

# **City of Lakewood, Ohio**

**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2001**

**Issued by the Department of Finance**

**Glenda J. Blasko, CPA, Director of Finance**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

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Honorable Mayor and  
Members of City Council  
City of Lakewood  
12650 Detroit Avenue  
Cleveland, Ohio 44107

We have reviewed the Independent Auditor's Report of the City of Lakewood, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Lakewood is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

July 19, 2002

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MADELINE A. CAIN  
MAYOR

## Introductory Section

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# CITY OF LAKEWOOD, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT – DECEMBER 31, 2001

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lakewood,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2000

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.



*Smith D. Crew*  
President

*Jeffrey L. Esler*  
Executive Director



12650 DETROIT AVENUE • 44107 • 216/529-6600 • FAX 216/521-1379

MADLINE A. CAIN  
MAYOR

June 1, 2002

To: City Council, and the Citizens of the  
City of Lakewood, Ohio:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lakewood for the year ended December 31, 2001. This report presents comprehensive financial and operating information relating to the City's activities during 2001. The responsibility for the accuracy of all data presented, its completeness and fairness of presentation, rests with the City of Lakewood, and specifically, the Department of Finance. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and the results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The CAFR is arranged in three sections:

- \* **Introductory Section** contains the table of contents, a list of principal City officials, an organizational chart, and this transmittal letter.
- \* **Financial Section** includes the Report of Independent Accountants; the general purpose financial statements, the notes to these financial statements; and more detailed combining and individual fund and account group statements and schedules.

- \* **Statistical Section** includes select financial, economic and demographic information about the City, which may be used to indicate trends for comparative fiscal periods.

### **The Reporting Entity**

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

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

The following entities are affiliated organizations of the City of Lakewood; however the City is not financially accountable for these entities. Therefore, these entities have been excluded from the financial reporting entity.

- Lakewood Hospital, a full service, short-term, acute care general hospital, is located in the center of the City. Lakewood Hospital employs approximately 1,400 people making it the largest employer within the City. In 2001 Lakewood Hospital had 9,580 admissions, 7,412 surgeries, 109,643 repeat outpatients and approximately 36,000 emergency room visits.
- The Board of Education of the Lakewood City School District is a separate political subdivision of the State, the territorial boundaries of which are conterminous with the City limits. The Lakewood Board of Education provides public education for grades 1 through 12 and is the second largest employer within the City employing approximately 1,300 employees.

### **City of Lakewood**

Lakewood is located along the shores of Lake Erie, five miles west of downtown Cleveland. The City's 5.6 square miles are comprised primarily of a vintage residential community offering diversity in housing from modest single family homes and apartments to luxury "Gold Coast" condominiums and homes of distinct architectural design located within a

national historic district. Single-family structures comprise 74% of the housing stock. Lakewood is recognized for its tree-lined streets, excellent school system, and outstanding City services. The 2000 U.S. Census shows the population to be 56,646, making it the 14th largest city in Ohio.

The City operates under a City Charter that provides for a Mayor/Council form of government. Legislative authority is vested in a seven member council (three at-large and one for each of four wards in the City). Council members are elected for a four year term. The Council sets compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriations and indebtedness, licensing of regulated trades, and other municipal purposes. The City's Chief Executive Officer is the Mayor, who is elected by the voters for a four-year term.

### **Economic Condition and Outlook**

Lakewood's economy reflects the same positive direction of moderate economic growth enjoyed by Greater Cleveland and Ohio over the past several years. The City maintains an Aa3 rating by Moody's Investors Service and received a positive outlook comment with the 2001 bond issue. The rating reflects the City's strong financial operations with sound year-end margins, sizable and gradually growing tax base with a favorable wealth profile and affordable debt levels. The City's bond rating is considered very favorable especially when it is compared to other Ohio municipalities. Moody's currently rates approximately 24 of 165 Ohio cities higher than the City of Lakewood.

From 1993 through 2001 the annual average growth in income tax collections averaged 3.9%. The City's income tax revenue stream can best be described as steadily growing with no major upturns or downturns due to the makeup and diversity of its employers within the City. The City's top three employers (Lakewood Hospital, Lakewood Board of Education and the City of Lakewood) are considered recession proof and comprise 24.8% of the City's total withholding income tax. On an annual budget basis municipal income tax collections totaled:

<u>Year</u>	<u>Income Tax Collections</u>
1997	\$14,011,296
1998	\$14,643,658
1999	\$15,230,142
2000	\$15,618,585
2001	\$16,826,108

Likewise, the value of real property in Lakewood has risen steadily. The County Auditor reappraised properties in Lakewood in 2000 as part of a sexennial reappraisal mandated by the State of Ohio with an update scheduled for 2003. The average residential fair market value of a Lakewood property rose 15.0%. This increase is greater than the County-wide increase of 13.1%. The City's property tax millage has remained the same since 1995 and is not subject to

the millage reduction factor. The current levy, which will be collected in 2002, is based on a total assessed valuation of \$810,424,493.

With a light industrial and moderate commercial economic base, Lakewood is characterized overall by above-average wealth and income levels. Lakewood is home to over 1,100 businesses and agencies that employ over 31,000 people. Downtown Lakewood continues to remain a competitive location for office tenants seeking an attractive urban setting, offering office space with retail and service amenities within convenient walking distance. The four major office buildings in Downtown Lakewood (with over 500,000 square feet of office space) currently have an average occupancy rate of 85%, which is equal to the average occupancy rate for the suburban Greater Cleveland office market.

Employment of Lakewood residents by sector, as supplied by the 2000 U.S. Census, shows 13,142 in managerial and professional jobs, 8,973 in technical and sales positions, and 4,426 in service industries. Almost 83% of the workforce is accounted for in these sectors. The remaining 17% includes 3,327 in the production, transportation and material and 2,148 in construction, extraction and maintenance sector. Median family income was \$53,433 in 2000 compared to the Ohio Median of \$40,956 and the U.S. Median of \$41,994.

The unemployment rate for Lakewood residents is consistently below the county, state and national level. Comparative unemployment rates for the months of February 2001, January 2002 and February 2002 are shown below:

	<u>February 2001</u>	<u>January 2002</u>	<u>February 2002</u>
City	2.7%	4.2%	4.3%
County	4.2%	6.6%	6.7%
State	4.3%	5.8%	5.9%
Nation	4.6%	6.3%	6.1%

Another key indicator of Lakewood's continuing economic strength is the investment activity in its residential and commercial construction, as measured by the construction value of building permits issued. The following table shows the number of building permits issued by the City during the period from 1996 through 2001 and the estimated cost of new construction, alterations, and repairs authorized:

<u>Year</u>	<u>Number of Building Permits Issued</u>	<u>Estimated Construction Value</u>
1996	3,547	13,657,463
1997	3,622	12,507,996
1998	3,807	18,734,237
1999	3,266	17,017,253
2000	3,333	18,536,173
2001	3,449	24,495,279

The 2001 building permit data indicates that \$10.8 million in private dollars were directly invested in the maintenance and improvement of residential properties, this reflects a

consistent trend by property owners to re-invest in their homes. Home prices range from approximately \$75,000 to well over \$1 million reflecting the diverse housing stock available. Overall, business owners invested \$13.7 million in the year 2001 in new construction and alterations to commercial properties.

Lakewood Hospital is currently renovating and expanding its acute-care Emergency Department. Lakewood Hospital, which is a part of the Cleveland Clinic Health System, estimates the expansion at \$6.5 million. In 2000, the City assisted St. Edward High School in financing a portion of its \$15 million renovation and expansion project through the issuance of tax-exempt Industrial Revenue Bonds. The City issued \$12.5 million of conduit debt on behalf of the school to provide funding for a new student activities center, the renovation of current educational and athletic facilities, and the construction of a new student life and leadership center.

Recent success in business retention and attraction include:

- Development and implementation of the new Commercial Property Revitalization Program (CPR) to increase private investment in Lakewood.
- Adoption and incorporation of the First Suburbs Consortium's Economic Revitalization Initiative and the Lakewood Park Master plan.
- Five approved renovation projects under the new Commercial Property Revitalization Program (an enhancement and expansion of the City's Storefront Program), including Geigers Clothing and Sports and Niko's restaurant. These projects generated over \$550,000 in private investment in Lakewood properties
- The City successfully secured a Cuyahoga County Brownfield grant and loan for the acquisition and environmental remediation of a long-time vacant property which was the catalyst for retention and expansion of the Virginia Marti College of Fashion and Art. This extensive preservation, renovation and restoration project generated an approximate private investment of \$1 million dollars and the retention of 20 full-time and 65 part-time jobs, the creation of 10 full-time jobs and 8 part-time jobs. The project will stimulate the local economy not only in job creation but also an estimated 60% increase in annual income taxes and an estimated 200% increase in annual property taxes.
- M.F. Cachat Company relocated the national office headquarters in Lakewood Center North bringing an additional 40 employees in 2001.
- Commercial Investment in the past few years has included the introduction of several new national chains and other small local businesses including Walgreen's Drugstore, Chipotle Mexican Grill, and Mueller Tire along with significant reinvestment in the major remodeling of several existing businesses including McDonald's Restaurant, Speedway and BP Oil.

The City is currently implementing the following projects:

- Participating in the redevelopment of a previous public nuisance, the Yorktown Hotel, into a professional medical office facility.
- Actively working with a developer to implement the Main Street Economic Revitalization Initiative to revitalize and redevelop the West End District. The proposed development includes a 550,000 square foot mixed-use space that will combine retail, housing and increased green space to enhance the quality of life for the community with an estimated construction cost of approximately \$140 million.
- Major façade improvement with First Federal of Lakewood of approximately \$500,000.
- Actively work with local entrepreneur to establish an Irish restaurant – potential investment of \$750,000.

**Major Initiatives**

The City’s 2001 operating budget focused on providing high quality services to residents and businesses. The budget provided funding for numerous programs that enhance the safety of the City’s neighborhoods and strengthen the community. These projects provided for the continuous delivery of services and operations through the year while also improving the operational efficiency of numerous departments and divisions.

During 2001, the City was successful in obtaining zero-interest loan financing from the State of Ohio to support water main replacements on six streets. The loan financing for these projects totaled \$1,800,000. In addition the City received \$62,059 in “loan assistance” grant funds to pay the interest on the bond anticipation notes associated with the street reconstruction of three streets. The City has aggressively and successfully captured over \$8 million in State of Ohio Issue 2 infrastructure grants and zero-interest loans since 1997 as indicated below:

ZERO PERCENT ISSUE 2 LOANS

Project Description	Year	Awarded	Utilized	Status
Forest & Clifton Rd. Reconstruction	1997	\$ 616,000	\$ 616,000	Complete
1997 Water Main Replacements	1997	1,349,700	1,248,464	Complete
1998 Water Main Replacements	1998	2,108,906	1,944,013	Complete
Edgewater Drive Sewer Separation	1999	654,057	604,258	Complete
West Clifton Storm Sewer Rehabilitation	1999	127,890	85,461	Complete
2000 Water Main Replacements	2000	1,193,831	846,930	Active
Lakewood Hts. Blvd. Reconstruction	2000	232,560	232,560	Complete
2001 Water Main Replacements	2001	1,800,000	812,068	Active
		<u>\$ 8,082,944</u>	<u>\$ 6,389,753</u>	

The year 2001 marked the second full year of City-operated emergency medical service which was previously operated by Lakewood Hospital. Prior to October 1999, the City reimbursed the Hospital for emergency medical services. The total of this reimbursement ranged from \$400,000 to \$550,000 in City dollars annually. In October of 1999, the City of Lakewood

Division of Fire absorbed the Lakewood Hospital EMS program, added an additional advanced life support EMS squad and doubled the number of trained emergency medical responders. The revenue generated in 2001 from the City's emergency medical service increased 33% over 2000. The net "cost" of the service in 2001 was \$166,841 resulting in an approximate saving of over \$500,000 since the inception of the operation.

In 2001 the City took delivery on a new 100-foot aerial ladder truck for the Fire Department at a cost of \$525,000. In addition to increasing the safety of our citizens and fire personnel with this substantial purchase, Council has appropriated funds for the purchase of a new medical rescue squad in 2002. The purchase of the medical squad reiterates the City's commitment in replacing one of the five squads every three years to not only ensure prompt medical assistance but also reliable equipment that has current technology.

The safety forces for the City of Lakewood are not only dedicated to promote, preserve, and deliver security, safety, and quality of life to the Lakewood but also reiterate the caring spirit of the Lakewood community. This spirit was demonstrated with the Lakewood Cares Benefit that the Lakewood Fire and Police promoted. In the aftermath of the tragedy on September 11, 2001, members of the Division of Police and Division of Fire felt a strong desire to help the families of the public safety workers that had lost their lives. These two Divisions collaborated with the Division of Youth to conduct a charity softball game pitting the two safety forces against one another. At the conclusion of the event over \$10,000 was sent to the New York Police & Fire Widows and Children's Benefit Fund. The Division of Police will be recognized by the Cleveland Magazine in their rating of suburbs issue (June '02) for the 'Best Community Policing Project'. This project was a Hooked on Fishing - Not on Drugs program provided with funds from the Ohio Department of Natural Resources. A group of kids participated in a Summer Outdoor Adventure Program (S.O.A.P.) put on by the Neighborhood Police Officers, Outreach Worker, and Division Coordinator. The fishing segment took them to a number of area lakes and rivers where they learned fishing skills along with respect for the environment. A number of field trips were also included to expose the kids to our aquatic resources.

The City continues to use Community Development Block Grant (CDBG) funds to benefit the diverse community of Lakewood. In 2001 CDBG funds were used to continue the Project Pride and Operation Paintbrush programs. Project Pride funds the inspection of all one family, two family, three family and retail/mercantile occupancies located in the improvement target areas and low/moderate income areas. The Operation Paintbrush program provides free paint and labor to paint the exterior of very low income, owner occupied Lakewood residences. These two programs, as well as many other initiatives to serve the needs of the entire community from early childhood programs to programs provided through the division of Aging, improve the quality of life of Lakewood residents.

The City has been awarded several additional grants from various sources to offset the costs of other endeavors benefiting the community. In 2001, the City was awarded the "Recycle Ohio!" grant to implement solid waste reduction, recycling, recycling market development and litter prevention programs. The receipt of these grant funds resulted in the City achieving an

“A” by Cuyahoga County for a reduction of solid waste by 25%. Grant funds received from the Local Law Enforcement Block Grant were used to purchase equipment for the Police Department.

In addition to grant funded programs, the City’s operating budget included funding for other projects that improve the quality of life of our citizens. The Department of Human Services has developed the H2O (Help to Others) initiative, a community-based youth volunteer program which encourages the participation of Lakewood’s youth in addressing community needs. The participants assist in recycling activities, meal distribution programs, visiting senior citizens and planning numerous events.

The major components of the 2001 capital improvement plan were reconstruction and deep grind and overlay on 15 streets for a total estimated cost of \$5,136,098. The capital improvement plan also included a major renovation of the refuse facility as well as improvements to other various public buildings, improvements to various municipal properties including playgrounds and parks, and the acquisition of vehicles and equipment for various departments throughout the City.

### **Financial Information**

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

### **Single Audit**

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

The results of the City’s single audit for the fiscal year ended December 31, 2000 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The City anticipates no significant findings for 2001. The

Single Audit report is separate from this comprehensive annual financial report and is available from the City.

### **Budgetary Controls**

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. On or before the fifteenth day of November in each year, the Mayor, Director of Public Works and Director of Finance shall submit an appropriation budget to Council.

The Council must adopt a permanent appropriation measure for the fiscal year by April 1. Additionally, the Cuyahoga County Auditor must certify that the City's appropriation measure does not exceed the amounts set forth in the County Budget Commission's Certificate of Estimated Resources.

The City's budget is legally adopted and controlled on a budget basis; therefore, the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) reports actual cash revenues and expenditures (including encumbrances) compared to budgeted amounts. The City maintains budgetary control on a non-GAAP basis at the fund level. Estimated expenditure amounts are encumbered prior to the release of a purchase order to vendors or the finalization of other contracts. Encumbrances which would exceed available fund budget levels are not approved until the City Council approves additional appropriations. Any encumbrances that remain open at the end of the year are reported as a reserve of fund balance. Unencumbered appropriations lapse at year-end.

In addition to the budgetary controls noted above, City ordinances require that all professional service contracts in excess of \$5,000 be authorized by City Council. All contracts in excess of \$7,500 must be authorized by Council and approved by the Board of Control comprised of the Mayor, and the Directors of the Law Department, the Finance Department, and the Public Works Department.

### **Accounting System**

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

**Governmental Funds**

The following schedule presents a summary of Governmental Fund revenues on a GAAP basis, including the increases (decreases) over the prior year, as restated, for the year ended December 31, 2001:

2001 GAAP BASIS REVENUES  
All Governmental Funds

	2001 Actual	Percent of Total	2000 Actual	Percent of Total	Percent Increase (Decrease)
Revenues					
Taxes	\$ 29,200,745	62.57%	\$ 26,528,224	59.01%	10.07%
Licenses and permits	765,485	1.64%	632,935	1.41%	20.94%
Intergovernmental	11,344,560	24.31%	11,061,888	24.61%	2.56%
Charges for service	2,584,971	5.54%	2,415,852	5.37%	7.00%
Fines and forfeits	1,163,004	2.49%	1,180,221	2.63%	-1.46%
Special assessments	115,561	0.25%	96,663	0.22%	19.55%
Interest	1,166,804	2.50%	1,808,779	4.02%	-35.49%
Miscellaneous	325,033	0.70%	1,228,711	2.73%	-73.55%
Total revenues	<u>\$ 46,666,163</u>	<u>100.00%</u>	<u>\$ 44,953,273</u>	<u>100.00%</u>	

The largest source of revenue was derived from taxes. Tax revenues are comprised of Municipal Income Tax, Property Tax, and Gasoline Tax (recorded exclusively in the Special Revenue Funds). Municipal income tax increased in 2001 by approximately 7.7% over 2000. The City's income tax rate of 1.5% has remained the same since the late 1970's. The City possesses the lowest income tax rate in Cuyahoga County of the ten cities with a population of over 30,000. The City's rate of 1.5% and Shaker Heights rate of 1.75% are the only cities whose rate is not at the 2.0% level or above. The actual income tax collections for the year 2001 were as follows:

2001 ACTUAL INCOME TAX COLLECTIONS (BUDGET BASIS)

Individual	\$ 9,669,305	57.47%
Net Profit	411,073	2.44%
Withholding	<u>6,745,730</u>	<u>40.09%</u>
	<u>\$ 16,826,108</u>	<u>100.00%</u>

Property taxes, which are the second largest tax revenue source for the City, increased 11% in 2001. This increase resulted from the sexennial reappraisal of property completed by Cuyahoga County during 2000.

During 2001, interest earnings are reflective of the economic downturn that began in the second quarter of 2001. The City's portfolio yielded 6.45% at year-end 2000 and 4.71% at year-end 2001.

Estate tax revenue increased approximately \$365,000. Over the last five years, the estate tax revenue has averaged \$1.2 million. The amount of estate tax received for the year 2001 was \$1.58 million. This increase is attributed to the change in the distribution of estate tax for local governments from 64% to 70% in 2001. The distribution to local governments will increase in 2002 to 80% to help offset the increase in the taxable estate threshold from \$25,000 to \$200,000 in 2001. The taxable threshold for estates moves to \$338,000 in 2002.

The following schedule presents a summary of Governmental Fund expenditures on a GAAP basis, including the increases (decreases) over the prior year, for the year ended December 31, 2001:

All Governmental Funds						
	2001	Percent	2000	Percent	Percent	
	Actual	of Total	Actual	of Total	Increase	(Decrease)
Expenditures						
Public safety	\$ 21,757,271	40.30%	\$ 16,041,238	36.55%	35.63%	
Health	3,074,905	5.70%	3,667,836	8.35%	-16.17%	
Culture and recreation	1,869,277	3.46%	1,801,349	4.10%	3.77%	
Community environment	5,519,228	10.22%	4,356,872	9.92%	26.68%	
Sanitation	3,840,908	7.11%	4,000,709	9.11%	-3.99%	
Highways and streets	2,252,170	4.17%	2,018,050	4.60%	11.60%	
General government	6,137,933	11.38%	6,231,767	14.19%	-1.51%	
Capital outlay	3,810,178	7.06%	3,087,475	7.03%	23.41%	
Principal retirement	4,230,000	7.84%	1,312,600	2.99%	222.26%	
Interest and fiscal charges	1,494,977	2.77%	1,386,699	3.16%	7.81%	
Total expenditures	\$ 53,986,847	100.01%	\$ 43,904,595	100.00%		

The 2001 increase in expenditures was primarily due to: a 4.5% pay increase given to non-union City employees as well as union members of the American Federation of State, County, and Municipal Employees union; a projected 4.5% increase to union members of the International Association of Firefighters Local #382; and a 4.5% increase to union members of the Fraternal Order of Police Lodge #25 and an increase in the cost of natural gas.

Public Safety expenditures increased from the pay down of the accrued liability for the Ohio Police and Firemen's Disability and Pension Fund, as described in the *Account Groups* section below.

*General Fund* The General Fund GAAP basis fund balance for the year ended December 31, 2001 totaled \$9,242,408. This balance reflects the City's goal of providing excellent City

services while maintaining an adequate fund balance to insulate the City from an economic downturn or fiscal emergency.

*Special Revenue Funds* The Special Revenue Funds reflect revenues of \$10.2 million dollars and net other financing sources of \$7.4 million in 2001. Expenditures and other financing uses totaled \$17.5 million. In 2000, revenues and other financing sources totaled \$11.4 million and expenditures and other financing uses totaled \$10.9 million.

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

*Capital Projects Funds* The Capital Projects Funds account for all major capital improvement projects of the City other than those accounted for in the Proprietary and Special Revenue Fund Types. Approximately \$3.5 million dollars was expended from the Capital Projects Funds to finance improvements and acquisitions in 2001.

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

### **Proprietary Funds**

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

The Divisions of Water and Wastewater Collection and Wastewater Treatment are responsible for the pumping, distributing and treatment of potable water to all residents of the City of Lakewood in supplies adequate to meet the fire protection, domestic and commercial needs of the community. Operating revenues generated from the water system and the sewer and wastewater system totaled \$12.0 million in 2001, compared to \$12.1 million in 2000.

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

The City assumed the operations of Winterhurst Ice Rink in July 1996 and established an Enterprise Fund to account for the financial activity of the facility. The City has owned this

facility since its construction; however, prior to 1996, the Lakewood Board of Education managed and operated the ice rink. The year-end GAAP retained earnings totaled (\$75,013).

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

The City of Lakewood maintains an Internal Service Fund to finance the cost of employee hospitalization and medical insurance on a cost reimbursement basis. Of three plans offered, one plan is funded through a minimum premium agreement. According to the terms of this plan, the City is liable for an administrative premium and actual claims up to a stop loss limit. This limit, the City's deposit liability, is determined annually based on claims experience. During 2001, the City's hospitalization costs (as reported on a budget basis) increased by 17.4%.

### **Account Groups**

*General Fixed Assets Account Group* The General Fixed Assets of the City of Lakewood are those used in the performance of general government functions, and therefore, exclude the fixed assets of the Enterprise Funds. Infrastructure is not recorded as an asset of the General Fixed Asset Account Group. The General Fixed Assets (in service) have increased from \$34.5 million in 2000 to nearly \$37.0 million in 2001 primarily due to the acquisitions made through the Capital Projects Funds.

*General Long-Term Obligation Account Group* The General Long Term Obligation Account Group is used to account for the City's long-term debt obligations of its Governmental Fund Types. Principal and interest payments for Enterprise Fund debt is accounted for within the Enterprise Funds. Lakewood voters approved the "Second Amended Charter" on November 7, 2000. The Charter change permits the City to issue bonds to retire the City's accrued liability of \$7,553,295 owed to the Police and Firemen's Disability and Pension Fund (PFDPF). The accrued liability for the City was initiated in 1966 and established payments to the PFDPF amounting to \$419,364 until the year 2035. The PFDPF has offered municipalities the ability to fully retire the accrued liability by paying a lump sum equal to 72.5% of the remaining liability. The City issued bonds on May 1, 2001 to finance the accrued liability in the amount of \$5,250,000. The retirement of this debt will be financed by the specific property tax indicated within the Charter. The City's cash flow savings will exceed \$5 million and retire the newly issued bonds 14 years earlier with similar annual payments.

### **Cash Management**

The City of Lakewood's investment policy includes minimizing credit and market risks, while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by

federal depository insurance or surety bonds, collateralized, or secured by pledged assets consisting of eligible securities with an aggregate market value equal to 110% of the excess of all public deposits that are not insured by the Federal Deposit Insurance Corporation or any other agency or instrumentality of the Federal Government. All collateral on deposits were held by an agent of the financial institution's trust department, but not in the City of Lakewood's name.

