, 2007	Additions	(Reductions)	Balance December 31, 2007
<b><u>Special Assessment Debt:</u></b>				
6.35% 1992 Ford Road Improvement Bonds Due 2013	\$ 415,000	\$	\$ (50,000)	\$ 365,000
7.375% 1994 Sewer Overflow Elimination Bonds Due 2009	27,154		(8,684)	18,470
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	29,076		(9,304)	19,772
5.875% 1995 Griswold Road Improvement Bonds Due 2015	310,000		(25,000)	285,000
5.295% 1996 Westway Garden Improvement Bonds Due 2008	305,000		(150,000)	155,000
<b>Total Special Assessment Debt</b>	<b>1,086,230</b>		<b>(242,988)</b>	<b>843,242</b>
<b><u>General Obligation Bonds And Construction Loans:</u></b>				
3.15% - 4.25% 1999 Recreational Facilities Bonds Due 2009	620,000		(200,000)	420,000
3.15% - 4.45% 1999 Fire Station Construction Bonds Due 2012	1,045,000		(155,000)	890,000
3.15% - 5.00% 1999 Police and Fire Pension Liability Bonds Due 2023	1,025,000		(40,000)	985,000
4.75% 2001 City Hall Construction Bonds Due 2026	7,145,000		(235,000)	6,910,000
4.41% 2005 Various Purpose Bonds Due 2022	8,619,296		(433,560)	8,185,736
4.41% 2005 Industrial Parkway Bonds Due 2024	1,669,967		(66,943)	1,603,024
4.00% Municipal Court Construction Bonds Due 2032		9,539,445		9,539,445
<b>Total General Obligation Bonds</b>	<b>20,124,263</b>	<b>9,539,445</b>	<b>(1,130,503)</b>	<b>28,533,205</b>
0.00% 1999 State Issue II Loan Schaden Road Due 2009	14,464		(7,231)	7,233
0.00% 1999 State Issue II Loan Middle Avenue Due 2009	13,561		(6,781)	6,780
0.00% 2000 State Issue II Loan E. Broad St. / State Rt. 57 Intersection Due 2010	15,197		(4,341)	10,856
0.00% 2001 State Issue II Loan Murray Ridge Rd. / Garford Ave. Due 2012	69,119		(13,823)	55,296
0.00% 2002 State Issue II Loan David Drive / Gulf Road Due 2013	68,470		(11,412)	57,058

(Continued on subsequent page)

<b>General Obligation Bonds And Construction Loans (continued):</b>	Balance January 1, 2007	Additions	(Reductions)	Balance December 31, 2007
0.00% 2006 State Issue II Loan West Ave. / Lake Ave. Due 2016	11,453		(1,273)	10,180
0.00% 2006 State Issue II Loan Third Street Storm Sewer Due 2026	168,465		(8,639)	159,826
0.00% 2007 State Issue II Loan Gulf Road Due 2018		126,944		126,944
<b>Total Construction Loans</b>	<b>360,729</b>	<b>126,944</b>	<b>(53,500)</b>	<b>434,173</b>
<b>Total General Obligation Bonds And Construction Loans</b>	<b>\$ 20,484,992</b>	<b>\$ 9,666,389</b>	<b>\$ (1,184,003)</b>	<b>\$ 28,967,378</b>

**General Obligation Bond Anticipation Notes**

**Capital Projects Notes Payable**

4.50% City Hall Construction Noted Due July 2007	\$ 1,700,000	\$	\$ (1,700,000)	\$
4.25% City Hall Construction Noted Due July 2008		700,000		700,000
4.50% Fire Pumper Notes Due July 2007	775,000		(775,000)	
4.25% Fire Pumper Notes Due July 2008		450,000		450,000
4.50% State Route 57 Rehabilitation Notes Due July 2007	710,000		(710,000)	
4.25% State Route 57 Rehabilitation Notes Due July 2008		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 2007	3,430,000		(3,430,000)	
4.00% Chestnut Commons Construction Notes Due October 2008		3,430,000		3,430,000
4.00% Energy Conservation Notes Due October 2007		3,600,000	(3,600,000)	
4.00% Energy Conservation Notes Due October 2008		3,600,000		3,600,000
<b>Total Capital Projects Notes Payable</b>	<b>\$ 15,615,000</b>	<b>\$ 12,490,000</b>	<b>\$ (19,215,000)</b>	<b>\$ 8,890,000</b>

**Other Obligations**

Compensated absences - non-current portion	\$ 5,312,982	\$ 193,238	\$ (62,907)	\$ 5,443,313
<b>Total Other Obligations</b>	<b>\$ 5,312,982</b>	<b>\$ 193,238</b>	<b>\$ (62,907)</b>	<b>\$ 5,443,313</b>
<b>TOTAL GOVERNMENTAL ACTIVITIES DEBT AND OTHER LONG-TERM OBLIGATIONS</b>	<b>\$ 42,499,204</b>	<b>\$ 22,349,627</b>	<b>\$ (20,704,898)</b>	<b>\$ 44,143,933</b>

(Continued on subsequent page)

**BUSINESS-TYPE ACTIVITIES**

<b>General Obligation Bonds And Construction Loans:</b>	Balance January 1, 2007	Additions	(Reductions)	Balance December 31, 2007
8.48% 1986 OWDA Loan Wastewater Plant Improvement Due 2014	\$ 8,992,332	\$	\$ (908,026)	\$ 8,084,306
7.11% 1987 OWDA Loan Westside Interceptor Sewer Due 2009	2,463,264		(938,291)	1,524,974
4.2275% 1999 Water System Improvement Bonds Due 2019	1,060,000		(60,000)	1,000,000
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	68,767		(22,012)	46,755
4.41% 2005 Waterworks System Improvement Bonds Due 2030	6,244,945		(164,164)	6,080,781
4.175% Water Pumping Improvement Bonds Due 2026	1,637,987		(55,649)	1,582,338
4.175% Wastewater Pollution Control Improvement Bonds Due 2026	3,685,188		(126,509)	3,558,679
<b>Total General Obligation Bonds And Construction Loans</b>	<b>24,152,483</b>		<b>(2,274,651)</b>	<b>21,877,833</b>
<b><u>General Obligation Bond Anticipation Notes</u></b>				
4.50% Refuse Packer Notes Due July 2007	140,000		(140,000)	
4.25% Refuse Packer Notes Due July 2008		110,000		110,000
4.00% Water System Improvement Notes Due October 2008		1,250,000		1,250,000
4.00% Wastewater System Improvement Notes Due October 2008		600,000		600,000
<b>Total General Obligation Bond Anticipation Notes</b>	<b>140,000</b>	<b>1,960,000</b>	<b>(140,000)</b>	<b>1,960,000</b>
<b><u>Other Obligations</u></b>				
Compensated absences - non-current portion	1,302,739	101,802	(74,869)	1,329,672
Capital lease		277,768	(32,504)	245,264
<b>Total Other Obligations</b>	<b>1,302,739</b>	<b>379,570</b>	<b>(107,373)</b>	<b>1,574,936</b>
<b>TOTAL BUSINESS ACTIVITIES DEBT AND OTHER LONG-TERM OBLIGATIONS</b>	<b>\$ 25,595,222</b>	<b>\$ 2,339,570</b>	<b>\$ (2,522,024)</b>	<b>\$ 25,412,769</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, 2007 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>
2008	\$ 252,988	\$ 51,404	\$ 10,192,129	\$ 1,747,851
2009	105,254	36,256	1,499,163	1,191,068
2010	90,000	30,270	1,312,296	1,138,508
2011	100,000	24,600	1,360,126	1,090,978
2012	100,000	18,308	1,396,297	1,041,150
Thereafter	195,000	19,815	22,097,367	8,844,308
<b>TOTALS</b>	<b>\$ 843,242</b>	<b>\$ 180,653</b>	<b>\$ 37,857,378</b>	<b>\$ 15,053,863</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>
2008	\$ 1,990,030	\$ 672,650	\$ 2,398,334	\$ 886,844
2009	1,588,528	533,122	461,065	511,702
2010	1,159,171	422,150	451,322	494,516
2011	1,257,469	341,008	471,322	477,381
2012	1,364,102	252,986	481,322	459,419
Thereafter	2,249,980	211,188	9,965,188	4,138,708
<b>TOTALS</b>	<b>\$ 9,609,280</b>	<b>\$ 2,433,104</b>	<b>\$ 14,228,553</b>	<b>\$ 6,968,570</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, 2007, the City had the capacity to issue approximately \$ 3,774,604 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, 2007, was as follows:

	<u>Balance January 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2007</u>	<u>Amount Due in One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 20,124,263	\$ 9,539,445	\$ (1,130,503)	\$ 28,533,205	\$ 1,242,281
Special Assessment Bonds with Government Commitment	<u>1,086,230</u>		<u>(242,988)</u>	<u>843,242</u>	<u>252,988</u>
Total Bonds Payable	<u>21,210,493</u>	<u>9,539,445</u>	<u>(1,373,491)</u>	<u>29,376,447</u>	<u>1,495,269</u>
State Issue II Construction Loans	360,729	126,944	(53,500)	434,173	66,195
Compensated Absences	<u>5,312,982</u>	<u>193,238</u>	<u>(62,907)</u>	<u>5,443,313</u>	<u>98,111</u>
<b>Total Governmental Activities Long-Term Liabilities</b>	<u>\$ 26,884,204</u>	<u>\$ 9,859,627</u>	<u>\$ (1,489,898)</u>	<u>\$ 35,253,933</u>	<u>\$ 1,659,575</u>
<b>Business-Type Activities</b>					
General Obligation Bonds	\$ 12,696,887	\$	\$ (428,334)	\$ 12,268,553	\$ 438,334
OWDA Loans	11,455,596		(1,846,317)	9,609,279	1,990,030
Capital Lease		277,768	(32,504)	245,264	32,504
Compensated Absences	<u>1,302,739</u>	<u>101,802</u>	<u>(74,868)</u>	<u>1,329,673</u>	<u>177,549</u>
<b>Total Business-Type Activities Long-Term Liabilities</b>	<u>\$ 25,455,222</u>	<u>\$ 379,570</u>	<u>\$ (2,382,023)</u>	<u>\$ 23,452,769</u>	<u>\$ 2,638,417</u>

#### NOTE 14 – COMMITMENTS

The City has entered into an agreement for the purchase of a new dump truck with snow removal accessories at a cost of \$117,244 and will be paid from monies transferred from the General Fund to the Street Construction Maintenance and Repair Fund.

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.

#### 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. The provisions of this Statement were implemented by the City in 2007. This Statement had no impact on the City.

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.

During 2007, the City implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes criteria for ascertaining whether certain transactions should be regarded as sales or collateralized borrowings. The implementation of this Statement had no impact on the City’s financial statements or disclosures.

**NOTE 17 – TRANSFERS**

Transfer-in

	Municipal Court	
<u>General Fund</u>	<u>Construction/Improvement Fund</u>	<u>Other Governmental Funds</u>
\$325,000	\$390,000	\$431,725

Transfer-out

<u>General Fund</u>	<u>Other Governmental Funds</u>
\$399,519	\$747,206

Interfund transfers included \$120,000 from the General Fund to the Street Construction Maintenance and Repair Fund for the purchase of a new dump truck with snow removal accessories, \$26,000 from the General Fund to the Food Service Operations Fund to meet operating needs, \$3,000 from the General Fund to the Swimming Pool Inspection Fund to meet operating needs, \$31,000 from the Cemetery Trust Fund to the Cemetery Maintenance and Improvement Fund which represents investment earnings that are required to be transferred and spent for maintenance of the cemeteries per the trust agreement and \$325,000 from the General Bond Retirement Fund to the General Fund to retire short-term bond anticipation notes that were issued for the purchase of two new fire pumper trucks and \$519 from the General Fund to the Two Falls Trail Improvement Fund for additional improvements to the trail. Other interfund transfers included \$150,000 from the Legal Research and Court Computerization Fund to the Municipal Court Construction/Improvement Fund, \$140,000 from the Municipal Court Special Collection Fund to the Municipal Court Construction/Improvement Fund, \$50,000 from the Municipal Court Security Fund to the Municipal Court Construction/Improvement Fund and \$50,000 from the Municipal Court Technology Fund to the Municipal Court Construction/Improvement Fund. These transfers were ordered by the Elyria Municipal Court judges to help in the construction of the new John A. Howard Elyria Municipal Court facility. 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 February 11, 2008, the City entered into an agreement for the purchase of a new ladder truck for the Elyria Fire Department. The cost of the truck is \$923,779 and the City will issue short-term general obligation bond anticipation notes in 2008 to fund this purchase.

On May 6, 2008, the City entered into an agreement for the reconstruction of State Route 57 from Chestnut Ridge Road to Lorain Boulevard. This reconstruction project includes intersection improvements with signal upgrades and extension of turn lanes and associated roadway improvements. The cost of this contract is \$17,015,537 and is being funded with a combination of grant monies from the Federal Highway Administration administered by the Northeast Ohio Area Wide Coordinating Agency, grant monies from the Ohio Department of Transportation and a State Infrastructure Bank Loan obtained from the Ohio Department of Transportation.

## 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 are 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 are 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.

#### ***Chestnut Commons Tax Increment Financing***

To account for tax increment financing payments received in lieu of property taxes from property owners in the Chestnut Commons commercial development designated for debt service on the debt associated with the improvements to this development.

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

### ***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.

### ***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.

### ***Household Sewage Disposal Fee***

To account for the revenues and expenditures of administering and enforcing the standards prescribed for the siting, design, installation, operation, monitoring, maintenance and abandonment of household sewage treatment systems not connected to a sanitary sewerage system.

### ***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.

## SPECIAL REVENUE FUNDS (cont.)

### ***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.

### ***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.

### ***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.

### ***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, 2007

	Street Construction Maintenance and Repair	Special Revenue						Block Grant
		State Highway	Fire Pension	Police Pension	Health Grant	Municipal Motor Vehicle Tax		
<b>ASSETS</b>								
Equity in pooled cash and cash equivalents	\$ 468,043	\$ 302,208	\$ 12,537	\$ 12,606	\$ 18,921	\$ 306,769	\$	
Investments			116,900	142,900				
Accounts receivable							1,830,985	
Rehabilitation loans receivable								
Accrued interest receivable	75	100	371	380		3,338		
Due from other governments	937,601	78,839	31,198	31,198	228,954		3,745	
Income tax receivable								
Property tax receivable			244,840	244,840				
Other local tax receivable						133,978		
Special assessments receivable								
Tax increment financing payments receivable								
Total assets	<u>\$ 1,405,719</u>	<u>\$ 381,147</u>	<u>\$ 405,846</u>	<u>\$ 431,924</u>	<u>\$ 247,875</u>	<u>\$ 444,085</u>	<u>\$ 1,834,730</u>	
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 16,404	\$	\$	\$	\$ 957	\$	\$	
Contracts payable	4,995	70,279			10,575		10,184	
Accrued wages and benefits	46,560				11,105		14,900	
Compensated absences payable	18,811				3,529		4,628	
Due to other funds							3,745	
Deferred revenue	641,507	54,831	274,824	274,824	115,110			
General obligation notes payable								
Total liabilities	<u>728,277</u>	<u>125,110</u>	<u>274,824</u>	<u>274,824</u>	<u>141,276</u>		<u>33,457</u>	
<b>FUND BALANCES</b>								
Reserved for encumbrances	156,626	3,703			4,198	42,961	53,666	
Reserved for rehab loans							1,830,986	
Reserved for endowment								
Reserved for debt service								
Unreserved, undesignated (deficit)	520,816	252,334	131,022	157,100	102,401	401,124	(83,379)	
Total fund balances (deficit)	<u>677,442</u>	<u>256,037</u>	<u>131,022</u>	<u>157,100</u>	<u>106,599</u>	<u>444,085</u>	<u>1,801,273</u>	
Total liabilities and fund balances	<u>\$ 1,405,719</u>	<u>\$ 381,147</u>	<u>\$ 405,846</u>	<u>\$ 431,924</u>	<u>\$ 247,875</u>	<u>\$ 444,085</u>	<u>\$ 1,834,730</u>	

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City of Elyria, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2007

	Special Revenue						Legal Research and Court Computerization
	Chestnut Commons			Muni Court			
	CHIP Grant	Tax Increment Financing	USEPA Brownfield Grant	Technology	Security	Fines	
<b>ASSETS</b>							
Equity in pooled cash and cash equivalents	\$	88,981	\$ 3,175	\$ 121,150	\$ 42,847	\$ 55,002	\$ 16,323
Investments				62,900			70,000
Accounts receivable				11,215	623	155	3,375
Rehabilitation loans receivable	2,434,232						
Accrued interest receivable		33		1,378		162	539
Due from other governments	7,893						
Income tax receivable							
Property tax receivable							
Other local tax receivable							
Special assessments receivable							
Tax increment financing payments receivable		324,305					
Total assets	<u>\$ 2,442,125</u>	<u>\$ 413,319</u>	<u>\$ 3,175</u>	<u>\$ 196,643</u>	<u>\$ 43,470</u>	<u>\$ 55,319</u>	<u>\$ 90,237</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$		\$	\$ 28,287	\$	\$	\$ 1,355
Contracts payable			15,659		350		
Accrued wages and benefits	1,529				2,725		
Compensated absences payable	392			287	204		
Due to other funds	7,893	324,305					
Deferred revenue							
General obligation notes payable							
Total liabilities	<u>9,814</u>	<u>324,305</u>	<u>15,659</u>	<u>28,574</u>	<u>3,279</u>		<u>1,355</u>
<b>FUND BALANCES</b>							
Reserved for encumbrances			63,319	16,904	5,644	3,500	721
Reserved for rehab loans	2,434,232						
Reserved for endowment							
Reserved for debt service							
Unreserved, undesignated (deficit)	(1,921)	89,014	(75,803)	151,165	34,547	51,819	88,161
Total fund balances (deficit)	<u>2,432,311</u>	<u>89,014</u>	<u>(12,484)</u>	<u>168,069</u>	<u>40,191</u>	<u>55,319</u>	<u>88,882</u>
Total liabilities and fund balances	<u>\$ 2,442,125</u>	<u>\$ 413,319</u>	<u>\$ 3,175</u>	<u>\$ 196,643</u>	<u>\$ 43,470</u>	<u>\$ 55,319</u>	<u>\$ 90,237</u>

(Continued on subsequent page)

City of Elyria, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2007

	Special Revenue						
	Muni Court Special Collections	Food Service Operations	Dental Health Grant	Household Sewage Disposal Fee	Special Traffic Magistrate	Swimming Pool Inspection	Law Enforcement
<b>ASSETS</b>							
Equity in pooled cash and cash equivalents	\$ 69,067	\$ 37,966	\$ 62,569	\$ 400	\$ 28,448	\$ 730	\$ 124,832
Investments	80,000						
Accounts receivable	5,588			2,222			
Rehabilitation loans receivable							
Accrued interest receivable	916	114	34,732		213	22	573
Due from other governments							
Income tax receivable							
Property tax receivable							
Other local tax receivable							
Special assessments receivable							
Tax increment financing payments receivable							
<b>Total assets</b>	<u>\$ 155,571</u>	<u>\$ 38,080</u>	<u>\$ 97,301</u>	<u>\$ 400</u>	<u>\$ 30,883</u>	<u>\$ 752</u>	<u>\$ 125,405</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	\$	\$ 384	\$	\$	\$	\$ 3,162
Contracts payable							
Accrued wages and benefits		2,723	544		512	196	
Compensated absences payable		238	46			31	
Due to other funds							
Deferred revenue			27,232				
General obligation notes payable							
<b>Total liabilities</b>		<u>2,961</u>	<u>28,206</u>		<u>512</u>	<u>227</u>	<u>3,162</u>
<b>FUND BALANCES</b>							
Reserved for encumbrances			960				1,189
Reserved for rehab loans							
Reserved for endowment							
Reserved for debt service							
Unreserved, undesignated (deficit)	155,571	35,119	68,135	400	30,371	525	121,054
<b>Total fund balances (deficit)</b>	<u>155,571</u>	<u>35,119</u>	<u>69,095</u>	<u>400</u>	<u>30,371</u>	<u>525</u>	<u>122,243</u>
<b>Total liabilities and fund balances</b>	<u>\$ 155,571</u>	<u>\$ 38,080</u>	<u>\$ 97,301</u>	<u>\$ 400</u>	<u>\$ 30,883</u>	<u>\$ 752</u>	<u>\$ 125,405</u>

(Continued on subsequent page)

City of Elyria, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2007

	Special Revenue						Total	
	Mandatory Drug Fine	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Police Levy	Wagner Trust	Findley Trust	Cemetery Maintenance and Improvement	Special Revenue Funds
<b>ASSETS</b>								
Equity in pooled cash and cash equivalents	\$ 4,586	\$ 160,094	\$ 6,369	\$ 353,855	\$ 9,792	\$ 181,367	\$ 80,479	\$ 2,569,116
Investments		307,900	18,400					799,000
Accounts receivable		1,263	109					24,550
Rehabilitation loans receivable								4,265,217
Accrued interest receivable	98	1,467	239	771	41	682	110	11,622
Due from other governments				741,594				1,354,160
Income tax receivable								741,594
Property tax receivable								489,680
Other local tax receivable								133,978
Special assessments receivable								324,305
Tax increment financing payments receivable								\$ 10,713,222
Total assets	<u>\$ 4,684</u>	<u>\$ 470,724</u>	<u>\$ 25,117</u>	<u>\$ 1,096,220</u>	<u>\$ 9,833</u>	<u>\$ 182,049</u>	<u>\$ 80,589</u>	<u>\$ 10,713,222</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 700	\$ 4,499	\$	\$ 31,343	\$	\$ 901	\$	\$ 87,992
Contracts payable				7,153				119,195
Accrued wages and benefits				205,315			529	286,638
Compensated absences payable				19,021				47,187
Due to other funds								11,638
Deferred revenue				274,812				1,987,445
General obligation notes payable								
Total liabilities	<u>700</u>	<u>4,499</u>		<u>537,644</u>		<u>901</u>	<u>529</u>	<u>2,540,095</u>
<b>FUND BALANCES</b>								
Reserved for encumbrances	700			48,759		16,232	1,982	421,064
Reserved for rehab loans								4,265,218
Reserved for endowment								
Reserved for debt service								
Unreserved, undesignated (deficit)	3,284	466,225	25,117	509,817	9,833	164,916	78,078	3,486,845
Total fund balances (deficit)	<u>3,984</u>	<u>466,225</u>	<u>25,117</u>	<u>558,576</u>	<u>9,833</u>	<u>181,148</u>	<u>80,060</u>	<u>8,173,127</u>
Total liabilities and fund balances	<u>\$ 4,684</u>	<u>\$ 470,724</u>	<u>\$ 25,117</u>	<u>\$ 1,096,220</u>	<u>\$ 9,833</u>	<u>\$ 182,049</u>	<u>\$ 80,589</u>	<u>\$ 10,713,222</u>

(Continued on subsequent page)

City of Elyria, Ohio  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2007

	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	\$ 161,519	\$ 88	\$ 161,607	\$	\$ 45,712	\$ 25,372	\$
Investments	1,067,100	21,600	1,088,700				
Accounts receivable							
Rehabilitation loans receivable					18		
Accrued interest receivable	4,672	8	4,680				
Due from other governments	197,587		197,587				
Income tax receivable							
Property tax receivable							
Other local tax receivable	1,550,570		1,550,570				
Special assessments receivable		967,195	967,195				
Tax increment financing payments receivable							
Total assets	<u>\$ 2,981,448</u>	<u>\$ 988,891</u>	<u>\$ 3,970,339</u>	<u>\$</u>	<u>\$ 45,730</u>	<u>\$ 25,382</u>	<u>\$</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	\$	\$	\$	\$	\$	\$
Contracts payable							1,345
Accrued wages and benefits							38
Compensated absences payable							
Due to other funds							373
Deferred revenue	1,740,471	967,195	2,707,666				
General obligation notes payable							
Total liabilities	<u>1,740,471</u>	<u>967,195</u>	<u>2,707,666</u>				<u>1,756</u>
<b>FUND BALANCES</b>							
Reserved for encumbrances						420	11,404
Reserved for rehab loans							
Reserved for endowment							
Reserved for debt service		21,696	1,262,673				
Unreserved, undesignated (deficit)	1,240,977						
Total fund balances (deficit)	<u>1,240,977</u>	<u>21,696</u>	<u>1,262,673</u>				<u>(13,160)</u>
Total liabilities and fund balances	<u>\$ 2,981,448</u>	<u>\$ 988,891</u>	<u>\$ 3,970,339</u>	<u>\$</u>	<u>\$ 45,730</u>	<u>\$ 25,382</u>	<u>\$ (1,756)</u>

(Continued on subsequent page)

City of Elyria, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2007

	Capital Projects					Permanent Fund	Total Nonmajor Governmental Funds
	Two Falls Trail Improvement	State Route 57 Rehabilitation	Muni Building Construction	Industrial Parkway	Total Capital Projects Funds		
<b>ASSETS</b>							
Equity in pooled cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$
Investments						89,007	3,287,038
Accounts receivable						357,050	2,244,750
Rehabilitation loans receivable							24,550
Accrued interest receivable							4,265,217
Due from other governments			3		31	1,292	17,625
Income tax receivable							1,551,747
Property tax receivable							741,594
Other local tax receivable							2,040,250
Special assessments receivable							133,978
Tax increment financing payments receivable							967,195
Total assets	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
						<u>447,349</u>	<u>15,598,249</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	\$	\$	\$	\$	\$	\$
Contracts payable							87,992
Accrued wages and benefits							120,540
Compensated absences payable							286,676
Due to other funds							47,187
Deferred revenue	2,970	161,000			164,343		175,981
General obligation notes payable							4,695,111
Total liabilities	<u>2,970</u>	<u>871,000</u>	<u>700,000</u>	<u>700,000</u>	<u>1,410,000</u>		<u>1,410,000</u>
							<u>6,823,487</u>
<b>FUND BALANCES</b>							
Reserved for encumbrances							437,607
Reserved for rehab loans							4,265,218
Reserved for endowment						447,349	447,349
Reserved for debt service							1,262,673
Unreserved, undesignated (deficit)	(2,970)	(875,719)	(682,203)	378,430	(1,124,930)		2,361,915
Total fund balances (deficit)	<u>(2,970)</u>	<u>(871,000)</u>	<u>(682,203)</u>	<u>378,430</u>	<u>(1,108,387)</u>	<u>447,349</u>	<u>8,774,762</u>
Total liabilities and fund balances	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
						<u>447,349</u>	<u>15,598,249</u>

**City of Elyria, Ohio**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2007**

	Special Revenue									
	Street Construction Maintenance and Repair	State Highway	Fire Pension	Police Pension	Health Grant	Municipal Motor Vehicle Tax	Block Grant	CHIP Grant	Chestnut Commons Tax Increment Financing	
<b>REVENUES</b>										
Taxes:										
Property		\$	\$ 297,790	\$ 297,790	\$	\$	\$	\$	\$	\$
Income						885,794				
Other									103,542	
Tax increment financing payments										
Intergovernmental revenues	1,894,670	156,439	25,057	25,057	496,915		827,164	338,638		
Charges for service					51,473					
Licenses and permits										
Interest earnings	16,503	1,511	13,696	13,901		31,566				1,243
Special assessments										
Fines and forfeitures										
Contributions										
Miscellaneous revenues	14,482						530			
Total revenues	<u>1,925,655</u>	<u>157,950</u>	<u>336,543</u>	<u>336,748</u>	<u>548,388</u>	<u>917,360</u>	<u>827,694</u>	<u>338,638</u>	<u>104,785</u>	
<b>EXPENDITURES</b>										
Current:										
Public safety	431,545		255,065	255,057	548,624					
Health										
Culture and recreation										
Community environment										
Highways and streets	1,420,447	259,820				1,275	729,028	17,644		15,771
General government										
Capital outlay	110,493				2,025	880,066	24,718			
Debt service:										
Principal retirement			26,400	13,600						
Interest and fiscal charges			31,644	16,301						
Total expenditures	<u>1,962,485</u>	<u>259,820</u>	<u>313,109</u>	<u>284,958</u>	<u>550,649</u>	<u>881,331</u>	<u>753,746</u>	<u>17,644</u>	<u>15,771</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(36,830)</u>	<u>(101,870)</u>	<u>23,434</u>	<u>51,790</u>	<u>(2,261)</u>	<u>36,029</u>	<u>73,948</u>	<u>320,994</u>	<u>89,014</u>	
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	120,000	250,000								
Transfers out										
Premiums from sale of notes / bonds										
Proceeds from state issue II loan										
Settlement proceeds										
Gain on sale of capital assets										
Total other financing sources (uses)	<u>120,000</u>	<u>250,000</u>	<u>23,434</u>	<u>51,790</u>	<u>(2,261)</u>	<u>36,029</u>	<u>73,948</u>	<u>320,994</u>	<u>89,014</u>	
Net change in fund balances	<u>83,170</u>	<u>148,130</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>	<u>89,014</u>	
Fund balances (deficit) - beginning	<u>594,272</u>	<u>107,907</u>	<u>131,022</u>	<u>157,100</u>	<u>106,599</u>	<u>444,065</u>	<u>1,601,273</u>	<u>2,432,311</u>	<u>89,014</u>	
Fund balances (deficit) - ending	<u>\$ 677,442</u>	<u>\$ 256,037</u>	<u>\$ 258,610</u>	<u>\$ 262,410</u>	<u>\$ 215,459</u>	<u>\$ 852,121</u>	<u>\$ 2,328,598</u>	<u>\$ 2,543,628</u>	<u>\$ 89,014</u>	

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City of Elyria, Ohio  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2007

	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	Household Sewage Disposal Permit Fee
<b>REVENUES</b>									
Taxes:									
Property Income									
Other									
Tax increment financing payments									
Intergovernmental revenues	61,200							47,950	
Charges for service									
Licenses and permits		9,769		2,534	1,914	2,487	74,597		400
Interest earnings			6,022				3,156		
Special assessments		169,706		9,228	50,719	85,218			
Fines and forfeitures									
Contributions									
Miscellaneous revenues									
Total revenues	<u>61,200</u>	<u>179,475</u>	<u>98,695</u>	<u>11,762</u>	<u>52,633</u>	<u>87,705</u>	<u>77,753</u>	<u>47,950</u>	<u>400</u>
<b>EXPENDITURES</b>									
Current:									
Public safety									
Health									
Culture and recreation									
Community environment	71,974							27,660	
Highways and streets									
General government		130,540	95,948	82	21,520				
Capital outlay		5,325	32,805						
Debt service:									
Principal retirement									
Interest and fiscal charges									
Total expenditures	<u>71,974</u>	<u>135,865</u>	<u>128,753</u>	<u>82</u>	<u>21,520</u>		<u>82,089</u>	<u>27,660</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(10,774)</u>	<u>43,610</u>	<u>(30,058)</u>	<u>11,680</u>	<u>31,113</u>	<u>87,705</u>	<u>(4,336)</u>	<u>20,290</u>	<u>400</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in									
Transfers out		(50,000)							
Premiums from sale of notes / bonds									
Proceeds from state issue II loan									
Settlement proceeds									
Gain on sale of capital assets									
Total other financing sources (uses)		<u>(50,000)</u>	<u>(50,000)</u>			<u>(140,000)</u>	<u>26,000</u>		
Net change in fund balances	<u>(10,774)</u>	<u>(6,390)</u>	<u>(80,058)</u>	<u>11,680</u>	<u>(118,887)</u>	<u>(52,295)</u>	<u>21,664</u>	<u>20,290</u>	<u>400</u>
Fund balances (deficit) - beginning	<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>	<u>\$ 400</u>
Fund balances (deficit) - ending	<u>\$ (12,484)</u>	<u>\$ 168,069</u>	<u>\$ 40,191</u>	<u>\$ 55,319</u>	<u>\$ 88,882</u>	<u>\$ 155,571</u>	<u>\$ 35,119</u>	<u>\$ 69,095</u>	<u>\$ 400</u>

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City of Elyria, Ohio  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2007**

	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	\$	\$ 595,580	\$ 1,887,190	\$	\$ 1,887,190	\$	\$	\$	\$
Income		3,055,983							
Other		885,794							
Tax increment financing payments		103,542							659,937
Intergovernmental revenues		3,885,143	158,118		158,118				
Charges for service	80,812	132,285							
Licenses and permits		78,007							
Interest earnings	3,092	182,378	109,422	7,504	116,926		2,339	1,442	62
Special assessments		485,930		335,688	335,688				
Fines and forfeitures		50,238						2,525	
Contributions		54,801							
Miscellaneous revenues									
Total revenues	<u>83,904</u>	<u>9,519,681</u>	<u>2,154,730</u>	<u>343,192</u>	<u>2,497,922</u>		<u>2,339</u>	<u>3,967</u>	<u>659,999</u>
<b>EXPENDITURES</b>									
Current:									
Public safety		4,200,889							
Health		711,772							
Culture and recreation	47,489	22,999							
Community environment		834,417							
Highways and streets		1,681,542							
General government		389,117							
Capital outlay	28,655	1,213,045	44,781	13,293	58,074			5,354	781,357
Debt service:									
Principal retirement		40,000	1,068,500	242,988	1,311,488				
Interest and fiscal charges		47,945	973,170	65,215	1,038,385				
Total expenditures	<u>76,144</u>	<u>9,141,726</u>	<u>2,086,451</u>	<u>321,496</u>	<u>2,407,947</u>			<u>5,354</u>	<u>781,357</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,760</u>	<u>377,955</u>	<u>68,279</u>	<u>21,696</u>	<u>89,975</u>		<u>2,339</u>	<u>(1,387)</u>	<u>(121,358)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in									
Transfers out	31,000	430,000							1,206
Premiums from sale of notes / bonds		(390,000)	(325,000)		(325,000)		(1,206)		
Proceeds from state issue II loan			26,095		26,095				126,944
Settlement proceeds									
Gain on sale of capital assets		950							
Total other financing sources (uses)	<u>31,000</u>	<u>40,950</u>	<u>(298,905)</u>	<u>21,696</u>	<u>(298,905)</u>		<u>(1,206)</u>		<u>128,150</u>
Net change in fund balances	<u>38,760</u>	<u>418,905</u>	<u>(230,626)</u>		<u>(208,930)</u>			<u>(1,387)</u>	<u>6,792</u>
Fund balances (deficit) - beginning	<u>41,300</u>	<u>7,754,222</u>	<u>1,471,603</u>		<u>1,471,603</u>		<u>43,391</u>	<u>26,769</u>	<u>(8,548)</u>
Fund balances (deficit) - ending	<u>\$ 80,060</u>	<u>\$ 8,173,127</u>	<u>\$ 1,240,977</u>	<u>\$ 21,696</u>	<u>\$ 1,262,673</u>		<u>\$ 45,730</u>	<u>\$ 25,382</u>	<u>\$ (1,756)</u>

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City of Elyria, Ohio  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2007**

	Two Falls Trail Improvement	State Rt. 57 Rehabilitation	Municipal Building Construction	Industrial Parkway	Total Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Taxes:							
Property	\$	\$	\$	\$	\$	\$	\$
Income							
Other							
Tax increment financing payments							
Intergovernmental revenues	75,309			33,324	768,570		885,794
Charges for service						9,153	103,542
Licenses and permits							4,811,831
Interest earnings		4,644	8,833	14,943	32,263	26,756	78,007
Special assessments							358,323
Fines and forfeitures							335,688
Contributions					2,525		495,930
Miscellaneous revenues							52,763
Total revenues	<u>75,309</u>	<u>4,644</u>	<u>8,833</u>	<u>48,267</u>	<u>803,358</u>	<u>35,909</u>	<u>12,856,870</u>
<b>EXPENDITURES</b>							
Current:							
Public safety							4,200,889
Health							711,772
Culture and recreation							22,999
Community environment							834,417
Highways and streets							1,681,542
General government							447,191
Capital outlay	75,828	75,356		35,631	973,526		2,186,571
Debt service:							
Principal retirement							1,416,488
Interest and fiscal charges							1,173,531
Total expenditures	<u>75,828</u>	<u>75,356</u>	<u>52,667</u>	<u>34,534</u>	<u>87,201</u>		<u>12,675,400</u>
Excess (deficiency) of revenues over (under) expenditures	(519)	(70,712)	(43,834)	(86,898)	(322,369)	35,909	181,470
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in							431,725
Transfers out	519				1,725	(31,000)	(747,206)
Premiums from sale of notes / bonds							26,095
Proceeds from state issue II loan							126,944
Settlement proceeds							1,050,804
Gain on sale of capital assets							950
Total other financing sources (uses)	<u>519</u>		<u>1,050,804</u>		<u>1,178,267</u>	<u>(31,000)</u>	<u>889,312</u>
Net change in fund balances	(2,970)	(70,712)	1,006,970	(86,898)	855,898	4,909	1,070,782
Fund balances (deficit) - beginning	<u>(2,970)</u>	<u>(800,288)</u>	<u>(1,689,173)</u>	<u>465,328</u>	<u>(1,964,285)</u>	<u>442,440</u>	<u>7,703,980</u>
Fund balances (deficit) - ending	<u>\$ (2,970)</u>	<u>\$ (871,000)</u>	<u>\$ (682,203)</u>	<u>\$ 378,430</u>	<u>\$ (1,108,387)</u>	<u>\$ 447,349</u>	<u>\$ 8,774,762</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, 2007

	<b>CHESTNUT COMMONS / RIDGE 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>				
Interest earnings	\$ 30,000	\$ 30,000	\$ 31,242	\$ 1,242
<b>TOTAL REVENUES</b>	<u>30,000</u>	<u>30,000</u>	<u>31,242</u>	<u>1,242</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Chestnut Commons / Ridge Impr.</b>				
Operating & maintenance	22,612	27,612	27,362	250
Debt service - principal retirement	3,430,000	3,430,000	3,430,000	
Interest	137,200	137,200	137,200	
Capital outlay	367,236	486,236	482,608	3,628
<b>Total Chestnut Commons / Ridge Impr.</b>	<u>3,957,048</u>	<u>4,081,048</u>	<u>4,077,170</u>	<u>3,878</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>3,957,048</u>	<u>4,081,048</u>	<u>4,077,170</u>	<u>3,878</u>
<b>TOTAL EXPENDITURES</b>	<u>3,957,048</u>	<u>4,081,048</u>	<u>4,077,170</u>	<u>3,878</u>
Excess (deficiency) of revenues over expenditures	(3,927,048)	(4,051,048)	(4,045,927)	5,121
<b>OTHER FINANCING SOURCES</b>				
Proceed of notes	3,430,000	3,430,000	3,430,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>3,430,000</u>	<u>3,430,000</u>	<u>3,430,000</u>	
Net change in fund balance	(497,048)	(621,048)	(615,927)	5,121
Adjustment for prior year encumbrances	289,848	289,848	289,848	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>502,097</u>	<u>502,097</u>	<u>502,097</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 294,897</u>	<u>\$ 170,897</u>	<u>\$ 176,018</u>	<u>\$ 5,121</u>

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, 2007

	<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	\$ 120,000	\$ 320,000	\$ 341,737	\$ 21,737
Fines and forfeitures	330,000	330,000	389,320	59,320
<b>TOTAL REVENUES</b>	<u>450,000</u>	<u>650,000</u>	<u>731,057</u>	<u>81,057</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Muni Court Constr/Imp</b>				
Operation and maintenance	60,000	60,000	14,663	45,337
Debt service - principal retirement	9,000,000	9,000,000	9,000,000	
Interest	351,970	389,250	389,250	
Capital outlay	8,314,322	8,826,587	8,729,785	96,802
<b>Total Muni Court Constr/Imp</b>	<u>17,726,292</u>	<u>18,275,837</u>	<u>18,133,698</u>	<u>142,139</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>17,726,292</u>	<u>18,275,837</u>	<u>18,133,698</u>	<u>142,139</u>
<b>TOTAL EXPENDITURES</b>	<u>17,726,292</u>	<u>18,275,837</u>	<u>18,133,698</u>	<u>142,139</u>
Net change in fund balance	(17,276,292)	(17,625,837)	(17,402,641)	223,196
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		390,000	390,000	
Proceeds of bonds		9,389,250	9,389,250	
Proceeds of notes	9,000,000			
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>9,000,000</u>	<u>9,779,250</u>	<u>9,779,250</u>	
Net change in fund balances	(8,276,292)	(7,846,587)	(7,623,391)	223,196
Adjustment for prior year encumbrances	8,026,661	8,026,661	8,026,661	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>737,082</u>	<u>737,082</u>	<u>737,082</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 487,451</u>	<u>\$ 917,156</u>	<u>\$ 1,140,352</u>	<u>\$ 223,196</u>

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, 2007

	<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>REVENUES</b>				
Interest earnings	\$ 47,800	\$ 47,800	\$ 31,414	\$ (16,386)
<b>TOTAL REVENUES</b>	<u>47,800</u>	<u>47,800</u>	<u>31,414</u>	<u>(16,386)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Energy Conservation</b>				
Debt service - principal retirement	\$	\$ 3,600,000	\$ 3,600,000	
Capital outlay		3,472,800	3,472,800	
<b>Total Energy Conservation</b>		<u>7,072,800</u>	<u>7,072,800</u>	
<b>TOTAL COMMUNITY ENVIRONMENT</b>		<u>7,072,800</u>	<u>7,072,800</u>	
<b>TOTAL EXPENDITURES</b>		<u>7,072,800</u>	<u>7,072,800</u>	
Excess (deficiency) of revenues over expenditures	47,800	(7,025,000)	(7,041,386)	(16,386)
<b>OTHER FINANCING SOURCES</b>				
Advances in	31,720	31,720		(31,720)
Advances out		(175,000)	(175,000)	
Proceeds of notes	3,600,000	7,200,000	7,200,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>3,631,720</u>	<u>7,056,720</u>	<u>7,025,000</u>	<u>(31,720)</u>
Net change in fund balance	3,679,520	31,720	(16,386)	(48,106)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 3,679,520</u>	<u>\$ 31,720</u>	<u>\$ (16,386)</u>	<u>\$ (48,106)</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, 2007