The City's investment policy includes the following obligations as eligible investments: obligations of the U.S. government (including bills and notes); obligations of instrumentalities of the U.S. Government; investment in the Ohio State Treasurer's Asset Reserve Fund (STAR Ohio); certificates of deposits with eligible institutions; bonds and other obligations of the State of Ohio; and repurchase agreements with eligible institutions.

## **Other Information**

### Awards

#### ***Certificate of Achievement for Excellence in Financial Reporting***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood, Ohio for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. The City of Lakewood, Ohio has received a Certificate of Achievement for the last 19 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

#### ***Tree City USA***

The City was presented with its 25<sup>th</sup> consecutive Tree City USA award in 2001. Lakewood has received this award more than any other city in Ohio.

### Independent Audit

State statutes require an annual audit by the State Auditors Office or by a designated independent certified public accounting firm. This year's audit was completed by Ciuni and Panichi, Inc. along with Watson, Rice & Company. The City of Lakewood has received an

unqualified opinion from Ciuni and Panichi, Inc., for 2001 and the opinion is contained herein.

Acknowledgments

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

Respectfully Submitted,



Madeline A. Cain  
Mayor



Glenda J. Blasko  
Director of Finance

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**CITY OF LAKEWOOD, OHIO**

**2001 ELECTED OFFICIALS**

**DECEMBER 31, 2001**

---

Mayor.....Madeline A. Cain

Municipal Court Judge.....Patrick Carroll

City Council At Large.....Edward FitzGerald

City Council At Large..... Pamela J. Smith

City Council At Large..... Michael J. Skindell

City Council by Wards:

Ward 1.....Brian T. Corrigan

Ward 2..... Thomas J. George

Ward 3.....Robert M. Seelie, Council President

Ward 4..... Nancy J. Roth

# **CITY OF LAKEWOOD, OHIO**

## **2001 APPOINTED OFFICIALS**

**DECEMBER 31, 2001**

---

### **Office of the Mayor**

Executive Assistant to the Mayor ..... Keith Benjamin

### **Office of Council**

Clerk of Council..... Mary Hagan

### **Municipal Court**

Clerk of Courts..... Richard L. Gray  
Magistrates..... Thomas O'Malley and Terease Neff

### **Department of Law**

Director of Law ..... Kevin Spellacy

### **Department of Finance**

Director of Finance ..... Glenda J. Blasko

### **Department of Public Works**

Acting Director of Public Works ..... John Kilgore

### **Department of Public Safety**

Assistant Director of Housing and Building ..... John P. Gallagher  
Chief of Fire ..... Lawrence E. Mroz  
Chief of Police ..... Dan R. Clark

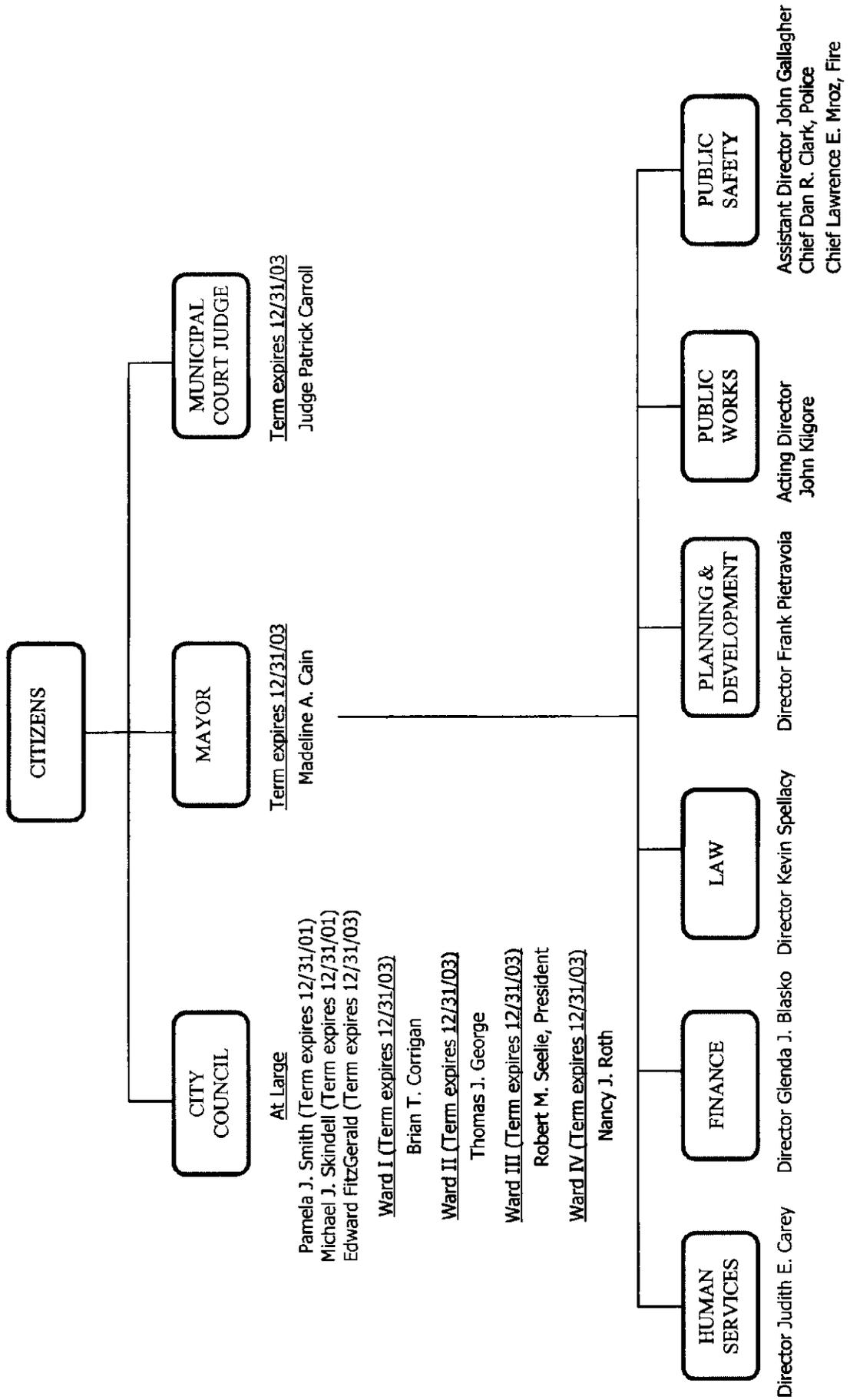
### **Department of Human Services**

Director of Human Services..... Judith E. Carey  
Health Commissioner ..... Dr. Virginia A. Evans

### **Department of Planning and Community Development**

Director of Planning and Development ..... Frank Pietravoia

CITY OF LAKEWOOD, OHIO  
 Organizational Chart  
 as of December 31, 2001



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12650 DETROIT AVENUE • 44107 • 216/529-6600 • FAX 216/521-1379

MADELINE A. CAIN  
MAYOR

## Financial Section

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# CITY OF LAKEWOOD, OHIO

## COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

**DECEMBER 31, 2001**

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>ASSETS AND OTHER DEBITS</b>						
<u>Assets</u>						
Equity in pooled cash and cash equivalents	\$ 7,474,008	\$ 3,549,072	\$ 692,476	\$ 2,510,241	\$ 11,002,674	\$ 2,612,570
Receivables:						
Taxes	14,560,257	2,261,055	2,467,250	-	1,422,047	-
Accounts	-	183,856	-	42,390	1,738,064	-
Special assessments	-	-	110,868	90,408	-	-
Loans	-	3,150,278	-	-	-	-
Other	300,311	17,499	-	-	-	-
Less allowance for doubtful accounts	-	-	-	-	(66,731)	-
Receivables, net	14,860,568	5,612,688	2,578,118	132,798	3,093,380	-
Due from other funds	183,755	-	-	-	-	429,249
Due from other governments	840,448	1,040,729	164,255	-	94,634	-
Prepaid items	202,047	11,335	-	-	-	-
Inventories	123,801	44,187	-	-	244,011	-
Restricted cash	-	-	-	-	785,583	-
Deferred bond issuance costs	-	-	-	-	317,167	-
Fixed assets:						
Land and land improvements	-	-	-	-	2,659,166	-
Utility plant in service	-	-	-	-	58,892,188	-
Buildings, structures, and improvements	-	-	-	-	6,278,047	-
Machinery and equipment	-	-	-	-	9,699,605	-
Construction in progress	-	-	-	-	1,692,028	-
Less accumulated depreciation	-	-	-	-	(26,671,061)	-
Fixed assets, net	-	-	-	-	52,549,973	-
<u>Other Debits</u>						
Amount available for retirement of general long-term debt	-	-	-	-	-	-
Amount to be provided for retirement of general long-term obligations:						
Debt	-	-	-	-	-	-
Other obligations	-	-	-	-	-	-
Total assets and other debits	\$ <u>23,684,627</u>	\$ <u>10,258,011</u>	\$ <u>3,434,849</u>	\$ <u>2,643,039</u>	\$ <u>68,087,422</u>	\$ <u>3,041,819</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
\$ 1,265,099	\$ -	\$ -	\$ 29,106,140
-	-	-	20,710,609
-	-	-	1,964,310
-	-	-	201,276
-	-	-	3,150,278
-	-	-	317,810
-	-	-	(66,731)
-	-	-	26,277,552
-	-	-	613,004
-	-	-	2,140,066
-	-	-	213,382
-	-	-	411,999
-	-	-	785,583
-	-	-	317,167
-	3,266,745	-	5,925,911
-	-	-	58,892,188
-	17,306,830	-	23,584,877
-	15,696,216	-	25,395,821
-	691,363	-	2,383,391
-	-	-	(26,671,061)
-	36,961,154	-	89,511,127
-	-	784,864	784,864
-	-	26,229,736	26,229,736
-	-	3,679,931	3,679,931
\$ <u>1,265,099</u>	\$ <u>36,961,154</u>	\$ <u>30,694,531</u>	\$ <u>180,070,551</u>

Continued

# CITY OF LAKEWOOD, OHIO

## COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

**DECEMBER 31, 2001**

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
<b>LIABILITIES</b>						
Accounts payable	\$ 402,313	\$ 169,345	\$ 32,011	\$ 695,662	\$ 1,127,707	\$ 251,179
Due to other funds	313,926	148,848	-	-	150,230	-
Due to other governments	193,492	-	-	-	315,825	-
Accrued wages and benefits	1,353,271	255,498	-	-	304,799	-
Accrued interest	-	-	-	-	212,038	-
Reserve for claims	-	-	-	-	-	2,675,989
Capital lease obligations	-	-	-	-	37,995	-
Other liabilities	-	-	-	-	-	-
Deferred revenue	12,179,217	2,712,561	2,617,974	122,164	1,444,981	-
Debt:						
Loans payable	-	-	-	-	5,677,025	-
Notes payable	-	-	-	2,025,000	4,050,000	-
Special assessment bonds payable with government commitment	-	-	-	-	-	-
General obligation bonds payable net of unamortized deferral on advanced refunding	-	-	-	-	13,550,811	-
Total debt	-	-	-	2,025,000	23,277,836	-
Total liabilities	14,442,219	3,286,252	2,649,985	2,842,826	26,871,411	2,927,168
<b>EQUITY AND OTHER CREDITS</b>						
Investment in general fixed assets	-	-	-	-	-	-
Contributed capital – City of Lakewood	-	-	-	-	14,425,278	500,000
Retained earnings:						
Unreserved (deficit)	-	-	-	-	26,790,733	(385,349)
Fund balances:						
Reserved for loans receivable	-	3,150,278	-	-	-	-
Reserved for inventories	123,801	44,187	-	-	-	-
Reserved for prepaid items	202,047	11,335	-	-	-	-
Reserved for encumbrances	461,323	1,495,495	-	831,474	-	-
Undesignated and Unreserved (deficit)	8,455,237	2,270,464	784,864	(1,031,261)	-	-
Total fund balances (deficit)	9,242,408	6,971,759	784,864	(199,787)	-	-
Total equity and other credits	9,242,408	6,971,759	784,864	1,825,213	41,216,011	114,651
Total liabilities, equity and other credits	\$ 23,684,627	\$ 10,258,011	\$ 3,434,849	\$ 2,643,039	\$ 68,087,422	\$ 3,041,819

The Accompanying Notes are an Integral Part of These Financial Statements

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
Trust and Agency			
\$ -	\$ -	\$ -	\$ 2,678,217
-	-	-	613,004
-	-	-	509,317
-	-	2,653,694	4,567,262
-	-	-	212,038
-	-	-	2,675,989
-	-	254,677	292,672
1,265,099	-	-	1,265,099
-	-	-	19,076,897
-	-	771,560	6,448,585
-	-	-	6,075,000
-	-	251,000	251,000
-	-	26,763,600	40,314,411
-	-	27,786,160	53,088,996
<u>1,265,099</u>	<u>-</u>	<u>30,694,531</u>	<u>84,979,491</u>
-	36,961,154	-	36,961,154
-	-	-	14,925,278
-	-	-	26,405,384
-	-	-	3,150,278
-	-	-	167,988
-	-	-	213,382
-	-	-	2,788,292
-	-	-	10,479,304
-	-	-	16,799,244
-	<u>36,961,154</u>	<u>-</u>	<u>95,091,060</u>
\$ <u>1,265,099</u>	\$ <u>36,961,154</u>	\$ <u>30,694,531</u>	\$ <u>180,070,551</u>

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# CITY OF LAKEWOOD, OHIO

## **COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENT FUND TYPES**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues</b>					
Taxes	\$ 23,420,846	\$ 3,271,589	\$ 2,508,310	\$ -	\$ 29,200,745
Licenses and permits	677,589	87,896	-	-	765,485
Intergovernmental	6,684,438	4,279,036	381,086	-	11,344,560
Charges for services	461,651	2,123,320	-	-	2,584,971
Fines and forfeits	1,056,694	106,310	-	-	1,163,004
Special assessments	1,227	1,856	56,855	55,623	115,561
Interest	1,063,302	86,264	17,238	-	1,166,804
Miscellaneous	75,506	249,527	-	-	325,033
Total revenues	<u>33,441,253</u>	<u>10,205,798</u>	<u>2,963,489</u>	<u>55,623</u>	<u>46,666,163</u>
<b>Expenditures</b>					
Current:					
Public safety	12,984,175	8,773,096	-	-	21,757,271
Health	583,143	2,491,762	-	-	3,074,905
Culture and recreation	1,869,277	-	-	-	1,869,277
Community environment	2,142,906	3,376,322	-	-	5,519,228
Sanitation	3,840,908	-	-	-	3,840,908
Highways and streets	-	2,252,170	-	-	2,252,170
General government	5,985,908	85,056	66,969	-	6,137,933
Capital outlay	353,690	-	-	3,456,488	3,810,178
Debt service:					
Principal retirement	-	-	4,190,000	40,000	4,230,000
Interest and fiscal charges	-	67,356	1,400,716	26,905	1,494,977
Total expenditures	<u>27,760,007</u>	<u>17,045,762</u>	<u>5,657,685</u>	<u>3,523,393</u>	<u>53,986,847</u>
Excess of revenues over (under) expenditures	<u>5,681,246</u>	<u>(6,839,964)</u>	<u>(2,694,196)</u>	<u>(3,467,770)</u>	<u>(7,320,684)</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of debt	-	5,250,000	2,125,275	849,725	8,225,000
Loan proceeds	-	-	-	232,560	232,560
Reimbursements received	943,587	76,745	-	-	1,020,332
Proceeds from sale of fixed assets	68,456	1,991	-	-	70,447
Capital lease resources	353,690	-	-	-	353,690
Operating transfers, in	7,000	2,468,532	-	1,051,870	3,527,402
Operating transfers, out	<u>(5,767,921)</u>	<u>(421,277)</u>	<u>-</u>	<u>-</u>	<u>(6,189,198)</u>
Net other financing sources (uses)	<u>(4,395,188)</u>	<u>7,375,991</u>	<u>2,125,275</u>	<u>2,134,155</u>	<u>7,240,233</u>
Excess of revenues and other sources over (under) expenditures and other uses	1,286,058	536,027	(568,921)	(1,333,615)	(80,451)
Fund balances, January 1, Restated	<u>7,956,350</u>	<u>6,435,732</u>	<u>1,353,785</u>	<u>1,133,828</u>	<u>16,879,695</u>
Fund balances (deficit), December 31	\$ <u>9,242,408</u>	\$ <u>6,971,759</u>	\$ <u>784,864</u>	\$ <u>(199,787)</u>	\$ <u>16,799,244</u>

The Accompanying Notes are an Integral Part of These Financial Statements

# CITY OF LAKEWOOD, OHIO

## **COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL GOVERNMENT FUND TYPES**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$ 22,186,685	\$ 23,014,772	\$ 828,087	\$ 2,754,408	\$ 3,696,593	\$ 942,185
Licenses and permits	600,000	679,039	79,039	50,000	87,896	37,896
Intergovernmental	6,070,555	6,737,324	666,769	7,559,001	4,630,080	(2,928,921)
Charges for services	441,350	457,317	15,967	1,680,864	2,147,059	466,195
Fines and forfeits	1,091,800	1,051,430	(40,370)	90,000	98,412	8,412
Special assessments	-	-	-	-	-	-
Interest	950,000	1,321,093	371,093	1,000	1,451	451
Miscellaneous	820,654	846,340	25,686	262,836	264,689	1,853
Total revenues	<u>32,161,044</u>	<u>34,107,315</u>	<u>1,946,271</u>	<u>12,398,109</u>	<u>10,926,180</u>	<u>(1,471,929)</u>
<u>Expenditures</u>						
Current:						
Public safety	12,826,871	12,845,404	(18,533)	9,590,706	8,946,813	643,893
Health	1,543,140	1,364,093	179,047	2,517,122	2,513,961	3,161
Culture and recreation	1,968,636	1,959,362	9,274	5,500	8,208	(2,708)
Community environment	2,401,164	2,297,062	104,102	5,680,692	3,891,147	1,789,545
Highways and streets	4,043,286	4,128,137	(84,851)	2,673,793	2,406,779	267,014
General government	9,183,014	6,471,581	2,711,433	190,000	95,736	94,264
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	70,000	67,356	2,644
Total expenditures	<u>31,966,111</u>	<u>29,065,639</u>	<u>2,900,472</u>	<u>20,727,813</u>	<u>17,930,000</u>	<u>2,797,813</u>
Excess of revenues over (under) expenditures	<u>194,933</u>	<u>5,041,676</u>	<u>4,846,743</u>	<u>(8,329,704)</u>	<u>(7,003,820)</u>	<u>1,325,884</u>
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	-	-	-	6,152,162	5,254,581	(897,581)
Other reimbursements	-	-	-	195,000	76,745	(118,255)
Operating transfers, in	250,512	250,512	-	2,443,532	2,468,532	25,000
Operating transfers, out	(4,177,452)	(5,767,921)	(1,590,469)	(424,439)	(421,277)	3,162
Net other financing sources (uses)	<u>(3,926,940)</u>	<u>(5,517,409)</u>	<u>(1,590,469)</u>	<u>8,366,255</u>	<u>7,378,581</u>	<u>(987,674)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(3,732,007)</u>	<u>(475,733)</u>	<u>3,256,274</u>	<u>36,551</u>	<u>374,761</u>	<u>338,210</u>
Decertification of prior year encumbrances	-	1,569	1,569	-	-	-
Fund balances, January 1	<u>5,544,572</u>	<u>5,544,572</u>	<u>-</u>	<u>1,189,182</u>	<u>1,189,182</u>	<u>-</u>
Fund balances, December 31	\$ <u>1,812,565</u>	\$ <u>5,070,408</u>	\$ <u>3,257,843</u>	\$ <u>1,225,733</u>	\$ <u>1,563,943</u>	\$ <u>338,210</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,476,940	\$ 2,478,510	\$ 1,570	\$ -	\$ -	\$ -	\$ 27,418,033	\$ 29,189,875	\$ 1,771,842
-	-	-	-	-	-	650,000	766,935	116,935
322,000	330,488	8,488	-	-	-	13,951,556	11,697,892	(2,253,664)
-	-	-	-	-	-	2,122,214	2,604,376	482,162
-	-	-	-	-	-	1,181,800	1,149,842	(31,958)
39,949	58,063	18,114	45,204	44,989	(215)	85,153	103,052	17,899
50,000	17,238	(32,762)	-	-	-	1,001,000	1,339,782	338,782
-	-	-	-	-	-	1,083,490	1,111,029	27,539
<u>2,888,889</u>	<u>2,884,299</u>	<u>(4,590)</u>	<u>45,204</u>	<u>44,989</u>	<u>(215)</u>	<u>47,493,246</u>	<u>47,962,783</u>	<u>469,537</u>
-	-	-	-	-	-	22,417,577	21,792,217	625,360
-	-	-	-	-	-	4,060,262	3,878,054	182,208
-	-	-	-	-	-	1,974,136	1,967,570	6,566
-	-	-	-	-	-	8,081,856	6,188,209	1,893,647
-	-	-	-	-	-	6,717,079	6,534,916	182,163
50,000	66,969	(16,969)	-	-	-	9,423,014	6,634,286	2,788,728
-	-	-	4,061,816	3,542,806	519,010	4,061,816	3,542,806	519,010
<u>6,490,893</u>	<u>6,451,279</u>	<u>39,614</u>	<u>46,180</u>	<u>46,180</u>	<u>-</u>	<u>6,607,073</u>	<u>6,564,815</u>	<u>42,258</u>
<u>6,540,893</u>	<u>6,518,248</u>	<u>22,645</u>	<u>4,107,996</u>	<u>3,588,986</u>	<u>519,010</u>	<u>63,342,813</u>	<u>57,102,873</u>	<u>6,239,940</u>
<u>(3,652,004)</u>	<u>(3,633,949)</u>	<u>18,055</u>	<u>(4,062,792)</u>	<u>(3,543,997)</u>	<u>518,795</u>	<u>(15,849,567)</u>	<u>(9,140,090)</u>	<u>6,709,477</u>
2,921,000	3,017,849	96,849	2,025,000	2,025,000	-	11,098,162	10,297,430	(800,732)
48,997	50,598	1,601	298,400	232,560	(65,840)	542,397	359,903	(182,494)
1,031,641	-	(1,031,641)	1,051,870	1,051,870	-	4,777,555	3,770,914	(1,006,641)
-	-	-	(126,601)	-	126,601	(4,728,492)	(6,189,198)	(1,460,706)
<u>4,001,638</u>	<u>3,068,447</u>	<u>(933,191)</u>	<u>3,248,669</u>	<u>3,309,430</u>	<u>60,761</u>	<u>11,689,622</u>	<u>8,239,049</u>	<u>(3,450,573)</u>
349,634	(565,502)	(915,136)	(814,123)	(234,567)	579,556	(4,159,945)	(901,041)	3,258,904
-	-	-	-	729,795	729,795	-	731,364	731,364
<u>1,257,978</u>	<u>1,257,978</u>	<u>-</u>	<u>821,006</u>	<u>821,006</u>	<u>-</u>	<u>8,812,738</u>	<u>8,812,738</u>	<u>-</u>
\$ <u>1,607,612</u>	\$ <u>692,476</u>	\$ <u>(915,136)</u>	\$ <u>6,883</u>	\$ <u>1,316,234</u>	\$ <u>1,309,351</u>	\$ <u>4,652,793</u>	\$ <u>8,643,061</u>	\$ <u>3,990,268</u>

# CITY OF LAKEWOOD, OHIO

## **COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS – ALL PROPRIETARY FUND TYPES**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
<u>Operating revenues</u>			
Charges for services	\$ 13,102,973	\$ 496,939	\$ 13,599,912
Other operating revenue	13,705	12,066	25,771
Total operating revenues	<u>13,116,678</u>	<u>509,005</u>	<u>13,625,683</u>
<u>Operating expenses</u>			
Personal services	2,891,309	-	2,891,309
Benefit payments	468,321	4,575,121	5,043,442
Purchased water	5,443,755	-	5,443,755
Heat, light, and power	727,219	-	727,219
Contractual services	405,067	-	405,067
Supplies and materials	419,538	-	419,538
Depreciation	1,537,958	-	1,537,958
Other	1,232,589	39,244	1,271,833
Total operating expenses	<u>13,125,756</u>	<u>4,614,365</u>	<u>17,740,121</u>
Operating loss	<u>(9,078)</u>	<u>(4,105,360)</u>	<u>(4,114,438)</u>
<u>Nonoperating revenues (expenses)</u>			
Interest income	115,339	-	115,339
Interest expense and fiscal charges	(851,729)	-	(851,729)
Tax revenue	1,445,711	-	1,445,711
Intergovernmental	190,483	-	190,483
Other nonoperating revenues	-	9,488	9,488
Other nonoperating expenses	-	(19,853)	(19,853)
Net nonoperating revenues (expenses)	<u>899,804</u>	<u>(10,365)</u>	<u>889,439</u>
Net income (loss) before transfers	890,726	(4,115,725)	(3,224,999)
Operating transfers – in	-	2,999,631	2,999,631
Operating transfers – out	<u>(337,835)</u>	<u>-</u>	<u>(337,835)</u>
Net income (loss)	552,891	(1,116,094)	(563,203)
Depreciation on fixed assets acquired by contributed capital	<u>483,924</u>	<u>-</u>	<u>483,924</u>
Increase (decrease) in retained earnings	1,036,815	(1,116,094)	(79,279)
Retained earnings, January 1, Restated	<u>25,753,918</u>	<u>730,745</u>	<u>26,484,663</u>
Retained earnings (deficit), December 31	\$ <u>26,790,733</u>	\$ <u>(385,349)</u>	\$ <u>26,405,384</u>

The Accompanying Notes are an Integral Part of These Financial Statements

# CITY OF LAKEWOOD, OHIO

## COMBINED STATEMENT OF CASH FLOWS – ALL PROPRIETARY FUND TYPES

### FOR THE YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 12,972,722	\$ 481,732	\$ 13,454,454
Cash paid to suppliers for goods and services	(6,803,366)	(3,516,060)	(10,319,426)
Cash paid to employees for services	(3,380,710)	-	(3,380,710)
Other operating revenues	13,705	12,066	25,771
Other operating expenses	(1,469,494)	(39,244)	(1,508,738)
Net cash provided by (used for) operating activities	<u>1,332,857</u>	<u>(3,061,506)</u>	<u>(1,728,649)</u>
<b>Cash flows from non-capital financing activities:</b>			
Cash transfers from other funds	-	2,999,631	2,999,631
Cash transfers to other funds	(337,835)	(243,512)	(581,347)
Cash advance from other funds	85,355	-	85,355
Intergovernmental revenue	190,483	-	190,483
Tax revenue	1,428,536	-	1,428,536
Net cash provided by (used for) non-capital financing activities	<u>1,366,539</u>	<u>2,756,119</u>	<u>4,122,658</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from OPWC loans	1,756,920	-	1,756,920
Proceeds from sale of debt	4,050,000	-	4,050,000
Acquisition and construction of capital assets	(2,704,557)	-	(2,704,557)
Principal paid on bonds and notes	(862,097)	-	(862,097)
Interest and fiscal charges paid on bonds and notes	(855,533)	-	(855,533)
Net cash provided by (used for) capital and related financing activities	<u>1,384,733</u>	<u>-</u>	<u>1,384,733</u>
<b>Cash flows from investing activities</b>			
Earnings on investments	<u>115,339</u>	<u>(2,354)</u>	<u>112,985</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,199,468</b>	<b>(307,741)</b>	<b>3,891,727</b>
<b>Cash and cash equivalents, January 1</b>	<b><u>7,588,789</u></b>	<b><u>2,920,311</u></b>	<b><u>10,509,100</u></b>
<b>Cash and cash equivalents, December 31</b>	<b>\$ <u>11,788,257</u></b>	<b>\$ <u>2,612,570</u></b>	<b>\$ <u>14,400,827</u></b>
<b>Reconciliation of operating loss to net cash from operating activities:</b>			
Operating loss	\$ (9,078)	\$ (4,105,360)	\$ (4,114,438)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation	1,537,958	-	1,537,958
Increase (decrease) in allowance for doubtful accounts	8,705	-	8,705
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(134,858)	-	(134,858)
(Increase) decrease in other receivables	5,456	-	5,456
(Increase) decrease in due from other funds	-	(15,207)	(15,207)
(Increase) decrease in inventories	(244,011)	-	(244,011)
Increase (decrease) in prepaid items	-	29,943	29,943
Increase (decrease) in due to other funds	8,994	-	8,994
Increase (decrease) in accounts payable	191,148	246,977	438,125
Increase (decrease) in accrued wages and benefits	(31,457)	-	(31,457)
Increase (decrease) in reserve for claims	-	782,141	782,141
Total adjustments	<u>1,341,935</u>	<u>1,043,854</u>	<u>2,385,789</u>
Net cash provided by (used for) operating activities	<u>\$ 1,332,857</u>	<u>\$ (3,061,506)</u>	<u>\$ (1,728,649)</u>
<b>Supplemental schedule of non-cash activities:</b>			
Non-cash capital and related financing activities:			
Fixed assets acquired by inception of capital lease	\$ <u>57,995</u>	\$ <u>-</u>	\$ <u>57,995</u>

The Accompanying Notes are an Integral Part of These Financial Statements

# CITY OF LAKEWOOD, OHIO

## **COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL PROPRIETARY FUND TYPES**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Enterprise Funds			Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$ 1,418,222	\$ 1,428,536	\$ 10,314	\$ -	\$ -	\$ -
Intergovernmental	195,000	190,483	(4,517)	-	-	-
Charges for services	14,197,269	12,973,759	(1,223,510)	-	-	-
Interest	45,000	115,339	70,339	21,000	7,664	(13,336)
Miscellaneous	4,920	13,516	8,596	-	-	-
Total revenues	<u>15,860,411</u>	<u>14,721,633</u>	<u>(1,138,778)</u>	<u>21,000</u>	<u>7,664</u>	<u>(13,336)</u>
<u>Expenses</u>						
Current						
Health	9,800	9,187	613	-	-	-
Culture and recreation	835,784	906,292	(70,508)	-	-	-
Community environment	-	-	-	50,000	9,144	40,856
Sanitation	11,175,812	10,310,779	865,033	-	-	-
Highways and streets	273,340	266,575	6,765	-	-	-
General government	-	-	-	3,563,000	3,551,179	11,821
Capital outlay	4,468,151	3,608,298	859,853	-	-	-
Debt service	<u>3,699,556</u>	<u>1,717,630</u>	<u>1,981,926</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>20,462,443</u>	<u>16,818,761</u>	<u>3,643,682</u>	<u>3,613,000</u>	<u>3,560,323</u>	<u>52,677</u>
Excess (deficiency) of revenues						
Over (under) expenses	<u>(4,602,032)</u>	<u>(2,097,128)</u>	<u>2,504,904</u>	<u>(3,592,000)</u>	<u>(3,552,659)</u>	<u>39,341</u>
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	2,950,000	4,050,000	1,100,000	-	-	-
Loan proceeds	30,000	1,756,920	1,726,920	-	-	-
Other reimbursements	-	-	-	465,502	493,797	28,295
Operating transfers, in	-	-	-	3,052,498	2,999,631	(52,867)
Operating transfers, out	<u>(343,000)</u>	<u>(337,835)</u>	<u>5,165</u>	<u>(243,512)</u>	<u>(243,512)</u>	<u>-</u>
Net other financing sources (uses)	<u>2,637,000</u>	<u>5,469,085</u>	<u>2,832,085</u>	<u>3,274,488</u>	<u>3,249,916</u>	<u>(24,572)</u>
Excess (deficiency) of revenues and other sources over (under) expenses and other uses	<u>(1,965,032)</u>	<u>3,371,957</u>	<u>5,336,989</u>	<u>(317,512)</u>	<u>(302,743)</u>	<u>14,769</u>
Fund equity, January 1	<u>6,598,353</u>	<u>6,598,353</u>	<u>-</u>	<u>2,890,438</u>	<u>2,890,438</u>	<u>-</u>
Fund equity, December 31	<u>\$ 4,633,321</u>	<u>\$ 9,970,310</u>	<u>\$ 5,336,989</u>	<u>\$ 2,572,926</u>	<u>\$ 2,587,695</u>	<u>\$ 14,769</u>

The Accompanying Notes are an Integral Part of These Financial Statements

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Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,418,222	\$ 1,428,536	\$ 10,314
195,000	190,483	(4,517)
14,197,269	12,973,759	(1,223,510)
66,000	123,003	57,003
4,920	13,516	8,596
<u>15,881,411</u>	<u>14,729,297</u>	<u>(1,152,114)</u>
9,800	9,187	613
835,784	906,292	(70,508)
50,000	9,144	40,856
11,175,812	10,310,779	865,033
273,340	266,575	6,765
3,563,000	3,551,179	11,821
4,468,151	3,608,298	859,853
3,699,556	1,717,630	1,981,926
<u>24,075,443</u>	<u>20,379,084</u>	<u>3,696,359</u>
<u>(8,194,032)</u>	<u>(5,649,787)</u>	<u>2,544,245</u>
2,950,000	4,050,000	1,100,000
30,000	1,756,920	1,726,920
465,502	493,797	28,295
3,052,498	2,999,631	(52,867)
<u>(586,512)</u>	<u>(581,347)</u>	<u>5,165</u>
<u>5,911,488</u>	<u>8,719,001</u>	<u>2,807,513</u>
(2,282,544)	3,069,214	5,351,758
<u>9,488,791</u>	<u>9,488,791</u>	<u>-</u>
\$ <u>7,206,247</u>	\$ <u>12,558,005</u>	\$ <u>5,351,758</u>

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. THE REPORTING ENTITY**

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

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

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

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

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

#### **B. BASIS OF PRESENTATION**

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

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

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **B. BASIS OF PRESENTATION (CONTINUED)**

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

##### **Governmental Funds**

###### **General Fund**

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

###### **Special Revenue Funds**

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

###### **Debt Service Fund**

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

###### **Capital Projects Funds**

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

##### **Proprietary Funds**

###### **Enterprise Funds**

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

###### **Internal Service Funds**

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

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **B. BASIS OF PRESENTATION (CONTINUED)**

##### **Fiduciary Funds**

###### **Agency Funds**

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

##### **Account Groups**

###### **General Fixed Assets Account Group**

This account group is used to present the general fixed assets utilized in general government operations of the City, exclusive of those used in the Proprietary Funds.

###### **General Long-Term Obligation Account Group**

This account group is used to account for all long-term obligations of the City, except for those accounted for in the Proprietary Funds.

#### **C. BASIS OF ACCOUNTING**

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

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

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **D. MEASUREMENT FOCUS**

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

#### **E. BUDGETARY ACCOUNTING**

An annual appropriations budget is adopted by City Council for the Governmental Funds and Proprietary Funds. Modifications to the original budget are approved by City Council throughout the year. Budget amounts presented in the accompanying financial statements represent final amended amounts.

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

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

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

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. BUDGETARY ACCOUNTING (CONTINUED)

An analysis of the difference in excess of revenues and other financing sources over expenditures and other uses for Governmental Funds and changes in retained earnings for Proprietary Funds for the year ended December 31, 2001 as determined under the GAAP basis and budget basis follows:

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$ 1,286,058	\$ 536,027	\$ (568,921)	\$ (1,333,615)
Increase (decrease) in:				
Revenue accruals	(456,159)	722,972	863,982	1,164,641
Expenditure accruals	1,097,968	1,100,894	(860,563)	1,128,414
Encumbrances	<u>(2,403,600)</u>	<u>(1,985,132)</u>	<u>-</u>	<u>(1,194,007)</u>
Budget basis for budgeted funds	\$ <u>(475,733)</u>	\$ <u>374,761</u>	\$ <u>(565,502)</u>	\$ <u>(234,567)</u>
			<u>Proprietary Fund Types</u>	
			<u>Enterprise</u>	<u>Internal Service</u>
GAAP Basis			\$ 1,036,815	\$ (1,116,094)
Increase (decrease) in:				
Revenue accruals			5,660,342	(17,032)
Expense accruals			(3,045,211)	855,258
Depreciation expense			1,537,958	-
Encumbrances			<u>(1,817,947)</u>	<u>(24,875)</u>
Budget basis for budgeted funds			\$ <u>3,371,957</u>	\$ <u>(302,743)</u>

#### F. CASH AND CASH EQUIVALENTS

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

The Community Development Block Grant, Children's Trust Grant, Juvenile Violence Prevention Grant and Byrne Memorial Grant Special Revenue Funds, and the Winterhurst Ice Rink Enterprise Fund had negative cash balances at December 31, 2001. The General Fund made advances to these funds to eliminate the negative cash balances.

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **G. INVESTMENTS**

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

#### **H. FIXED ASSETS**

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

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

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

#### **I. DEPRECIATION**

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

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

#### **J. ENCUMBRANCES**

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

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **K. GRANTS AND OTHER INTERGOVERNMENTAL REVENUES**

In governmental funds, federal and state grants awarded on a non-reimbursement basis and federal entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Federal reimbursable-type grants are recorded as intergovernmental receivables and revenue in the period when all applicable eligibility requirements have been met and the resources are available.

#### **L. CONTRIBUTED CAPITAL – ENTERPRISE FUNDS**

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

#### **M. INTERFUND TRANSACTIONS**

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

#### **N. INVENTORIES**

Inventory is valued at cost using the first-in, first-out method. Governmental Funds account for inventories on the consumption method. Expenditures are recognized when inventory is used. The reserve for inventory indicates that a portion of the fund balance is not available for future expenditures. In the Enterprise Funds, the cost of inventory is expensed when consumed.

#### **O. COMPENSATED ABSENCES**

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

#### **P. FUND EQUITY**

Reservations of fund balances are established to identify the existence of assets that, because of their nonmonetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditures, including amounts legally segregated for a specific future use. Fund balances are reserved for loans receivable, inventories of supplies and materials, prepaid items, and encumbrances.

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 2 – DEPOSITS AND INVESTMENTS**

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

#### **A. DEPOSITS**

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

At year end, the carrying amount of the City's deposits, including certificates of deposit, was \$6,614,500. The actual bank balances totaled \$6,991,713. The difference represents outstanding warrants payable and normal reconciling items. Of the bank balance, \$400,000 was fully insured by federal depository insurance and \$6,591,713 was insured by surety bonds in the City's name.

#### **B. INVESTMENTS**

The City's investment policies are governed by State statutes and City ordinances which authorize the City to invest in obligations of the U.S. Treasury, Agencies and Instrumentalities; bonds and other State of Ohio obligations; certificates of deposit; U.S. Government Money Market Mutual Funds, repurchase transactions, and the State Treasurer Asset Reserve Fund (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

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

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

#### B. INVESTMENTS (CONTINUED)

Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2001. Investments in Mutual Funds are valued at the fund's current share price on December 31, 2001. Certain U.S. Government securities (those that are not money market investments as defined by GASB Statement 31) have been recorded at fair value which reflects the quoted market price for those investments on December 31, 2001. Money market investments (which include U.S. Treasury securities that had a remaining maturity at the time of purchase of one year or less) have been recorded on the financial statements at amortized cost.

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

<u>Type of Investment</u>	(2) Uninsured and Unregistered, With Securities Held by the Counterparty's Trust Department or Agent in the City's Name		<u>Carrying Value</u>	<u>Fair Value</u>
U.S. Government Securities	\$	9,518,223	\$ 9,518,223	\$ 9,518,223
Repurchase Agreements		800,000	800,000	800,000
Investments in Mutual Funds			802,716	802,716
State Treasurer Asset Reserve Fund (STAR Ohio)			<u>12,156,284</u>	<u>12,156,284</u>
			\$ <u>23,277,223</u>	\$ <u>23,277,223</u>

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

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### DECEMBER 31, 2001

#### NOTE 3 – CHANGES IN FIXED ASSETS IN SERVICE

A summary of changes in General Fixed Assets follows:

	Balance January 1, 2001	Additions/ Transfers In	Deletions/ Transfers Out	Balance December 31, 2001
Land and land improvements	\$ 2,999,352	\$ 267,393	\$ -	\$ 3,266,745
Buildings, structures, and improvements	16,288,533	1,018,297	-	17,306,830
Machinery and equipment	14,259,618	1,867,573	430,975	15,696,216
Construction in progress	918,347	383,156	610,140	691,363
	<u>\$ 34,465,850</u>	<u>\$ 3,536,419</u>	<u>\$ 1,041,115</u>	<u>\$ 36,961,154</u>

A summary of changes in Enterprise Fund fixed assets follows:

	Balance January 1, 2001	Additions/ Transfers In	Deletions/ Transfers Out	Balance December 31, 2001
Land and land improvements	\$ 2,659,166	\$ -	\$ -	\$ 2,659,166
Utility plant in service	55,847,093	3,045,095	-	58,892,188
Buildings, structures, and improvements	4,957,496	1,320,551	-	6,278,047
Machinery and equipment	9,428,876	474,698	203,969	9,699,605
Construction in progress	3,769,820	1,107,171	3,184,963	1,692,028
	76,662,451	5,947,515	3,388,932	79,221,034
Less: Accumulated depreciation	<u>(25,337,072)</u>	<u>(1,537,958)</u>	<u>(203,969)</u>	<u>(26,671,061)</u>
	<u>\$ 51,325,379</u>	<u>\$ 4,409,557</u>	<u>\$ 3,184,963</u>	<u>\$ 52,549,973</u>

#### NOTE 4 – CHANGES IN CONTRIBUTED CAPITAL

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

	Enterprise Funds	Internal Service Funds
Balance January 1, 2001	\$ 14,909,202	\$ 750,000
Reductions	<u>(483,924)</u>	<u>(250,000)</u>
Balance December 31, 2001	<u>\$ 14,425,278</u>	<u>\$ 500,000</u>

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 5 – INTERFUND RECEIVABLE AND PAYABLE BALANCES

The following balances at December 31, 2001 represent individual fund interfund receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ <u>183,755</u>	\$ <u>313,926</u>
Special Revenue Funds:		
Streets and Highways	-	17,312
Office on Aging Grant	-	30,329
Community Development Block Grant	-	88,509
Children’s Trust Grant Fund	-	2,439
Lakewood Hospital	-	7,166
Juvenile Violence Prevention Grant	-	1,478
Byrne Memorial Grant Fund	-	1,615
Total Special Revenue Funds	<u>-</u>	<u>148,848</u>
Enterprise Funds:		
Water	-	13,886
Sewer and Wastewater	-	44,261
Parking Facilities	-	2,652
Winterhurst Ice Rink	-	89,431
Total Enterprise Funds	<u>-</u>	<u>150,230</u>
Internal Service Funds:		
Hospitalization	<u>429,249</u>	<u>-</u>
Total	\$ <u>613,004</u>	\$ <u>613,004</u>

### NOTE 6 – DEFINED BENEFIT PENSION PLANS

#### A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The City of Lakewood contributes to the Public Employees Retirement System of Ohio (the “System”), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. The System provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The System issues a stand-alone financial report. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4042 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 6 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

#### **A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)**

The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer contribution rate for local governments was 13.55 percent of covered payroll. The City's contributions to the System for the years ended December 31, 2001, 2000 and 1999 were \$2,388,054, \$1,899,938, and \$2,068,937, respectively, equal to the required contributions for each year.

#### **B. OHIO POLICE AND FIRE PENSION FUND**

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

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City of Lakewood's contributions to OP&F for the years ending December 31, 2001, 2000 and 1999 were \$1,919,806, \$1,890,109, and \$1,776,463, respectively, equal to the required contributions for each year.

### **NOTE 7 – POSTEMPLOYMENT BENEFITS**

#### **A. PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the rate was 13.55 percent of covered payroll; 4.30 percent was the portion used to fund health care for the year. During 2001, the City's portion that was used to fund health care was \$757,751, representing 4.3 percent of covered payroll.

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 7 – POSTEMPLOYMENT BENEFITS (CONTINUED)**

#### **A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)**

The postretirement health care coverage is advance-funded on an actuarially determined basis. The following assumptions and calculations were based on PERS's latest actuarial review performed as of December 31, 2000; an entry age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities; the difference between assumed and actual experience is part of the unfunded actuarial accrued liability; the investment assumption rate for 2000 was 7.75 percent; all investments are carried at market value; for actuarial valuation purposes, a smoothed market approach is used – meaning that assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets; individual pay increases are assumed to increase 4.75 percent compounded annually, with no change in the number of active employees; annual pay increases over and above the 4.75 percent base increase were assumed to range from 0.54 percent to 5.1 percent; and health care costs are assumed to increase 4.75 percent annually. The actuarially accrued postretirement health care liability for PERS at December 31, 2000 was \$14,364,600,000. The net assets were \$11,735,900,000, leaving an unfunded actuarial accrued liability of \$2,628,700,000. The number of active participants was 411,076.

#### **B. OHIO POLICE AND FIRE PENSION FUND**

The Ohio Police and Fire Pension Fund (“OP&F”) provides post-retirement health care coverage to any person who received or is eligible to receive a monthly benefit check 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 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (“OPEB”) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll. The Ohio Revised Code provides the statutory authority allowing the Ohio Police and Fire Pension Fund's Board of Trustees to provide health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.25 percent and 7.50 percent of covered payroll in 2000 and 2001, respectively. The allocation is 7.75 percent in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 2000, the date of the last actuarial valuation available, was 12,853 for police and 10,037 for firefighters. The City's actual contributions for 2001 that were used to fund post-employment benefits were \$351,592 for police and \$315,060 for firefighters. OP&F's total health care expenses for the year ending December 31, 2000, the date of the last actuarial valuation available, was \$106,160,054, which was net of member contributions of \$5,657,431.

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 8 – ACCUMULATED UNPAID EMPLOYEE BENEFITS AND OVERTIME

City employees generally earn vacation and sick leave ranging from two to five weeks and 14 to 30 days per year, respectively, based on length of service. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Accumulated vacation leave and accumulated sick days cannot exceed 50 or 120 days, respectively, at the end of any year. However, employees convert to cash, on a three-to-one basis, sick days accumulated in excess of 120 days. Twenty-five percent of unused sick leave plus any accumulated vacation leave is paid at retirement or death.

For Governmental Fund types, the liability for accumulated vacation totaled \$710,063 at December 31, 2001. This amount has been recorded in the General Long-Term Obligation Account Group since the timing of future payments is not determinable. For Enterprise Funds, accumulated vacation leave totaled \$98,381. This amount has been recorded as a liability in the respective Enterprise Funds.

The City has recorded an estimated liability of \$98,618 for accumulated sick leave benefits payable at December 31, 2001 in accordance with GASB No. 16, *Accounting for Compensated Absences*. This liability has been recorded in the General Long-Term Obligation Account Group. The estimated liability for Enterprise Funds totaled \$3,850 at December 31, 2001. This amount has been recorded in the respective Enterprise Funds.

In addition, employees of the City accumulate deferred compensation for a portion of overtime hours worked based upon time and a half for police and fire department employees and straight time for other employees. The liabilities for overtime, at current pay rates and converted to straight time hours, at December 31, 2001 follow:

<u>Department</u>	<u>Amount</u>
Police	\$ 38,018
Fire	211,337
Other:	
Governmental Fund Types	55,577
Proprietary Fund Types	22,978

Employees are entitled to receive payments for their accumulated hours upon retirement or other termination from the City's payroll. Police and fire department employees can receive, on a yearly basis, payments for portions of overtime accumulated upon written request to the respective department Chief. The accumulated overtime is recorded in the General Long-Term Obligation Account Group since the timing of future payments is not determinable. Proprietary Fund type amounts are recorded as liabilities in the respective Enterprise Funds.

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 8 – ACCUMULATED UNPAID EMPLOYEE BENEFITS AND OVERTIME (CONTINUED)

Fire Department personnel required to work a holiday shall be granted, at a later time, an eight-hour off-duty period. Members hired after January 1, 1989 must take holiday time off during the year in which it is earned. Members hired before January 1, 1989 may accumulate up to 13 24-hour holidays which would be paid at their hourly rate at the time of retirement or termination. Members have the option of up to 96 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

### NOTE 9 – LEASES

#### A. CAPITAL LEASES

The City leases police vehicles and copier equipment through capital leasing arrangements. The assets of such agreements are recorded in the General Fixed Asset Account Group and Winterhurst Ice Rink Enterprise Fund. The lease contracts contain annual one-year renewal options that can be exercised by the City if sufficient funds are appropriated by City Council. The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2001:

	General Long-Term Obligations Account <u>Group</u>	Winterhurst Ice Rink Enterprise <u>Fund</u>
2002	\$ 132,005	\$ 19,869
2003	132,005	19,869
2004	<u>9,582</u>	<u>-</u>
Total minimum lease payments	273,592	39,738
Less: amount representing interest	<u>(18,915)</u>	<u>(1,743)</u>
Total	\$ <u>254,677</u>	\$ <u>37,995</u>

#### B. OPERATING LEASES

In 1997, the City renegotiated its lease agreement with the Lakewood Hospital Association (LHA) for its use of real and personal property owned by the City for the purpose of operating a hospital. The cost of leased assets and accumulated depreciation totaled \$157,101,000 and \$99,570,000, respectively, as of December 31, 2001. Under the terms of the lease, the City will receive amounts ranging from \$1 million to \$1.225 million commencing in 1997 and continuing through 2026. Upon expiration of the lease term or the termination of this lease, LHA will surrender the leased property to the City.