	<b><u>Budgeted Amounts</u></b>			<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b>with Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,900,000	\$ 1,855,146	\$ 1,911,579	\$ 56,433
Interest earnings	5,000	16,000	16,540	540
Miscellaneous revenues	5,000	27,000	27,749	749
<b>TOTAL REVENUES</b>	<b>1,910,000</b>	<b>1,898,146</b>	<b>1,955,868</b>	<b>57,722</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Traffic Lights</b>				
Personal services	273,838	267,738	255,454	12,284
Fringe benefits	80,775	86,375	85,922	453
Operation and maintenance	99,400	106,900	104,192	2,708
Capital outlay	9,494	9,494	9,358	136
<b>Total Traffic Lights</b>	<b>463,507</b>	<b>470,507</b>	<b>454,926</b>	<b>15,581</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>463,507</b>	<b>470,507</b>	<b>454,926</b>	<b>15,581</b>
<b>HIGHWAYS AND STREETS</b>				
<b>Street</b>				
Personal services	774,493	824,493	840,966	(16,473)
Fringe benefits	241,068	241,068	243,671	(2,603)
Operation and maintenance	385,560	394,560	381,710	12,850
Capital outlay	128,943	248,943	246,187	2,756
<b>Total Street</b>	<b>1,530,064</b>	<b>1,709,064</b>	<b>1,712,534</b>	<b>(3,470)</b>
<b>TOTAL HIGHWAYS AND STREETS</b>	<b>1,530,064</b>	<b>1,709,064</b>	<b>1,712,534</b>	<b>(3,470)</b>
<b>TOTAL EXPENDITURES</b>	<b>1,993,571</b>	<b>2,179,571</b>	<b>2,167,460</b>	<b>12,111</b>
Excess (deficiency) of revenues over expenditures	(83,571)	(281,425)	(211,592)	69,833
<b>OTHER FINANCING SOURCES</b>				
Transfers in		120,000	120,000	
<b>TOTAL OTHER FINANCING SOURCES</b>		<b>120,000</b>	<b>120,000</b>	
Net change in fund balance	(83,571)	(161,425)	(91,592)	69,833
Adjustment for prior year encumbrances	177,661	177,661	177,661	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>206,481</b>	<b>206,481</b>	<b>206,481</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 300,571</b>	<b>\$ 222,717</b>	<b>\$ 292,550</b>	<b>\$ 69,833</b>

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, 2007

	<b>STATE HIGHWAY 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	\$ 153,000	\$ 147,600	\$ 157,810	\$ 10,210
Interest earnings	1,500	1,500	1,438	(62)
<b>TOTAL REVENUES</b>	<b>154,500</b>	<b>149,100</b>	<b>159,248</b>	<b>10,148</b>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>State Highway</b>				
Operation and maintenance	200,000	391,116	273,039	118,077
<b>Total State Highway</b>	200,000	391,116	273,039	118,077
<b>TOTAL HIGHWAYS AND STREETS</b>	<b>200,000</b>	<b>391,116</b>	<b>273,039</b>	<b>118,077</b>
<b>TOTAL EXPENDITURES</b>	<b>200,000</b>	<b>391,116</b>	<b>273,039</b>	<b>118,077</b>
Excess (deficiency) of revenues over expenditures	(45,500)	(242,016)	(113,791)	128,225
<b>OTHER FINANCING SOURCES</b>				
Transfers in		150,000	250,000	100,000
<b>TOTAL OTHER FINANCING SOURCES</b>		<b>150,000</b>	<b>250,000</b>	<b>100,000</b>
Net change in fund balance	(45,500)	(92,016)	136,209	228,225
Adjustments for prior year encumbrances	10,644	10,644	10,644	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>81,372</b>	<b>81,372</b>	<b>81,372</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 46,516</b>	<b>\$</b>	<b>\$ 228,225</b>	<b>\$ 228,225</b>

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, 2007

	<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	\$ 272,000	\$ 272,000	\$ 297,742	\$ 25,742
Intergovernmental revenues	22,500	22,500	25,057	2,557
Interest earnings	5,000	5,000	13,357	8,357
<b>TOTAL REVENUES</b>	<b>299,500</b>	<b>299,500</b>	<b>336,156</b>	<b>36,656</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Fire Pension</b>				
Fringe benefits	250,000	250,000	250,000	
Operation and maintenance	5,000	5,400	5,065	335
Debt service - principal retirement	26,400	26,400	26,400	
Interest	31,644	31,644	31,644	
<b>Total Fire Pension</b>	<b>313,044</b>	<b>313,444</b>	<b>313,109</b>	<b>335</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>313,044</b>	<b>313,444</b>	<b>313,109</b>	<b>335</b>
<b>TOTAL EXPENDITURES</b>	<b>313,044</b>	<b>313,444</b>	<b>313,109</b>	<b>335</b>
Net change in fund balance	(13,544)	(13,944)	23,047	36,991
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>106,390</b>	<b>106,390</b>	<b>106,390</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 92,846</b>	<b>\$ 92,446</b>	<b>\$ 129,437</b>	<b>\$ 36,991</b>

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, 2007

	<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	\$ 272,000	\$ 272,000	\$ 297,742	\$ 25,742
Intergovernmental revenues	22,500	22,500	25,057	2,557
Interest earnings	5,000	5,000	13,552	8,552
<b>TOTAL REVENUES</b>	<b>299,500</b>	<b>299,500</b>	<b>336,351</b>	<b>36,851</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police Pension</b>				
Fringe benefits	250,000	250,000	250,000	
Operation and maintenance	5,000	5,400	5,057	343
Debt service - principal retirement	13,600	13,600	13,600	
Interest	16,301	16,301	16,301	
<b>Total Police Pension</b>	<b>284,901</b>	<b>285,301</b>	<b>284,958</b>	<b>343</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>284,901</b>	<b>285,301</b>	<b>284,958</b>	<b>343</b>
<b>TOTAL EXPENDITURES</b>	<b>284,901</b>	<b>285,301</b>	<b>284,958</b>	<b>343</b>
Net change in fund balance	14,599	14,199	51,393	37,194
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>104,113</b>	<b>104,113</b>	<b>104,113</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 118,712</b>	<b>\$ 118,312</b>	<b>\$ 155,506</b>	<b>\$ 37,194</b>

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, 2007

	<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	\$ 453,143	\$ 475,143	\$ 491,304	\$ 16,161
Charges for services	144,600	92,600	51,474	(41,126)
<b>TOTAL REVENUES</b>	<b>597,743</b>	<b>567,743</b>	<b>542,778</b>	<b>(24,965)</b>
<b>EXPENDITURES</b>				
<b>HEALTH</b>				
<b>Child and Family Health Services</b>				
Personal services	145,742	150,742	148,597	2,145
Fringe benefits	46,410	47,230	47,039	191
Operation and maintenance	60,991	60,991	55,353	5,638
<b>Total Child and Family Health Services</b>	<b>253,143</b>	<b>258,963</b>	<b>250,989</b>	<b>7,974</b>
<b>Infant Mortality Program</b>				
Personal services	75,324	80,324	79,261	1,063
Fringe benefits	32,331	33,341	32,820	521
Operation and maintenance	42,345	42,345	37,304	5,041
<b>Total Infant Mortality Program</b>	<b>150,000</b>	<b>156,010</b>	<b>149,385</b>	<b>6,625</b>
<b>CFHS Project Income</b>				
Personal services	50,049	50,049	44,572	5,477
Fringe benefits	15,386	15,386	14,055	1,331
Operation and maintenance	14,565	14,565	344	14,221
<b>Total CFHS Project Income</b>	<b>80,000</b>	<b>80,000</b>	<b>58,971</b>	<b>21,029</b>
<b>Infrastructure (Disease/Bioterrorism)</b>				
Personal services	11,368	31,618	30,941	677
Fringe benefits	3,385	9,205	8,927	278
Operation and maintenance	35,247	43,912	43,896	16
Capital outlay		2,025	2,025	
<b>Total Infrastructure (Disease/Bioterrorism)</b>	<b>50,000</b>	<b>86,760</b>	<b>85,789</b>	<b>971</b>
<b>TOTAL HEALTH</b>	<b>533,143</b>	<b>581,733</b>	<b>545,134</b>	<b>36,599</b>
<b>TOTAL EXPENDITURES</b>	<b>533,143</b>	<b>581,733</b>	<b>545,134</b>	<b>36,599</b>
Net change in fund balance	64,600	(13,990)	(2,356)	11,634
Adjustment for prior year encumbrances	3,369	3,369	3,369	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>15,044</b>	<b>15,044</b>	<b>15,044</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 83,013</b>	<b>\$ 4,423</b>	<b>\$ 16,057</b>	<b>\$ 11,634</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, 2007

	<b>MUNICIPAL MOTOR VEHICLE TAX 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	\$ 880,000	\$ 860,000	\$ 886,504	\$ 26,504
Interest earnings	20,000	28,000	28,308	308
<b>TOTAL REVENUES</b>	<b>900,000</b>	<b>888,000</b>	<b>914,812</b>	<b>26,812</b>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>Municipal Motor Vehicle Tax</b>				
Operation and maintenance	1,600	1,600	1,275	325
Capital outlay	1,100,000	1,100,000	923,016	176,984
<b>Total Municipal Motor Vehicle Tax</b>	<b>1,101,600</b>	<b>1,101,600</b>	<b>924,291</b>	<b>177,309</b>
<b>TOTAL HIGHWAYS &amp; STREETS</b>	<b>1,101,600</b>	<b>1,101,600</b>	<b>924,291</b>	<b>177,309</b>
<b>TOTAL EXPENDITURES</b>	<b>1,101,600</b>	<b>1,101,600</b>	<b>924,291</b>	<b>177,309</b>
Net change in fund balance	(201,600)	(213,600)	(9,479)	204,121
Adjustment for prior year encumbrances	70,285	70,285	70,285	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>203,003</b>	<b>203,003</b>	<b>203,003</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 71,688</b>	<b>\$ 59,688</b>	<b>\$ 263,809</b>	<b>\$ 204,121</b>

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, 2007

	BLOCK GRANT FUND			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,038,000	\$ 1,146,934	\$ 933,127	\$ (213,807)
Miscellaneous revenues	120,000	120,000	36,606	(83,394)
<b>TOTAL REVENUES</b>	<u>1,158,000</u>	<u>1,266,934</u>	<u>969,733</u>	<u>(297,201)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Administration</b>				
Personal services	104,820	113,820	110,984	2,836
Fringe benefits	26,205	26,205	25,361	844
Operation and maintenance	182,505	173,505	152,436	21,069
Capital outlay	114,000	114,000	90,137	23,863
<b>Total Administration</b>	<u>427,530</u>	<u>427,530</u>	<u>378,918</u>	<u>48,612</u>
<b>Rehab/Operations</b>				
Personal services	304,925	307,225	306,257	968
Fringe benefits	91,460	89,160	87,457	1,703
Operation and maintenance	223,500	223,500	155,103	68,397
<b>Total Rehab/Operations</b>	<u>619,885</u>	<u>619,885</u>	<u>548,817</u>	<u>71,068</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>1,047,415</u>	<u>1,047,415</u>	<u>927,735</u>	<u>119,680</u>
<b>TOTAL EXPENDITURES</b>	<u>1,047,415</u>	<u>1,047,415</u>	<u>927,735</u>	<u>119,680</u>
Excess (deficiency) of revenues over expenditures	110,585	219,519	41,997	(177,522)
<b>OTHER FINANCING SOURCES(USES)</b>				
Advances in			3,745	3,745
Advances out		(109,760)	(109,759)	1
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>		<u>(109,760)</u>	<u>(106,014)</u>	<u>3,746</u>
Net change in fund balance	110,585	109,759	(64,016)	(173,775)
Adjustment for prior year encumbrances	111,431	111,431	111,431	
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	<u>(111,265)</u>	<u>(111,265)</u>	<u>(111,265)</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 110,751</u>	<u>\$ 677</u>	<u>\$ (63,850)</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, 2007

	<b>C.H.I.P. 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	\$ 340,000	\$ 340,000	\$ 330,745	\$ (9,255)
Miscellaneous revenues	60,000	24,820	4,610	(20,210)
<b>TOTAL REVENUES</b>	<u>400,000</u>	<u>364,820</u>	<u>335,355</u>	<u>(29,465)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>C.H.I.P. Grant</b>				
Personal services	46,745	47,245	46,841	404
Fringe benefits	12,110	12,210	12,128	82
Operation and maintenance	305,200	305,001	283,915	21,086
<b>Total C.H.I.P. Grant</b>	<u>364,055</u>	<u>364,456</u>	<u>342,884</u>	<u>21,572</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>364,055</u>	<u>364,456</u>	<u>342,884</u>	<u>21,572</u>
<b>TOTAL EXPENDITURES</b>	<u>364,055</u>	<u>364,456</u>	<u>342,884</u>	<u>21,572</u>
Excess (deficiency) of revenues over expenditures	35,945	364	(7,529)	(7,893)
<b>OTHER FINANCING SOURCES</b>				
Advances in			7,893	7,893
Advances out		(382)	(381)	1
<b>TOTAL OTHER FINANCING SOURCES</b>		<u>(382)</u>	<u>7,512</u>	<u>7,893</u>
Net change in fund balance	35,945	(18)	(18)	
Adjustment for prior year encumbrances	51,605	51,605	51,605	
<b>FUND (DEFICIT) AT BEGINNING OF YEAR</b>	<u>(51,587)</u>	<u>(51,587)</u>	<u>(51,587)</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$ 35,963</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)-  
CHESTNUT COMMONS TAX INCREMENT FINANCING FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2007

<b>CHESTNUT COMMONS TAX INCREMENT FINANCING FUND</b>			
	<u>Budgeted Amounts</u>		Variance
	<u>Original</u>	<u>Final</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest earnings	\$	\$	\$ 1,210
Miscellaneous revenues		103,500	103,542
<b>TOTAL REVENUES</b>		103,500	104,752
<b>EXPENDITURES</b>			
<b>COMMUNITY ENVIRONMENT</b>			
<b>Chestnut Commons Permanent Imp.</b>			
Operation and maintenance		16,051	15,771
<b>Total Chestnut Commons Permanent Imp.</b>		16,051	15,771
<b>TOTAL COMMUNITY ENVIRONMENT</b>		16,051	15,771
<b>TOTAL EXPENDITURES</b>		16,051	15,771
Excess (deficiency) of revenues over expenditures		87,449	88,981
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			
<b>FUND BALANCE AT END OF YEAR</b>	\$	\$ 87,449	\$ 88,981
		1,532	1,532

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, 2007

	<b>USEPA BROWNFIELD 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	\$ 137,003	\$ 137,003	\$ 63,314	\$ (73,689)
<b>TOTAL REVENUES</b>	<u>137,003</u>	<u>137,003</u>	<u>63,314</u>	<u>(73,689)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>USEPA Brownfield</b>				
Operation and maintenance	137,003	137,003	137,003	
<b>Total USEPA Brownfield</b>	<u>137,003</u>	<u>137,003</u>	<u>137,003</u>	
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>137,003</u>	<u>137,003</u>	<u>137,003</u>	
<b>TOTAL EXPENDITURES</b>	<u>137,003</u>	<u>137,003</u>	<u>137,003</u>	
Net change in fund balance			(73,689)	(73,689)
Adjustment for prior year encumbrances	137,004	137,004	137,004	
<b>FUND (DEFICIT) AT BEGINNING OF YEAR</b>	<u>(137,004)</u>	<u>(137,004)</u>	<u>(137,004)</u>	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	<u>\$</u>	<u>\$</u>	<u>\$ (73,689)</u>	<u>\$ (73,689)</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, 2007

	<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	\$ 2,000	\$ 2,000	\$ 8,783	\$ 6,783
Fines and forfeitures	175,000	175,000	169,798	(5,202)
<b>TOTAL REVENUES</b>	<u>177,000</u>	<u>177,000</u>	<u>178,581</u>	<u>1,581</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Muni Court Technology</b>				
Personal services	30,500	30,500	7,851	22,649
Fringe benefits	9,350	9,350	3,175	6,175
Operation and maintenance	127,200	127,200	118,280	8,920
Capital outlay	30,000	30,000	26,220	3,780
<b>Total Muni Court Technology</b>	<u>197,050</u>	<u>197,050</u>	<u>155,526</u>	<u>41,524</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>197,050</u>	<u>197,050</u>	<u>155,526</u>	<u>41,524</u>
<b>TOTAL EXPENDITURES</b>	<u>197,050</u>	<u>197,050</u>	<u>155,526</u>	<u>41,524</u>
Excess (deficiency) of revenues over expenditures	(20,050)	(20,050)	23,055	43,105
<b>OTHER FINANCING (USES)</b>				
Transfer out		(50,000)	(50,000)	
<b>TOTAL OTHER FINANCING (USES)</b>		<u>(50,000)</u>	<u>(50,000)</u>	
Net change in fund balance	(20,050)	(70,050)	(26,945)	43,105
Adjustments for prior year encumbrances	17,184	17,184	17,184	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>150,703</u>	<u>150,703</u>	<u>150,703</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 147,837</u>	<u>\$ 97,837</u>	<u>\$ 140,942</u>	<u>\$ 43,105</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, 2007

	<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	\$ 3,000	\$ 3,000	\$ 5,718	\$ 2,718
Fines and forfeitures	80,000	80,000	99,184	19,184
<b>TOTAL REVENUES</b>	<b>83,000</b>	<b>83,000</b>	<b>104,902</b>	<b>21,902</b>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Muni Court Security</b>				
Personal services	65,000	69,500	70,086	(586)
Fringe benefits	9,945	10,445	11,418	(973)
Operation and maintenance	17,050	17,050	16,301	749
Capital outlay		40,000	37,699	2,301
<b>Total Muni Court Security</b>	<b>91,995</b>	<b>136,995</b>	<b>135,504</b>	<b>1,491</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>91,995</b>	<b>136,995</b>	<b>135,504</b>	<b>1,491</b>
<b>TOTAL EXPENDITURES</b>	<b>91,995</b>	<b>136,995</b>	<b>135,504</b>	<b>1,491</b>
Excess (deficiency) of revenues over expenditures	(8,995)	(53,995)	(30,602)	23,393
<b>OTHER FINANCING (USES)</b>				
Transfer out		(50,000)	(50,000)	
<b>TOTAL OTHER FINANCING (USES)</b>		<b>(50,000)</b>	<b>(50,000)</b>	
Net change in fund balance	(8,995)	(103,995)	(80,602)	23,393
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>116,903</b>	<b>116,903</b>	<b>116,903</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 107,908</b>	<b>\$ 12,908</b>	<b>\$ 36,301</b>	<b>\$ 23,393</b>

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, 2007

	<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	\$ 1,000	\$ 1,000	\$ 2,556	\$ 1,556
Fines and forfeitures	13,000	13,000	9,441	(3,559)
<b>TOTAL REVENUES</b>	<u>14,000</u>	<u>14,000</u>	<u>11,997</u>	<u>(2,003)</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Special Parking Fine</b>				
Operation and maintenance	9,000	9,000	3,582	5,418
Capital outlay	15,000	31,000		31,000
<b>Total Special Parking Fine</b>	<u>24,000</u>	<u>40,000</u>	<u>3,582</u>	<u>36,418</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>24,000</u>	<u>40,000</u>	<u>3,582</u>	<u>36,418</u>
<b>TOTAL EXPENDITURES</b>	<u>24,000</u>	<u>40,000</u>	<u>3,582</u>	<u>36,418</u>
Net change in fund balance	(10,000)	(26,000)	8,415	34,415
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>43,087</u>	<u>43,087</u>	<u>43,087</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 33,087</u>	<u>\$ 17,087</u>	<u>\$ 51,502</u>	<u>\$ 34,415</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, 2007

	<u>LEGAL RESEARCH &amp; COURT COMPUTERIZATION 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	\$	\$	850	850
Fines and forfeitures	53,000	53,000	50,718	(2,282)
<b>TOTAL REVENUES</b>	53,000	53,000	50,718	(2,282)
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Legal Research &amp; Court Computerization</b>				
Operation and maintenance	33,350	33,350	21,798	11,552
Capital outlay	25,000	25,000	1,175	23,825
<b>Total Legal Research &amp; Court Comp.</b>	58,350	58,350	22,973	35,377
<b>TOTAL GENERAL GOVERNMENT</b>	58,350	58,350	22,973	35,377
<b>TOTAL EXPENDITURES</b>	58,350	58,350	22,973	35,377
Excess (deficiency) of revenues over expenditures	(5,350)	(5,350)	27,745	33,095
<b>OTHER FINANCING (USES)</b>				
Transfers out		(150,000)	(150,000)	
<b>TOTAL OTHER FINANCING SOURCES</b>		(150,000)	(150,000)	
Net change in fund balance	(5,350)	(155,350)	(122,255)	33,095
Adjustments for prior year encumbrances	1,118	1,118	1,118	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	204,009	204,009	204,009	
<b>FUND BALANCE AT END OF YEAR</b>	\$ 199,777	\$ 49,777	\$ 82,872	\$ 33,095

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, 2007

	<b>MUNI COURT SPECIAL COLLECTIONS 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	\$	\$	\$ 971	\$ 971
Fines and forfeitures	50,000	50,000	85,189	35,189
<b>TOTAL REVENUES</b>	50,000	50,000	86,160	36,160
Excess (deficiency) of revenues over expenditures	50,000	50,000	86,160	36,160
<b>OTHER FINANCING (USES)</b>				
Transfers out		(140,000)	(140,000)	
<b>TOTAL OTHER FINANCING SOURCES</b>		(140,000)	(140,000)	
Net change in fund balance	50,000	(90,000)	(53,840)	36,160
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	202,307	202,307	202,307	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 252,307</u>	<u>\$ 112,307</u>	<u>\$ 148,467</u>	<u>\$ 36,160</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, 2007