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 10 – DEBT AND LONG-TERM OBLIGATIONS

Debt and long-term obligations of the City as of December 31, 2001 follow:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
<u>Capital Projects Fund:</u>				
General Obligation Notes Payable:				
5.00% Recreation facilities note	\$ 40,000	\$ -	\$ 40,000	\$ -
5.00% Fire equipment note	42,000	-	42,000	-
5.00% Motorized equipment note	682,000	-	682,000	-
5.00% Recreation facilities note	65,000	-	65,000	-
3.50% Various purpose improvement notes	-	2,025,000	-	2,025,000
Total Capital Projects Fund Debt	\$ 829,000	\$ 2,025,000	\$ 829,000	\$ 2,025,000
	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
<u>General Long-Term Obligation Account Group:</u>				
General Obligation Notes Payable:				
5.00% Police and fire equipment note	\$ 664,000	\$ -	\$ 664,000	\$ -
5.00% Street improvement note	792,125	-	792,125	-
5.00% Building and facilities note	904,875	-	904,875	-
5.00% Fire equipment note	560,000	-	560,000	-
Total General Obligation Notes Payable	2,921,000	-	2,921,000	-
Special Assessment Bonds Payable with Governmental Commitment:				
Various rates, street improvement bonds due through 2002	61,200	-	30,200	31,000
Various rates, breakwall improve- ment bonds due through 2003	120,000	-	40,000	80,000
Various rates, street improvement bonds due through 2006	-	140,000	-	140,000
Total Special Assessment Bonds Payable with Government Com- mitment	181,200	140,000	70,200	251,000

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 10 – DEBT AND LONG-TERM OBLIGATIONS (CONTINUED)

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
General Obligation and Refunding Bonds Payable:				
Various rates, refunding general obligation bonds due through 2012	7,625,000	-	575,000	7,050,000
Various rates, various purpose general obligation bonds due through 2015	8,665,000	-	440,000	8,225,000
Various rates, various purpose general obligation bonds due through 2017	3,596,600	-	193,000	3,403,600
Various rates, various purpose general obligation bonds due through 2021	-	<u>8,085,000</u>	-	<u>8,085,000</u>
Total General Obligation Bonds Payable	<u>19,886,600</u>	<u>8,085,000</u>	<u>1,208,000</u>	<u>26,763,600</u>
Total Debt in the General Long-Term Obligation Account Group	<u>22,988,800</u>	<u>8,225,000</u>	<u>4,199,200</u>	<u>27,014,600</u>
Other Long-Term Obligations:				
Accrued wages and benefits (accumulated unpaid employ- ee benefits)	9,300,662	1,444,019	8,395,919	2,348,762
Accumulated overtime	264,005	40,927	-	304,932
Capital lease obligations	166,209	353,690	265,222	254,677
Loans payable	<u>569,800</u>	<u>232,560</u>	<u>30,800</u>	<u>771,560</u>
Total Other Long-Term Obli- gations in the General Long-Term Obligation Ac- count Group	<u>10,300,676</u>	<u>2,071,196</u>	<u>8,691,941</u>	<u>3,679,931</u>
Total Debt and Other Long- Term Obligations	\$ <u>33,289,476</u>	\$ <u>10,296,196</u>	\$ <u>12,891,141</u>	\$ <u>30,694,531</u>

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 10 – DEBT AND LONG-TERM OBLIGATIONS (CONTINUED)

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
<u>Enterprise Funds</u>				
General Obligation and Refunding Bonds Payable:				
9.00% Water main mortgage re- venue bonds due through 2011	\$ 3,270,000	\$ -	\$ 205,000	\$ 3,065,000
Various rates, refunding general obligations bonds due through 2011	4,680,000	-	350,000	4,330,000
Various rates, sewer construc- tion bonds due through 2015	2,520,000	-	110,000	2,410,000
Various rates, water main mort- gage revenue bonds due through 2015	2,850,000	-	80,000	2,770,000
Various rates, recreation facility general obligation bonds due through 2017	<u>1,292,200</u>	<u>-</u>	<u>1,800</u>	<u>1,290,400</u>
Total Bonds Payable in the Enterprise Funds	<u>14,612,200</u>	<u>-</u>	<u>746,800</u>	<u>13,865,400</u>
Other Long-Term Obligations:				
Loans payable	<u>4,035,402</u>	<u>1,756,920</u>	<u>115,297</u>	<u>5,677,025</u>
Notes Payable:				
2.80% Various purpose water improvement note	-	1,100,000	-	1,100,000
2.80% Various purpose sewer improvement note	-	870,000	-	870,000
3.50% Various purpose sewer improvement notes	<u>-</u>	<u>2,080,000</u>	<u>-</u>	<u>2,080,000</u>
Total Notes Payable	<u>-</u>	<u>4,050,000</u>	<u>-</u>	<u>4,050,000</u>
Total Debt and Other Long- Term Obligations in the Enterprise Funds	\$ <u>18,647,402</u>	\$ <u>5,806,920</u>	\$ <u>862,097</u>	\$ <u>23,592,225</u>

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

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 10 – DEBT AND LONG-TERM OBLIGATIONS (CONTINUED)

Special assessment projects are funded through the issuance of bonds and notes payable. Bonds and notes issued are recognized as general long-term obligations of the City and retired with assessments levied against property owners and/or general revenues of the City based on the improvements/benefit to the respective parties. Assessments will be received over periods ranging from five to ten years, with interest equal to the interest on the bonds and notes issued to finance the improvements.

A summary of the City's future debt service requirements for tax supported general obligation and special assessment bonds; Enterprise Fund general obligation and revenue bonds; and final loans payable as of December 31, 2001 follows:

	<u>Enterprise Funds Debt</u>		<u>Special Assessment Bonds</u>		<u>Other General Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 986,013	\$ 744,911	\$ 96,000	\$ 10,924	\$ 1,641,223	\$ 1,378,495
2003	1,037,310	706,562	65,000	6,715	1,610,823	1,308,894
2004	1,077,310	664,658	30,000	3,615	1,690,823	1,239,411
2005	1,127,310	620,082	30,000	2,415	1,740,823	1,164,798
2006	1,179,110	569,812	30,000	1,215	1,729,023	1,082,098
2007 and there- after	<u>12,129,472</u>	<u>2,793,038</u>	<u>-</u>	<u>-</u>	<u>19,122,445</u>	<u>6,134,110</u>
	<u>\$ 17,536,525</u>	<u>\$ 6,099,063</u>	<u>\$ 251,000</u>	<u>\$ 24,884</u>	<u>\$ 27,535,160</u>	<u>\$ 12,307,806</u>

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

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

During 1997, the City entered into an agreement with the Ohio Public Works Commission for a street construction loan. The reconstruction of Forest and Clifton Roads was completed in 1998 and the loan amount totaled \$616,000. The Lakewood Heights Boulevard reconstruction project was completed in 2001 and the loan amount totaled \$232,560. The combined loan balance of \$717,560 remaining at December 31, 2001 has been recorded as a liability in the General Long-Term Obligation Account Group and is payable from monies collected from ad valorem property taxes.

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

---

### **NOTE 10 – DEBT AND LONG-TERM OBLIGATIONS (CONTINUED)**

The City also entered into agreements with the Ohio Public Works Commission securing loans for water main and sewer separation construction projects. The loans will be repaid with revenues of the Water and Sewer and Wastewater Funds. At December 31, 2001, the Ohio Public Works Commission had loaned the City \$5,677,025 which has been recorded as a liability in the Water and Sewer and Wastewater Funds. Of the total liability recorded, \$3,671,125 represented loans that had been finalized at December 31, 2001. The City has received a repayment schedule for this amount and therefore included only those payments in the table illustrating the City's future debt service requirements. The balance of \$2,005,900 represents construction advances applied to current water main and sewer separation construction projects.

The 1998 advance refunding of the 1992 Sanitary Sewer System special obligation bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt. The refunded debt was called on December 1, 2001 and has been paid off. The unamortized balance of the deferral totaled \$314,589 at December 31, 2001. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2011 using the straight-line method. The City completed the advance refunding to reduce its total debt service payments by \$223,590 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$155,524.

On March 1, 1998, the City issued \$9,060,000 in general obligation bonds to advance refund \$8,170,000 of outstanding 1992 various purpose general obligation bonds. The net proceeds of \$8,960,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the 1992 bonds. As a result, the 1992 bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Obligation Account Group. As of December 31, 2001, \$6,610,000 of the defeased debt remained outstanding.

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

The Ohio Police and Fire Pension Fund (OP&F) has offered municipalities the ability to retire their unfunded past service liability early, by paying a lump sum equal to 72.5% of the remaining liability. The City issued bonds on May 1, 2001 in the amount of \$5,250,000 to retire the City's accrued liability of \$7,553,295. The retirement of this debt will be financed by the specific property tax levy authorized within the City's Second Amended Charter.

Legal Debt Margin: Under the Uniform Bond Act of the Ohio Revised Code, the City at December 31, 2001 had the capacity to issue \$20,493,424 of additional unvoted general obligation debt.

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 10 – DEBT AND LONG-TERM OBLIGATIONS (CONTINUED)

Conduit Debt Obligations: In 1983 and 1989, the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay costs of Lakewood Hospital facility improvements. In 1989, the City also issued Hospital Improvement Refunding Revenue Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements. As of December 31, 2000 (the most recent information available), the aggregate principal amount of conduit debt obligations outstanding for Lakewood Hospital was \$32,971,000. The aggregate principal amount of conduit debt obligations outstanding for St. Edward High School was \$10,800,000. This amount will not be paid down until 2005.

### NOTE 11 – ACCOUNTABILITY AND COMPLIANCE

#### A. ACCOUNTABILITY

The following funds had deficit fund balances or retained earnings at December 31, 2001:

<u>Special Revenue Funds</u>	
Children's Trust Grant	\$ 2,439
Emergency Shelter Grant	5,119
<u>Capital Projects Funds</u>	
Permanent Capital Improvement	306,454
<u>Enterprise Funds</u>	
Parking Facilities	321
Winterhurst Ice Rink	75,013
<u>Internal Service Funds</u>	
General Insurance	81,963
Workers' Compensation	492,071

The deficit in the Permanent Capital Improvement Capital Projects Fund resulted from the use of short-term notes, which are recorded as liabilities in the Fund, to finance capital projects. Once the notes are retired or bonds are issued, the deficit will be eliminated.

The fund balance deficits in the other funds are caused by the application of generally accepted accounting principles to the financial reporting of these funds. The General Fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 11 – ACCOUNTABILITY AND COMPLIANCE (CONTINUED)

#### B. LEGAL COMPLIANCE

Contrary to Section 5705.41B, Ohio Revised Code, the following funds had expenditures plus encumbrances in excess of appropriations:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
<u>Special Revenue Funds</u>			
Office on Aging Grant	\$ 2,060,287	\$ 2,060,791	\$ 504
Community Festival	5,500	8,208	2,708
Juvenile Violence Prevention Grant	18,658	19,215	557
Byrne Memorial Grant	58,031	64,845	6,814
<u>Enterprise Funds</u>			
Winterhurst Ice Rink	947,764	1,017,665	69,901
<u>Internal Service Funds</u>			
Hospitalization	2,780,000	2,997,236	217,236

The City had negative cash balances in the following funds indicating that revenues from other sources were used to pay obligations of this fund contrary to Ohio Revised Code Section 5705.10:

<u>Special Revenue Funds</u>	
Community Development Block Grant	\$ 88,509
Children's Trust Grant	2,439
Juvenile Violence Prevention Grant	1,478
Byrne Memorial Grant	1,615
<u>Enterprise Funds</u>	
Winterhurst Ice Rink	89,431

### NOTE 12 – INCOME TAXES

The City currently levies a municipal income tax at the rate of 1.5 percent. The City's income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and other personal service compensation earned by residents of the City and non-residents working within the City. Residents of the City are granted a .50 percent credit for income taxes paid to other municipalities.

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 12 – INCOME TAXES (CONTINUED)

Employers within the City are required to withhold income tax on employee compensation and remit this tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits tax collected for the City each month, net of a fee for their service.

### NOTE 13 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the City. The assessed value upon which 2001 collections were based was \$814,852,502 (per the Cuyahoga County Auditor). Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Presently, the City levies 3.47 mills of the first 10 mills of assessed value. In addition to the 3.47 mills, 13.83 mills has been levied based upon mills voted for general operations, bond retirement, police and fire pensions, and sewage disposal.

A summary of voted millage follows:

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

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

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

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

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**DECEMBER 31, 2001**

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### **NOTE 13 – PROPERTY TAXES (CONTINUED)**

Tangible personal property taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. For the collection year 2001, the percentage used to determine taxable value of personal property and inventory was 25%. Pertinent tangible personal property tax dates follow:

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

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

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

### **NOTE 14 – LOSS CONTINGENCIES AND COMMITMENTS**

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

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

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 15 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City currently maintains five Enterprise Funds which provide water, sewer, parking, housing services and an ice rink facility. Information for the year ended December 31, 2001 for the Enterprise Funds is summarized as follows:

	<u>Water</u>	<u>Sewer and Wastewater</u>	<u>Parking Facilities</u>	<u>Congregational Living Facility</u>	<u>Winterhurst Ice Rink</u>	<u>Total Enterprise Funds</u>
Operating revenues	\$ 8,536,289	\$ 3,479,624	\$ 270,264	\$ 8,100	\$ 822,401	\$ 13,116,678
Tax revenues	-	1,445,711	-	-	-	1,445,711
Intergovernmental	-	190,483	-	-	-	190,483
Depreciation	490,744	852,537	69,958	601	124,118	1,537,958
Operating income (loss)	961,457	(824,432)	(48,644)	(1,410)	(96,049)	(9,078)
Net income (loss)	611,819	194,150	(65,167)	(1,410)	(186,501)	552,891
Additions to property, plant and equipment	2,362,237	2,206,732	-	-	1,378,546	5,947,515
Net working capital	5,017,744	6,581,029	44,070	8,818	(104,361)	11,547,300
Total identifiable assets	28,493,817	34,526,276	2,050,419	51,603	2,965,307	68,087,422
Bonds and other long-term liabilities payable from operating revenues	11,623,717	9,588,719	-	-	1,326,595	22,539,031
Total equity	15,577,774	22,156,573	1,980,543	46,151	1,454,970	41,216,011

### NOTE 16 – RISK MANAGEMENT

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

In accordance with GASB Statement No. 10, claims liabilities, arising from uninsured risks, are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

### DECEMBER 31, 2001

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#### NOTE 16 – RISK MANAGEMENT (CONTINUED)

Changes to the estimated claims payable recorded in the General Insurance Fund and during the years ended December 31, 2001 and 2000 were as follows:

	<u>2001</u>	<u>2000</u>
Estimated claims payable January 1	\$ 23,000	\$ 23,000
Plus: Current year claims and changes in estimates	9,144	3,385
Less: Claim payments	<u>(9,144)</u>	<u>(3,385)</u>
Estimated claims payable December 31	\$ <u>23,000</u>	\$ <u>23,000</u>

The City of Lakewood maintains the Hospitalization Internal Service Fund to finance the cost of employee hospitalization and medical insurance on a cost reimbursement basis. The City offers three plans to its employees. One of the insurance plans is funded through a minimum premium agreement. Under this plan, the plan administrator pays claims on behalf of the employees and bills the City for the amount of actual claims paid plus administrative costs. The City is liable for claims up to a maximum premium.

At December 31, 2001, \$428,045 has been accrued for hospitalization claims representing an estimate of the amount to be paid for claims that have been incurred but not reported. Changes in the balances of claims liabilities during the past two fiscal years follows:

	<u>2001</u>	<u>2000</u>
Estimated claims payable January 1	\$ 414,041	\$ 268,700
Plus: Current year claims and changes in estimates	2,051,374	1,801,507
Less: Claim payments	<u>(2,037,370)</u>	<u>(1,656,166)</u>
Estimated claims payable December 31	\$ <u>428,045</u>	\$ <u>414,041</u>

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 17 – OPERATING TRANSFERS

Following is a summary of council approved operating transfers for all funds for 2001 from the general purpose financial statements:

<u>Fund</u>	<u>Transfers-In</u>	<u>Transfers-Out</u>
General	\$ <u>7,000</u>	\$ <u>5,767,921</u>
Special Revenue:		
Streets and Highways	980,000	120,223
Litter Control Grant	16,032	-
Office on Aging Grant	1,450,000	188,938
Community Development Block Grant	-	62,900
Community Festival	5,000	-
Political Subdivision	-	7,000
Lakewood Hospital	-	42,216
Byrne Memorial Grant	<u>17,500</u>	<u>-</u>
Total Special Revenue	<u>2,468,532</u>	<u>421,277</u>
Capital Projects:		
Permanent Capital Improvement	1,001,870	-
Land Acquisition	<u>50,000</u>	<u>-</u>
Total Capital Projects	<u>1,051,870</u>	<u>-</u>
Enterprise Funds:		
Water	-	89,856
Sewer and Wastewater	-	206,063
Parking Facilities	-	16,523
Winterhurst Ice Rink	<u>-</u>	<u>25,393</u>
Total Enterprise	<u>-</u>	<u>337,835</u>
Internal Service Funds:		
Hospitalization	2,674,077	-
Workers' Compensation	<u>325,554</u>	<u>-</u>
Total Internal Service	<u>2,999,631</u>	<u>-</u>
Total All Funds	\$ <u>6,527,033</u>	\$ <u>6,527,033</u>

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 18 – WORKERS’ COMPENSATION

The State of Ohio has the exclusive authority to provide employers with workers' compensation insurance. Historically, under the Ohio Workers' Compensation System for public employer taxing districts, there have been two types of rating plans: base rating and experience rating. Ohio law was subsequently amended to include an additional plan called retrospective rating, which is offered to Ohio employers who meet the eligibility standards. Under the terms of the State of Ohio's retrospective rating plan, an employer initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the employer's injured workers' claims are incurred, the employer must reimburse the State for those costs, subject to the plans individual claim cost limitation and the employer's premium limitation.

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

At December 31, 2001, \$2,224,944 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims calculated using trends in actual claims experience. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>2001</u>	<u>2000</u>
Estimated Claims payable January 1	\$ 1,456,807	\$ 1,547,240
Plus: Current year claims and changes in estimates	987,580	(62,040)
Less: Claim payments	<u>(219,443)</u>	<u>(28,393)</u>
Estimated Claims payable December 31	\$ <u>2,224,944</u>	\$ <u>1,456,807</u>

# CITY OF LAKEWOOD, OHIO

## NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

**DECEMBER 31, 2001**

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### NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF PRIOR YEAR FUND BALANCES

For 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and properly adjusted balances for Due to/From Other Funds. In order to recognize the prior year balances for the change in accounting principle, the prior year end of the year fund balances were restated as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Fund Balances, December 31, 2000	\$ 7,440,385	\$ 5,671,616	\$ 2,023,608	\$ 367,104	\$ 25,880,012	\$ 1,331,772
GASB 33 Adjustment:						
Municipal Income Taxes	125,493	-	-	-	-	-
Intergovernmental Revenue	331,317	191,847	-	-	-	-
Due to/From Other Funds	<u>59,155</u>	<u>572,269</u>	<u>(669,823)</u>	<u>766,724</u>	<u>(126,094)</u>	<u>(601,027)</u>
Adjusted Fund Balances, December 31, 2000	\$ <u>7,956,350</u>	\$ <u>6,435,732</u>	\$ <u>1,353,785</u>	\$ <u>1,133,828</u>	\$ <u>25,753,918</u>	\$ <u>730,745</u>

### NOTE 20 – SUBSEQUENT EVENTS

On May 16, 2002, the City issued \$9,210,000 of Various Purpose General Obligation Bond Anticipation Notes, Series 2002. The notes will bear interest until maturity on May 16, 2003 at a rate of 2.50%. The proceeds will be used to finance various permanent capital improvements scheduled for completion in 2002.

# **CITY OF LAKEWOOD, OHIO**

## **SPECIAL REVENUE FUNDS**

**DECEMBER 31, 2001**

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

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

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# **CITY OF LAKEWOOD, OHIO**

## **SPECIAL REVENUE FUNDS (CONTINUED)**

**DECEMBER 31, 2001**

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

# CITY OF LAKEWOOD, OHIO

## COMBINING BALANCE SHEET – ALL SPECIAL REVENUE FUNDS

**DECEMBER 31, 2001**

	Streets and Highways Fund	Police and Fire Pensions Fund	Enforcement and Education Fund	Litter Control Grant Fund	Office on Aging Grant Fund	Community Development Block Grant Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 899,938	\$ 771,749	\$ 47,947	\$ 17,952	\$ 90,437	\$ -
Receivables						
Taxes	-	2,261,055	-	-	-	-
Accounts	-	-	-	-	656	57,409
Loans	-	-	-	-	-	3,150,278
Other	-	-	555	-	10,657	-
Receivables, net	-	2,261,055	555	-	11,313	3,207,687
Due from other governments	636,901	150,469	-	-	40,479	198,568
Prepaid items	-	-	-	-	-	1,458
Inventories	44,187	-	-	-	-	-
Total assets	\$ <u>1,581,026</u>	\$ <u>3,183,273</u>	\$ <u>48,502</u>	\$ <u>17,952</u>	\$ <u>142,229</u>	\$ <u>3,407,713</u>
<u>Liabilities</u>						
Accounts payable	\$ 65,449	\$ -	\$ 3,009	\$ -	\$ 6,491	\$ 71,332
Due to other funds	17,312	-	-	-	30,329	88,509
Accrued wages and benefits	61,062	-	-	874	85,106	30,252
Deferred revenue	408,738	2,297,521	-	-	6,302	-
Total liabilities	<u>552,561</u>	<u>2,297,521</u>	<u>3,009</u>	<u>874</u>	<u>128,228</u>	<u>190,093</u>
<u>Fund balance (deficit)</u>						
Reserved for loans receivable	-	-	-	-	-	3,150,278
Reserved for inventories	44,187	-	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	1,458
Reserved for encumbrances	643,716	-	-	12,687	14,571	721,315
Undesignated and unreserved	340,562	885,752	45,493	4,391	(570)	(655,431)
Total fund balance (deficit)	<u>1,028,465</u>	<u>885,752</u>	<u>45,493</u>	<u>17,078</u>	<u>14,001</u>	<u>3,217,620</u>
Total liabilities and fund balance	\$ <u>1,581,026</u>	\$ <u>3,183,273</u>	\$ <u>48,502</u>	\$ <u>17,952</u>	\$ <u>142,229</u>	\$ <u>3,407,713</u>

Community Festival Fund	Children's Trust Grant Fund	Law and Drug Enforcement Fund	Emergency Shelter Grant Fund	Indigent Drivers Alcohol Treatment Fund	Federal Forfeiture Fund	Political Subdivision Fund	Bureau of Justice Grant Fund	Computer Research and Maintenance Fund
\$ 3,537	\$ -	\$ 115,932	\$ -	\$ 148,918	\$ 17,934	\$ 1,030	\$ 56,838	\$ 170,255
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	681	-	600	-	245	666	4,095
-	-	681	-	600	-	245	666	4,095
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 3,537</u>	<u>\$ -</u>	<u>\$ 116,613</u>	<u>\$ -</u>	<u>\$ 149,518</u>	<u>\$ 17,934</u>	<u>\$ 1,275</u>	<u>\$ 57,504</u>	<u>\$ 174,350</u>
\$ -	\$ -	\$ -	\$ 5,119	\$ -	\$ -	\$ -	\$ -	\$ 10,319
-	2,439	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	2,439	-	5,119	-	-	-	-	10,319
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1,485	5,511	49,691	-	-	-	-	-
<u>3,537</u>	<u>(3,924)</u>	<u>111,102</u>	<u>(54,810)</u>	<u>149,518</u>	<u>17,934</u>	<u>1,275</u>	<u>57,504</u>	<u>164,031</u>
<u>3,537</u>	<u>(2,439)</u>	<u>116,613</u>	<u>(5,119)</u>	<u>149,518</u>	<u>17,934</u>	<u>1,275</u>	<u>57,504</u>	<u>164,031</u>
<u>\$ 3,537</u>	<u>\$ -</u>	<u>\$ 116,613</u>	<u>\$ -</u>	<u>\$ 149,518</u>	<u>\$ 17,934</u>	<u>\$ 1,275</u>	<u>\$ 57,504</u>	<u>\$ 174,350</u>

Continued

# CITY OF LAKEWOOD, OHIO

## COMBINING BALANCE SHEET – ALL SPECIAL REVENUE FUNDS (CONTINUED)

**DECEMBER 31, 2001**

	Little Links Fund	Lakewood Hospital Fund	Just Friends Grant Fund	St. Ann's Grant Fund	Juvenile Violence Prevention Grant Fund	Accountability Incentive Block Grant Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 4,763	\$ 1,177,202	\$ 8	\$ -	\$ -	\$ 24,023
Receivables						
Taxes	-	-	-	-	-	-
Accounts	-	125,791	-	-	-	-
Loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Receivables, net	-	125,791	-	-	-	-
Due from other governments	-	-	-	-	6,089	2,339
Prepaid items	-	9,877	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	\$ <u>4,763</u>	\$ <u>1,312,870</u>	\$ <u>8</u>	\$ <u>-</u>	\$ <u>6,089</u>	\$ <u>26,362</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ 7,626	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	7,166	-	-	1,478	-
Accrued wages and benefits	-	75,774	-	-	-	379
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	90,566	-	-	1,478	379
<u>Fund balance (deficit)</u>						
Reserved for loans receivable	-	-	-	-	-	-
Reserved for inventories	-	-	-	-	-	-
Reserved for prepaid items	-	9,877	-	-	-	-
Reserved for encumbrances	-	39,996	-	5,000	-	800
Undesignated and unreserved	4,763	1,172,431	8	(5,000)	4,611	25,183
Total fund balance (deficit)	4,763	1,222,304	8	-	4,611	25,983
Total liabilities and fund balance	\$ <u>4,763</u>	\$ <u>1,312,870</u>	\$ <u>8</u>	\$ <u>-</u>	\$ <u>6,089</u>	\$ <u>26,362</u>

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Byrne Memorial Grant Fund	Help to Others Fund	Totals
\$ -	\$ 609	\$ 3,549,072
-	-	2,261,055
-	-	183,856
-	-	3,150,278
-	-	17,499
<u>-</u>	<u>-</u>	<u>5,612,688</u>
5,884	-	1,040,729
-	-	11,335
-	-	44,187
\$ <u>5,884</u>	\$ <u>609</u>	\$ <u>10,258,011</u>
\$ -	\$ -	\$ 169,345
1,615	-	148,848
2,051	-	255,498
<u>-</u>	<u>-</u>	<u>2,712,561</u>
<u>-</u>	<u>-</u>	<u>3,286,252</u>
-	-	3,150,278
-	-	44,187
-	-	11,335
-	723	1,495,495
<u>2,218</u>	<u>(114)</u>	<u>2,270,464</u>
<u>2,218</u>	<u>609</u>	<u>6,971,759</u>
\$ <u>5,884</u>	\$ <u>609</u>	\$ <u>10,258,011</u>

# CITY OF LAKEWOOD, OHIO

## **COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) – ALL SPECIAL REVENUE FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

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	<u>Streets and Highways Fund</u>	<u>Police and Fire Pensions Fund</u>	<u>Enforcement and Education Fund</u>	<u>Litter Control Grant Fund</u>	<u>Office on Aging Grant Fund</u>	<u>Community Development Block Grant Fund</u>
<u>Revenues</u>						
Taxes	\$ 972,907	\$ 2,298,682	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	388,878	302,868	-	52,497	382,452	2,930,936
Charges for services	-	-	-	-	3,600	-
Fines and forfeits	-	-	7,287	-	-	-
Special assessments	-	-	-	-	-	-
Interest	-	1,451	-	-	-	84,813
Miscellaneous	24	-	-	-	208,902	-
Total revenues	<u>1,361,809</u>	<u>2,603,001</u>	<u>7,287</u>	<u>52,497</u>	<u>594,954</u>	<u>3,015,749</u>
<u>Expenditures</u>						
Current:						
Public safety	-	7,544,494	2,388	-	-	-
Health	-	-	-	-	1,863,296	-
Community environment	-	-	-	76,081	-	3,086,449
Highways and streets	2,252,170	-	-	-	-	-
General government	-	-	3,009	-	-	-
Debt service:						
Interest and fiscal charges	-	67,356	-	-	-	-
Total expenditures	<u>2,252,170</u>	<u>7,611,850</u>	<u>5,397</u>	<u>76,081</u>	<u>1,863,296</u>	<u>3,086,449</u>
Excess of revenues over (under) expenditures	<u>(890,361)</u>	<u>(5,008,849)</u>	<u>1,890</u>	<u>(23,584)</u>	<u>(1,268,342)</u>	<u>(70,700)</u>
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	-	5,250,000	-	-	-	-
Reimbursements received	76,745	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-
Operating transfers, in	980,000	-	-	16,032	1,450,000	-
Operating transfers, out	(120,223)	-	-	-	(188,938)	(62,900)
Net other financing sources (uses)	<u>936,522</u>	<u>5,250,000</u>	<u>-</u>	<u>16,032</u>	<u>1,261,062</u>	<u>(62,900)</u>
Excess of revenues and other sources over (under) expenditures and other uses	46,161	241,151	1,890	(7,552)	(7,280)	(133,600)
Fund balances, January 1, Restated	<u>982,304</u>	<u>644,601</u>	<u>43,603</u>	<u>24,630</u>	<u>21,281</u>	<u>3,351,220</u>
Fund balances (deficit), December 31	<u>\$ 1,028,465</u>	<u>\$ 885,752</u>	<u>\$ 45,493</u>	<u>\$ 17,078</u>	<u>\$ 14,001</u>	<u>\$ 3,217,620</u>

Community Festival Fund	Children's Trust Grant Fund	Law and Drug Enforcement Fund	Emergency Shelter Grant Fund	Indigent Drivers Alcohol Treatment Fund	Federal Forfeiture Fund	Political Subdivision Fund	Bureau of Justice Grant Fund	Computer Research and Maintenance Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	21,892	-	71,647	-	-	-	25,611	-
-	-	8,723	-	16,023	17,934	5,196	-	51,147
-	-	-	-	-	-	-	-	-
-	-	4,581	-	-	-	-	-	-
<u>3,000</u>	<u>-</u>	<u>4,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,000</u>	<u>21,892</u>	<u>13,304</u>	<u>71,647</u>	<u>16,023</u>	<u>17,934</u>	<u>5,196</u>	<u>25,611</u>	<u>51,147</u>
-	-	58,915	-	-	-	-	941	-
-	29,319	-	-	-	-	-	-	-
-	-	-	85,964	-	-	-	-	-
-	-	-	-	-	-	-	-	-
8,208	-	-	-	10,870	-	-	-	62,969
-	-	-	-	-	-	-	-	-
<u>8,208</u>	<u>29,319</u>	<u>58,915</u>	<u>85,964</u>	<u>10,870</u>	<u>-</u>	<u>-</u>	<u>941</u>	<u>62,969</u>
<u>(5,208)</u>	<u>(7,427)</u>	<u>(45,611)</u>	<u>(14,317)</u>	<u>5,153</u>	<u>17,934</u>	<u>5,196</u>	<u>24,670</u>	<u>(11,822)</u>
-	-	-	-	-	-	-	-	-
-	-	1,991	-	-	-	-	-	-
5,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(7,000)	-	-
<u>5,000</u>	<u>-</u>	<u>1,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,000)</u>	<u>-</u>	<u>-</u>
(208)	(7,427)	(43,620)	(14,317)	5,153	17,934	(1,804)	24,670	(11,822)
<u>3,745</u>	<u>4,988</u>	<u>160,233</u>	<u>9,198</u>	<u>144,365</u>	<u>-</u>	<u>3,079</u>	<u>32,834</u>	<u>175,853</u>
\$ <u>3,537</u>	\$ <u>(2,439)</u>	\$ <u>116,613</u>	\$ <u>(5,119)</u>	\$ <u>149,518</u>	\$ <u>17,934</u>	\$ <u>1,275</u>	\$ <u>57,504</u>	\$ <u>164,031</u>

Continued

# CITY OF LAKEWOOD, OHIO

## **COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) – ALL SPECIAL REVENUE FUNDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Little Links Fund	Lakewood Hospital Fund	Just Friends Grant Fund	St. Ann's Grant Fund	Juvenile Violence Prevention Grant Fund	Accountability Incentive Block Grant Fund
<u>Revenues</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	87,896	-	-	-	-
Intergovernmental	-	19,224	-	-	20,966	15,083
Charges for services	15,566	2,104,154	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Special assessments	-	1,856	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	310	15,899	-	-	-	-
Total revenues	15,876	2,229,029	-	-	20,966	15,083
<u>Expenditures</u>						
Current:						
Public safety	-	1,166,358	-	-	-	-
Health	-	599,147	-	-	-	-
Community environment	13,207	-	1,858	2,093	18,722	11,203
Highways and streets	-	-	-	-	-	-
General government	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	13,207	1,765,505	1,858	2,093	18,722	11,203
Excess of revenues over (under) expenditures	2,669	463,524	(1,858)	(2,093)	2,244	3,880
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	-	-	-	-	-	-
Reimbursements received	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-
Operating transfers, in	-	-	-	-	-	-
Operating transfers, out	-	(42,216)	-	-	-	-
Net other financing sources (uses)	-	(42,216)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	2,669	421,308	(1,858)	(2,093)	2,244	3,880
Fund balances, January 1, Restated	2,094	800,996	1,866	2,093	2,367	22,103
Fund balances (deficit), December 31	\$ 4,763	\$ 1,222,304	\$ 8	\$ -	\$ 4,611	\$ 25,983

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Byrne Memorial Grant Fund	Help to Others Fund	Totals
\$ -	\$ -	\$ 3,271,589
-	-	87,896
46,982	-	4,279,036
-	-	2,123,320
-	-	106,310
-	-	1,856
-	-	86,264
-	<u>16,811</u>	<u>249,527</u>
<u>46,982</u>	<u>16,811</u>	<u>10,205,798</u>
-	-	8,773,096
-	-	2,491,762
64,196	16,549	3,376,322
-	-	2,252,170
-	-	85,056
-	-	<u>67,356</u>
<u>64,196</u>	<u>16,549</u>	<u>17,045,762</u>
<u>(17,214)</u>	<u>262</u>	<u>(6,839,964)</u>
-	-	5,250,000
-	-	76,745
-	-	1,991
17,500	-	2,468,532
-	-	<u>(421,277)</u>
<u>17,500</u>	<u>-</u>	<u>7,375,991</u>
286	262	536,027
<u>1,932</u>	<u>347</u>	<u>6,435,732</u>
\$ <u>2,218</u>	\$ <u>609</u>	\$ <u>6,971,759</u>

# CITY OF LAKEWOOD, OHIO

## **COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL SPECIAL REVENUE FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Streets and Highways Fund			Police and Fire Pensions Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$ 884,000	\$ 972,907	\$ 88,907	\$ 1,408,069	\$ 2,322,914	\$ 914,845
Licenses and permits	-	-	-	-	-	-
Intergovernmental	616,000	472,037	(143,963)	300,000	302,868	2,868
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interest	-	-	-	1,000	1,451	451
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1,500,000</u>	<u>1,444,944</u>	<u>(55,056)</u>	<u>1,709,069</u>	<u>2,627,233</u>	<u>918,164</u>
<u>Expenditures</u>						
Current:						
Public Safety	-	-	-	8,197,040	7,603,729	593,311
Health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community environment	-	-	-	-	-	-
Highways and streets	2,673,793	2,406,779	267,014	-	-	-
General government	-	-	-	-	-	-
Debt service	-	-	-	70,000	67,356	2,644
Total expenditures	<u>2,673,793</u>	<u>2,406,779</u>	<u>267,014</u>	<u>8,267,040</u>	<u>7,671,085</u>	<u>595,955</u>
Excess of revenues over (under) expenditures	<u>(1,173,793)</u>	<u>(961,835)</u>	<u>211,958</u>	<u>(6,557,971)</u>	<u>(5,043,852)</u>	<u>1,514,119</u>
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	-	-	-	6,132,162	5,250,000	(882,162)
Other reimbursements	195,000	76,745	(118,255)	-	-	-
Operating transfers, in	980,000	980,000	-	-	-	-
Operating transfers, out	(120,223)	(120,223)	-	-	-	-
Net other financing sources (uses)	<u>1,054,777</u>	<u>936,522</u>	<u>(118,255)</u>	<u>6,132,162</u>	<u>5,250,000</u>	<u>(882,162)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(119,016)</u>	<u>(25,313)</u>	<u>93,703</u>	<u>(425,809)</u>	<u>206,148</u>	<u>631,957</u>
Fund balances (deficit), January 1	<u>298,342</u>	<u>298,342</u>	<u>-</u>	<u>557,908</u>	<u>557,908</u>	<u>-</u>
Fund balances (deficit), December 31	<u>\$ 179,326</u>	<u>\$ 273,029</u>	<u>\$ 93,703</u>	<u>\$ 132,099</u>	<u>\$ 764,056</u>	<u>\$ 631,957</u>

Enforcement and Education Fund			Litter Control Grants Fund			Office on Aging Grant Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 56,598	\$ 52,497	\$ (4,101)	\$ 405,741	\$ 348,275	\$ (57,466)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,000	3,600	(1,400)
10,000	7,495	(2,505)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	208,933	221,923	12,990
<u>10,000</u>	<u>7,495</u>	<u>(2,505)</u>	<u>56,598</u>	<u>52,497</u>	<u>(4,101)</u>	<u>619,674</u>	<u>573,798</u>	<u>(45,876)</u>
40,000	5,397	34,603	-	-	-	-	-	-
-	-	-	-	-	-	1,870,287	1,871,853	(1,566)
-	-	-	-	-	-	-	-	-
-	-	-	72,630	66,890	5,740	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>40,000</u>	<u>5,397</u>	<u>34,603</u>	<u>72,630</u>	<u>66,890</u>	<u>5,740</u>	<u>1,870,287</u>	<u>1,871,853</u>	<u>(1,566)</u>
<u>(30,000)</u>	<u>2,098</u>	<u>32,098</u>	<u>(16,032)</u>	<u>(14,393)</u>	<u>1,639</u>	<u>(1,250,613)</u>	<u>(1,298,055)</u>	<u>(47,442)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	16,032	16,032	-	1,425,000	1,450,000	25,000
-	-	-	-	-	-	(190,000)	(188,938)	1,062
-	-	-	<u>16,032</u>	<u>16,032</u>	<u>-</u>	<u>1,235,000</u>	<u>1,261,062</u>	<u>26,062</u>
(30,000)	2,098	32,098	-	1,639	1,639	(15,613)	(36,993)	(21,380)
<u>42,840</u>	<u>42,840</u>	<u>-</u>	<u>14,089</u>	<u>14,089</u>	<u>-</u>	<u>60,679</u>	<u>60,679</u>	<u>-</u>
\$ <u>12,840</u>	\$ <u>44,938</u>	\$ <u>32,098</u>	\$ <u>14,089</u>	\$ <u>15,728</u>	\$ <u>1,639</u>	\$ <u>45,066</u>	\$ <u>23,686</u>	\$ <u>(21,380)</u>

Continued

# CITY OF LAKEWOOD, OHIO

## **COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL SPECIAL REVENUE FUNDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Community Development Block Grant Fund			Community Festival Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	6,342,854	3,611,762	(2,731,092)	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	3,000	3,000
Total revenues	6,342,854	3,611,762	(2,731,092)	-	3,000	3,000
<u>Expenditures</u>						
Current:						
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Culture and recreation	-	-	-	5,500	8,208	(2,708)
Community environment	5,314,189	3,603,746	1,710,443	-	-	-
Highways and streets	-	-	-	-	-	-
General government	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	5,314,189	3,603,746	1,710,443	5,500	8,208	(2,708)
Excess of revenues over (under) expenditures	1,028,665	8,016	(1,020,649)	(5,500)	(5,208)	292
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	-	-	-	-	-	-
Other reimbursements	-	-	-	-	-	-
Operating transfers, in	-	-	-	5,000	5,000	-
Operating transfers, out	(65,000)	(62,900)	2,100	-	-	-
Net other financing sources (uses)	(65,000)	(62,900)	2,100	5,000	5,000	-
Excess of revenues and other sources over (under) expenditures and other uses	963,665	(54,884)	(1,018,549)	(500)	(208)	292
Fund balances (deficit), January 1	(957,665)	(957,665)	-	3,745	3,745	-
Fund balances (deficit), December 31	\$ 6,000	\$ (1,012,549)	\$ (1,018,549)	\$ 3,245	\$ 3,537	\$ 292

Children's Trust Grant Fund			Law and Drug Enforcement Fund			Emergency Shelter Grant Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
28,332	21,892	(6,440)	-	-	-	148,852	84,674	(64,178)
-	-	-	5,000	8,393	3,393	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	250	1,991	1,741	-	-	-
<u>28,332</u>	<u>21,892</u>	<u>(6,440)</u>	<u>5,250</u>	<u>10,384</u>	<u>5,134</u>	<u>148,852</u>	<u>84,674</u>	<u>(64,178)</u>
-	-	-	72,203	66,371	5,832	-	-	-
31,835	28,280	3,555	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	90,063	90,058	5
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>31,835</u>	<u>28,280</u>	<u>3,555</u>	<u>72,203</u>	<u>66,371</u>	<u>5,832</u>	<u>90,063</u>	<u>90,058</u>	<u>5</u>
<u>(3,503)</u>	<u>(6,388)</u>	<u>(2,885)</u>	<u>(66,953)</u>	<u>(55,987)</u>	<u>10,966</u>	<u>58,789</u>	<u>(5,384)</u>	<u>(64,173)</u>
-	-	-	20,000	4,581	(15,419)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	20,000	4,581	(15,419)	-	-	-
(3,503)	(6,388)	(2,885)	(46,953)	(51,406)	(4,453)	58,789	(5,384)	(64,173)
3,503	3,503	-	154,373	154,373	-	(54,809)	(54,809)	-
\$ <u>-</u>	\$ <u>(2,885)</u>	\$ <u>(2,885)</u>	\$ <u>107,420</u>	\$ <u>102,967</u>	\$ <u>(4,453)</u>	\$ <u>3,980</u>	\$ <u>(60,193)</u>	\$ <u>(64,173)</u>

Continued

# CITY OF LAKEWOOD, OHIO

## **COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL SPECIAL REVENUE FUNDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Indigent Drivers Alcohol Treatment Fund			Federal Forfeiture Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	18,000	16,173	(1,827)	-	17,934	17,934
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	18,000	16,173	(1,827)	-	17,934	17,934
<u>Expenditures</u>						
Current:						
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community environment	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
General government	50,000	10,870	39,130	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	50,000	10,870	39,130	-	-	-
Excess of revenues over (under) expenditures	(32,000)	5,303	37,303	-	17,934	17,934
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	-	-	-	-	-	-
Other reimbursements	-	-	-	-	-	-
Operating transfers, in	-	-	-	-	-	-
Operating transfers, out	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(32,000)	5,303	37,303	-	17,934	17,934
Fund balances (deficit), January 1	143,615	143,615	-	-	-	-
Fund balances (deficit), December 31	\$ 111,615	\$ 148,918	\$ 37,303	\$ -	\$ 17,934	\$ 17,934

Political Subdivision Fund			Bureau of Justice Grant Fund			Computer Research and Maintenance		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	23,820	26,194	2,374	-	-	-
-	-	-	-	-	-	-	-	-
5,000	5,608	608	-	-	-	57,000	51,202	(5,798)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>5,000</u>	<u>5,608</u>	<u>608</u>	<u>23,820</u>	<u>26,194</u>	<u>2,374</u>	<u>57,000</u>	<u>51,202</u>	<u>(5,798)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	55,405	4,928	50,477	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	140,000	84,866	55,134
-	-	-	-	-	-	-	-	-
-	-	-	<u>55,405</u>	<u>4,928</u>	<u>50,477</u>	<u>140,000</u>	<u>84,866</u>	<u>55,134</u>
5,000	5,608	608	(31,585)	21,266	52,851	(83,000)	(33,664)	49,336
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(7,000)	(7,000)	-	-	-	-	-	-	-
(7,000)	(7,000)	-	-	-	-	-	-	-
(2,000)	(1,392)	608	(31,585)	21,266	52,851	(83,000)	(33,664)	49,336
2,422	2,422	-	31,585	31,585	-	190,247	190,247	-
<u>422</u>	<u>1,030</u>	<u>608</u>	<u>-</u>	<u>52,851</u>	<u>52,851</u>	<u>107,247</u>	<u>156,583</u>	<u>49,336</u>

Continued

# CITY OF LAKEWOOD, OHIO

## **COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL SPECIAL REVENUE FUNDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Little Links Fund			Lakewood Hospital Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	50,000	87,896	37,896
Intergovernmental	-	-	-	18,500	19,224	724
Charges for services	22,594	15,566	(7,028)	1,648,270	2,119,500	471,230
Fines and forfeits	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	449	310	(139)	17,000	17,755	755
Total revenues	23,043	15,876	(7,167)	1,733,770	2,244,375	510,605
<u>Expenditures</u>						
Current:						
Public Safety	-	-	-	1,281,463	1,271,316	10,147
Health	-	-	-	615,000	613,828	1,172
Culture and recreation	-	-	-	-	-	-
Community environment	23,043	13,207	9,836	-	-	-
Highways and streets	-	-	-	-	-	-
General government	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	23,043	13,207	9,836	1,896,463	1,885,144	11,319
Excess of revenues over (under) expenditures	-	2,669	2,669	(162,693)	359,231	521,924
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	-	-	-	-	-	-
Other reimbursements	-	-	-	-	-	-
Operating transfers, in	-	-	-	-	-	-
Operating transfers, out	-	-	-	(42,216)	(42,216)	-
Net other financing sources (uses)	-	-	-	(42,216)	(42,216)	-
Excess of revenues and other sources over (under) expenditures and other uses	-	2,669	2,669	(204,909)	317,015	521,924
Fund balances (deficit), January 1	2,094	2,094	-	692,804	692,804	-
Fund balances (deficit), December 31	\$ 2,094	\$ 4,763	\$ 2,669	\$ 487,895	\$ 1,009,819	\$ 521,924

Just Friends Grant Fund			St. Ann's Grant Fund			Juvenile Violence Prevention Grant Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	22,120	19,857	(2,263)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,899	2,899	-	-	-	-
-	-	-	2,899	2,899	-	22,120	19,857	(2,263)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,866	1,858	8	-	-	-	18,658	19,215	(557)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,866	1,858	8	-	-	-	18,658	19,215	(557)
(1,866)	(1,858)	8	2,899	2,899	-	3,462	642	(2,820)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(1,866)	(1,858)	8	2,899	2,899	-	3,462	642	(2,820)
1,866	1,866	-	(2,899)	(2,899)	-	(2,120)	(2,120)	-
\$ -	\$ 8	\$ 8	\$ -	\$ -	\$ -	\$ 1,342	\$ (1,478)	\$ (2,820)

Continued

# CITY OF LAKEWOOD, OHIO

## **COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL SPECIAL REVENUE FUNDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Juvenile Accountability Incentive Block Grant Fund			Byrne Memorial Grant Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	15,000	30,474	15,474	43,523	41,098	(2,425)
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	15,000	30,474	15,474	43,523	41,098	(2,425)
<u>Expenditures</u>						
Current:						
Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community environment	13,877	10,573	3,304	58,031	64,845	(6,814)
Highways and streets	-	-	-	-	-	-
General government	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	13,877	10,573	3,304	58,031	64,845	(6,814)
Excess of revenues over (under) expenditures	1,123	19,901	18,778	(14,508)	(23,747)	(9,239)
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	-	-	-	-	-	-
Other reimbursements	-	-	-	-	-	-
Operating transfers, in	-	-	-	17,500	17,500	-
Operating transfers, out	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	17,500	17,500	-
Excess of revenues and other sources over (under) expenditures and other uses	1,123	19,901	18,778	2,992	(6,247)	(9,239)
Fund balances (deficit), January 1	3,839	3,839	-	3,099	3,099	-
Fund balances (deficit), December 31	\$ 4,962	\$ 23,740	\$ 18,778	\$ 6,091	\$ (3,148)	\$ (9,239)

Help to Others Fund			Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 2,754,408	\$ 3,696,593	\$ 942,185
-	-	-	50,000	87,896	37,896
-	-	-	7,559,001	4,630,080	(2,928,921)
-	-	-	1,680,864	2,147,059	466,195
-	-	-	90,000	98,412	8,412
-	-	-	1,000	1,451	451
<u>33,305</u>	<u>16,811</u>	<u>(16,494)</u>	<u>262,836</u>	<u>264,689</u>	<u>1,853</u>
<u>33,305</u>	<u>16,811</u>	<u>(16,494)</u>	<u>12,398,109</u>	<u>10,926,180</u>	<u>(1,471,929)</u>
-	-	-	9,590,706	8,946,813	643,893
-	-	-	2,517,122	2,513,961	3,161
-	-	-	5,500	8,208	(2,708)
32,930	15,827	17,103	5,680,692	3,891,147	1,789,545
-	-	-	2,673,793	2,406,779	267,014
-	-	-	190,000	95,736	94,264
-	-	-	<u>70,000</u>	<u>67,356</u>	<u>2,644</u>
<u>32,930</u>	<u>15,827</u>	<u>17,103</u>	<u>20,727,813</u>	<u>17,930,000</u>	<u>2,797,813</u>
<u>375</u>	<u>984</u>	<u>609</u>	<u>(8,329,704)</u>	<u>(7,003,820)</u>	<u>1,325,884</u>
-	-	-	6,152,162	5,254,581	(897,581)
-	-	-	195,000	76,745	(118,255)
-	-	-	2,443,532	2,468,532	25,000
-	-	-	<u>(424,439)</u>	<u>(421,277)</u>	<u>3,162</u>
-	-	-	<u>8,366,255</u>	<u>7,378,581</u>	<u>(987,674)</u>
375	984	609	36,551	374,761	338,210
<u>(375)</u>	<u>(375)</u>	<u>-</u>	<u>1,189,182</u>	<u>1,189,182</u>	<u>-</u>
\$ <u>-</u>	\$ <u>609</u>	\$ <u>609</u>	\$ <u>1,225,733</u>	\$ <u>1,563,943</u>	\$ <u>338,210</u>

# **CITY OF LAKEWOOD, OHIO**

## **CAPITAL PROJECTS FUNDS**

**DECEMBER 31, 2001**

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

Permanent Capital Improvement Fund	To account for the acquisition of equipment and the construction of general fixed assets of the City.
Lakehouse Breakwall Fund	To account for the construction of a permanent breakwall to protect the property of the citizens of the City.
Land Acquisition Fund	To account for the acquisition of properties purchased by the City to be developed for recreation, economic or other purposes as deemed appropriate by City Council and the Mayor.