	<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	\$ 64,500	\$ 75,800	\$ 74,597	\$ (1,203)
Interest earnings	1,000	1,000	3,047	2,047
<b>TOTAL REVENUES</b>	<u>65,500</u>	<u>76,800</u>	<u>77,644</u>	<u>844</u>
<b>EXPENDITURES</b>				
<b>HEALTH</b>				
<b>Food Service</b>				
Personal services	66,712	68,212	67,078	1,134
Fringe benefits	21,106	18,806	14,232	4,574
Operation and maintenance	1,182	1,982	1,520	462
<b>Total Food Service</b>	<u>89,000</u>	<u>89,000</u>	<u>82,830</u>	<u>6,170</u>
<b>TOTAL HEALTH</b>	<u>89,000</u>	<u>89,000</u>	<u>82,830</u>	<u>6,170</u>
<b>TOTAL EXPENDITURES</b>	<u>89,000</u>	<u>89,000</u>	<u>82,830</u>	<u>6,170</u>
Excess (deficiency) of revenues over expenditures	(23,500)	(12,200)	(5,186)	7,014
<b>OTHER FINANCING SOURCES</b>				
Transfers in	26,000	26,000	26,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	
Net change in fund balance	2,500	13,800	20,814	7,014
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>17,069</u>	<u>17,069</u>	<u>17,069</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 19,569</u>	<u>\$ 30,869</u>	<u>\$ 37,883</u>	<u>\$ 7,014</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, 2007

	<b>DENTAL 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	\$ 40,000	\$ 40,000	\$ 47,950	\$ 7,950
<b>TOTAL REVENUES</b>	<u>40,000</u>	<u>40,000</u>	<u>47,950</u>	<u>7,950</u>
<b>EXPENDITURES</b>				
<b>HEALTH</b>				
<b>Dental Health Grant</b>				
Personal services	20,425			
Fringe benefits	3,329			
Operation and maintenance	21,246			
<b>Total Dental Health Grant</b>	<u>45,000</u>			
<b>Dental Sealant Program</b>				
Personal services		20,425	12,916	7,509
Fringe benefits		3,329	2,180	1,149
Operation and maintenance		21,246	13,316	7,930
<b>Total Dental Sealant Program</b>		<u>45,000</u>	<u>28,412</u>	<u>16,588</u>
<b>TOTAL HEALTH</b>	<u>45,000</u>	<u>45,000</u>	<u>28,412</u>	<u>16,588</u>
<b>TOTAL EXPENDITURES</b>	<u>45,000</u>	<u>45,000</u>	<u>28,412</u>	<u>16,588</u>
Net change in fund balance	(5,000)	(5,000)	19,538	24,538
Adjustment for prior year encumbrances	595	595	595	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 36,595</u>	<u>\$ 36,595</u>	<u>\$ 61,133</u>	<u>\$ 24,538</u>

CITY OF ELYRIA, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
 HOUSEHOLD SEWAGE DISPOSAL PERMIT FUND-LEGAL APPROPRIATION LEVEL  
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<b>HOUSEHOLD SEWAGE DISPOSAL PERMIT 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	\$	\$	\$ 400	\$ 400
<b>TOTAL REVENUES</b>			400	400
Net change in fund balance			400	400
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
<b>FUND BALANCE AT END OF YEAR</b>	\$	\$	\$ 400	\$ 400

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, 2007

	<b>SPECIAL TRAFFIC MAGISTRATE 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	\$		\$ 625	\$ 625
Miscellaneous revenues	32,000	32,000	33,711	1,711
<b>TOTAL REVENUES</b>	<u>32,000</u>	<u>32,000</u>	<u>34,336</u>	<u>2,336</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Special Traffic Magistrate</b>				
Personal services	22,000	22,000	19,063	2,937
Fringe benefits	3,366	3,366	3,136	230
<b>Total Special Traffic Magistrate</b>	<u>25,366</u>	<u>25,366</u>	<u>22,199</u>	<u>3,167</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>25,366</u>	<u>25,366</u>	<u>22,199</u>	<u>3,167</u>
<b>TOTAL EXPENDITURES</b>	<u>25,366</u>	<u>25,366</u>	<u>22,199</u>	<u>3,167</u>
Net change in fund balance	6,634	6,634	12,137	5,503
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>16,085</u>	<u>16,085</u>	<u>16,085</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 22,719</u>	<u>\$ 22,719</u>	<u>\$ 28,222</u>	<u>\$ 5,503</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, 2007

	<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	\$ 3,100	\$ 3,100	\$ 3,010	\$ (90)
Interest earnings			84	84
<b>TOTAL REVENUES</b>	<u>3,100</u>	<u>3,100</u>	<u>3,094</u>	<u>(6)</u>
<b>EXPENDITURES</b>				
<b>HEALTH</b>				
<b>Swimming Pool Inspection</b>				
Personal services	4,589	4,689	4,650	39
Fringe benefits	1,812	1,712	1,269	443
Operation and maintenance	99	99	45	54
<b>Total Swimming Pool Inspection</b>	<u>6,500</u>	<u>6,500</u>	<u>5,964</u>	<u>536</u>
<b>TOTAL HEALTH</b>	<u>6,500</u>	<u>6,500</u>	<u>5,964</u>	<u>536</u>
<b>TOTAL EXPENDITURES</b>	<u>6,500</u>	<u>6,500</u>	<u>5,964</u>	<u>536</u>
Excess (deficiency) of revenues over expenditures	(3,400)	(3,400)	(2,870)	530
<b>OTHER FINANCING SOURCES</b>				
Transfers in	3,000	3,000	3,000	
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	
Net change in fund balance	(400)	(400)	130	530
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>574</u>	<u>574</u>	<u>574</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 174</u>	<u>\$ 174</u>	<u>\$ 704</u>	<u>\$ 530</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, 2007

	<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	\$ 1,000	\$ 1,000	\$ 5,520	\$ 4,520
Miscellaneous revenues	31,000	31,000	34,929	3,929
<b>TOTAL REVENUES</b>	<u>32,000</u>	<u>32,000</u>	<u>40,449</u>	<u>8,449</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Law Enforcement</b>				
Operation and maintenance	40,506	40,506	26,658	13,848
Capital outlay	31,101	31,101	25,076	6,025
<b>Total Law Enforcement</b>	<u>71,607</u>	<u>71,607</u>	<u>51,734</u>	<u>19,873</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>71,607</u>	<u>71,607</u>	<u>51,734</u>	<u>19,873</u>
<b>TOTAL EXPENDITURES</b>	<u>71,607</u>	<u>71,607</u>	<u>51,734</u>	<u>19,873</u>
Net change in fund balance	(39,607)	(39,607)	(11,285)	28,322
Adjustment for prior year encumbrances	8,981	8,981	8,981	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>122,785</u>	<u>122,785</u>	<u>122,785</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 92,159</u>	<u>\$ 92,159</u>	<u>\$ 120,481</u>	<u>\$ 28,322</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, 2007

	<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	\$ 1,000	\$ 1,000	\$ 699	\$ (301)
Fines and forfeitures	8,000	8,000	2,193	(5,807)
Miscellaneous revenues			20	20
<b>TOTAL REVENUES</b>	<b>9,000</b>	<b>9,000</b>	<b>2,912</b>	<b>(6,088)</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Mandatory Drug Fine</b>				
Operation and maintenance	19,355	19,355	14,831	4,524
Capital outlay	11,600	11,600	11,600	
<b>Total Mandatory Drug Fine</b>	<b>30,955</b>	<b>30,955</b>	<b>26,431</b>	<b>4,524</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>30,955</b>	<b>30,955</b>	<b>26,431</b>	<b>4,524</b>
<b>TOTAL EXPENDITURES</b>	<b>30,955</b>	<b>30,955</b>	<b>26,431</b>	<b>4,524</b>
Net change in fund balance	(21,955)	(21,955)	(23,519)	(1,564)
Adjustment for prior year encumbrances	13,000	13,000	13,000	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>13,706</b>	<b>13,706</b>	<b>13,706</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 4,751</b>	<b>\$ 4,751</b>	<b>\$ 3,187</b>	<b>\$ (1,564)</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, 2007

	<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>				
Licenses and permits	\$	\$	\$ 16,417	\$ 16,417
Interest earnings	15,000	15,000	25,202	10,202
Fines and forfeitures	45,000	45,000	34,246	(10,754)
<b>TOTAL REVENUES</b>	<u>60,000</u>	<u>60,000</u>	<u>75,865</u>	<u>15,865</u>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Indigent Drivers Alcohol Treatment</b>				
Operation and maintenance	50,000	300,000	114,697	185,303
<b>Total Indigent Drivers Alcohol Treatment</b>	<u>50,000</u>	<u>300,000</u>	<u>114,697</u>	<u>185,303</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>50,000</u>	<u>300,000</u>	<u>114,697</u>	<u>185,303</u>
<b>TOTAL EXPENDITURES</b>	<u>50,000</u>	<u>300,000</u>	<u>114,697</u>	<u>185,303</u>
Net change in fund balance	10,000	(240,000)	(38,832)	201,168
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>509,826</u>	<u>509,826</u>	<u>509,826</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 519,826</u>	<u>\$ 269,826</u>	<u>\$ 470,994</u>	<u>\$ 201,168</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, 2007

	<b>ALCOHOL ENFORCEMENT AND EDUCATION FUND</b>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest earnings	\$ 500	\$ 500	\$ 998	\$ 498
Fines and forfeitures	1,500	1,500	1,993	493
<b>TOTAL REVENUES</b>	<u>2,000</u>	<u>2,000</u>	<u>2,991</u>	<u>991</u>
Net change in fund balance	2,000	2,000	2,991	991
Adjustment for prior year encumbrances	630	630	630	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>21,151</u>	<u>21,151</u>	<u>21,151</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 23,781</u>	<u>\$ 23,781</u>	<u>\$ 24,772</u>	<u>\$ 991</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, 2007

	<b>POLICE LEVY 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	\$ 3,105,000	\$ 3,032,000	\$ 3,061,681	\$ 29,681
Intergovernmental revenues			12,053	12,053
Interest earnings	20,000	20,000	31,915	11,915
Miscellaneous revenues	50,000	50,000	31,115	(18,885)
<b>TOTAL REVENUES</b>	<b>3,175,000</b>	<b>3,102,000</b>	<b>3,136,764</b>	<b>34,764</b>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
<b>Police Levy</b>				
Personal services	2,214,806	2,214,806	2,173,568	41,238
Fringe benefits	762,969	762,969	682,599	80,370
Operation and maintenance	507,873	507,873	417,398	90,475
Capital outlay	99,799	99,799	97,043	2,756
<b>Total Police Levy</b>	<b>3,585,447</b>	<b>3,585,447</b>	<b>3,370,608</b>	<b>214,839</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>3,585,447</b>	<b>3,585,447</b>	<b>3,370,608</b>	<b>214,839</b>
<b>TOTAL EXPENDITURES</b>	<b>3,585,447</b>	<b>3,585,447</b>	<b>3,370,608</b>	<b>214,839</b>
Excess (deficiency) of revenues over expenditures	(410,447)	(483,447)	(233,844)	249,603
<b>OTHER FINANCING SOURCES</b>				
Other financing sources			1,538	1,538
<b>TOTAL OTHER FINANCING SOURCES</b>			<b>1,538</b>	<b>1,538</b>
Net change in fund balance	(410,447)	(483,447)	(232,306)	251,141
Adjustment for prior year encumbrances	33,751	33,751	33,751	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>462,904</b>	<b>462,904</b>	<b>462,904</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 86,208</b>	<b>\$ 13,208</b>	<b>\$ 264,349</b>	<b>\$ 251,141</b>

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, 2007

	<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	\$ 200	\$ 200	\$ 405	\$ 205
Miscellaneous revenues	3,000	3,000	4,602	1,602
<b>TOTAL REVENUES</b>	<u>3,200</u>	<u>3,200</u>	<u>5,007</u>	<u>1,807</u>
Net change in fund balance	3,200	3,200	5,007	1,807
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>4,785</u>	<u>4,785</u>	<u>4,785</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 7,985</u>	<u>\$ 7,985</u>	<u>\$ 9,792</u>	<u>\$ 1,807</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, 2007

	<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	\$ 4,000	\$ 4,000	\$ 9,176	\$ 5,176
Miscellaneous revenues	43,000	43,000	51,425	8,425
<b>TOTAL REVENUES</b>	<u>47,000</u>	<u>47,000</u>	<u>60,601</u>	<u>13,601</u>
<b>EXPENDITURES</b>				
<b>Findley Trust</b>				
Personal services	10,000	10,000	1,751	8,249
Fringe benefits	1,630	1,630	268	1,362
Operation and maintenance	38,950	38,950	23,876	15,074
Capital outlay	37,738	52,738	51,215	1,523
<b>Total Findley Trust</b>	<u>88,318</u>	<u>103,318</u>	<u>77,110</u>	<u>26,208</u>
<b>TOTAL EXPENDITURES</b>	<u>88,318</u>	<u>103,318</u>	<u>77,110</u>	<u>26,208</u>
Net change in fund balance	(41,318)	(56,318)	(16,509)	39,809
Adjustment for prior year encumbrances	38,626	38,626	38,626	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>142,941</u>	<u>142,941</u>	<u>142,941</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 140,249</u>	<u>\$ 125,249</u>	<u>\$ 165,058</u>	<u>\$ 39,809</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, 2007

<b>CEMETERY MAINTENANCE AND 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>				
Charges for services	\$ 81,000	\$ 81,000	\$ 80,813	\$ (187)
Interest earnings	1,000	1,000	2,995	1,995
<b>TOTAL REVENUES</b>	<b>82,000</b>	<b>82,000</b>	<b>83,808</b>	<b>1,808</b>
<b>EXPENDITURES</b>				
<b>Cemetery Maintenance and Improvement</b>				
Operation and maintenance	69,650	69,650	48,348	21,302
Capital outlay	34,000	34,000	32,654	1,346
<b>Total Cemetery Maintenance and Improvement</b>	<b>103,650</b>	<b>103,650</b>	<b>81,002</b>	<b>22,648</b>
<b>TOTAL EXPENDITURES</b>	<b>103,650</b>	<b>103,650</b>	<b>81,002</b>	<b>22,648</b>
Excess (deficiency) of revenues over expenditures	(21,650)	(21,650)	2,806	24,456
<b>OTHER FINANCING SOURCES</b>				
Transfers in	15,000	15,000	31,000	16,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>15,000</b>	<b>15,000</b>	<b>31,000</b>	<b>16,000</b>
Net change in fund balance	(6,650)	(6,650)	33,806	40,456
Adjustment for prior year encumbrances	4,343	4,343	4,343	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>40,057</b>	<b>40,057</b>	<b>40,057</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 37,750</b>	<b>\$ 37,750</b>	<b>\$ 78,206</b>	<b>\$ 40,456</b>

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, 2007

	<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	\$ 1,756,020	\$ 1,756,020	\$ 1,886,887	\$ 130,867
Intergovernmental revenues	141,000	141,000	158,118	17,118
Interest earnings	100,000	100,000	111,494	11,494
<b>TOTAL REVENUES</b>	<b>1,997,020</b>	<b>1,997,020</b>	<b>2,156,499</b>	<b>159,479</b>
<b>EXPENDITURES</b>				
<b>DEBT SERVICE</b>				
<b>General Bond Retirement</b>				
Operation and maintenance	52,000	52,000	44,781	7,219
Principal retirement	1,519,457	1,519,457	1,393,500	125,957
Interest	1,043,226	1,043,226	973,544	69,682
<b>Total General Bond Retirement</b>	<b>2,614,683</b>	<b>2,614,683</b>	<b>2,411,825</b>	<b>202,858</b>
<b>TOTAL DEBT SERVICE</b>	<b>2,614,683</b>	<b>2,614,683</b>	<b>2,411,825</b>	<b>202,858</b>
<b>TOTAL EXPENDITURES</b>	<b>2,614,683</b>	<b>2,614,683</b>	<b>2,411,825</b>	<b>202,858</b>
Excess (deficiency) of revenues over expenditures	(617,663)	(617,663)	(255,326)	362,337
<b>OTHER FINANCING SOURCES</b>				
Premium on bond sales			9,046	9,046
Premium on note sales			17,049	17,049
<b>TOTAL OTHER FINANCING SOURCES</b>			<b>26,095</b>	<b>26,095</b>
Net change in fund balance	(617,663)	(617,663)	(229,231)	388,432
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>1,433,525</b>	<b>1,433,525</b>	<b>1,433,525</b>	
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 815,862</b>	<b>\$ 815,862</b>	<b>\$ 1,204,294</b>	<b>\$ 388,432</b>

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, 2007

	<b>SPECIAL ASSESSMENT 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>				
Interest earnings	\$ 5,005	\$ 7,414	\$ 7,496	\$ 82
Special assessments	317,200	335,688	335,688	
<b>TOTAL REVENUES</b>	<u>322,205</u>	<u>343,102</u>	<u>343,184</u>	<u>82</u>
<b>EXPENDITURES</b>				
<b>DEBT SERVICE</b>				
<b>Special Assessment Bond Retirement</b>				
Operation and maintenance	14,000	14,000	13,293	707
Principal retirement	242,988	242,988	242,988	
Interest	65,217	65,217	65,215	2
<b>Total Special Assessment Bond Retirement</b>	<u>322,205</u>	<u>322,205</u>	<u>321,496</u>	<u>709</u>
<b>TOTAL DEBT SERVICE</b>	<u>322,205</u>	<u>322,205</u>	<u>321,496</u>	<u>709</u>
<b>TOTAL EXPENDITURES</b>	<u>322,205</u>	<u>322,205</u>	<u>321,496</u>	<u>709</u>
Net change in fund balance		20,897	21,688	791
<b>FUND BALANCE AT BEGINNING OF YEAR</b>				
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$</u>	<u>\$ 20,897</u>	<u>\$ 21,688</u>	<u>\$ 791</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, 2007

	BRIDGE PROJECTS FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>OTHER FINANCING (USES)</b>				
Transfers out	\$ (1,206)	\$ (1,206)	\$ (1,206)	\$
<b>TOTAL OTHER FINANCING (USES)</b>	(1,206)	(1,206)	(1,206)	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	1,206	1,206	1,206	
<b>FUND BALANCE AT END OF YEAR</b>	\$	\$	\$	\$

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, 2007

	PARKS IMPROVEMENT FUND			
	<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	\$ 2,334	\$ 334
<b>TOTAL REVENUES</b>	2,000	2,000	2,334	334
Net change in fund balance	2,000	2,000	2,334	334
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	43,378	43,378	43,378	
<b>FUND BALANCE AT END OF YEAR</b>	\$ 45,378	\$ 45,378	\$ 45,712	\$ 334

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, 2007

	<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	\$	\$	\$ 1,440	\$ 1,440
Miscellaneous revenues			2,525	2,525
<b>TOTAL REVENUES</b>			<u>3,965</u>	<u>3,965</u>
<b>EXPENDITURES</b>				
<b>CULTURE AND RECREATION</b>				
<b>Cascade/Elywood</b>				
Operating and maintenance	10,000	10,000	7,174	2,826
<b>Total Cascade/Elywood</b>	<u>10,000</u>	<u>10,000</u>	<u>7,174</u>	<u>2,826</u>
<b>TOTAL CULTURE AND RECREATION</b>	<u>10,000</u>	<u>10,000</u>	<u>7,174</u>	<u>2,826</u>
<b>TOTAL EXPENDITURES</b>	<u>10,000</u>	<u>10,000</u>	<u>7,174</u>	<u>2,826</u>
Net change in fund balance	(10,000)	(10,000)	(3,209)	6,791
Adjustment for prior year encumbrances	26,563	26,563	26,563	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 18,163</u>	<u>\$ 18,163</u>	<u>\$ 24,954</u>	<u>\$ 6,791</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, 2007

	STATE ISSUE II CAPITAL PROJECTS FUND			
	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Intergovernmental revenues	\$ 89,914	\$ 995,507	\$ 786,881	\$ (208,626)
Interest earnings	63	63	62	(1)
<b>TOTAL REVENUES</b>	<u>89,977</u>	<u>995,570</u>	<u>786,943</u>	<u>(208,627)</u>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>S. Abbe / Ford Rd. Improvement</b>				
Operating and maintenance		700		700
Capital outlay		380,463	311,549	68,914
<b>Total S. Abbe / Ford Rd. Improvement</b>		<u>381,163</u>	<u>311,549</u>	<u>69,614</u>
<b>Harwood St. / Beebe St. Improvement</b>				
Operating and maintenance		700		700
Capital outlay		275,127	210,040	65,087
<b>Total Harwood St. / Beebe St. Improvement</b>		<u>275,827</u>	<u>210,040</u>	<u>65,787</u>
<b>Depot St. / Washington Ave. Improvement</b>				
Operating and maintenance		700		
Capital outlay		103,627	78,304	25,323
<b>Total Depot St. / Washington Ave. Improvement</b>		<u>104,327</u>	<u>78,304</u>	<u>26,023</u>
<b>Broad St./ West Ave. to W. Bridge St.</b>				
Personal services	4	3	3	
Fringe benefits		1	1	
Capital outlay	67,008	56,553	56,552	1
<b>Total Broad St. / West Ave. to W. Bridge St.</b>	<u>67,012</u>	<u>56,557</u>	<u>56,556</u>	<u>1</u>
<b>Clark Street / Winckles to Abbe Rd.</b>				
Capital outlay	33,060	33,060	6,419	26,641
<b>Total Clark St. / Winckles to Abbe Rd.</b>	<u>33,060</u>	<u>33,060</u>	<u>6,419</u>	<u>26,641</u>
<b>Oberlin Rd. / West Ave. to Corporate Line</b>				
Capital outlay	16,817	16,817	16,328	489
<b>Total Oberlin Rd. / West Ave. to Corporate Line</b>	<u>16,817</u>	<u>16,817</u>	<u>16,328</u>	<u>489</u>
<b>Gulf Rd. / Hilltop to Windbrook</b>				
Capital outlay		159,687	126,944	32,743
<b>Total Gulf Rd. / Hilltop to Windbrook</b>		<u>159,687</u>	<u>126,944</u>	<u>32,743</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>116,889</u>	<u>1,027,438</u>	<u>806,140</u>	<u>221,298</u>
<b>TOTAL EXPENDITURES</b>	<u>116,889</u>	<u>1,027,438</u>	<u>806,140</u>	<u>221,298</u>
Excess (deficiency) of revenues over expenditures	<u>(26,912)</u>	<u>(31,868)</u>	<u>(19,197)</u>	<u>12,671</u>