# CITY OF LAKEWOOD, OHIO

## COMBINING BALANCE SHEET – ALL CAPITAL PROJECTS FUNDS

**DECEMBER 31, 2001**

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	Permanent Capital Improvement Fund	Lakehouse Breakwall Fund	Land Acquisition Fund	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 2,403,574	\$ 6,667	\$ 100,000	\$ 2,510,241
Accounts receivable	42,390	-	-	42,390
Special assessments receivable	-	90,408	-	90,408
Total assets	\$ <u>2,445,964</u>	\$ <u>97,075</u>	\$ <u>100,000</u>	\$ <u>2,643,039</u>
<u>Liabilities</u>				
Accounts payable	\$ 695,662	\$ -	\$ -	\$ 695,662
Deferred revenue	31,756	90,408	-	122,164
Notes payable	2,025,000	-	-	2,025,000
Total liabilities	<u>2,752,418</u>	<u>90,408</u>	<u>-</u>	<u>2,842,826</u>
<u>Fund balance</u>				
Reserved for encumbrances	831,474	-	-	831,474
Undesignated and unreserved	(1,137,928)	6,667	100,000	(1,031,261)
Total fund balance	<u>(306,454)</u>	<u>6,667</u>	<u>100,000</u>	<u>(199,787)</u>
Total liabilities and fund balance	\$ <u>2,445,964</u>	\$ <u>97,075</u>	\$ <u>100,000</u>	\$ <u>2,643,039</u>

# CITY OF LAKEWOOD, OHIO

## **COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL CAPITAL PROJECTS FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

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	Permanent Capital Improvement Fund	Lakehouse Breakwall Fund	Land Acquisition Fund	Totals
<u>Revenues</u>				
Special assessments	\$ 10,634	\$ 44,989	\$ -	\$ 55,623
<u>Expenditures</u>				
Current:				
Capital outlay	3,456,488	-	-	3,456,488
Debt service:				
Principal retirement	-	40,000	-	40,000
Interest and fiscal charges	20,725	6,180	-	26,905
Total expenditures	<u>3,477,213</u>	<u>46,180</u>	<u>-</u>	<u>3,523,393</u>
Excess of revenues over (under) expenditures	<u>(3,466,579)</u>	<u>(1,191)</u>	<u>-</u>	<u>(3,467,770)</u>
<u>Other financing sources (uses)</u>				
Proceeds of sale of debt	849,725	-	-	849,725
Loan proceeds	232,560	-	-	232,560
Operating transfers, in	1,001,870	-	50,000	1,051,870
Net other financing sources (uses)	<u>2,084,155</u>	<u>-</u>	<u>50,000</u>	<u>2,134,155</u>
Excess of revenues and other sources over (under) expenditures and other uses	(1,382,424)	(1,191)	50,000	(1,333,615)
Fund balance, January 1, Restated	<u>1,075,970</u>	<u>7,858</u>	<u>50,000</u>	<u>1,133,828</u>
Fund balance (deficit), December 31	\$ <u>(306,454)</u>	\$ <u>6,667</u>	\$ <u>100,000</u>	\$ <u>(199,787)</u>

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# CITY OF LAKEWOOD, OHIO

## **COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL CAPITAL PROJECTS FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Permanent Capital Improvement Fund			Lakehouse Breakwall Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Special assessments	\$ -	\$ -	\$ -	\$ 45,204	\$ 44,989	\$ (215)
<u>Expenditures</u>						
Capital outlay	3,961,816	3,542,806	419,010	-	-	-
Debt service	-	-	-	46,180	46,180	-
Total expenditures	<u>3,961,816</u>	<u>3,542,806</u>	<u>419,010</u>	<u>46,180</u>	<u>46,180</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(3,961,816)</u>	<u>(3,542,806)</u>	<u>419,010</u>	<u>(976)</u>	<u>(1,191)</u>	<u>(215)</u>
<u>Other financing sources (uses)</u>						
Proceeds from sale of debt	2,025,000	2,025,000	-	-	-	-
Loan proceeds	298,400	232,560	(65,840)	-	-	-
Operating transfers, in	1,001,870	1,001,870	-	-	-	-
Operating transfers, out	<u>(126,601)</u>	<u>-</u>	<u>126,601</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	<u>3,198,669</u>	<u>3,259,430</u>	<u>60,761</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(763,147)	(283,376)	479,771	(976)	(1,191)	(215)
Decertification of prior year encumbrances	-	729,795	729,795	-	-	-
Fund balances, January 1	<u>763,147</u>	<u>763,147</u>	<u>-</u>	<u>7,859</u>	<u>7,859</u>	<u>-</u>
Fund balances, December 31	<u>\$ -</u>	<u>\$ 1,209,566</u>	<u>\$ 1,209,566</u>	<u>\$ 6,883</u>	<u>\$ 6,668</u>	<u>\$ (215)</u>

Land Acquisition Fund			Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 45,204	\$ 44,989	\$ (215)
100,000	-	100,000	4,061,816	3,542,806	519,010
-	-	-	46,180	46,180	-
<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>4,107,996</u>	<u>3,588,986</u>	<u>519,010</u>
<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>(4,062,792)</u>	<u>(3,543,997)</u>	<u>518,795</u>
-	-	-	2,025,000	2,025,000	-
-	-	-	298,400	232,560	(65,840)
50,000	50,000	-	1,051,870	1,051,870	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(126,601)</u>	<u>-</u>	<u>126,601</u>
<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>3,248,669</u>	<u>3,309,430</u>	<u>60,761</u>
(50,000)	50,000	100,000	(814,123)	(234,567)	579,556
-	-	-	-	729,795	729,795
<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>821,006</u>	<u>821,006</u>	<u>-</u>
\$ <u>-</u>	\$ <u>100,000</u>	\$ <u>100,000</u>	\$ <u>6,883</u>	\$ <u>1,316,234</u>	\$ <u>1,309,351</u>

# **CITY OF LAKEWOOD, OHIO**

## **ENTERPRISE FUNDS**

**DECEMBER 31, 2001**

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

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

# CITY OF LAKEWOOD, OHIO

## COMBINING BALANCE SHEET – ALL ENTERPRISE FUNDS

**DECEMBER 31, 2001**

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Rink Fund	Totals
<u>Assets</u>						
Current assets						
Cash and cash equivalents	\$ 5,069,076	\$ 5,805,382	\$ 113,946	\$ 14,270	\$ -	\$ 11,002,674
Receivables:						
Taxes	-	1,422,047	-	-	-	1,422,047
Accounts	1,175,973	500,910	-	-	61,181	1,738,064
Less allowance for doubtful accounts	(46,489)	(20,242)	-	-	-	(66,731)
Receivables, net	<u>1,129,484</u>	<u>1,902,715</u>	<u>-</u>	<u>-</u>	<u>61,181</u>	<u>3,093,380</u>
Due from other governments	-	94,634	-	-	-	94,634
Inventories	<u>111,510</u>	<u>114,301</u>	<u>-</u>	<u>-</u>	<u>18,200</u>	<u>244,011</u>
Total current assets	6,310,070	7,917,032	113,946	14,270	79,381	14,434,699
Restricted cash	785,583	-	-	-	-	785,583
Deferred bond issuance costs	209,306	93,682	-	-	14,179	317,167
Fixed assets						
Land and land improvements	120,608	55,482	2,353,296	21,980	107,800	2,659,166
Utility plant in service	22,185,528	36,706,660	-	-	-	58,892,188
Buildings, structures, and improvements	1,308,354	1,256,102	166,389	32,122	3,515,080	6,278,047
Machinery and equipment	1,348,473	8,172,888	535	-	177,709	9,699,605
Less accumulated depreciation	(5,069,734)	(20,071,969)	(583,747)	(16,769)	(928,842)	(26,671,061)
Fixed assets, net	<u>19,893,229</u>	<u>26,119,163</u>	<u>1,936,473</u>	<u>37,333</u>	<u>2,871,747</u>	<u>50,857,945</u>
Construction in progress	<u>1,295,629</u>	<u>396,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,692,028</u>
Total assets	<u>\$ 28,493,817</u>	<u>\$ 34,526,276</u>	<u>\$ 2,050,419</u>	<u>\$ 51,603</u>	<u>\$ 2,965,307</u>	<u>\$ 68,087,422</u>

Continued

# CITY OF LAKEWOOD, OHIO

## COMBINING BALANCE SHEET – ALL ENTERPRISE FUNDS (CONTINUED)

**DECEMBER 31, 2001**

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Rink Fund	Totals
<u>Liabilities</u>						
Current liabilities						
Accounts payable	\$ 713,283	\$ 340,290	\$ 45,681	\$ 4,020	\$ 24,433	\$ 1,127,707
Due to other funds	13,886	44,261	2,652	-	89,431	150,230
Due to other governments	-	301,057	13,336	1,432	-	315,825
Accrued wages and benefits	88,228	145,628	8,207	-	62,736	304,799
Accrued interest	171,929	34,767	-	-	5,342	212,038
Current portion of long-term debt	<u>305,000</u>	<u>470,000</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>776,800</u>
Total current liabilities	1,292,326	1,336,003	69,876	5,452	183,742	2,887,399
Capital lease obligations	-	-	-	-	37,995	37,995
Deferred revenue	-	1,444,981	-	-	-	1,444,981
Loans payable	4,993,717	683,308	-	-	-	5,677,025
Notes payable	1,100,000	2,950,000	-	-	-	4,050,000
General obligation, mortgage revenue and refunding bonds payable	<u>5,530,000</u>	<u>5,955,411</u>	<u>-</u>	<u>-</u>	<u>1,288,600</u>	<u>12,774,011</u>
Total liabilities	<u>12,916,043</u>	<u>12,369,703</u>	<u>69,876</u>	<u>5,452</u>	<u>1,510,337</u>	<u>26,871,411</u>
<u>Fund equity</u>						
Contributed capital – City of Lakewood	2,160,385	8,723,745	1,980,864	30,301	1,529,983	14,425,278
Retained earnings – unreserved	<u>13,417,389</u>	<u>13,432,828</u>	<u>(321)</u>	<u>15,850</u>	<u>(75,013)</u>	<u>26,790,733</u>
Total fund equity	<u>15,577,774</u>	<u>22,156,573</u>	<u>1,980,543</u>	<u>46,151</u>	<u>1,454,970</u>	<u>41,216,011</u>
Total liabilities and fund equity	\$ <u>28,493,817</u>	\$ <u>34,526,276</u>	\$ <u>2,050,419</u>	\$ <u>51,603</u>	\$ <u>2,965,307</u>	\$ <u>68,087,422</u>

# CITY OF LAKEWOOD, OHIO

## **COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT) – ALL ENTERPRISE FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Water Fund	Sewer and Wastewater Fund	Parking Facilities Fund	Congregational Living Facility Fund	Winterhurst Ice Rink Fund	Totals
<b>Operating Revenues</b>						
Charges for services	\$ 8,522,772	\$ 3,479,610	\$ 270,178	\$ 8,100	\$ 822,313	\$ 13,102,973
Other operating revenue	<u>13,517</u>	<u>14</u>	<u>86</u>	<u>-</u>	<u>88</u>	<u>13,705</u>
Total operating revenues	<u>8,536,289</u>	<u>3,479,624</u>	<u>270,264</u>	<u>8,100</u>	<u>822,401</u>	<u>13,116,678</u>
<b>Operating expenses</b>						
Personal services	820,544	1,612,283	105,478	-	353,004	2,891,309
Benefit payments	129,160	263,131	18,904	-	57,126	468,321
Purchased water	5,443,755	-	-	-	-	5,443,755
Heat, light, and power	22,917	374,508	18,900	3,281	307,613	727,219
Contractual services	12,672	381,452	2,528	989	7,426	405,067
Supplies and materials	68,395	301,791	19,870	392	29,090	419,538
Depreciation	490,744	852,537	69,958	601	124,118	1,537,958
Other	<u>586,645</u>	<u>518,354</u>	<u>83,270</u>	<u>4,247</u>	<u>40,073</u>	<u>1,232,589</u>
Total operating expenses	<u>7,574,832</u>	<u>4,304,056</u>	<u>318,908</u>	<u>9,510</u>	<u>918,450</u>	<u>13,125,756</u>
Operating income (loss)	<u>961,457</u>	<u>(824,432)</u>	<u>(48,644)</u>	<u>(1,410)</u>	<u>(96,049)</u>	<u>(9,078)</u>
<b>Non-operating revenues (expenses)</b>						
Interest income	115,339	-	-	-	-	115,339
Interest expense and fiscal charges	(375,121)	(411,549)	-	-	(65,059)	(851,729)
Tax revenue	-	1,445,711	-	-	-	1,445,711
Intergovernmental	<u>-</u>	<u>190,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,483</u>
Net non-operating revenues (expenses)	<u>(259,782)</u>	<u>1,224,645</u>	<u>-</u>	<u>-</u>	<u>(65,059)</u>	<u>899,804</u>
Net income (loss) before transfers	701,675	400,213	(48,644)	(1,410)	(161,108)	890,726
Operating transfers – out	<u>(89,856)</u>	<u>(206,063)</u>	<u>(16,523)</u>	<u>-</u>	<u>(25,393)</u>	<u>(337,835)</u>
Net income (loss)	611,819	194,150	(65,167)	(1,410)	(186,501)	552,891
Depreciation on fixed assets acquired by contributed capital	<u>53,066</u>	<u>289,064</u>	<u>72,878</u>	<u>491</u>	<u>68,425</u>	<u>483,924</u>
Increase (decrease) in retained earnings	664,885	483,214	7,711	(919)	(118,076)	1,036,815
Retained earnings (deficit), January 1, restated	<u>12,752,504</u>	<u>12,949,614</u>	<u>(8,032)</u>	<u>16,769</u>	<u>43,063</u>	<u>25,753,918</u>
Retained earnings (deficit), December 31	\$ <u>13,417,389</u>	\$ <u>13,432,828</u>	\$ <u>(321)</u>	\$ <u>15,850</u>	\$ <u>(75,013)</u>	\$ <u>26,790,733</u>

# CITY OF LAKEWOOD, OHIO

## COMBINING STATEMENT OF CASH FLOWS – ALL ENTERPRISE FUNDS

**DECEMBER 31, 2001**

	<u>Water Fund</u>	<u>Sewer and Wastewater Fund</u>	<u>Parking Facilities Fund</u>	<u>Congregational Living Facility Fund</u>	<u>Winterhurst Ice Rink Fund</u>	<u>Totals</u>
Cash flows from operating activities:						
Cash received from customers \$	8,409,780	\$ 3,443,438	\$ 275,599	\$ 8,100	\$ 835,805	\$ 12,972,722
Cash paid to suppliers for goods and services	(5,621,244)	(716,661)	(45,014)	(5,108)	(415,339)	(6,803,366)
Cash paid to employees for services	(944,002)	(1,887,863)	(127,702)	-	(421,143)	(3,380,710)
Other operating revenues	13,517	14	86	-	88	13,705
Other operating expenses	(529,223)	(799,548)	(85,289)	(4,275)	(51,159)	(1,469,494)
Net cash provided by (used for) operating activities	<u>1,328,828</u>	<u>39,380</u>	<u>17,680</u>	<u>(1,283)</u>	<u>(51,748)</u>	<u>1,332,857</u>
Cash flows from non-capital financing activities:						
Cash transfers to other funds	(89,856)	(206,063)	(16,523)	-	(25,393)	(337,835)
Cash advance from other funds	-	-	-	-	85,355	85,355
Intergovernmental revenue	-	190,483	-	-	-	190,483
Tax revenue	-	1,428,536	-	-	-	1,428,536
Net cash provided by (used for) non-capital financing activities	<u>(89,856)</u>	<u>1,412,956</u>	<u>(16,523)</u>	<u>-</u>	<u>59,962</u>	<u>1,366,539</u>
Cash flows from capital and related financing activities:						
Proceeds from OPWC loans	1,717,264	39,656	-	-	-	1,756,920
Proceeds from sale of debt	1,100,000	2,950,000	-	-	-	4,050,000
Acquisition and construction of capital assets	(1,973,046)	(720,711)	-	-	(10,800)	(2,704,557)
Principal paid on bonds and notes	(396,024)	(464,273)	-	-	(1,800)	(862,097)
Interest and fiscal charges paid on bonds and notes	(364,437)	(406,916)	-	-	(84,180)	(855,533)
Net cash provided by (used for) capital and related financing activities	<u>83,757</u>	<u>1,397,756</u>	<u>-</u>	<u>-</u>	<u>(96,780)</u>	<u>1,384,733</u>
Cash flows from investing activities:						
Earnings on investments	<u>115,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,339</u>
Net increase (decrease) in cash and cash equivalents	1,438,068	2,850,092	1,157	(1,283)	(88,566)	4,199,468
Cash and cash equivalents, January 1	<u>4,416,591</u>	<u>2,955,290</u>	<u>112,789</u>	<u>15,553</u>	<u>88,566</u>	<u>7,588,789</u>
Cash and cash equivalents, December 31	<u>\$ 5,854,659</u>	<u>\$ 5,805,382</u>	<u>\$ 113,946</u>	<u>\$ 14,270</u>	<u>\$ -</u>	<u>\$ 11,788,257</u>

Continued

**CITY OF LAKEWOOD, OHIO**

**COMBINING STATEMENT OF CASH FLOWS – ALL ENTERPRISE FUNDS  
(CONTINUED)**

**DECEMBER 31, 2001**

	<u>Water Fund</u>	<u>Sewer and Wastewater Fund</u>	<u>Parking Facilities Fund</u>	<u>Congregational Living Facility Fund</u>	<u>Winterhurst Ice Rink Fund</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	\$ 961,457	\$ (824,432)	\$ (48,644)	\$ (1,410)	\$ (96,049)	\$ (9,078)
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	490,744	852,537	69,958	601	124,118	1,537,958
Increase (decrease) in allowance for doubtful accounts	6,105	2,600	-	-	-	8,705
Change in assets and liabilities						
(Increase) decrease in accounts receivable	(112,178)	(36,172)	-	-	13,492	(134,858)
(Increase) decrease in other receivables	-	-	5,456	-	-	5,456
(Increase) decrease in inventories	(111,510)	(114,301)	-	-	(18,200)	(244,011)
Increase (decrease) in due to other funds	(2,659)	13,386	(2,757)	-	1,024	8,994
Increase (decrease) in accounts payable	92,843	163,054	(179)	(474)	(64,096)	191,148
Increase (decrease) in accrued wages and benefits	4,026	(17,292)	(6,154)	-	(12,037)	(31,457)
Total adjustments	<u>367,371</u>	<u>863,812</u>	<u>66,324</u>	<u>127</u>	<u>44,301</u>	<u>1,341,935</u>
Net cash provided by (used for) operating activities	\$ <u>1,328,828</u>	\$ <u>39,380</u>	\$ <u>17,680</u>	\$ <u>(1,283)</u>	\$ <u>(51,748)</u>	\$ <u>1,332,857</u>
<b>Supplemental schedule of non-cash activities:</b>						
Non-cash capital and related financing activities:						
Fixed assets acquired by inception of capital lease	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,995</u>	<u>57,995</u>

# CITY OF LAKEWOOD, OHIO

## **COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL ENTERPRISE FUNDS**

### **FOR THE YEAR ENDED DECEMBER 31, 2001**

	Water Fund			Sewer and Wastewater Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 1,418,222	\$ 1,428,536	\$ 10,314
Intergovernmental	-	-	-	195,000	190,483	(4,517)
Charges for services	9,130,565	8,410,595	(719,970)	3,825,704	3,443,452	(382,252)
Interest	45,000	115,339	70,339	-	-	-
Miscellaneous	4,920	13,516	8,596	-	-	-
Total revenues	<u>9,180,485</u>	<u>8,539,450</u>	<u>(641,035)</u>	<u>5,438,926</u>	<u>5,062,471</u>	<u>(376,455)</u>
<b>Expenses</b>						
Current:						
Health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Sanitation	7,625,614	7,091,409	534,205	3,550,198	3,219,370	330,828
Highways and streets	-	-	-	-	-	-
Capital outlay	804,001	2,136,864	(1,332,863)	3,654,150	1,471,434	2,182,716
Debt service	<u>1,856,468</u>	<u>760,461</u>	<u>1,096,007</u>	<u>1,757,108</u>	<u>871,189</u>	<u>885,919</u>
Total expenses	<u>10,286,083</u>	<u>9,988,734</u>	<u>297,349</u>	<u>8,961,456</u>	<u>5,561,993</u>	<u>3,399,463</u>
Excess of revenues over (under) expenses	<u>(1,105,598)</u>	<u>(1,449,284)</u>	<u>(343,686)</u>	<u>(3,522,530)</u>	<u>(499,522)</u>	<u>3,023,008</u>
<b>Other financing sources (uses)</b>						
Proceeds from sale of debt	-	1,100,000	1,100,000	2,950,000	2,950,000	-
Loan proceeds	-	1,717,264	1,717,264	30,000	39,656	9,656
Operating transfers, out	<u>(90,000)</u>	<u>(89,856)</u>	<u>144</u>	<u>(210,000)</u>	<u>(206,063)</u>	<u>3,937</u>
Net other financing sources (uses)	<u>(90,000)</u>	<u>2,724,408</u>	<u>2,817,408</u>	<u>2,770,000</u>	<u>2,783,593</u>	<u>13,593</u>
Excess of revenues and other sources over (under) expenses and other uses	<u>(1,195,598)</u>	<u>1,278,124</u>	<u>2,473,722</u>	<u>(752,530)</u>	<u>2,284,071</u>	<u>3,036,601</u>
Fund equity, January 1	<u>3,955,951</u>	<u>3,955,951</u>	<u>-</u>	<u>2,443,518</u>	<u>2,443,518</u>	<u>-</u>
Fund equity (deficit), December 31	\$ <u>2,760,353</u>	\$ <u>5,234,075</u>	\$ <u>2,473,722</u>	\$ <u>1,690,988</u>	\$ <u>4,727,589</u>	\$ <u>3,036,601</u>