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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, 2007

STATE ISSUE II CAPITAL PROJECTS FUND				
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	42,386	31,931	6,510	(25,421)
Transfers out	(3,311)	(5,304)	(5,304)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	39,075	26,627	1,206	(25,421)
Net change in fund balance	12,163	(5,241)	(17,991)	(12,750)
Adjustment for prior year encumbrances	116,918	116,918	116,918	
<b>FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR</b>	(111,675)	(111,675)	(111,675)	
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>	\$ 17,406	\$ 2	\$ (12,748)	\$ (12,750)

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, 2007

	<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	\$ 250,883	\$ 225,883	\$ 225,828	\$ (55)
<b>TOTAL REVENUES</b>	<u>250,883</u>	<u>225,883</u>	<u>225,828</u>	<u>(55)</u>
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Two Falls Trail Improvement Project</b>				
Capital outlay	97,394	97,394	75,828	21,566
<b>Total Two Falls Trail Improvement Project</b>	<u>97,394</u>	<u>97,394</u>	<u>75,828</u>	<u>21,566</u>
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>97,394</u>	<u>97,394</u>	<u>75,828</u>	<u>21,566</u>
<b>TOTAL EXPENDITURES</b>	<u>97,394</u>	<u>97,394</u>	<u>75,828</u>	<u>21,566</u>
Excess (deficiency) of revenues over expenditures		128,489	150,000	21,511
<b>OTHER FINANCING SOURCES</b>				
Advances in			519	519
<b>TOTAL OTHER FINANCING SOURCES</b>			<u>519</u>	<u>519</u>
Net change in fund balance		128,489	150,519	22,030
Adjustment for prior year encumbrances	97,393	97,393	97,393	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>(97,393)</u>	<u>(97,393)</u>	<u>(97,393)</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$</u>	<u>\$ 128,489</u>	<u>\$ 150,519</u>	<u>\$ 22,030</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, 2007

	<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>				
Intergovernmental revenues	\$ 6,700,000	\$	\$	\$
Interest earnings		4,780	4,701	(79)
<b>TOTAL REVENUES</b>	<u>6,700,000</u>	<u>4,780</u>	<u>4,701</u>	<u>(79)</u>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>State Route 57 Rehabilitation</b>				
Operation and maintenance	191,795	224,295	204,583	19,712
Debt service - principal retirement		710,000	710,000	
<b>Total State Route 57 Rehabilitation</b>		<u>934,295</u>	<u>914,583</u>	<u>19,712</u>
<b>TOTAL HIGHWAYS AND STREETS</b>		<u>934,295</u>	<u>914,583</u>	<u>19,712</u>
<b>TOTAL EXPENDITURES</b>		<u>934,295</u>	<u>914,583</u>	<u>19,712</u>
Excess (deficiency) of revenues over expenditures		(929,515)	(909,882)	19,633
<b>OTHER FINANCING SOURCES</b>				
Proceeds of notes	2,500,000	735,000	710,000	(25,000)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>2,500,000</u>	<u>735,000</u>	<u>710,000</u>	<u>(25,000)</u>
Net change in fund balance	2,500,000	(194,515)	(199,882)	(5,367)
Adjustment for prior year encumbrances	191,794	191,794	191,794	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>3,369</u>	<u>3,369</u>	<u>3,369</u>	
<b>FUND (DEFICIT) AT END OF YEAR</b>	<u>\$ 2,695,163</u>	<u>\$ 648</u>	<u>\$ (4,719)</u>	<u>\$ (5,367)</u>

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, 2007

	<u>MUNICIPAL BUILDING CONSTRUCTION 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	\$ 300	\$ 8,833	\$ 8,833	\$
<b>TOTAL REVENUES</b>	<u>300</u>	<u>8,833</u>	<u>8,833</u>	
<b>EXPENDITURES</b>				
<b>COMMUNITY ENVIRONMENT</b>				
<b>Municipal Building Const/Imp</b>				
Principal retirement	1,500,000	1,700,000	1,700,000	
Interest	11,125	52,668	52,668	
<b>Total Municipal Bldg Const/Imp</b>	<u>1,511,125</u>	<u>1,752,668</u>	<u>1,752,668</u>	
<b>TOTAL COMMUNITY ENVIRONMENT</b>	<u>1,511,125</u>	<u>1,752,668</u>	<u>1,752,668</u>	
<b>TOTAL EXPENDITURES</b>	<u>1,511,125</u>	<u>1,752,668</u>	<u>1,752,668</u>	
Excess (deficiency) of revenues over expenditures	(1,510,825)	(1,743,835)	(1,743,835)	
<b>OTHER FINANCING SOURCES</b>				
Proceeds of notes	1,500,000	700,000	700,000	
Other financing sources		1,033,010	1,050,804	17,794
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,500,000</u>	<u>1,733,010</u>	<u>1,750,804</u>	<u>17,794</u>
Net change in fund balance	(10,825)	(10,825)	6,969	17,794
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>10,825</u>	<u>10,825</u>	<u>10,825</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$</u>	<u>\$</u>	<u>\$ 17,794</u>	<u>\$ 17,794</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, 2007

	<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	\$	\$ 155,094	\$ 33,324	\$ (121,770)
Interest earnings	10,000	15,000	15,082	82
<b>TOTAL REVENUES</b>	<u>10,000</u>	<u>170,094</u>	<u>48,406</u>	<u>(121,688)</u>
<b>EXPENDITURES</b>				
<b>HIGHWAYS AND STREETS</b>				
<b>Industrial Parkway</b>				
Operation and maintenance	136,851	138,751	4,207	134,544
Capital outlay	76,064	76,064	39,280	36,784
Principal retirement		65,000	65,000	
Interest		69,068	34,535	34,533
<b>Total Industrial Parkway</b>	<u>212,915</u>	<u>348,883</u>	<u>143,022</u>	<u>205,861</u>
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>212,915</u>	<u>348,883</u>	<u>143,022</u>	<u>205,861</u>
<b>TOTAL EXPENDITURES</b>	<u>212,915</u>	<u>348,883</u>	<u>143,022</u>	<u>205,861</u>
Net change in fund balance	(202,915)	(178,789)	(94,616)	84,173
Adjustment for prior year encumbrances	212,914	212,914	212,914	
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>260,132</u>	<u>260,132</u>	<u>260,132</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 270,131</u>	<u>\$ 294,257</u>	<u>\$ 378,430</u>	<u>\$ 84,173</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, 2007

	<b>CEMETERY 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>				
Charges for services	\$ 9,500	\$ 9,500	\$ 9,153	\$ (347)
Interest earnings	<u>15,000</u>	<u>31,000</u>	<u>31,390</u>	<u>390</u>
<b>TOTAL REVENUES</b>	<u>24,500</u>	<u>40,500</u>	<u>40,543</u>	<u>43</u>
<b>OTHER FINANCING (USES)</b>				
Transfers out	<u>(15,000)</u>	<u>(31,000)</u>	<u>(31,000)</u>	
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(15,000)</u>	<u>(31,000)</u>	<u>(31,000)</u>	
Net change in fund balance	9,500	9,500	9,543	43
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>435,582</u>	<u>435,582</u>	<u>435,582</u>	
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 445,082</u></u>	<u><u>\$ 445,082</u></u>	<u><u>\$ 445,125</u></u>	<u><u>\$ 43</u></u>

## 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, 2007

	<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>REVENUES</b>				
Intergovernmental revenues	\$ 172,750	\$ 172,750	\$ 100,577	\$ (72,173)
Charges for service	5,560,500	5,880,500	5,785,804	(94,696)
Licenses and permits	154,500	154,500	122,373	(32,127)
Interest earnings	50,000	56,000	64,137	8,137
Special assessments	10,749	10,749	11,320	571
Fines and forfeitures	40,000	42,200	43,513	1,313
Miscellaneous revenues	20,000	25,800	27,554	1,754
<b>TOTAL REVENUES</b>	<b>6,008,499</b>	<b>6,342,499</b>	<b>6,155,278</b>	<b>(187,221)</b>
<b>EXPENSES</b>				
<b>Public Utility Services</b>				
Personal services	1,009,467	1,005,967	990,692	15,275
Fringe benefits	333,550	333,550	316,123	17,427
Operation and maintenance	307,350	310,850	284,393	26,457
Capital outlay	40,000	40,000	39,971	29
<b>Total Public Utilities</b>	<b>1,690,367</b>	<b>1,690,367</b>	<b>1,631,179</b>	<b>59,188</b>
<b>Water Pumping</b>				
Personal services	1,275,693	1,225,693	1,209,684	16,009
Fringe benefits	412,681	386,481	384,233	2,248
Operation and maintenance	1,385,305	1,443,305	1,419,579	23,726
Capital outlay	141,000	83,000	81,250	1,750
<b>Total Water Pumping</b>	<b>3,214,679</b>	<b>3,138,479</b>	<b>3,094,746</b>	<b>43,733</b>
<b>Water Distribution</b>				
Personal services	578,575	543,675	539,079	4,596
Fringe benefits	166,202	166,202	164,083	2,119
Operation and maintenance	201,972	201,972	197,496	4,476
Capital outlay	29,000	35,900	35,836	64
<b>Total Water Distribution</b>	<b>975,749</b>	<b>947,749</b>	<b>936,494</b>	<b>11,255</b>
<b>Water Miscellaneous</b>				
Personal services	325,831	285,831	269,735	16,096
Fringe benefits	63,014	63,014	59,446	3,568
Operation and maintenance	1,095,497	795,497	696,296	99,201
Capital outlay	1,744,577	1,664,577	1,019,960	644,617
Debt service:				
Principal retirement	297,012	297,012	297,012	
Interest	388,798	388,798	388,798	
Reimbursements	280,000	308,500	306,727	1,773
<b>Total Water Miscellaneous</b>	<b>4,194,729</b>	<b>3,803,229</b>	<b>3,037,974</b>	<b>765,255</b>
<b>TOTAL EXPENSES</b>	<b>10,075,524</b>	<b>9,579,824</b>	<b>8,700,393</b>	<b>879,431</b>
Operating loss	(4,067,025)	(3,237,325)	(2,545,114)	692,211

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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, 2007

	<u>WATER 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 notes	2,200,000	1,250,000	1,250,000	
Other sources	640,000	700,400	881,384	
<b>TOTAL NONOPERATING REVENUES</b>	<u>2,840,000</u>	<u>1,950,400</u>	<u>2,131,384</u>	
<b>TRANSFERS IN</b>	<u>2,000</u>	<u>14,500</u>	<u>18,107</u>	<u>3,607</u>
Net change in fund equity	(1,225,025)	(1,272,425)	(395,623)	876,802
Adjustments for prior year encumbrances	830,462	830,462	830,462	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>441,963</u>	<u>441,963</u>	<u>441,963</u>	
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 47,400</u>	<u>\$</u>	<u>\$ 876,802</u>	<u>\$ 876,802</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, 2007

	<b>SPECIAL PARKS AND RECREATION 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	\$ 6,363	\$ 6,363	\$ 8,975	\$ 2,612
Charges for service	230,000	230,000	269,060	39,060
Interest earnings	10,000	10,000	17,963	7,963
Miscellaneous revenues	84,000	84,000	94,153	10,153
<b>TOTAL REVENUES</b>	<u>330,363</u>	<u>330,363</u>	<u>390,151</u>	<u>59,788</u>
<b>EXPENSES</b>				
<b>Special Parks and Recreation</b>				
Personal services	145,200	145,200	138,010	7,190
Fringe benefits	23,667	23,667	22,555	1,112
Operation and maintenance	195,670	195,670	158,045	37,625
Capital outlay	35,000	50,000	47,988	2,012
<b>Total Special Parks and Recreation</b>	<u>399,537</u>	<u>414,537</u>	<u>366,598</u>	<u>47,939</u>
<b>TOTAL EXPENSES</b>	<u>399,537</u>	<u>414,537</u>	<u>366,598</u>	<u>47,939</u>
Net change in fund equity	(69,174)	(84,174)	23,553	107,727
Adjustments for prior year encumbrances	7,548	7,548	7,548	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>322,559</u>	<u>322,559</u>	<u>322,559</u>	
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 260,933</u>	<u>\$ 245,933</u>	<u>\$ 353,660</u>	<u>\$ 107,727</u>

CITY OF ELYRIA, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-  
SANITATION FUND-LEGAL APPROPRIATION LEVEL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 194,000	\$ 194,000	\$ 197,064	\$ 3,064
Charges for services	3,235,000	3,235,000	3,265,633	30,633
Interest earnings	11,000	11,000	17,861	6,861
Miscellaneous revenues			112	112
<b>TOTAL REVENUES</b>	<b>3,440,000</b>	<b>3,440,000</b>	<b>3,480,670</b>	<b>40,670</b>
<b>EXPENSES</b>				
<b>Sanitation</b>				
Personal services	1,256,941	1,356,941	1,306,726	50,215
Fringe benefits	456,703	456,703	449,497	7,206
Operation and maintenance	1,112,300	1,237,300	1,221,521	15,779
Debt service:				
Principal retirement	140,000	140,000	140,000	
Interest	6,300	6,300	6,300	
Reimbursements	225,000	259,000	259,000	
<b>Total Sanitation</b>	<b>3,197,244</b>	<b>3,456,244</b>	<b>3,383,044</b>	<b>73,200</b>
<b>Recycling</b>				
Operation and maintenance	84,007	84,007	84,007	
Capital outlay	115,000	115,000	115,000	
<b>Total Recycling</b>	<b>199,007</b>	<b>199,007</b>	<b>199,007</b>	
<b>TOTAL EXPENSES</b>	<b>3,396,251</b>	<b>3,655,251</b>	<b>3,582,051</b>	<b>73,200</b>
Operating loss	43,749	(215,251)	(101,381)	113,870
<b>NON-OPERATING REVENUES</b>				
Proceeds of notes	110,000	110,000	110,000	
<b>TOTAL NONOPERATING REVENUES</b>	<b>110,000</b>	<b>110,000</b>	<b>110,000</b>	
<b>TRANSFERS IN</b>	<b>2,000</b>	<b>2,000</b>	<b>18,107</b>	<b>16,107</b>
Net change in fund equity	155,749	(103,251)	26,726	129,977
Adjustments for prior year encumbrances	91,727	91,727	91,727	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<b>165,085</b>	<b>165,085</b>	<b>165,085</b>	
<b>FUND EQUITY AT END OF YEAR</b>	<b>\$ 412,561</b>	<b>\$ 153,561</b>	<b>\$ 283,538</b>	<b>\$ 129,977</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, 2007

	<b>WASTEWATER POLLUTION CONTROL 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>				
Charges for services	\$ 9,595,000	\$ 9,595,000	\$ 9,910,190	\$ 315,190
Fees, licenses and permits	125,000	105,000	82,393	(22,607)
Interest earnings	200,000	200,000	183,835	(16,165)
Miscellaneous revenues	97,000	97,000	98,940	1,940
<b>TOTAL REVENUES</b>	<b>10,017,000</b>	<b>9,997,000</b>	<b>10,275,358</b>	<b>278,358</b>
<b>EXPENSES</b>				
<b>Wastewater Pollution Control</b>				
Personal services	3,049,893	3,049,893	2,751,652	298,241
Fringe benefits	927,852	927,852	884,194	43,658
Operation and maintenance	1,961,650	1,961,650	1,900,457	61,193
Capital outlay	599,030	634,030	527,014	107,016
<b>Total Wastewater Pollution Control</b>	<b>6,538,425</b>	<b>6,573,425</b>	<b>6,063,317</b>	<b>510,108</b>
<b>Wastewater Pollution Control Miscellaneous</b>				
Personal services	244,804	452,804	401,958	50,846
Fringe benefits	63,131	105,331	104,318	1,013
Operation and maintenance	702,000	702,000	648,782	53,218
Capital outlay	3,061,000	3,061,000	1,386,889	1,674,111
Debt service:				
Principal retirement	1,971,319	1,971,319	1,971,317	2
Interest	956,725	956,725	956,723	2
Reimbursement	1,100,000	1,305,500	1,305,500	
<b>Total Wastewater Pollution Control Miscellaneous</b>	<b>8,098,979</b>	<b>8,554,679</b>	<b>6,775,488</b>	<b>1,779,191</b>
<b>TOTAL EXPENSES</b>	<b>14,637,404</b>	<b>15,128,104</b>	<b>12,838,805</b>	<b>2,289,299</b>
Operating loss	(4,620,404)	(5,131,104)	(2,563,447)	2,567,657

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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, 2007

	<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 notes	1,500,000	600,000	600,000	
Other financing sources			1,000	1,000
<b>TOTAL NONOPERATING REVENUES</b>	<u>1,500,000</u>	<u>600,000</u>	<u>601,000</u>	<u>1,000</u>
<b>TRANSFERS IN</b>	<u>2,000</u>	<u>2,000</u>	<u>18,107</u>	<u>16,107</u>
Net change in fund equity	<u>(3,118,404)</u>	<u>(4,529,104)</u>	<u>(1,944,340)</u>	<u>2,584,764</u>
Adjustments for prior year encumbrances	1,030,536	1,030,536	1,030,536	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>3,761,280</u>	<u>3,761,280</u>	<u>3,761,280</u>	
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 1,673,412</u>	<u>\$ 262,712</u>	<u>\$ 2,847,476</u>	<u>\$ 2,584,764</u>

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## 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, 2007**

	<u>Employees'</u> <u>Health Insurance</u>	<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 881,064	\$ 152,749	\$ 1,033,813
Investments		871,400	871,400
Interest receivable	8,132	2,968	11,100
Total current assets	<u>889,196</u>	<u>1,027,117</u>	<u>1,916,313</u>
Total assets	<u>889,196</u>	<u>1,027,117</u>	<u>1,916,313</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accrued wages and benefits		548	548
Claims payable	490,018	84,003	574,021
Contracts payable	1,500		1,500
Total current liabilities	<u>491,518</u>	<u>84,551</u>	<u>576,069</u>
<b>NET ASSETS</b>			
Unrestricted	397,678	942,566	1,340,244
Total net assets	<u>\$ 397,678</u>	<u>\$ 942,566</u>	<u>\$ 1,340,244</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, 2007**

	<u>Employees'</u> <u>Health Insurance</u>	<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 5,203,206	\$ 317,500	\$ 5,520,706
Other		49,207	49,207
Total operating revenues	<u>5,203,206</u>	<u>366,707</u>	<u>5,569,913</u>
Operating expenses:			
Personal services		18,248	18,248
Fringe benefits	4,493,996	605,800	5,099,796
Operating and maintenance	13,940	33,801	47,741
Total operating expenses	<u>4,507,936</u>	<u>657,849</u>	<u>5,165,785</u>
Operating income (loss)	<u>695,270</u>	<u>(291,142)</u>	<u>404,128</u>
Nonoperating revenues (expenses)			
Investment income	20,059	48,781	68,840
Change in net assets	<u>715,329</u>	<u>(242,361)</u>	<u>472,968</u>
Total net assets - beginning of year	(317,651)	1,184,927	867,276
Total net assets - end of year	<u>\$ 397,678</u>	<u>\$ 942,566</u>	<u>\$ 1,340,244</u>

City of Elyria, Ohio  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2007

	Employees' Health Insurance	Workers' Compensation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 5,203,206	\$ 317,500	\$ 5,520,706
Cash payments to suppliers for goods and services	(4,516,550)	(729,981)	(5,246,531)
Cash paid to employees for services		(18,360)	(18,360)
Other operating revenues		49,207	49,207
Net cash provided by (used for) operating activities	686,656	(381,634)	305,022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	11,927	51,598	63,525
Short-term investments converted to cash		1,349,200	1,349,200
Purchase of short-term investments		(871,400)	(871,400)
Net cash provided by investing activities	11,927	529,398	541,325
Net increase (decrease) in cash and cash equivalents	698,583	147,764	846,347
Cash and cash equivalents - January 1, 2007	182,481	4,985	187,466
Cash and cash equivalents - December 31, 2007	\$ 881,064	\$ 152,749	\$ 1,033,813
<b>Reconciliation of operating loss to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 695,270	\$ (291,142)	\$ 404,128
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Changes in assets and liabilities:			
Contracts payable	755		755
Accrued wages and benefits		(119)	(119)
Claims payable	(9,369)	(90,373)	(99,742)
Total adjustments	(8,614)	(90,492)	(99,106)
<b>Net cash provided by (used for) operating activities</b>	\$ 686,656	\$ (381,634)	\$ 305,022
<b>Noncash investing, capital and financing activities:</b>			
Unrealized appreciation (depreciation) in fair value of investments	\$	750	\$ 750

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, 2007

	<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	\$ 5,410,000	\$ 5,163,000	\$ 5,203,206	\$ 40,206
Interest earnings	1,000	1,000	11,927	10,927
<b>TOTAL REVENUES</b>	<u>5,411,000</u>	<u>5,164,000</u>	<u>5,215,133</u>	<u>51,133</u>
<b>EXPENSES</b>				
<b>GENERAL GOVERNMENT</b>				
<b>Employees' Health Insurance</b>				
Fringe benefits	5,200,000	5,200,000	4,503,365	696,635
Operation and maintenance	20,000	20,000	14,682	5,318
<b>Total Employees' Health Insurance</b>	<u>5,220,000</u>	<u>5,220,000</u>	<u>4,518,047</u>	<u>701,953</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>5,220,000</u>	<u>5,220,000</u>	<u>4,518,047</u>	<u>701,953</u>
<b>TOTAL EXPENSES</b>	<u>5,220,000</u>	<u>5,220,000</u>	<u>4,518,047</u>	<u>701,953</u>
Net change in fund equity	191,000	(56,000)	697,085	753,085
Adjustment for prior year encumbrances	750	750	750	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<u>181,733</u>	<u>181,733</u>	<u>181,733</u>	
<b>FUND EQUITY AT END OF YEAR</b>	<u>\$ 373,483</u>	<u>\$ 126,483</u>	<u>\$ 879,568</u>	<u>\$ 753,085</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, 2007

	<b>WORKERS' COMPENSATION 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>				
Charges for services	\$ 131,250	\$ 131,250	\$ 317,500	\$ 186,250
Interest earnings	50,000	50,000	49,507	(493)
Miscellaneous revenues			49,208	49,208
<b>TOTAL REVENUES</b>	<b>181,250</b>	<b>181,250</b>	<b>416,215</b>	<b>234,965</b>
<b>EXPENSES</b>				
<b>Workers' Compensation</b>				
Personal services	21,900	21,900	18,360	3,540
Fringe benefits	475,100	697,525	696,170	1,355
Operation and maintenance	35,865	35,865	34,417	1,448
<b>Total Workers' Compensation</b>	<b>532,865</b>	<b>755,290</b>	<b>748,947</b>	<b>6,343</b>
<b>TOTAL EXPENSES</b>	<b>532,865</b>	<b>755,290</b>	<b>748,947</b>	<b>6,343</b>
Operating loss	(351,615)	(574,040)	(332,732)	241,308
Adjustment for prior year encumbrances	112	112	112	
<b>FUND EQUITY AT BEGINNING OF YEAR</b>	<b>1,354,116</b>	<b>1,354,116</b>	<b>1,354,116</b>	
<b>FUND EQUITY AT END OF YEAR</b>	<b>\$ 1,002,613</b>	<b>\$ 780,188</b>	<b>\$ 1,021,496</b>	<b>\$ 241,308</b>

## 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.

**CITY OF ELYRIA, OHIO  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
<b>CONSUMER DEPOSITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 264,487	\$ 196,658	\$ 291,431	\$ 169,714
Other short-term investments	255,576	300,000	255,576	300,000
Accrued interest receivable	2,334	3,224	2,334	3,224
Total assets	<u>\$ 522,397</u>	<u>\$ 499,882</u>	<u>\$ 549,341</u>	<u>\$ 472,938</u>
Liabilities:				
Other liabilities	<u>\$ 522,397</u>	<u>\$ 199,253</u>	<u>\$ 248,712</u>	<u>\$ 472,938</u>
<b>EXCAVATING PERMITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 11,925	\$ 1,200	\$ 8,440	\$ 4,685
Liabilities:				
Other liabilities	<u>\$ 11,925</u>	<u>\$ 1,200</u>	<u>\$ 8,440</u>	<u>\$ 4,685</u>
<b>STATE HEALTH FEES FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 6,320	\$ 10,569	\$ 13,287	\$ 3,602
Liabilities:				
Due to other governments	<u>\$ 6,320</u>	<u>\$ 10,569</u>	<u>\$ 13,287</u>	<u>\$ 3,602</u>
<b>UNCLAIMED MONIES FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 8	\$ 14,947	\$ 14,910	\$ 45
Other short-term investments	41,700	52,500	41,700	52,500
Accrued interest receivable	13	47	13	47
Total assets	<u>\$ 41,721</u>	<u>\$ 67,494</u>	<u>\$ 56,623</u>	<u>\$ 52,592</u>
Liabilities:				
Other liabilities	<u>\$ 41,721</u>	<u>\$ 14,981</u>	<u>\$ 4,110</u>	<u>\$ 52,592</u>
<b>MUNICIPAL COURT FUND</b>				
Assets:				
Cash and cash equivalents-segregated accounts	\$ 524,976	\$ 4,425,151	\$ 4,409,755	\$ 540,372
Liabilities:				
Accounts payable	\$ 174,152	\$ 92,782	\$ 174,152	\$ 92,782
Other liabilities	350,824	447,590	350,824	447,590
Total liabilities	<u>\$ 524,976</u>	<u>\$ 540,372</u>	<u>\$ 524,976</u>	<u>\$ 540,372</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, 2007**

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
<b>LORAIN COUNTY UTILITY CHARGES FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 74,867	\$ 271,268	\$ 312,423	\$ 33,712
Liabilities:				
Due to other governments	\$ 74,867	\$ 271,268	\$ 312,423	\$ 33,712
<b>PAYROLL REVOLVING FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 286,603	\$ 29,738,573	\$ 29,688,925	\$ 336,251
Liabilities:				
Accounts payable	\$ 286,165	\$ 3,427,369	\$ 3,377,695	\$ 335,839
Due to other governments	438	4,172,988	4,173,014	412
Total liabilities	\$ 286,603	\$ 7,600,357	\$ 7,550,709	\$ 336,251
<b>FIRE DAMAGE DEPOSITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 54,926	\$ 28,290	\$ 25,400	\$ 57,816
Liabilities:				
Accounts payable	\$ 54,926	\$ 28,290	\$ 25,400	\$ 57,816
<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	\$ 4,916	\$ 12,282	\$ 13,139	\$ 4,059
Liabilities:				
Due to other governments	\$ 4,916	\$ 12,282	\$ 13,139	\$ 4,059
<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, 2007**

	Balance January 1, 2007	Additions	Deductions	Balance December 31, 2007
<b>CONTRACTORS' DEPOSITS FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 8,975	\$ 5,850	\$ 10,950	\$ 3,875
Liabilities:				
Other liabilities	\$ 8,975	\$ 5,850	\$ 10,950	\$ 3,875
<b>EMPLOYEE CAFETERIA PLAN FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 13,977	\$ 46,788	\$ 48,812	\$ 11,953
Liabilities:				
Other liabilities	\$ 13,977	\$ 46,788	\$ 48,812	\$ 11,953
<b>ELYRIA TOWNSHIP JEDD INCOME TAX FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 19,131	\$ 92,248	\$ 44,514	\$ 47,734
Income tax receivable	\$ 19,131	\$ 18,894	\$ 19,131	\$ 18,894
	\$ 19,131	\$ 111,142	\$ 63,645	\$ 66,628
Liabilities:				
Due to other governments	\$ 19,131	\$ 66,628	\$ 19,131	\$ 66,628
<b>ELYRIA PUBLIC LIBRARY PROPERTY TAX FUND</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 823,577	\$ 965,802	\$ 929,442	\$ 36,360
Property tax receivable	\$ 823,577	\$ 822,235	\$ 823,577	\$ 822,235
	\$ 823,577	\$ 1,788,037	\$ 1,753,019	\$ 858,595
Liabilities:				
Due to other governments	\$ 823,577	\$ 858,595	\$ 823,577	\$ 858,595
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 792,644	\$ 31,384,475	\$ 31,401,673	\$ 775,446
Cash and cash equivalents-segregated accounts	524,976	4,425,151	4,409,755	540,372
Investments	297,276	352,500	297,276	352,500
Property tax receivable	823,577	822,235	823,577	822,235
Income tax receivable	19,131	18,894	19,131	18,894
Accrued interest receivable	2,347	3,271	2,347	3,271
Total assets	\$ 2,459,951	\$ 37,006,526	\$ 36,953,759	\$ 2,512,718
Liabilities:				
Accounts payable	\$ 515,960	\$ 3,548,441	\$ 3,577,247	\$ 487,154
Due to other governments	929,249	5,392,330	5,354,571	967,008
Other liabilities	1,014,742	715,662	671,848	1,058,556
Total Liabilities	\$ 2,459,951	\$ 9,656,433	\$ 9,603,666	\$ 2,512,718

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## 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.

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

	2007	2006	2005	2004	2003
<b>Governmental Activities</b>					
Invested in Capital Assets, Net of Related Debt	\$38,008,622	\$37,882,715	\$35,063,198	\$33,372,096	\$29,697,842
Restricted:					
Public safety	972,925	1,124,522	1,074,095	1,044,444	1,075,665
Health	291,798	212,739	105,422	226,439	183,371
Community environment	4,307,144	3,836,932	3,806,528	3,805,840	3,504,795
Highways and streets	883,238	766,727	838,063	808,622	1,134,296
Debt service	1,262,673	1,471,603	1,590,304	1,942,362	3,504,081
Other Purposes	262,093	234,095	191,675	134,783	348,601
Non-expendable:					
Health	447,349	442,440	422,190	417,481	
Unrestricted	7,932,774	5,970,863	6,705,600	4,104,270	3,883,049
<i>Total Governmental Activities Net Assets</i>	<u>\$54,368,616</u>	<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	\$31,253,834	\$31,819,163	\$34,470,219	\$35,624,042	\$35,748,505
Unrestricted	4,357,931	5,416,769	4,369,045	4,331,938	6,307,046
<i>Total Business-Type Activities Net Assets</i>	<u>\$35,611,765</u>	<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	\$69,262,456	\$69,701,878	\$69,533,417	\$68,996,138	\$65,446,347
Restricted for:					
Public safety	972,925	1,124,522	1,074,095	1,044,444	1,075,665
Health	291,798	212,739	105,422	226,439	183,371
Community environment	4,307,144	3,836,932	3,806,528	3,805,840	3,504,795
Highways and streets	883,238	766,727	838,063	808,622	1,134,296
Debt service	1,262,673	1,471,603	1,590,304	1,942,362	3,504,081
Other Purposes	262,093	234,095	191,675	134,783	348,601
Non-expendable:					
Health	447,349	442,440	422,190	417,481	
Unrestricted	12,290,705	11,387,632	11,074,645	8,436,208	10,190,095
<i>Total Primary Government Net Assets</i>	<u>\$89,980,381</u>	<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 Five Years*  
*(Accrual Basis of Accounting)*

	2007	2006	2005	2004	2003
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
Public safety	\$439,121	\$489,385	\$464,291	\$564,170	\$499,390
Health	950,272	1,066,153	1,189,172	1,146,189	1,014,288
Culture and recreation	205,283	192,011	170,072	177,792	155,728
Community environment	673,805	757,840	4,795	10,176	8,029
Highway and streets					
General Government	2,763,460	3,132,198	3,141,512	2,784,396	2,375,181
Subtotal - Charges for Services	<u>5,031,941</u>	<u>5,637,587</u>	<u>4,969,842</u>	<u>4,682,723</u>	<u>4,052,616</u>
Operating grants and contributions	2,242,188	1,670,498	1,653,771	2,235,083	2,019,139
Capital grants and contributions	769,089	1,964,958	2,528,848	2,829,299	1,922,423
<i>Total Governmental Activities Program Revenues</i>	<u>8,043,218</u>	<u>9,273,043</u>	<u>9,152,461</u>	<u>9,747,105</u>	<u>7,994,178</u>
<b>Business-Type Activities:</b>					
Charges for Services:					
Water	5,859,917	5,653,958	5,528,430	5,003,529	4,777,110
Special parks & recreation	337,529	321,078	292,890	283,979	214,094
Sanitation	3,339,642	3,038,891	3,017,630	2,975,839	2,645,629
Wastewater	9,727,869	9,732,738	9,661,676	8,820,307	8,946,546
Operating grants and contributions	124,112	32,355	104,008	96,028	61,756
Capital grants and contributions	182,504	171,709	105,505	51,948	86,131
<i>Total Business-Type Activities Program Revenues</i>	<u>19,571,573</u>	<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>\$27,614,791</u>	<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 Five Years*  
*(Accrual Basis of Accounting)*

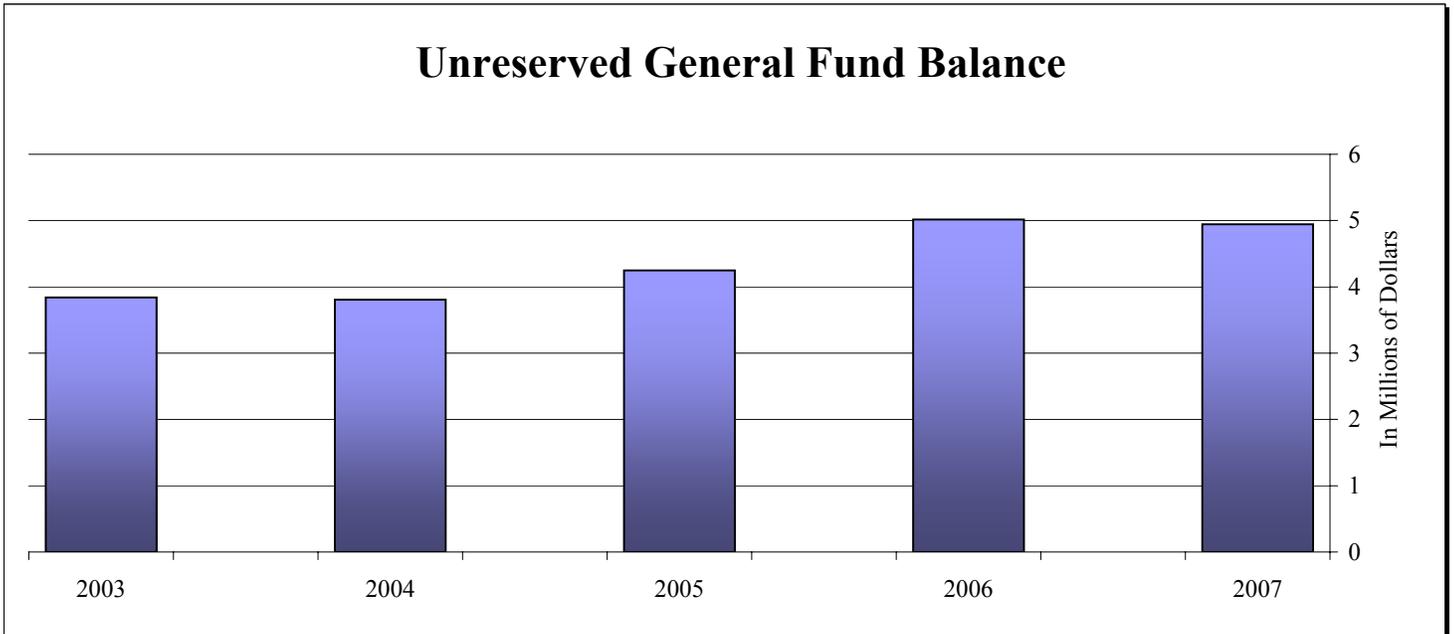
	2007	2006	2005	2004	2003
<b>Expenses</b>					
Governmental Activities:					
Public safety	\$20,746,034	\$20,851,317	\$19,528,348	\$19,578,462	\$19,808,236
Health	2,452,163	2,568,869	2,992,268	2,789,743	2,749,524
Culture and recreation	2,500,151	2,463,610	2,374,010	2,522,883	2,511,424
Community environment	1,704,949	1,741,812	1,870,225	2,105,014	1,976,381
Highway and streets	3,551,406	3,276,038	3,240,837	3,079,005	3,109,831
General government	8,043,382	8,271,237	7,948,645	7,390,522	7,568,158
Interest and fiscal charges	1,755,470	1,171,780	986,994	1,237,712	1,308,289
<i>Total Governmental Activities Expenses</i>	<u>40,753,555</u>	<u>40,344,663</u>	<u>38,941,327</u>	<u>38,703,341</u>	<u>39,031,843</u>
Business-Type Activities					
Water	6,926,055	6,641,584	6,375,523	5,933,824	5,630,930
Special parks & recreation	337,082	317,879	292,998	297,859	299,535
Sanitation	3,316,235	3,132,454	3,184,255	2,978,122	3,035,312
Wastewater	11,046,445	10,999,541	10,371,975	10,354,570	10,811,134
<i>Total Business-Type Activities Expenses</i>	<u>21,625,817</u>	<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>62,379,372</u>	<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	(32,710,337)	(31,071,620)	(29,788,866)	(28,956,236)	(31,037,665)
Business-Type Activities	(2,054,244)	(2,140,729)	(1,514,612)	(2,332,745)	(3,045,645)
<i>Total Primary Government Net Expense</i>	<u>(34,764,581)</u>	<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	4,194,264	3,913,589	3,726,157	3,699,197	3,554,126
Municipal income taxes	\$21,187,484	\$21,470,263	\$23,057,107	\$20,722,890	\$21,401,274
Gasoline and motor vehicle taxes	2,936,903	3,050,275	2,769,274	2,879,983	2,805,188
Other local taxes	508,796	494,882	464,747	512,147	472,301
Unrestricted intergovernmental revenues and contributions	3,992,282	2,849,785	3,116,189	3,012,969	4,070,303
Investment earnings	1,087,322	850,323	414,181	210,665	179,864
Miscellaneous	1,228,316	554,055	146,041	160,670	190,574
Gain on sale of capital assets	950	34,009	35,908	282,352	
<i>Total Governmental Activities</i>	<u>35,136,317</u>	<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	314,195	396,537	248,600	82,040	176,754
Miscellaneous	115,882	140,860	149,296	151,134	188,606
<i>Total Business-Type Activities Expenses</i>	<u>430,077</u>	<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>35,566,394</u>	<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	2,425,980	2,145,561	3,940,738	2,524,637	1,635,965
Business-Type Activities	(1,624,167)	(1,603,332)	(1,116,716)	(2,099,571)	(2,680,285)
<i>Total Primary Government Change in Net Assets</i>	<u>\$801,813</u>	<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 Five Years*  
*(Modified Accrual Basis of Accounting)*

	2007	2006	2005	2004	2003
<b>General Fund</b>					
Reserved for encumbrances	\$434,633	\$359,503	\$1,298,551	\$311,772	\$432,901
Unreserved	4,945,240	5,016,011	4,248,850	3,807,061	3,840,450
<b>Total General Fund</b>	<u>5,379,873</u>	<u>5,375,514</u>	<u>5,547,401</u>	<u>4,118,833</u>	<u>4,273,351</u>
<b>All Other Governmental Funds</b>					
<b>Fund Balances:</b>					
Reserved for encumbrances	1,661,648	9,359,972	1,669,156	4,057,806	4,410,468
Reserved for rehabilitation loans	4,265,218	3,993,408	3,852,268	3,848,983	3,816,990
Reserved for endowment	447,349	442,440	422,190	417,481	395,746
Reserved for debt service	1,262,673	1,471,603	1,590,304	1,942,362	2,243,278
Unreserved Reported in:					
Special Revenue funds	3,486,845	3,069,667	2,890,285	3,119,077	2,266,291
Capital Projects funds	(6,796,310)	(15,228,772)	(4,756,014)	(8,233,670)	(5,325,869)
<b>Total All Other Governmental Funds</b>	<u>4,327,423</u>	<u>3,108,318</u>	<u>5,668,189</u>	<u>5,152,039</u>	<u>7,806,904</u>
<b>Total Governmental Funds</b>	<u><u>\$9,707,296</u></u>	<u><u>\$8,483,832</u></u>	<u><u>\$11,215,590</u></u>	<u><u>\$9,270,872</u></u>	<u><u>\$12,080,255</u></u>