Parking Facilities Fund			Congregational Living Facility Fund			Winterhurst Ice Rink Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
275,000	275,720	720	8,100	8,100	-	957,900	835,892	(122,008)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>275,000</u>	<u>275,720</u>	<u>720</u>	<u>8,100</u>	<u>8,100</u>	<u>-</u>	<u>957,900</u>	<u>835,892</u>	<u>(122,008)</u>
-	-	-	9,800	9,187	613	-	-	-
-	-	-	-	-	-	835,784	906,292	(70,508)
-	-	-	-	-	-	-	-	-
273,340	266,575	6,765	-	-	-	-	-	-
-	-	-	10,000	-	10,000	-	-	-
-	-	-	-	-	-	85,980	85,980	-
<u>273,340</u>	<u>266,575</u>	<u>6,765</u>	<u>19,800</u>	<u>9,187</u>	<u>10,613</u>	<u>921,764</u>	<u>992,272</u>	<u>(70,508)</u>
1,660	9,145	7,485	(11,700)	(1,087)	10,613	36,136	(156,380)	(192,516)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(17,000)</u>	<u>(16,523)</u>	<u>477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,000)</u>	<u>(25,393)</u>	<u>607</u>
<u>(17,000)</u>	<u>(16,523)</u>	<u>477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,000)</u>	<u>(25,393)</u>	<u>607</u>
(15,340)	(7,378)	7,962	(11,700)	(1,087)	10,613	10,136	(181,773)	(191,909)
109,605	109,605	-	15,357	15,357	-	73,922	73,922	-
<u>\$ 94,265</u>	<u>\$ 102,227</u>	<u>\$ 7,962</u>	<u>\$ 3,657</u>	<u>\$ 14,270</u>	<u>\$ 10,613</u>	<u>\$ 84,058</u>	<u>\$ (107,851)</u>	<u>\$ (191,909)</u>

Continued

## CITY OF LAKEWOOD, OHIO

### **COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL ENTERPRISE FUNDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

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	Totals		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 1,418,222	\$ 1,428,536	\$ 10,314
Intergovernmental	195,000	190,483	(4,517)
Charges for services	14,197,269	12,973,759	(1,223,510)
Interest	45,000	115,339	70,339
Miscellaneous	4,920	13,516	8,596
Total revenues	<u>15,860,411</u>	<u>14,721,633</u>	<u>(1,138,778)</u>
<b>Expenditures</b>			
Current:			
Health	9,800	9,187	613
Culture and recreation	835,784	906,292	(70,508)
Sanitation	11,175,812	10,310,779	865,033
Highways and streets	273,340	266,575	6,765
Capital outlay	4,468,151	3,608,298	859,853
Debt service	<u>3,699,556</u>	<u>1,717,630</u>	<u>1,981,926</u>
Total expenditures	<u>20,462,443</u>	<u>16,818,761</u>	<u>3,643,682</u>
Excess of revenues over (under) expenditures	<u>(4,602,032)</u>	<u>(2,097,128)</u>	<u>2,504,904</u>
<b>Other financing sources (uses)</b>			
Proceeds from sale of debt	2,950,000	4,050,000	1,100,000
Loan proceeds	30,000	1,756,920	1,726,920
Operating transfers, out	<u>(343,000)</u>	<u>(337,835)</u>	<u>5,165</u>
Total other financing sources (uses)	<u>2,637,000</u>	<u>5,469,085</u>	<u>2,832,085</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(1,965,032)</u>	<u>3,371,957</u>	<u>5,336,989</u>
Fund equity, January 1	<u>6,598,353</u>	<u>6,598,353</u>	<u>-</u>
Fund equity (deficit), December 31	\$ <u>4,633,321</u>	\$ <u>9,970,310</u>	\$ <u>5,336,989</u>

# **CITY OF LAKEWOOD, OHIO**

## **INTERNAL SERVICE FUNDS**

**DECEMBER 31, 2001**

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

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

# CITY OF LAKEWOOD, OHIO

## COMBINING BALANCE SHEET – ALL INTERNAL SERVICE FUNDS

**DECEMBER 31, 2001**

---

	General Insurance Fund	Recreational Insurance Fund	Hospitalization Fund	Workers Compensation Fund	Totals
<u>Assets</u>					
Cash and cash equivalents	\$ 441,037	\$ -	\$ 339,057	\$ 1,832,476	\$ 2,612,570
Due from other funds	-	-	429,249	-	429,249
Total assets	\$ <u>441,037</u>	\$ <u>-</u>	\$ <u>768,306</u>	\$ <u>1,832,476</u>	\$ <u>3,041,819</u>
<u>Liabilities</u>					
Current liabilities					
Accounts payable	\$ -	\$ -	\$ 151,576	\$ 99,603	\$ 251,179
Reserve for claims	23,000	-	428,045	2,224,944	2,675,989
Total liabilities	<u>23,000</u>	<u>-</u>	<u>579,621</u>	<u>2,324,547</u>	<u>2,927,168</u>
<u>Fund Equity</u>					
Contributed capital – City of Lakewood	500,000	-	-	-	500,000
Retained earnings (deficit)	(81,963)	-	188,685	(492,071)	(385,349)
Total fund equity	<u>418,037</u>	<u>-</u>	<u>188,685</u>	<u>(492,071)</u>	<u>114,651</u>
Total liabilities and fund equity	\$ <u>441,037</u>	\$ <u>-</u>	\$ <u>768,306</u>	\$ <u>1,832,476</u>	\$ <u>3,041,819</u>

## CITY OF LAKEWOOD, OHIO

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT) – ALL INTERNAL SERVICE FUNDS

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Insurance Fund	Recreational Insurance Fund	Hospitalization Fund	Workers Compensation Fund	Totals
<u>Operating revenues</u>					
Charges for Services	\$ -	\$ -	\$ 136,181	\$ 360,758	\$ 496,939
Other operating revenue	-	-	12,066	-	12,066
Total operating revenues	-	-	148,247	360,758	509,005
<u>Operating expenses</u>					
Benefit payments	-	-	3,181,454	1,393,667	4,575,121
Other	9,144	-	-	30,100	39,244
Total operating expenses	9,144	-	3,181,454	1,423,767	4,614,365
Operating loss	(9,144)	-	(3,033,207)	(1,063,009)	(4,105,360)
<u>Nonoperating revenues (expenses)</u>					
Other nonoperating revenues	-	9,488	-	-	9,488
Other nonoperating expenses	(19,853)	-	-	-	(19,853)
Total nonoperating revenues (expenses)	(19,853)	9,488	-	-	(10,365)
Net income (loss) before transfers	(28,997)	9,488	(3,033,207)	(1,063,009)	(4,115,725)
Operating transfers, in	-	-	2,674,077	325,554	2,999,631
Net loss	(28,997)	9,488	(359,130)	(737,455)	(1,116,094)
Retained earnings (deficit), January 1, Restated	(52,966)	(9,488)	547,815	245,384	730,745
Retained earnings (deficit), December 31	\$ (81,963)	\$ -	\$ 188,685	\$ (492,071)	\$ (385,349)

# CITY OF LAKEWOOD, OHIO

## COMBINING STATEMENT OF CASH FLOWS – ALL INTERNAL SERVICE FUNDS

### FOR THE YEAR ENDED DECEMBER 31, 2001

	General Insurance Fund	Recreational Insurance Fund	Hospitalization Fund	Workers Compensation Fund	Totals
Cash flows from operating activities:					
Cash received from customers	\$ -	\$ -	\$ 120,974	\$ 360,758	\$ 481,732
Cash paid to suppliers for goods and services	-	-	(2,990,133)	(525,927)	(3,516,060)
Other operating revenues	-	-	12,066	-	12,066
Other operating expenses	(9,144)	-	-	(30,100)	(39,244)
Net cash used for operating activities	<u>(9,144)</u>	<u>-</u>	<u>(2,857,093)</u>	<u>(195,269)</u>	<u>(3,061,506)</u>
Cash flows from non-capital financing activities:					
Cash transfers from other funds	-	-	2,674,077	325,554	2,999,631
Cash transfers to other funds	-	(243,512)	-	-	(243,512)
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>(243,512)</u>	<u>2,674,077</u>	<u>325,554</u>	<u>2,756,119</u>
Cash flows from investing activities:					
Earnings on investments	(2,354)	-	-	-	(2,354)
Net increase (decrease) in cash and cash equivalents	(11,498)	(243,512)	(183,016)	130,285	(307,741)
Cash and cash equivalents, January 1	<u>452,535</u>	<u>243,512</u>	<u>522,073</u>	<u>1,702,191</u>	<u>2,920,311</u>
Cash and cash equivalents, December 31	\$ <u>441,037</u>	\$ <u>-</u>	\$ <u>339,057</u>	\$ <u>1,832,476</u>	\$ <u>2,612,570</u>
Reconciliation of operating loss to net cash from operating activities:					
Operating loss	\$ (9,144)	\$ -	\$ (3,033,207)	\$ (1,063,009)	\$ (4,105,360)
Adjustments to reconcile operating loss to net cash from operating activities:					
Change in assets and liabilities					
(Increase) decrease in due from other funds	-	-	(15,207)	-	(15,207)
(Increase) decrease in prepaid items	-	-	29,943	-	29,943
Increase (decrease) in accounts payable	-	-	147,374	99,603	246,977
Increase (decrease) in reserve for claims	-	-	14,004	768,137	782,141
Total adjustments	<u>-</u>	<u>-</u>	<u>176,114</u>	<u>867,740</u>	<u>1,043,854</u>
Net cash used for operating activities	\$ <u>(9,144)</u>	\$ <u>-</u>	\$ <u>(2,857,093)</u>	\$ <u>(195,269)</u>	\$ <u>(3,061,506)</u>

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# CITY OF LAKEWOOD, OHIO

## **COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) – ALL INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Insurance Fund			Recreational Insurance Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>						
Interest	\$ 21,000	\$ 7,664	\$ (13,336)	\$ -	\$ -	\$ -
<u>Expenses</u>						
Current:						
Community environment	50,000	9,144	40,856	-	-	-
General government	-	-	-	-	-	-
Total expenses	<u>50,000</u>	<u>9,144</u>	<u>40,856</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenses	(29,000)	(1,480)	27,520	-	-	-
<u>Other financing sources (uses)</u>						
Other reimbursements	-	-	-	-	-	-
Operating transfers, in	-	-	-	-	-	-
Operating transfers, out	-	-	-	(243,512)	(243,512)	-
Net other financing sources (uses)	-	-	-	(243,512)	(243,512)	-
Excess of revenues and other sources over (under) expenses and other uses	(29,000)	(1,480)	27,520	(243,512)	(243,512)	-
Fund equity, January 1	442,517	442,517	-	243,512	243,512	-
Fund equity, December 31	\$ <u>413,517</u>	\$ <u>441,037</u>	\$ <u>27,520</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Hospitalization Fund			Workers Compensation Fund			Totals		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,000	\$ 7,664	\$ (13,336)
-	-	-	-	-	-	50,000	9,144	40,856
<u>2,780,000</u>	<u>2,997,236</u>	<u>(217,236)</u>	<u>783,000</u>	<u>553,943</u>	<u>229,057</u>	<u>3,563,000</u>	<u>3,551,179</u>	<u>11,821</u>
<u>2,780,000</u>	<u>2,997,236</u>	<u>(217,236)</u>	<u>783,000</u>	<u>553,943</u>	<u>229,057</u>	<u>3,613,000</u>	<u>3,560,323</u>	<u>52,677</u>
(2,780,000)	(2,997,236)	(217,236)	(783,000)	(553,943)	229,057	(3,592,000)	(3,552,659)	39,341
110,000	133,040	23,040	355,502	360,757	5,255	465,502	493,797	28,295
2,665,000	2,674,077	9,077	387,498	325,554	(61,944)	3,052,498	2,999,631	(52,867)
-	-	-	-	-	-	(243,512)	(243,512)	-
<u>2,775,000</u>	<u>2,807,117</u>	<u>32,117</u>	<u>743,000</u>	<u>686,311</u>	<u>(56,689)</u>	<u>3,274,488</u>	<u>3,249,916</u>	<u>(24,572)</u>
(5,000)	(190,119)	(185,119)	(40,000)	132,368	172,368	(317,512)	(302,743)	14,769
<u>504,301</u>	<u>504,301</u>	<u>-</u>	<u>1,700,108</u>	<u>1,700,108</u>	<u>-</u>	<u>2,890,438</u>	<u>2,890,438</u>	<u>-</u>
\$ <u>499,301</u>	\$ <u>314,182</u>	\$ <u>(185,119)</u>	\$ <u>1,660,108</u>	\$ <u>1,832,476</u>	\$ <u>172,368</u>	\$ <u>2,572,926</u>	\$ <u>2,587,695</u>	\$ <u>14,769</u>

# **CITY OF LAKEWOOD, OHIO**

## **AGENCY FUNDS**

**DECEMBER 31, 2001**

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

Municipal Court Fund

To account for assets received and disbursed by the Municipal Court as agent or custodian relative to civil or criminal court matters.

Other Agency Funds

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

**CITY OF LAKEWOOD, OHIO**

**COMBINING BALANCE SHEET – ALL AGENCY FUNDS**

**DECEMBER 31, 2001**

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	<u>Municipal Court Fund</u>	<u>Other Funds</u>	<u>Totals</u>
<u>Assets</u>			
Cash and cash equivalents	\$ <u>80,240</u>	\$ <u>1,184,859</u>	\$ <u>1,265,099</u>
 <u>Liabilities</u>			
Other liabilities	\$ <u>80,240</u>	\$ <u>1,184,859</u>	\$ <u>1,265,099</u>

**CITY OF LAKEWOOD, OHIO**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – ALL  
AGENCY FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

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	Balance January 1, <u>2000</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 1, <u>2001</u>
Municipal Court				
<u>Assets</u>				
Cash and cash equivalents	\$ <u>63,444</u>	\$ <u>2,325,221</u>	\$ <u>2,308,425</u>	\$ <u>80,240</u>
<u>Liabilities</u>				
Other liabilities	\$ <u>63,444</u>	\$ <u>2,325,221</u>	\$ <u>2,308,425</u>	\$ <u>80,240</u>
Other Agency Funds				
<u>Assets</u>				
Cash and cash equivalents	\$ <u>806,914</u>	\$ <u>482,995</u>	\$ <u>105,050</u>	\$ <u>1,184,859</u>
<u>Liabilities</u>				
Other liabilities	\$ <u>806,914</u>	\$ <u>482,995</u>	\$ <u>105,050</u>	\$ <u>1,184,859</u>
Total - All Agency Funds				
<u>Assets</u>				
Cash and cash equivalents	\$ <u>870,358</u>	\$ <u>2,808,216</u>	\$ <u>2,413,475</u>	\$ <u>1,265,099</u>
<u>Liabilities</u>				
Other liabilities	\$ <u>870,358</u>	\$ <u>2,808,216</u>	\$ <u>2,413,475</u>	\$ <u>1,265,099</u>

**CITY OF LAKEWOOD, OHIO**

**GENERAL FIXED ASSETS ACCOUNT GROUP**

**DECEMBER 31, 2001**

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

# **CITY OF LAKEWOOD, OHIO**

## **SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE**

**DECEMBER 31, 2001**

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General Fixed Assets:

Land and land improvements	\$ 3,266,745
Buildings, structures and improvements	17,306,830
Machinery and equipment	15,696,216
Construction in progress	<u>691,363</u>
Total General Fixed Assets	\$ <u>36,961,154</u>

Investment in General Fixed Assets from:

General Fund revenues	\$ 11,283,386
Special Revenue Fund revenues	3,606,408
General obligation bonds and notes	19,395,780
Federal grants	2,454,536
State and local grants	127,372
Donations	28,304
Transfers from Proprietary Funds	<u>65,368</u>
Total Investment in General Fixed Assets	\$ <u>36,961,154</u>

# CITY OF LAKEWOOD, OHIO

## **SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY**

### **FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Fixed Assets				General Fixed Assets
	January 1, 2001	Additions	Deletions	Transfers	December 31, 2001
<u>Public safety</u>					
Police	\$ 3,079,244	\$ 391,635	\$ (27,564)	\$ 73,620	\$ 3,516,935
Fire	7,009,354	659,256	-	-	7,668,610
Animal warden	239,329	-	-	-	239,329
Total Public safety	<u>10,327,927</u>	<u>1,050,891</u>	<u>(27,564)</u>	<u>73,620</u>	<u>11,424,874</u>
<u>Health</u>					
Traffic	559,118	201,680	(29,395)	1,308	732,711
Office on aging	1,368,003	111,059	-	8,321	1,487,383
Human services	17,227	-	-	-	17,227
Health	97,113	21,454	-	-	118,567
Communications	90,283	-	-	-	90,283
Total Health	<u>2,131,744</u>	<u>334,193</u>	<u>(29,395)</u>	<u>9,629</u>	<u>2,446,171</u>
<u>Culture and recreation</u>					
Parks	<u>6,687,257</u>	<u>251,378</u>	<u>(39,648)</u>	<u>-</u>	<u>6,898,987</u>
<u>Community environment</u>					
Building	170,000	10,017	(10,590)	(7,096)	162,331
Community environment	837,112	151,323	-	-	988,435
Youth services	48,758	1,929	(2,132)	3,436	51,991
Planning and development	59,638	2,523	-	-	62,161
Litter prevention	32,596	9,137	-	-	41,733
Little links	<u>11,690</u>	-	-	-	<u>11,690</u>
Total Community environment	<u>1,159,794</u>	<u>174,929</u>	<u>(12,722)</u>	<u>(3,660)</u>	<u>1,318,341</u>
<u>Sanitation</u>					
Refuse	<u>3,593,370</u>	<u>748,696</u>	<u>(261,468)</u>	<u>-</u>	<u>4,080,598</u>
<u>Highways and streets</u>					
Streets	<u>2,279,606</u>	<u>146,509</u>	<u>(41,335)</u>	<u>-</u>	<u>2,384,780</u>
<u>General government</u>					
Council	37,646	2,201	-	-	39,847
Courts	265,163	2,382	(4,931)	(3,730)	258,884
Civil service	4,830	-	-	-	4,830
Mayor	48,385	1,582	-	(4,304)	45,663
Human resources	89,387	2,025	-	-	91,412
Community relations	22,275	4,037	-	4,304	30,616
Public works	64,106	-	-	2,996	67,102
Land and buildings	6,370,722	717,569	(610,140)	(81,939)	6,396,212
Sidewalk repair	6,287	-	-	-	6,287
Fleet	57,604	29,658	-	-	87,262
Engineering	204,913	6,840	(13,463)	(804)	197,486
Finance	127,168	8,330	(290)	159	135,367
Information systems	890,881	55,040	-	3,729	949,650
Law	<u>96,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,785</u>
Total General Government	<u>8,286,152</u>	<u>829,664</u>	<u>(628,824)</u>	<u>(79,589)</u>	<u>8,407,403</u>
Total General Fixed Assets	\$ <u>34,465,850</u>	\$ <u>3,536,260</u>	\$ <u>(1,040,956)</u>	\$ <u>-</u>	\$ <u>36,961,154</u>

# CITY OF LAKEWOOD, OHIO

## **SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY**

**DECEMBER 31, 2001**

	Land and Land <u>Improvements</u>	Buildings, Structures and <u>Improvements</u>	Machinery and <u>Equipment</u>	Construction in <u>Progress</u>	<u>Total</u>
<b>Public safety</b>					
Police	\$ -	\$ 1,156,097	\$ 2,360,838	\$ -	\$ 3,516,935
Fire	1,042,958	3,822,804	2,802,848	-	7,668,610
Animal warden	-	167,359	71,970	-	239,329
Total Public safety	<u>1,042,958</u>	<u>5,146,260</u>	<u>5,235,656</u>	<u>-</u>	<u>11,424,874</u>
<b>Health</b>					
Traffic	-	256,175	476,536	-	732,711
Office on aging	104,347	632,593	730,963	19,480	1,487,383
Human services	-	-	3,522	13,705	17,227
Health	-	-	118,567	-	118,567
Communications	-	-	90,283	-	90,283
Total Health	<u>104,347</u>	<u>888,768</u>	<u>1,419,871</u>	<u>33,185</u>	<u>2,446,171</u>
<b>Culture and recreation</b>					
Parks	<u>1,173,945</u>	<u>4,859,056</u>	<u>819,898</u>	<u>46,088</u>	<u>6,898,987</u>
<b>Community environment</b>					
Building	-	-	162,331	-	162,331
Community environment	719,942	-	268,493	-	988,435
Youth services	-	-	51,991	-	51,991
Planning and development	-	-	62,161	-	62,161
Litter prevention	-	12,850	28,883	-	41,733
Little links	10,645	-	1,045	-	11,690
Total Community environment	<u>730,587</u>	<u>12,850</u>	<u>574,904</u>	<u>-</u>	<u>1,318,341</u>
<b>Sanitation</b>					
Refuse	<u>14,688</u>	<u>447,666</u>	<u>3,198,314</u>	<u>419,930</u>	<u>4,080,598</u>
<b>Highways and streets</b>					
Streets	<u>-</u>	<u>133,861</u>	<u>2,250,919</u>	<u>-</u>	<u>2,384,780</u>
<b>General government</b>					
Council	-	-	39,847	-	39,847
Courts	-	-	258,884	-	258,884
Civil service	-	-	4,830	-	4,830
Mayor	-	-	45,663	-	45,663
Human resources	-	-	91,412	-	91,412
Community relations	-	-	30,616	-	30,616
Public works	-	-	67,102	-	67,102
Land and buildings	200,220	5,818,369	284,230	93,393	6,396,212
Sidewalk repair	-	-	6,287	-	6,287
Fleet	-	-	87,262	-	87,262
Engineering	-	-	197,486	-	197,486
Finance	-	-	135,367	-	135,367
Information systems	-	-	850,883	98,767	949,650
Law	-	-	96,785	-	96,785
Total General government	<u>200,220</u>	<u>5,818,369</u>	<u>2,196,654</u>	<u>192,160</u>	<u>8,407,403</u>
Total General Fixed Assets	<u>\$ 3,266,745</u>	<u>\$ 17,306,830</u>	<u>\$ 15,696,216</u>	<u>\$ 691,363</u>	<u>\$ 36,961,154</u>



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MADELINE A. CAIN  
MAYOR

## Statistical Section

# CITY OF LAKEWOOD, OHIO

## GENERAL FUND REVENUE BY SOURCE

### LAST TEN FISCAL YEARS

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<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeits</u>	<u>Special Assessments</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
1992	\$ 16,548,823	\$ 513,215	\$ 6,227,229	\$ 302,825	\$ 1,065,253	\$ 1,041	\$ 67,380	\$ 710,040	\$ 25,435,806
1993	17,090,306	505,703	4,642,943	328,505	1,236,165	-	90,335	757,905	24,651,862
1994	17,420,800	497,104	4,353,710	407,255	1,137,522	-	129,181	1,653,810	25,599,382
1995	18,519,738	494,786	5,361,423	408,594	1,029,250	444	422,888	991,024	27,228,147
1996	18,553,753	524,842	5,394,859	406,135	1,157,842	215	471,228	981,013	27,489,887
1997	19,178,630	583,707	5,258,159	488,842	1,227,090	738	633,516	868,910	28,239,592
1998	20,339,872	626,923	5,885,167	407,674	1,258,381	364	915,507	876,681	30,310,569
1999	20,884,715	582,942	6,409,187	450,622	1,134,970	807	926,463	820,932	31,210,638
2000	21,621,175	586,032	6,591,920	450,501	1,085,734	443	1,636,919	781,167	32,753,891
2001	23,420,846	677,589	6,684,438	461,651	1,056,694	1,227	1,063,302	75,506	33,441,253

# CITY OF LAKEWOOD, OHIO

## GENERAL FUND EXPENDITURES BY FUNCTION

### LAST TEN FISCAL YEARS

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<u>Fiscal Year</u>	<u>Public Safety</u>	<u>Health</u>	<u>Culture and Recreation</u>	<u>Community Environment</u>	<u>Sanitation</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Total</u>
1992	\$ 10,555,771	\$ 1,310,096	\$ 1,678,595	\$ 1,612,196	\$ 3,716,899	\$ 4,779,861	\$ -	\$ 23,653,418
1993	10,345,231	1,607,950	1,406,197	1,722,778	3,351,731	4,634,402	-	23,068,289
1994	11,060,351	1,680,262	1,501,781	1,811,947	3,236,134	4,876,618	-	24,167,093
1995	10,396,338	1,896,033	1,715,022	1,932,314	3,549,232	5,648,236	136,395	25,273,570
1996	11,806,016	1,838,594	1,731,114	1,833,544	3,404,363	5,860,718	101,232	26,575,581
1997	11,500,511	1,483,330	1,667,242	1,902,108	3,478,512	5,611,461	50,183	25,693,347
1998	11,415,073	1,559,266	1,591,734	1,829,458	3,478,201	5,654,574	206,840	25,735,146
1999	12,060,711	1,406,487	1,620,581	1,890,370	4,004,465	5,818,987	329,111	27,130,712
2000	12,585,261	1,463,708	1,792,203	2,055,710	4,000,709	6,108,704	431,217	28,437,512
2001	12,984,175	583,143	1,869,277	2,142,906	3,840,908	5,985,908	353,690	27,760,007