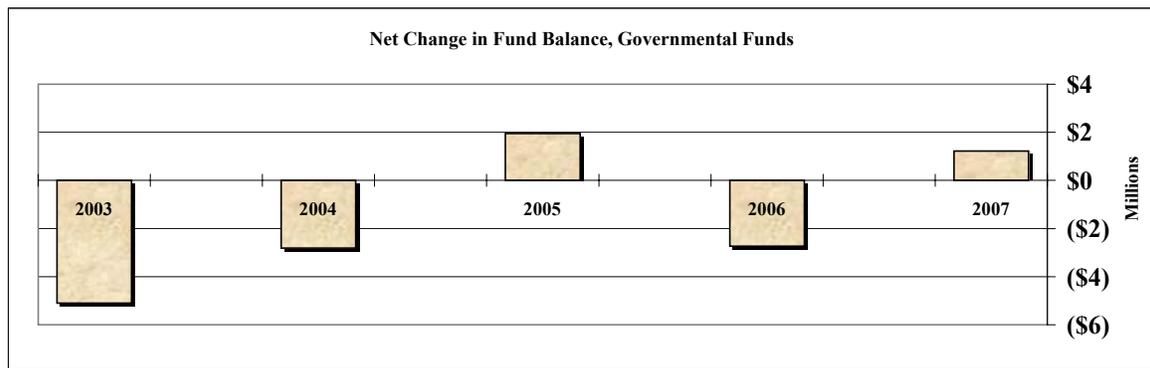


Source: Respective Comprehensive Annual Financial Reports

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

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

	2007	2006	2005	2004	2003
<b>Revenues</b>					
Taxes:					
Property	\$4,194,264	\$3,913,589	\$3,726,157	\$3,699,197	\$3,554,126
Income	21,423,070	22,129,257	22,180,474	20,868,259	19,285,562
Other local	1,394,590	1,385,290	464,747	512,147	472,301
Tax increment financing payments	103,542	0	0	0	0
Intergovernmental	8,966,140	8,651,387	10,159,309	10,953,412	8,732,358
Charges for services	2,224,693	2,382,732	1,693,792	1,824,885	1,749,706
Licenses and permits	748,541	851,214	639,702	564,126	641,996
Investment income	1,087,322	850,323	414,181	210,665	179,864
Special assessments	349,741	353,140	398,324	583,061	609,032
Fines and forfeitures	1,502,578	1,497,345	1,839,944	1,710,651	1,660,914
Contributions	52,763	558,749	121,587	84,021	53,155
Miscellaneous	177,512	554,055	146,041	160,670	190,574
<b>Total Revenues</b>	<b>42,224,756</b>	<b>43,127,081</b>	<b>41,784,258</b>	<b>41,171,094</b>	<b>37,129,588</b>
<b>Expenditures</b>					
Current:					
Public safety	20,586,863	20,283,174	18,400,262	18,880,662	18,918,853
Health	2,472,201	2,535,825	2,894,988	2,764,501	2,673,019
Culture and recreation	2,207,061	2,139,979	1,940,794	2,112,159	2,075,772
Community environment	1,633,115	1,628,701	1,616,507	1,876,381	1,782,620
Highways and streets	1,681,542	1,454,247	1,631,160	1,546,553	1,580,228
General government	7,576,891	7,646,879	7,120,726	6,870,801	7,005,689
Capital outlay	12,321,193	7,680,489	5,556,222	7,538,423	5,626,496
Debt Service:					
Principal retirement	1,416,488	1,416,807	1,588,077	1,479,248	1,429,248
Interest and fiscal charges	1,699,981	1,169,372	1,000,508	1,243,156	1,214,591
<b>Total Expenditures</b>	<b>51,595,335</b>	<b>45,955,473</b>	<b>41,749,244</b>	<b>44,311,884</b>	<b>42,306,516</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(9,370,579)</i>	<i>(2,828,392)</i>	<i>35,014</i>	<i>(3,140,790)</i>	<i>(5,176,928)</i>
<b>Other Financing Sources (Uses)</b>					
Operating transfers-in	1,146,725	344,967	552,458	345,496	697,099
Operating transfers-out	(1,146,725)	(344,967)	(552,458)	(345,496)	(697,099)
Proceeds from sale of notes/bonds	9,389,250		1,795,000		
Proceeds from State Issue II loan	126,944				
Settlement proceeds	1,050,804				
Premiums from sale of notes/bonds	26,095	62,625	78,796	49,055	74,747
Proceeds from sale of capital assets	950	34,009	35,908	282,352	
<b>Total Other Financing Sources (Uses)</b>	<b>10,594,043</b>	<b>96,634</b>	<b>1,909,704</b>	<b>331,407</b>	<b>74,747</b>
<b>Net Change in Fund Balances</b>	<b>\$1,223,464</b>	<b>(\$2,731,758)</b>	<b>\$1,944,718</b>	<b>(\$2,809,383)</b>	<b>(\$5,102,181)</b>
Debt Service as a Percentage of Noncapital Expenditures					
	7.94%	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)*

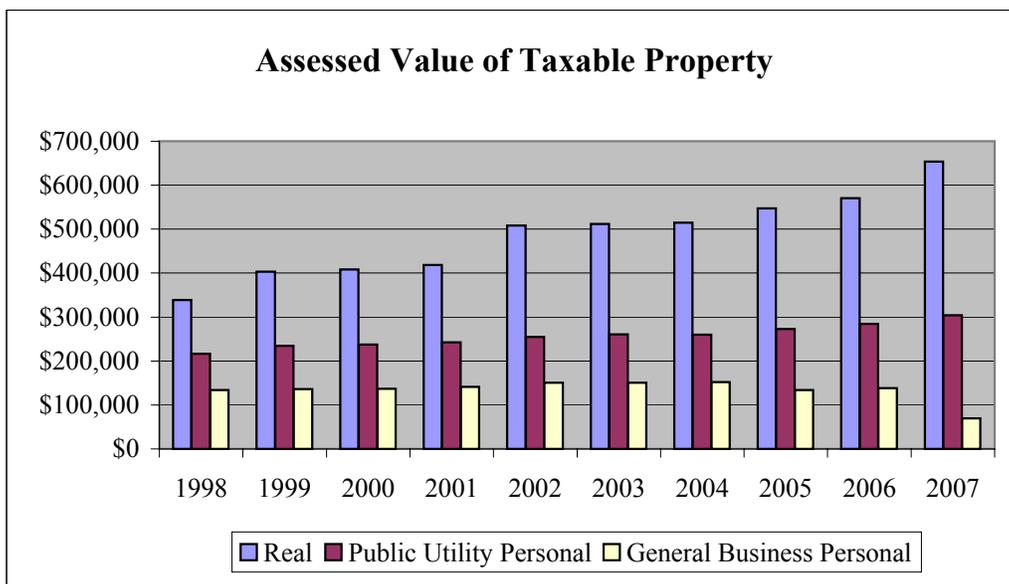
Collection Year	Real Property		Tangible Personal Property	
	Assessed Value Residential	Estimated Actual Value	Public Utility	
			Assessed Value	Estimated Actual Value
2007	\$653,685	\$1,867,671	\$304,086	\$868,817
2006	570,444	1,629,840	284,420	812,629
2005	546,966	1,562,760	272,645	778,986
2004	514,777	1,470,791	259,606	741,731
2003	511,474	1,461,354	260,310	743,743
2002	508,046	1,451,560	255,037	728,677
2001	418,460	1,195,600	242,705	693,443
2000	408,310	1,166,600	237,244	677,840
1999	403,302	1,152,291	234,595	670,271
1998	339,108	968,880	216,724	619,211

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 2007 general business tangible personal property were assessed at 12.50 percent. The percentage will be 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	Total Tax Rate
\$69,654	\$557,232	\$1,027,425	\$3,293,720	80.54%
138,008	736,043	992,872	3,178,512	81.37
134,118	536,472	953,729	2,878,218	77.32
152,252	609,008	926,635	2,821,530	76.27
150,857	603,428	922,641	2,808,525	76.35
150,928	603,712	914,011	2,783,949	76.63
140,810	563,240	801,975	2,452,283	74.55
137,173	548,692	782,727	2,393,132	75.10
135,854	543,416	773,751	2,365,978	70.15
133,573	534,292	689,405	2,122,383	70.25



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

	2007	2006	2005	2004
<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	63.3000	59.4000	56.4800	56.7300
Lorain County Vocational School	2.4500	2.4500	2.4500	2.4500
Lorain County	13.4900	13.4900	13.1900	12.8900
Elyria Public Library	1.0000	1.0000	1.0000	
<i>Total Charter Millage</i>	<u>80.2400</u>	<u>76.3400</u>	<u>73.1200</u>	<u>72.0700</u>
<b>Total Millage</b>	<u><u>\$84.4400</u></u>	<u><u>\$80.5400</u></u>	<u><u>\$77.3200</u></u>	<u><u>\$76.2700</u></u>

**Overlapping Rates by Taxing District**

City School District	\$ 63.3000	\$ 59.4000	\$ 60.2300	\$ 56.4800
County	\$ 13.3900	\$ 13.4900	\$ 13.4900	\$ 13.1900
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.

2003	2002	2001	2000	1999	1998
\$1.7000	\$1.7000	\$1.9000	\$1.9000	\$1.9000	\$1.9000
1.9000	1.9000	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
56.7300	56.8100	57.1100	57.1100	52.7100	52.8100
2.4500	2.4500	2.4500	2.4500	2.4500	2.4500
12.8900	12.8900	10.7900	10.7900	10.7900	10.7900
72.0700	72.1500	70.3500	70.3500	65.9500	66.0500
\$76.2700	\$76.3500	\$74.5500	\$74.5500	\$70.1500	\$70.2500

\$ 56.7300	\$ 56.8100	\$ 57.0900	\$ 57.1100	\$ 57.6600	\$ 52.7100
\$ 12.8900	\$ 12.8900	\$ 12.8900	\$ 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
2007	\$3,974,488	\$3,735,871	94.00 %	\$131,911	\$3,867,782
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

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
97.32 %	\$326,295	8.21 %
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

**City of Elyria, Ohio**  
*Principal Taxpayers - Real Estate Tax*  
 2007 and 1998  
 (Amounts in 000's)

Taxpayer	2007	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Centro Midway LLC	\$15,709	2.40 %
Ohio Edison	14,959	2.29
New Plan of Midway LLC	7,940	1.21
First Interstate Elyria	6,236	0.95
Hunters Crossing	4,126	0.63
HK New Plan Exchange	3,769	0.58
Elyria United	3,416	0.52
Invacare Corporation	3,372	0.52
Midway Realty Company	3,278	0.50
Dayton Hudson	3,116	0.48
<b>Total</b>	<b>\$65,921</b>	<b>10.08 %</b>
<b>Total Assessed Valuation</b>	<b>\$653,685</b>	

Taxpayer	1998	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Ohio Edison	\$21,487	6.34 %
Alltel Ohio	15,074	4.45
Elyria Joint Venture	13,026	3.84
Columbia Gas	6,857	2.02
First Interstate	5,789	1.71
Sears Roebuck & Company	3,850	1.14
Holiday Inn of Elyria	2,730	0.81
Comprehensive Ventures	2,710	0.79
New Plan	2,678	0.79
Westway Gardens LTD	2,165	0.64
<b>Total</b>	<b>\$76,366</b>	<b>22.52 %</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.

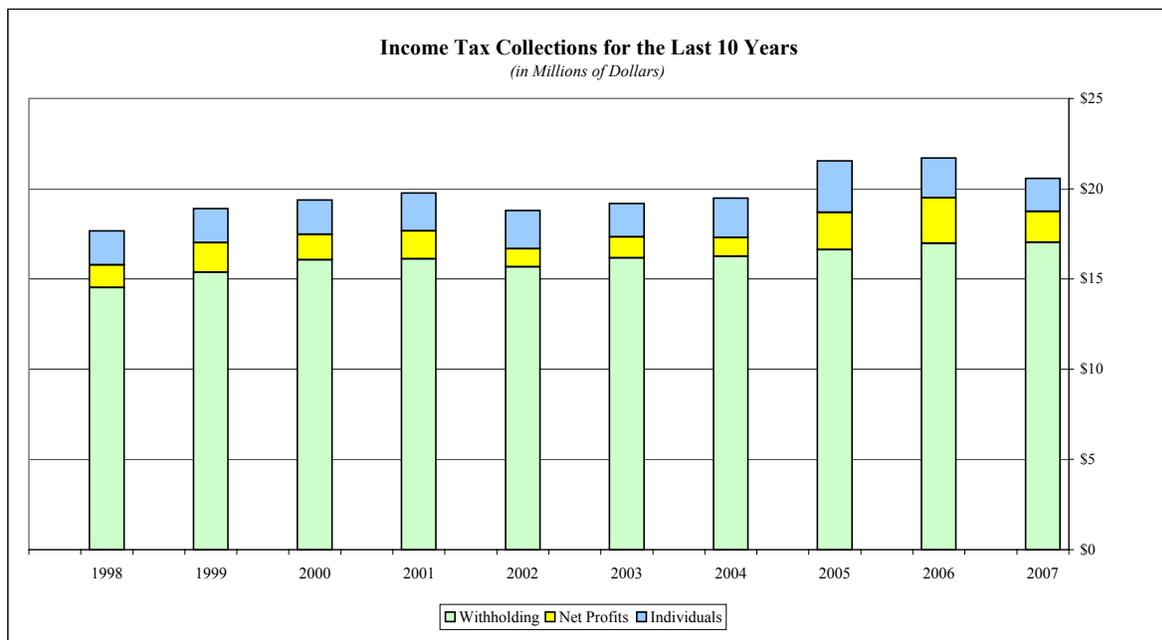
**City of Elyria, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

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
2007	1.75%	\$20,574,626	\$17,028,090	82.76%	\$1,718,523	8.35%	\$1,828,013	8.88%
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

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 Five 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
2007	\$8,890,000	\$28,533,205	\$843,242	\$434,173	\$0
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

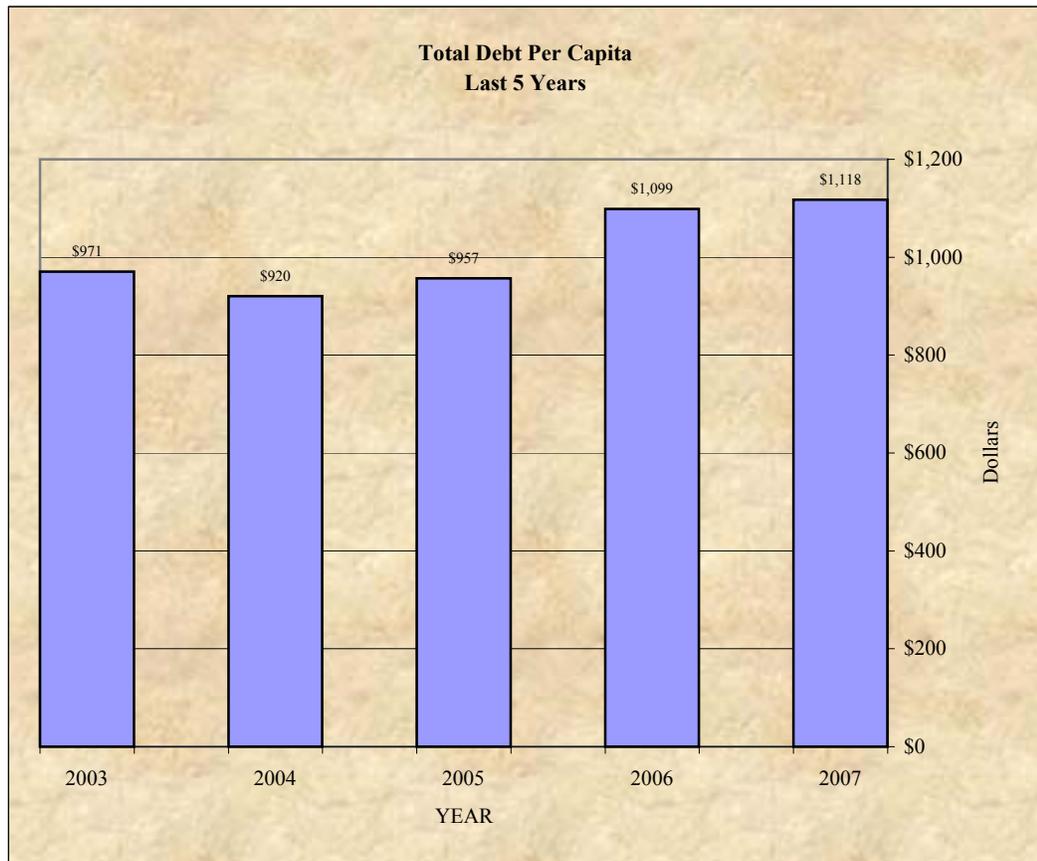
Source: Respective Comprehensive Annual Reports

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
\$1,960,000	\$12,268,553	\$0	\$9,609,279	\$62,538,452	5.78%	\$1,118
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
2007	55,953	b	\$3,293,720,000	\$51,651,758	1.57 %	\$923.13
2006	55,953	b	3,178,512,000	48,576,150	1.53	868.16
2005	55,953	b	2,878,218,000	38,775,973	1.35	693.01
2004	55,953	b	2,821,530,000	34,698,094	1.23	620.13
2003	55,953	b	2,808,525,000	35,357,918	1.26	631.92
2002	55,953	b	2,783,949,000	30,457,742	1.09	544.35
2001	55,953	b	2,452,283,000	27,152,566	1.11	485.27
2000	55,953	a	2,393,132,000	19,079,639	0.80	340.99
1999	56,746	a	2,365,978,000	20,576,712	0.87	362.61
1998	56,746	a	2,122,383,000	16,728,784	0.79	294.80

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, 2007*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (3)	Amount Applicable to City
<b>Direct - City of</b>			
Special Assessment Bonds	\$843,242	100.00 %	\$843,242
General Obligation Bonds	28,533,205	100.00	28,533,205
OPWC Loans	434,173	100.00	434,173
Capital Projects Notes	<u>8,890,000</u>	100.00	<u>8,890,000</u>
<i>Total Direct Debt</i>	<u>38,700,620</u>		<u>38,700,620</u>
<b>Overlapping</b>			
City School District (1)			
General Obligation Bonds	0	91.10%	0
Lorain County (2)			
General Obligation Bonds	<u>28,220,000</u>	18.87%	<u>5,326,085</u>
<i>Total Overlapping Debt</i>	<u>28,220,000</u>		<u>5,326,085</u>
<b>Total</b>	<u><u>\$66,920,620</u></u>		<u><u>\$44,026,705</u></u>

Source: (1) Elyria City School District Comprehensive Annual Financial Report,  
For the Year Ending June 30, 2007

(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*

	2007	2006	2005	2004
Total Assessed Property Value	\$985,188,821	\$1,027,425,038	\$992,872,390	\$953,729,200
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	\$ 103,444,826	\$ 107,879,629	\$ 104,251,601	\$ 100,141,566
Debt Outstanding:				
General Obligation Bonds	40,801,758	32,821,150	28,905,973	21,398,094
Special Assessment Bonds	843,242	1,086,230	1,342,900	1,581,906
General Anticipation Notes	10,850,000	15,755,000	9,870,000	13,300,000
OPWC Loans	434,173	360,729	236,353	354,423
OWDA Loans	9,609,279	11,455,596	13,168,648	14,758,119
Total Gross Indebtedness	62,538,452	61,478,705	53,523,874	51,392,542
Less:				
Special Assessment Bonds	(843,242)	(1,086,230)	(1,581,906)	(2,077,082)
OPWC Loans	(434,173)	(360,729)	(354,423)	(463,486)
OWDA Loans	(9,609,279)	(11,455,596)	(14,758,119)	(16,232,982)
General Bond Retirement Fund Balance	(1,240,977)	(1,471,603)	(1,942,362)	(2,243,278)
Total Net Debt Applicable to Debt Limit	50,410,781	47,104,547	34,887,064	30,375,714
Legal Debt Margin Within 10 ½ % Limitations	\$53,034,045	\$60,775,082	\$69,364,537	\$69,765,852
Legal Debt Margin as a Percentage of the Debt Limit	51.27%	56.34%	66.54%	69.67%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$54,185,385	\$56,508,377	\$54,607,981	\$52,455,106
Total Gross Indebtedness	62,538,452	61,478,705	53,523,874	51,392,542
Less:				
Special Assessment Bonds	(843,242)	(1,086,230)	(1,581,906)	(2,077,082)
OPWC Loans	(434,173)	(360,729)	(354,423)	(463,486)
OWDA Loans	(9,609,279)	(11,455,596)	(14,758,119)	(16,232,982)
General Bond Retirement Fund Balance	(1,240,977)	(1,471,603)	(1,942,362)	(2,243,278)
Net Debt Within 5 ½ % Limitations	50,410,781	47,104,547	34,887,064	30,375,714
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$3,774,604	\$9,403,830	\$19,720,917	\$22,079,392
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	6.97%	16.64%	36.11%	42.09%

Source: City Financial Records

2003	2002	2001	2000	1999	1998
<u>\$926,635,029</u>	<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>\$97,296,678</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>
23,427,742	23,427,742	24,352,566	16,879,639	17,576,712	15,128,784
2,547,257	2,547,257	2,992,433	3,445,361	3,893,289	4,293,217
7,030,000	7,030,000	2,800,000	2,200,000	3,000,000	1,600,000
588,362	588,362	587,707	549,113	603,169	558,347
<u>17,601,555</u>	<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>
51,194,916	51,194,916	49,604,257	43,393,428	46,486,248	43,894,969
(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>26,209,839</u>	<u>23,297,052</u>	<u>15,827,043</u>	<u>17,941,402</u>	<u>14,074,216</u>
<u>\$69,263,763</u>	<u>\$69,623,297</u>	<u>\$72,674,123</u>	<u>\$68,380,316</u>	<u>\$64,245,008</u>	<u>\$67,169,705</u>
71.19%	72.65%	75.72%	81.20%	78.17%	82.68%
<u>\$50,964,927</u>	<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>
51,194,916	51,194,916	49,604,257	43,393,428	46,486,248	43,894,969
(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>26,209,839</u>	<u>23,297,052</u>	<u>15,827,043</u>	<u>17,941,402</u>	<u>14,074,216</u>
<u>\$22,932,012</u>	<u>\$23,988,470</u>	<u>\$26,973,563</u>	<u>\$28,281,574</u>	<u>\$25,108,622</u>	<u>\$28,482,124</u>
45.00%	47.79%	53.66%	64.12%	58.32%	66.93%

**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	
2007	\$9,983,573	\$7,984,908	\$1,998,665	\$1,972,826	\$956,223	0.68%
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

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 Ten Years Ago

<b>2007</b>		
Employer (b)	Employees (b)	Percentage of Total City Employment
EMH Regional Medical Center	1,664	5.62%
Lorain County	1,649	5.57
Elyria City School District	972	3.28
Invacare	767	2.59
Ridge Tool Company	610	2.06
Parker Hannifin Corporation	512	1.73
The City of Elyria	510	1.72
Lorain County Community College	420	1.42
Bendix Commercial Vehicle Systems LLC	399	1.35
Elyria Foundry Company	374	1.26
<b>Total</b>	<b>7,877</b>	<b>26.61%</b>
<b>Total Employment within the City (a)</b>	<b>29,600</b>	