## CITY OF LAKEWOOD, OHIO

### AD VALOREM REAL PROPERTY TAXES – LEVIES AND COLLECTIONS

#### LAST TEN FISCAL YEARS

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<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percent of Accumulated Delinquent Taxes to Total Tax Levy</u>
1992	\$ 9,784,261	\$ 9,442,464	96.5%	\$ 279,842	2.9%
1993	9,992,738	9,634,834	96.4%	327,103	3.3%
1994	9,999,539	9,623,095	96.2%	306,196	3.1%
1995	11,418,201	11,022,758	96.5%	320,934	2.8%
1996	11,566,075	11,157,257	96.5%	382,558	3.3%
1997	11,594,830	10,903,108	94.0%	378,054	3.3%
1998	12,473,945	11,784,898	94.5%	457,346	3.7%
1999	12,587,879	11,630,669	92.4%	436,824	3.5%
2000	12,007,848	11,715,488	97.6%	420,589	3.5%
2001	14,025,782	13,088,922	93.3%	585,260	4.2%

Source: Cuyahoga County, Ohio; County Auditor

## CITY OF LAKEWOOD, OHIO

### ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY

#### LAST TEN FISCAL YEARS

---

Collection Year	Assessed Valuations				Estimated True Value Taxable Property
	Real Property	Public Utility Property	Tangible Personal Property	Total	
1992	\$ 539,312,060	\$ 29,379,410	\$ 29,637,661	\$ 598,329,131	\$ 1,680,030,124
1993	537,503,500	29,171,560	28,148,355	594,823,415	1,674,684,112
1994	536,580,590	28,451,190	28,638,909	593,670,689	1,671,688,240
1995	622,501,030	28,842,580	28,955,261	680,298,871	1,927,171,075
1996	619,624,830	26,532,660	28,143,010	674,300,500	1,913,079,447
1997	621,449,470	25,640,400	29,693,104	676,782,974	1,923,479,148
1998	674,651,070	24,653,550	28,969,777	728,274,397	2,071,468,991
1999	674,308,020	24,235,630	30,270,945	728,814,595	2,075,218,611
2000	672,238,960	22,218,700	29,495,988	723,953,648	2,063,915,218
2001	762,193,100	21,740,390	30,919,012	814,852,502	2,326,075,608

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

Source: Cuyahoga County, Ohio; County Auditor

# CITY OF LAKEWOOD, OHIO

## PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUATION)

### LAST TEN FISCAL YEARS

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<u>Tax Year/ Collection Year</u>	<u>City</u>	<u>Cuyahoga County (1)</u>	<u>Lakewood City School District</u>	<u>Special Taxing Districts (2)</u>	<u>Total</u>
1992/1993	17.10	12.32	85.50	4.48	119.40
1993/1994	17.10	12.32	85.50	4.48	119.40
1994/1995	17.10	12.32	86.00	4.48	119.90
1995/1996	17.30	12.12	91.60	4.48	125.50
1996/1997	17.30	12.12	91.60	4.48	125.50
1997/1998	17.30	12.12	91.40	4.48	125.30
1998/1999	17.30	10.82	91.40	4.48	124.00
1999/2000	17.30	10.82	96.20	4.48	128.80
2000/2001	17.30	11.72	95.80	4.48	129.30
2001/2002	17.30	14.65	93.45	3.80	129.20

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

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

Source: Cuyahoga County, Ohio; County Auditor

**CITY OF LAKEWOOD, OHIO**

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

---

<u>Collection Year</u>	<u>Billed</u>	<u>Collected Amount</u>	<u>Percent Collected</u>
1992	\$ 127,863	\$ 132,406	103.55%
1993	141,388	138,952	98.28%
1994	181,600	143,779	79.17%
1995	140,481	137,719	98.03%
1996	125,426	124,671	99.40%
1997	95,303	97,402	102.20%
1998	74,820	76,185	101.82%
1999	55,867	53,027	94.92%
2000	67,378	64,553	95.81%
2001	93,531	96,100	102.75%

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

Source: Cuyahoga County, Ohio; County Auditor

**CITY OF LAKEWOOD, OHIO**

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**

**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population*</u>	<u>Assessed Value (1)</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Bonded Debt Payable from Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
1992	59,718	\$598,329,131	\$ 27,243,000	\$ 673,229	\$ 14,474,500	\$ 12,095,271	2.02%	\$ 202.54
1993	59,718	594,823,415	25,245,000	767,125	13,508,000	10,969,875	1.84%	183.69
1994	59,718	593,670,689	23,295,000	862,899	12,556,500	9,875,601	1.66%	165.37
1995	59,718	680,298,871	38,010,000	-	17,715,000	20,295,000	2.98%	339.85
1996	59,718	674,300,500	36,055,000	1,255,410	16,299,000	18,500,590	2.74%	309.80
1997	59,718	676,782,974	34,120,000	1,465,329	15,398,000	17,256,671	2.55%	288.97
1998	59,718	728,274,397	38,805,000	1,099,474	16,242,800	21,462,726	2.95%	359.40
1999	59,718	728,814,595	36,810,000	1,978,231	15,445,000	19,386,769	2.66%	324.64
2000	56,646	723,953,648	34,680,000	2,023,608	14,612,200	18,044,192	2.49%	318.54
2001	56,646	814,852,502	40,880,000	784,864	13,865,400	26,229,736	3.21%	463.04

\* U. S. Bureau of Census, Census of Population

(1) Cuyahoga County, Ohio; County Auditor

# CITY OF LAKEWOOD, OHIO

## COMPUTATION OF LEGAL DEBT MARGIN

**DECEMBER 31, 2001**

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Gross Indebtedness		\$	46,955,000
Less:			
Water Revenue Bonds	\$	5,835,000	
General Obligation Sewer System Bonds		6,740,000	
Recreation Facility Bonds		1,290,400	
Special Assessment Bonds		251,000	
Water and Sewer Improvement Notes Payable		<u>4,050,000</u>	
Total Exempt Debt		18,166,400	
Less: Debt Service Fund Balance		<u>(784,864)</u>	
Total	\$	<u>17,381,536</u>	
Net Indebtedness Subject to 10-1/2% Debt Limitation		\$	29,573,464
Less: Police and Fire General Obligation Bonds Payable			<u>(5,250,000)</u>
Net Indebtedness Subject to 5-1/2% Debt Limitation		\$	<u>24,323,464</u>
Assessed Valuation of City (2000 for 2001 collection)		\$	814,852,502
10-1/2% of Valuation (Maximum Voted and Unvoted Non-exempt General Obligation Bond Debt Allowed)		\$	85,559,513
Net Indebtedness Subject to 10-1/2% Debt Limitation			<u>29,573,464</u>
Legal 10-1/2% Margin		\$	<u>55,986,049</u>
5-1/2% of Valuation (Maximum Unvoted and Unvoted Non-exempt General Obligation Bond Debt Allowed)		\$	44,816,888
Net Indebtedness Subject to 5-1/2% Debt Limitation			<u>24,323,464</u>
Legal 5-1/2% Margin		\$	<u>20,493,424</u>

# CITY OF LAKEWOOD, OHIO

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2001

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<u>Jurisdiction</u>	<u>Gross Indebtedness (Bonds &amp; Bond Anticipation Notes)</u>	<u>Percentage Applicable to City*</u>	<u>Direct</u>	<u>Overlapping Estimated Debt Applicable to City</u>	<u>Total</u>
City	\$ 46,955,000	100.00%	\$ 46,955,000	\$ -	\$ 46,955,000
Lakewood School District	14,005,000	100.00%	-	14,005,000	14,005,000
Cuyahoga County	216,544,636	2.85%	-	6,171,522	6,171,522
Greater Cleveland Regional Transit Authority	<u>123,915,000</u>	2.85%	<u>-</u>	<u>3,531,578</u>	<u>3,531,578</u>
Total Overlapping Debt	<u>340,459,636</u>		<u>-</u>	<u>9,703,100</u>	<u>9,703,100</u>
	\$ <u>401,419,636</u>		\$ <u>46,955,000</u>	\$ <u>23,708,100</u>	\$ <u>70,663,100</u>

\* The percentage of Gross Indebtedness of the City's overlapping political subdivisions was determined by dividing the overlapping subdivision's assessed valuation within the City by its total assessed valuation.

**CITY OF LAKEWOOD, OHIO**

**RATIO OF ANNUAL DEBT PRINCIPAL EXPENDITURES FOR GENERAL BONDED DEBT\* TO TOTAL GENERAL FUND EXPENDITURES  
LAST TEN FISCAL YEARS**

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<u>Fiscal Year</u>	<u>Debt Principal Expenditures</u>	<u>General Fund Expenditures</u>	<u>Ratio of Debt Principal to Total General Fund Expenditures</u>
1992	\$ 928,500	\$ 23,653,418	3.93%
1993	983,500	23,068,289	4.26%
1994	988,500	24,167,093	4.09%
1995	1,094,000	25,273,570	4.33%
1996	879,000	26,575,581	3.31%
1997	1,004,000	25,693,347	3.91%
1998	9,484,800 (1)	25,735,146	36.86%
1999	1,134,400	27,130,712	4.18%
2000	1,232,800	28,437,512	4.33%
2001	1,208,000	27,760,007	4.35%

\* General obligations supported from Debt Service Fund, which excludes special assessments and enterprise obligations.

(1) Includes \$8,170,000 of advance refunded general obligation principal

# CITY OF LAKEWOOD, OHIO

## PRINCIPAL REAL PROPERTY TAXPAYERS

DECEMBER 31, 2001

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<u>Taxpayer</u>	<u>2000 Assessed Valuation (Tax Duplicate) for Collection in 2001</u>	<u>Percentage of Total Assessed Valuation</u>
1. Cleveland Electric Illuminating Company	\$ 7,938,210	0.97%
2. Ohio Bell Telephone Company	5,354,180	0.66%
3. Lakewood Operating Associates	2,275,000	0.28%
4. Lakewood Senior Citizens, Inc.	2,159,750	0.27%
5. Marine Towers	2,030,000	0.25%
6. Castlewood Association	1,931,020	0.24%
7. Fame-Midamco Company	1,766,980	0.22%
8. Shoreham Apartments	1,649,340	0.20%
9. Lakewood Association L.P.	1,609,060	0.20%
10. Lakewood Health Care	<u>1,575,810</u>	<u>0.19%</u>
	\$ <u>28,289,350</u>	<u>3.48%</u>
Total assessed valuation	\$ <u>814,852,502</u>	

Assessed valuation is based upon a review of the 25 largest parcels in the City. The total valuation listed for each taxpayer does not include all parcels owned by the entity in the County.

Source: Cuyahoga County, Ohio; County Auditor

## CITY OF LAKEWOOD, OHIO

### CONSTRUCTION AND BANK DEPOSITS

#### LAST TEN FISCAL YEARS

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<u>Fiscal Year</u>	<u>Residential Construction Value</u>	<u>Commercial Construction Value</u>	<u>Bank Deposits in the County^ (in thousands)</u>	<u>Deposits of Financial Institutions Headquartered in the City * (in thousands)</u>
1992	\$ 5,411,889	\$ 7,515,155	\$ 19,400,000	\$ 758,500
1993	4,962,412	8,248,209	21,009,421	801,347
1994	6,363,567	6,155,776	21,101,872	541,527
1995	6,148,509	6,557,742	22,694,304	615,975
1996	7,587,079	4,361,563	27,068,211	675,661
1997	6,921,499	3,427,818	53,941,971	722,417
1998	8,167,951	5,911,359	58,904,596	757,514
1999	6,613,136	5,928,044	57,816,942	796,092
2000	8,492,331	7,501,961	61,942,764	833,343
2001	10,814,661	13,680,618	63,893,769	882,031

^ Federal Reserve Bank of Cleveland (Total Demand, Time and Savings Deposits) for banks headquartered in Cuyahoga County, Ohio.

\* First Federal Savings and Loan Association of Lakewood (headquartered in Lakewood, Ohio)

## CITY OF LAKEWOOD, OHIO

### REVENUE BOND COVERAGE – WATER SYSTEM MORTGAGE REVENUE BONDS

#### LAST TEN FISCAL YEARS

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<u>Year</u>	<u>Gross Revenues (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Annual Debt Service Requirements (3)</u>	<u>Coverage</u>
1992	\$ 5,608,876	\$ 4,830,272	\$ 778,604	\$ 414,758	1.88
1993	6,713,248	5,033,591	1,679,657	439,850	3.82
1994	7,169,384	5,992,506	1,176,878	437,895	2.69
1995	7,976,981	6,035,217	1,941,764	426,270	4.56
1996	7,451,692	6,095,646	1,356,046	657,896	2.06
1997	7,857,587	6,250,920	1,606,667	635,645	2.53
1998	8,466,107	6,966,612	1,499,495	649,175	2.31
1999	8,780,617	6,994,242	1,786,375	650,788	2.74
2000	8,563,531	6,523,005	2,040,526	645,893	3.16
2001	8,651,628	7,084,088	1,567,540	645,442	4.12

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

(2) Direct operating expenses include operating expenses less depreciation.

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

## CITY OF LAKEWOOD, OHIO

### INSURANCE SUMMARY

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Liability Limits</u>	<u>Deductible</u>	<u>Effective Date</u>
General Liability	Specialty National	\$ 1,000,000 per occurrence	\$ 0	10/01/01 09/30/02
		3,000,000 aggregate	0	10/01/01 09/30/02
Automobile	Specialty National	1,000,000 Liability	0	10/01/01 09/30/02
		Comprehensive	250	10/01/01 09/30/02
		Collision	1,000	10/01/01 09/30/02
Law Enforcement	Specialty National	1,000,000 Liability	5,000	10/01/01 09/30/02
Public Officials	Specialty National	1,000,000 Liability	5,000	10/01/01 09/30/02
Professional (Health Dept)	St. Paul Fire & Marine	1,000,000 per occurrence	0	10/01/01 09/30/02
		3,000,000 aggregate	0	10/01/01 09/30/02
Employee Bonds	Specialty National	100,000 Director of Finance	0	10/01/01 09/30/02
	Westfield Insurance	100,000 Court Employees	0	10/01/01 09/30/02
	Specialty National	100,000 Employee Dishonesty	0	10/01/01 09/30/02
Blanket Building & Contents	Specialty National	88,540,422	1,000	10/01/01 09/30/02
Inland Marine	Specialty National	4,816,990	1,000	10/01/01 09/30/02
		2,321,887 EDP Equipment	1,000	10/01/01 09/30/02
Boiler & Machinery	Travelers Property	50,000,000	5,000	10/01/01 09/30/02
Umbrella	Specialty National	10,000,000		10/01/01 09/30/02
Earthquake and Flood	Specialty National	5,000,000	50,000	10/01/01 09/30/02

# **CITY OF LAKEWOOD, OHIO**

## **LARGEST EMPLOYERS**

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	<u>Number Of Employees*</u>
Lakewood Hospital	1,400
Lakewood Board of Education	1,294
City of Lakewood	681
Lake Erie Screw Corp.	329
Advanced Ceramics Corp.	220
First Federal Savings & Loan Association of Lakewood	189
Aristocrat Lakewood	180
Bonne Bell Inc.	165
New York Life Insurance Company	160
Graph-Tech, Inc.	134

\* includes part-time/seasonal employees

# CITY OF LAKEWOOD, OHIO

## MISCELLANEOUS STATISTICS

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Date of Incorporation	1911
Form of Government	Mayor - Council
Area	5.66 square miles
Miles of streets	93
Number of street lights	3,554
<i><u>Fire Protection</u></i>	
Number of fire stations	3
Number of firemen and officers	77
<i><u>Police Protection</u></i>	
Number of police stations	1
Number of policemen and officers	85
Lakewood Hospital	410 beds
<i><u>Education (K-5 only):</u></i>	
Number of teachers	134
Number of students	2,988
<i><u>Municipal Water Department</u></i>	
Number of consumers	14,384
Average daily consumption (cubic feet)	842,246
Miles of water mains	111
<i><u>Sewers</u></i>	
Sanitary sewers	74.53 miles
Storm sewers	65.91 miles
Combined	<u>25.28 miles</u>
Total Sewers	165.72 miles
Building permits issued	3,449
Number of full-time employees	579
Number of part-time employees	102

# CITY OF LAKEWOOD, OHIO

## DEMOGRAPHIC STATISTICS

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### Population

<u>Census</u>	<u>City</u>	<u>Cuyahoga County</u>	<u>State</u>
1970	70,173	1,721,300	10,652,017
1980	61,963	1,498,400	10,797,630
1990	59,718	1,412,140	10,847,115
2000	56,646	1,393,978	11,353,140

### Age Distribution (Per 2000 Census)

	<u>Number</u>	<u>Percentage</u>
Under 5 years	3,340	5.90%
5 – 9 years	3,202	5.60%
10 – 14 years	3,408	6.00%
15 – 19 years	3,327	5.90%
20 – 24 years	4,023	7.10%
25 – 34 years	11,728	20.70%
35 – 44 years	9,364	16.50%
45 – 54 years	7,378	13.00%
55 – 59 years	2,245	4.00%
60 – 64 years	1,743	3.10%
65 – 74 years	3,207	5.70%
75 – 84 years	2,584	4.60%
85 years and over	<u>1,097</u>	<u>1.90%</u>
Total	56,646	100.00%

Median Age = 34.2 years

### Population by Gender

Males	27,275
Females	29,371

# **City Of Lakewood, Ohio**

**SINGLE AUDIT REPORTS**

**DECEMBER 31, 2001**

**CITY OF LAKEWOOD, OHIO**

**FOR THE YEAR ENDED DECEMBER 31, 2001**

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor Madeline Cain and  
Members of the City Council of the  
City of Lakewood, Ohio

We have audited the financial statements of the City of Lakewood, Ohio, as of and for the year ended December 31, 2001, wherein we noted that the City reclassified certain assets to the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Internal Service Fund Types. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Lakewood's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 01-1 and 01-2. We also noted certain immaterial instances of noncompliance, which we have reported to management of the City of Lakewood in a separate letter dated May 16, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lakewood's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control which might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Lakewood in a separate letter dated May 16, 2002.

Honorable Mayor Madeline Cain and  
Members of the City Council of the  
City of Lakewood, Ohio

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

A handwritten signature in black ink, appearing to read "C. Cain" followed by a flourish and a period.

Cleveland, Ohio  
May 16, 2002

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

Honorable Mayor Madeline Cain and  
Members of the City Council of the  
City of Lakewood, Ohio

Compliance

We have audited the compliance of the City of Lakewood, Ohio with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The City of Lakewood's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Lakewood's management. Our responsibility is to express an opinion on the City of Lakewood's compliance based on our audit.

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

In our opinion, the City of Lakewood complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings as items 01-1 and 01-2.

### Internal Control Over Compliance

The management of the City of Lakewood 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 of Lakewood's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control which might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk of noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the City of Lakewood in a separate letter dated May 16, 2002.

### Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the City of Lakewood as of and for the year ended December 31, 2001, and have issued our report there dated May 16, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



Cleveland, Ohio  
May 16, 2002

# CITY OF LAKEWOOD, OHIO

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (CONTINUED)

### FOR THE YEAR ENDED DECEMBER 31, 2001

Program Title Federal Grantor and/or Pass-Through Grantor	Federal CFDA No.	Pass-Through Entity Number	Program or Award Amount	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture Passed-Through the Western Reserve Area Agency on Aging Nutrition Program for the Elderly	10.570	N/A	\$ 30,838	\$ -	\$ 30,838	\$ -	\$ 30,838
U.S. Department of Housing and Urban Development Direct Program							
Community Development Block Grant	14.218	B-00-MC-39-007	2,551,000	2,472,897	-	2,065,097	-
Community Development Block Grant	14.218	B-01-MC-39-007	<u>2,669,000</u>	<u>286,055</u>	-	<u>1,392,986</u>	-
Total Community Development Block Grant			5,220,000	2,758,952	-	3,458,083	-
Emergency Shelter Grant	14.231	S-00-MC-39-0007	91,000	14,820	-	14,820	-
Emergency Shelter Grant	14.231	S-01-MC-39-0007	<u>90,000</u>	<u>69,853</u>	-	<u>69,853</u>	-
Total Emergency Shelter Grant			181,000	84,673	-	84,673	-
Passed-Through Cuyahoga County Housing Consortium							
HOME Investment Partnerships Program Grant	14.239	M-01-DC396216-AC	<u>283,007</u>	<u>65,416</u>	-	<u>164,750</u>	-
Total U.S. Department of Housing and Urban Development			5,684,007	2,909,041	-	3,707,506	-
U.S. Department of Justice Direct Program							
Local Law Enforcement Block Grant	16.592	00-LB-VX-2286	<u>23,820</u>	<u>23,820</u>	-	<u>4,928</u>	-
U.S. Department of Health and Human Services Passed through the Western Reserve Area Agency on Aging							
Special Programs for the Aging – Title IIIB	93.044	N/A	176,238	142,909	-	142,909	-
Special Programs for the Aging – Title IIIC	93.045	N/A	57,843	11,384	45,993	11,384	45,993
Medical Assistance Program (Passport Services)	93.778	N/A	<u>88,644</u>	<u>88,644</u>	-	<u>88,644</u>	-
Total U.S. Department of Health and Human Services			<u>322,725</u>	<u>242,937</u>	<u>45,993</u>	<u>242,937</u>	<u>45,993</u>
Total Expenditures of Federal Awards			\$ <u>6,061,390</u>	\$ <u>3,175,798</u>	\$ <u>76,831</u>	\$ <u>3,955,371</u>	\$ <u>76,831</u>

# **CITY OF LAKEWOOD, OHIO**

## **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

### **FOR THE YEAR ENDED DECEMBER 31, 2001**

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#### **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

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

#### **NOTE 2 - SUBRECIPIENTS**

The City passes-through certain Federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note 1, 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 provisions of contracts or grant agreements, and that performance goals are achieved.

#### **NOTE 3 – MATCHING REQUIREMENTS**

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support Federally funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

#### **NOTE 4 - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND HOME PROGRAM GRANTS**

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans directly to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2001, the gross amount of loans outstanding under this program is \$3,221,060. The Emergency Shelter grant is directly received by the City. The U.S. Department of Housing and Urban Development HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

#### **NOTE 5 – U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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

## **CITY OF LAKEWOOD, OHIO**

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

#### **FOR THE YEAR ENDED DECEMBER 31, 2001**

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##### NOTE 6 – U.S. DEPARTMENT OF JUSTICE

The U.S. Department of Justice grant is a direct grant.

##### NOTE 7 – FOOD DISTRIBUTION

Non-monetary assistance, such as meals received from the Western Reserve Area Office on Aging, is reported in the Schedule at the value of \$1.85 per meal served. Of the value of an individual meal served, the U.S. Department of Agriculture allocates \$.54 per meal and the U.S. Department of Health and Human Services allocates \$1.31 per meal. For the year ended December 31, 2001, the City served 35,109 and 22,000 meals through the City's Office on Aging congregate meal program and home delivered meal program; therefore, the U.S. Department of Agriculture allocation was \$30,838 and the U.S. Department of Health and Human Services allocation was \$45,993.

# **CITY OF LAKEWOOD, OHIO**

## SCHEDULE OF FINDINGS OMB CIRCULAR A-133, SECTION .505

**DECEMBER 31, 2001**

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

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	Community Development Block Grant; CFDA # 14.218
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

01-1 Ohio Revised Code Section 5705.41B states that expenditures plus encumbrances should not exceed appropriations.

Expenditures plus encumbrances were in excess of appropriations in the following funds: Office on Aging Grant, Community Festival, Cuyahoga Violence Prevention Grant, Byrne Memorial Grant, Winterhurst Ice Rink, and Hospitalization.

01-2 Ohio Revised Code Section 5705.10 states that money that is paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

Negative fund balances were found in the following funds: Community Development Block Grant, Childrens' Trust Grant, Cuyahoga Violence Prevention Grant, Byrne Memorial Grant, Winterhurst Ice Rink, Swimming Pool State Fee, and Sewer Suspense Fund.

**CITY OF LAKEWOOD, OHIO**

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133, SECTION .505 (CONTINUED)

**DECEMBER 31, 2001**

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**3. FINDINGS FOR FEDERAL AWARDS**

None.

**CITY OF LAKEWOOD, OHIO**

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133, SECTION .315(b)

**DECEMBER 31, 2001**

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There were no prior audit findings.

**CITY OF LAKEWOOD**

**12650 DETROIT AVENUE  
LAKEWOOD, OHIO 44107  
(216) 529-6093**

RESPONSE TO FINDINGS ASSOCIATED WITH AUDIT CONDUCTED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
FOR THE YEAR ENDED DECEMBER 31, 2001

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
01-1	The City will monitor expenditures and encumbrances and amend appropriations, if necessary.	Immediately	Glenda Blasko, Finance Director
01-2	The City will monitor fund balances and properly advance funds to cover deficit fund balances, if necessary.	Immediately	Glenda Blasko, Finance Director





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CITY OF LAKEWOOD**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 13, 2002**