<b>1997</b>		
Employer (b)	(b)	
Lorain County (c)	1,375	4.72%
EMH Medical Center	1,200	4.12
Invacare Corporation	1,171	4.02
Elyria City School District	1,110	3.81
York International Corporation	885	3.03
Ridge Tool Company / Emerson Electric	840	2.88
The City of Elyria	495	1.70
Murray Ridge Production Center	485	1.66
Parker Hannifin Corporation	453	1.55
Lorain County Community College	345	1.18
<b>Total</b>	<b>8,359</b>	<b>28.67%</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)
2007	55,953 (a)	\$1,082,354,832	\$19,344 (a)	\$38,156 (a)	34.8
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

(1) Source: U. S. Census

(a) Years 2000 through 2006 - 2000 Federal Census

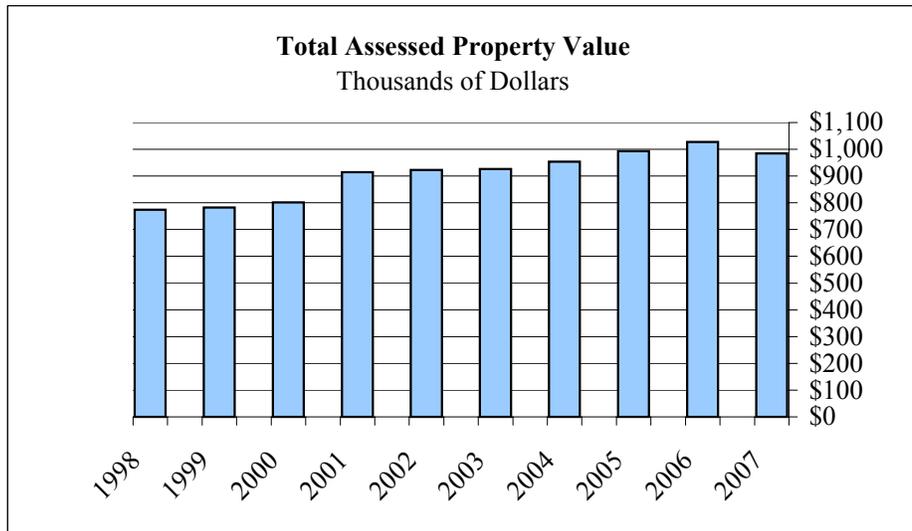
(b) Years 1997 through 1999 - 1990 Federal Census

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

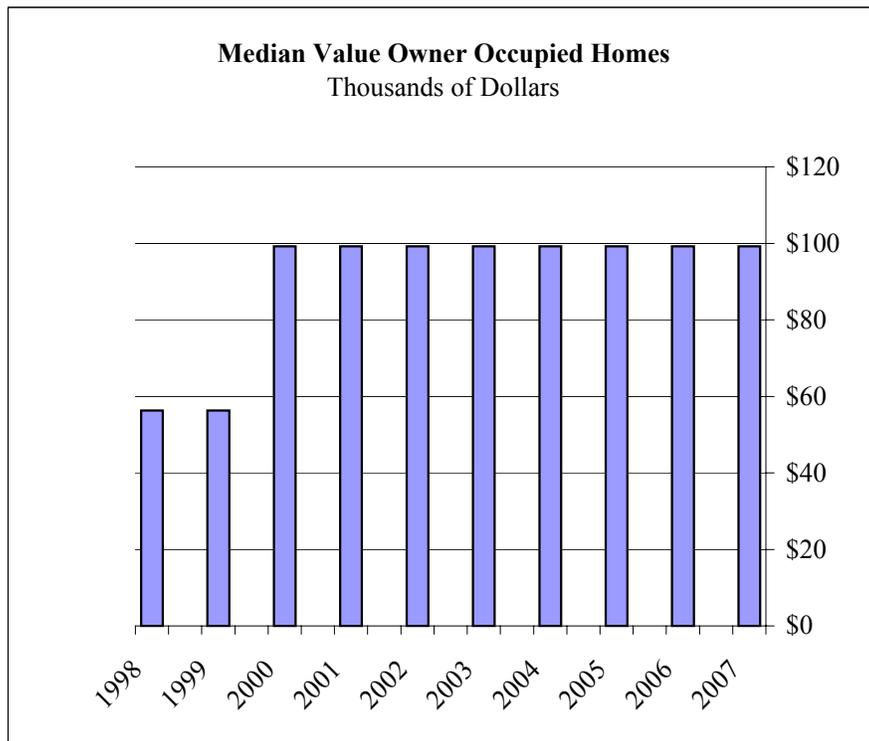
(3) Source: Ohio Department of Job and Family Services

(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)	7,730	6.3%	\$99,200 (a)	\$985,189
5.8 (a)	7,761	5.7	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



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

Function/Program	2007	2006	2005	2004	2003	2002
<b>General Government</b>						
Mayor	2.00	2.00	2.00	2.00	2.00	2.00
Administration	1.50	1.50	1.00	1.50	1.50	1.50
Income Tax	1.00	1.00	1.00	1.00	1.00	1.00
Auditor	7.00	7.50	7.50	7.50	7.50	8.00
Law Director	15.00	14.50	14.00	14.00	13.00	14.50
Council	8.00	8.00	8.00	8.00	8.00	8.00
Court	44.50	45.00	46.00	44.00	45.00	45.00
Civil Service	1.50	1.50	1.50	1.50	1.50	1.50
Building & Lands	3.00	3.00	3.00	3.00	2.00	2.00
Engineer	5.00	5.00	6.00	6.00	7.00	7.00
Central Maintenance	8.00	8.00	8.00	7.00	7.00	7.00
<b>Public Safety</b>						
Police	89.00	88.00	84.00	85.00	90.00	92.00
Police - School Guards	24.50	25.50	25.00	25.50	27.50	27.50
Police - Dispatchers/Office/Other	28.00	28.00	28.00	27.00	30.00	32.50
Police - Prisoner Support	22.00	22.00	19.00	19.00	20.00	20.00
Police - Animal Wardens	0.00	0.00	1.00	1.00	1.00	1.00
Fire	69.00	70.00	72.00	66.50	66.50	72.00
Fire - Secretary - Other	2.00	2.00	2.00	3.00	3.00	3.00
Communications	2.00	2.00	2.00	2.00	2.00	2.00
Safety Service	8.00	7.00	8.00	7.00	7.50	7.00
Traffic Lights	4.00	4.00	4.00	4.00	4.00	3.00
<b>Health</b>						
Cemetery	5.50	6.00	6.50	6.00	5.50	6.50
Health Administration	26.00	29.50	31.50	35.50	34.50	35.50
<b>Culture and Recreation</b>						
Parks & Recreation	20.00	20.00	21.00	20.00	22.00	22.00
Swimming Pools	25.50	27.00	28.00	29.00	34.00	32.50
<b>Community Environment</b>						
Planning	1.00	1.00	1.00	2.00	2.00	2.00
Client Advocate	0.00	0.00	1.00	1.00	1.00	0.00
Community Development	5.00	5.00	5.00	5.00	5.00	4.00
Building	15.00	14.00	13.50	14.50	15.50	14.50
<b>Highways and Streets</b>						
Central Maintenance	8.00	8.00	8.00	7.00	7.00	7.00
Street M&R	14.00	14.00	14.00	14.00	14.00	18.00
<b>Business-type activities</b>						
Sanitation	25.00	26.00	26.50	26.00	27.00	27.00
Water	51.00	51.00	54.00	54.00	55.00	54.00
Wastewater	55.50	53.50	56.50	58.50	59.00	56.50
Totals:	596.50	600.50	609.50	608.00	628.50	637.00

**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 Six Years (1)*

Function/Program	2007	2006	2005	2004	2003	2002
<b>General Government</b>						
<i>Council and Clerk</i>						
Number of Ordinances Passed	164	179	165	194	215	236
Number of Resolutions Passed	25	69	23	27	30	29
Number of Planning Commission docket items	55	81	92	128	102	n/a
Zoning Board of Appeals docket items	32	19	20	24	22	26
<i>Finance Department</i>						
Number of checks/ vouchers issued	28,798	27,999	28,006	31,001	28,402	n/a
Interest earnings for fiscal year (cash basis)	\$1,469,598	\$1,259,434	\$696,259	\$356,060	\$431,678	\$680,710
Agency Ratings - Moody's Financial Services	A2	A2	A2	A2	A2	A2
Health Insurance Costs vs General Fund Expenditures %	15.60%	17.69%	19.38%	15.03%	19.17%	17.76%
General Fund Receipts (modified accrual basis)	\$28,907,620	\$28,912,270	\$27,683,228	\$26,460,680	\$25,281,266	\$25,918,364
General Fund Expenditures (modified accrual basis )	\$28,903,261	\$29,084,157	\$26,254,660	\$26,615,198	\$26,872,551	\$26,343,509
General Fund Balances (modified accrual basis)	\$5,379,873	\$5,375,514	\$5,547,401	\$4,118,833	\$4,273,351	\$5,864,636
<i>Income Tax Department</i>						
Number of Individual Returns	18,107	19,124	24,588	18,801	19,132	n/a
Number of Business Returns	1,952	1,735	2,063	2,133	1,994	n/a
Number of business withholding accounts	2,499	2,416	2,547	2,520	2,521	2,458
Amount of Penalties and Interest Collected	\$84,365	\$143,012	\$106,738	\$65,607	\$83,690	n/a
Annual number of Corporate withholding forms processed	18,162	18,510	17,591	17,846	17,209	n/a
Annual number of balance due statements forms processed	11,336	11,301	12,255	11,597	10,304	n/a
Annual number of reconciliations of withholdings processed	1,874	2,055	2,217	2,093	2,144	n/a
<i>Engineer Contracted Services</i>						
Dollar amount of Construction overseen by Engineer	\$2,527,636	\$12,968,072	\$5,082,331	\$1,708,725	\$10,861,153	\$7,650,460
<i>Municipal Court</i>						
Number of Civil Cases	4,231	4,077	3,998	4,396	4,505	3,980
Number of Criminal cases	16,558	16,276	16,537	16,016	19,356	20,735
<i>Health Department</i>						
Number of Health Inspections	1,196	1,142	1,185	1,225	1,217	1,112
Public Health Case Management Encounters	5,027	4,162	3,840	3,884	3,944	4,138
Adult immunizations	5,681	6,216	7,322	8,457	7,023	4,990
Childhood immunizations	3,271	3,804	4,415	4,800	5,671	5,881
Dental sealants applied	2,829	2,589	2,044	1,334	1,501	638
<i>Civil Service</i>						
Number of police entry tests administered	1	0	1	0	1	0
Number of fire entry tests administered	1	0	1	0	1	0
Number of police promotional tests administered	1	0	0	2	0	3
Number of fire promotional tests administered	0	2	2	2	2	1
Number of appointments from certified lists	16	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 Six Years (1)*

Function/Program	2007	2006	2005	2004	2003	2002
<b>Building Department Indicators</b>						
Construction Permits Issued	1,578	1,811	1,828	2,175	2,366	2,544
Estimated Value of Construction	\$49,756,670	\$59,250,100	\$36,642,867	\$40,465,710	\$53,933,506	\$83,558,723
Amount of Revenue generated from permits	\$475,716	\$440,594	\$232,806	\$200,335	\$325,933	\$429,331
Amount of Revenue from contractor registrations issued	\$82,325	\$99,175	\$90,250	\$90,845	\$104,874	\$102,950
<b>Public Safety</b>						
<b>Police</b>						
Total Calls for Services	37,409	37,700	38,644	40,096	39,409	38,900
Number of traffic citations issued	5,041	5,296	5,544	5,204	6,230	7,305
Number of parking citations issued	1,301	1,627	2,170	2,297	2,758	3,009
Number of criminal arrests	11,194	11,362	12,324	11,603	12,440	13,721
Number of accident reports completed	2,095	2,097	2,330	2,530	2,533	2,583
Part 1 Offenses (major offenses)	3,909	4,397	4,129	4,575	4,352	4,788
Animal Warden service calls responded to per annual report	n/a	n/a	n/a	536	502	525
Police Dept. Auxiliary hours worked	633	1,820	1,600	1,383	1,752	1,761
DUI Arrests	541	596	340	449	575	744
Prisoners	4,087	3,921	4,149	4,113	4,397	4,546
Prisoner meal costs	\$108,798	\$108,227	\$98,792	\$91,298	\$101,493	\$115,401
Property damage accidents	1,684	1,669	1,871	2,014	2,039	2,069
Fatalities from Motor Vehicle Accidents	2	0	1	3	4	3
Safety Town Students	405	450	400	355	347	405
<b>Fire</b>						
EMS Calls	2,508	2,303	2,201	2,104	2,081	n/a
Fire Calls	246	218	216	227	197	n/a
Fires with Loss	125	81	88	114	53	n/a
Fires with Losses exceeding \$10K	21	26	20	18	21	n/a
Fire Safety Inspections	734	1,398	628	845	965	n/a
Number of times Mutual Aid given to Fire and EMS	22	22	16	5	9	n/a
Number of times Mutual Aid received for Fire and EMS	12	14	12	4	4	n/a
<b>Health</b>						
Cemetery burials	198	220	216	225	223	234
Cemetery cremations	45	49	41	39	41	34
Cemetery sale of lots	168	170	161	217	220	218
Cemetery receipts	\$89,965	\$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 Six Years (1)*

Function/Program	2007	2006	2005	2004	2003	2002
<b>Culture and Recreation</b>						
<i>Recreation</i>						
Number of parks	13	13	14	14	14	14
Size of parks in acreage	358	358	360	360	360	360
Recreation Swimming pool receipts	\$59,416	\$60,415	\$54,649	\$53,400	\$51,897	\$54,834
Recreation Mens & Womens League/Program receipts	269,060	250,748	226,999	218,669	214,094	215,788
Recreation Ice rink receipts	145,867	131,596	116,065	124,392	103,831	123,609
Recreation Concessions and miscellaneous receipts	94,153	91,557	107,502	110,469	75,817	88,052
Fireworks donations	14,287	14,792	22,427	25,274	20,373	24,728
<b>Total Recreation Department receipts</b>	<b>\$582,783</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	\$827,159	\$671,358	\$739,003	\$772,000	\$772,000	\$795,000
Community Development Block Grant Program Income	\$36,606	\$108,572	\$116,182	\$227,214	\$62,067	\$171,045
Comprehensive Housing Improvement Program Grants	\$0	\$0	\$500,000	\$0	\$0	\$500,000
Comprehensive Housing Improvement Program Income	\$49,067	\$56,154	\$27,750	\$90,817	\$93,880	\$56,378
Enterprise Zone/Community Reinvestment Area Fees	\$8,000	\$7,500	\$6,600	\$5,500	\$9,000	\$11,000
<b>Basic Utility Services</b>						
Refuse collection rates (by month)						
Residential	\$ 16.10	\$ 15.41	\$ 14.75	\$ 14.11	\$ 13.00	n/a
Homestead	7.45	7.13	6.82	6.25	6.00	n/a
Commercial:						
Basic	47.71	45.65	43.68	41.80	40.00	n/a
One-yard container	28.62	27.39	26.21	25.08	24.00	n/a
Two-yard container	37.20	35.60	34.07	32.60	31.20	n/a
Cost per cubic yard	9.30	8.90	8.52	8.15	7.80	n/a
Extra pick-up charge	27.19	26.02	24.90	23.83	22.80	n/a
Refuse collection customer counts						
Residential	15,120	15,058	14,866	15,415	15,338	n/a
Homestead	879	854	847	884	880	n/a
Commercial	137	135	134	145	144	n/a
<b>Total</b>	<b>16,136</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	\$3,068,058.41	\$2,876,215.84	\$2,768,636.66	\$2,710,532.97	\$2,697,047.73	n/a
Homestead	86,179.21	74,012.57	71,243.34	70,354.44	70,004.42	n/a
Commercial	111,395.70	109,302.43	110,470.08	114,284.46	113,715.88	n/a
<b>Total</b>	<b>\$3,265,633.32</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 Six Years (1)*

Function/Program	2007	2006	2005	2004	2003	2002
<b>Water Department</b>						
Water Rates per 1st 300 Cu ft of water used						
Residential	\$ 5.34	\$ 5.11	\$ 4.89	\$ 4.68	\$ 4.25	n/a
Homestead	3.77	3.61	3.45	3.30	3.00	n/a
Minimum charge 400 - 7,000 Cu ft of water used	1.42	1.36	1.30	1.25	1.14	n/a
Minimum charge 7,001 - 20,000 Cu ft of water used	1.39	1.33	1.27	1.22	1.11	n/a
Minimum charge > 20,000 Cu ft of water used	1.36	1.30	1.24	1.19	1.08	n/a
Water customer counts						
Residential	21,269	21,470	21,430	21,397	21,343	n/a
Homestead	1,101	1,112	1,098	1,086	1,066	n/a
Commercial	645	637	633	630	625	n/a
Total	23,015	23,219	23,161	23,113	23,034	n/a
Water billings by customer type						
Residential	\$3,575,875.61	\$3,185,888.48	\$2,999,626.16	\$2,848,037.63	\$2,570,796.73	n/a
Homestead	84,110.61	81,405.36	79,580.23	69,599.81	67,937.09	n/a
Commercial	1,980,215.81	1,977,676.29	2,196,874.60	1,979,774.50	1,938,487.37	n/a
Total	\$5,640,202.03	\$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	1,993,219	1,895,298	1,943,242	1,905,204	1,892,547	n/a
Homestead	50,206	53,321	55,124	51,143	53,707	n/a
Commercial	1,884,235	1,739,906	1,896,317	1,555,145	1,648,799	n/a
Total	3,927,660	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	\$ 8.65	\$ 8.28	\$ 7.92	\$ 7.59	\$ 7.26	n/a
Charge per HCF over 3 HCF	2.88	2.76	2.64	2.53	2.42	n/a
Minimum Charge 0 to 3 HCF-DEBT	4.70	4.50	4.32	4.14	3.96	n/a
Charge per HCF over 3 HCF	1.56	1.50	1.44	1.38	1.32	n/a
Monitor Fee	0.25	0.25	0.25	0.25	0.25	n/a
Sewer customer counts by type						
Residential/Homestead	18,601	18,302	18,259	18,216	18,156	n/a
Commercial	555	551	548	545	540	n/a
Total	19,156	18,853	18,807	18,761	18,696	n/a
Sewer receipts by customer type						
Residential/Homestead	\$6,971,417.29	\$6,632,625.42	\$6,035,827.56	\$6,201,239.03	\$5,396,253.35	n/a
Commercial	2,699,186.88	2,593,216.76	2,704,411.35	2,603,071.63	2,687,919.49	n/a
Total	\$9,670,604.17	\$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	1,528,087	1,541,106	1,601,985	1,588,938	1,558,781	n/a
Commercial	568,544	562,467	591,065	613,478	595,924	n/a
Total	2,096,631	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 Five Years*  
*(Accrual Basis of Accounting)*

Function/Program	2007	2006	2005	2004	2003
<b>General Government</b>					
Square Footage Occupied - City Hall	62,103	62,103	62,103	62,103	17,500
Square Footage Occupied - Muni Court	49,000	17,500	17,500	17,500	17,500
Municipal Court Vehicles	2	3	3	3	3
Engineering Vehicles	5	8	8	7	7
Central Maintenance Garage Vehicles	3	5	5	5	5
<b>Public Safety</b>					
<b>Police</b>					
Stations	1	1	1	1	1
Square Footage of Building	53,000	53,000	53,000	53,000	53,000
Vehicles	99	108	100	92	92
<b>Fire</b>					
Stations	4	4	4	4	4
Square Footage of Station #1 Cedar St.	8,784	8,784	8,784	8,784	8,784
Square Footage of Station #2 E. Broad St.	16,364	16,364	16,364	16,364	16,364
Square Footage of Station #3 Lorain Blvd.	7,443	7,443	7,443	7,443	7,443
Square Footage of Station #4 N. Abbe Rd.	6,750	6,750	6,750	6,750	6,750
Vehicles	23	21	21	21	21
<b>Communications</b>					
Vehicles	6	8	8	7	7
<b>Safety Service</b>					
Vehicles	2	6	6	6	6
<b>Health</b>					
<b>Health</b>					
Vehicles	6	5	5	5	5
<b>Cemetery</b>					
Vehicles	13	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 Five Years*  
*(Accrual Basis of Accounting)*

Function/Program	2007	2006	2005	2004	2003
<b>Culture and Recreation</b>					
Number of Parks	13	13	14	14	14
Number of Pools	4	4	4	4	4
Number of Ice Rinks	1	1	1	1	1
Number of Tennis Courts	4	4	10	10	10
Number of Skateboarding Areas	1	1	1	0	0
Number of Baseball Diamonds	10	10	10	10	10
Number of Soccer Fields	2	2	2	2	0
Square Footage of North Park Center	22,908	22,908	22,908	22,908	22,908
Square Footage of South Park Center	10,256	10,256	10,256	10,256	10,256
Square Footage of East Park Center	11,288	11,288	11,288	11,288	11,288
Square Footage of West Park Center	9,922	9,922	9,922	9,922	9,922
Vehicles	35	27	27	26	25
<b>Community Environment</b>					
<b>Community Development</b>					
Vehicles	6	8	8	8	8
<b>Housing Code Enforcement</b>					
Vehicles	6	9	9	9	9
<b>Highways and Streets</b>					
Streets (miles)	192	192	192	192	189
Service Vehicles	31	28	26	26	26
<b>Water</b>					
Water Lines (miles)	220	220	220	220	219
Vehicles	22	21	21	20	20
<b>Sanitation</b>					
Vehicles	18	19	19	19	19
<b>Wastewater</b>					
Sanitary Sewers (miles)	184	184	184	184	183
Storm Sewers (miles)	113	113	113	113	112
Vehicles	39	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 15, 2008**