



**Auditor of State
Betty Montgomery**

CITY OF WESTLAKE
CUYAHOGA COUNTY

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**CITY OF WESTLAKE
CUYAHOGA COUNTY**

**Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2002**

Federal Grantor/ Pass-Through Grantor/Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Disbursements
Federal Highway Administration				
<i>Passed Through the Ohio Department of Transportation</i>				
Highway Planning & Construction (Traffic Signalization)	TE21-G990(545)	20.205	\$210,223	\$215,945
<i>Passed Through the Ohio Department of Public Safety</i>				
State and Community Highway Safety (Police Traffic Services)	2001-AL-N/1	20.600	18,822	17,086
Total Federal Highway Administration			<u>229,045</u>	<u>233,031</u>
U.S. Department of Justice				
<i>Direct Programs</i>				
Bulletproof Vest Partnership	2001-1007427	16.607	6,133	5,830
Public Safety Partnership and Community Policing Grants (C.O.P.S. More)	1999-CM-WX-2135	16.710	151,487	101,920
	2000-CM-WX-2135	16.710	34,538	0
			<u>186,025</u>	<u>101,920</u>
Public Safety Partnership and Community Policing Grants (C.O.P.S. Universal Hiring Award)	2001-UM-WX-0219	16.710	55,000	41,910
Public Safety Partnership and Community Policing Grants (C.O.P.S. in School Award)	2000-SH-WX-0591	16.710	77,278	61,387
Total C.O.P.S Grants			<u>318,303</u>	<u>205,217</u>
Total U.S. Department of Justice			<u>324,436</u>	<u>211,047</u>
Total Federal Financial Assistance			<u>\$553,481</u>	<u>\$444,078</u>

**CITY OF WESTLAKE
CUYAHOGA COUNTY**

**Notes to Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – COPS, BULLETPROOF VEST PARTNERSHIP & STATE AND COMMUNITY HIGHWAY SAFETY GRANTS

Federal monies received by the City for these programs are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

CFDA - Catalog of Federal Domestic Assistance



**Auditor of State
Betty Montgomery**

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

Members of City Council
City of Westlake
Cuyahoga County
27700 Hilliard Boulevard
Westlake, Ohio 44145

We have audited the financial statements of the City of Westlake, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 10, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the City in a separate letter dated June 10, 2003.

Internal Control Over Financial Reporting

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

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

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

Betty Montgomery
Auditor of State

June 10, 2003



Auditor of State Betty Montgomery

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

Members of City Council
City of Westlake
Cuyahoga County
27700 Hilliard Boulevard
Westlake, Ohio 44145

Compliance

We have audited the compliance of the City of Westlake, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The City'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 its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

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

Internal Control Over Compliance

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

Internal Control Over Compliance (Continued)

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

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the City of Westlake, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 10, 2003. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

June 10, 2003

**CITY OF WESTLAKE
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
FOR THE YEAR ENDED DECEMBER 31, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under ' .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Community Oriented Policing Services (COPS) – CFDA # 16.710
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

Finding Number	
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None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF
WESTLAKE, OHIO**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2002**

City of Westlake, Ohio

**Comprehensive
Annual Financial Report**
for the year ended December 31, 2002

Prepared by the Department of Finance
Anne A. Fritz, Director
Bonnie L. Freeh, Assistant Director

City of Westlake, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2002
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City of Westlake

27700 HILLIARD BOULEVARD • WESTLAKE, OHIO 44145 • (440) 871-3300

Dennis M. Clough, Mayor

June 10, 2003

Honorable Mayor Dennis M. Clough
Members of City Council
Citizens of Westlake, Ohio

We are pleased to submit the comprehensive annual financial report of the City of Westlake for the year ended December 31, 2002. Responsibility for both the accuracy of the information contained herein, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes a table of contents, the letter of transmittal, the City's organizational charts, a list of principal elected and appointed officials, and the certificate of achievement. The financial section includes the independent accountants' report on the financial statements and schedules, management's discussion and analysis, the basic financial statements, and the combining, and individual fund statements and schedules. The statistical section includes selected financial and demographic data that provide users a summarized history of information.

A reporting entity includes the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City includes all funds, departments, and activities that are part of the legal entity. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of debt, or the levying of taxes.

Using these criteria, the City has excluded from this report various autonomous agencies, such as the Westlake City Schools, Westlake Health Campus, Porter Public Library, the Crown Water Filtration Plant operated by the City of Cleveland Department of Public Utilities, and other various not-for-profit institutions and agencies. The City is affiliated with the Rocky River Waste Water Treatment Plant, a joint venture financed by the cities of Westlake, Rocky River, Bay Village, and Fairview Park, and operated by the City of Rocky River (See Note 19). The City is also associated with four jointly governed organizations, the West Shore Council of Governments, Tri-City Park, S.A.F.E. Council of Governments, and the West Shore Area Rescue Association (See Note 20).

Generally Accepted Accounting Principals (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Westlake's MD&A can be found immediately following the independent accountants' report.

HISTORY OF WESTLAKE

In October of 1811, the Porter and Cahoon families settled in an area known as Township 7, Range 15 of the Connecticut Western Reserve. By 1812, enough people resided in the region to make it necessary to elect trustees to oversee the community and the Township of Dover was established. With Lake Erie as the northern boundary, the township grew, reaching a population of over 2,200 by the early 1900s. By 1908, the township split into three communities with Bay Village to the north and North Olmsted to the south. In 1912, the township was incorporated as Dover Village, making Frank Bailey the first mayor. Dover Village was renamed the Village of Westlake in 1940 to avoid confusion with Dover, Ohio located in Tuscarawas County. As the Cleveland suburbs grew following World War II, so did Westlake, reaching a population just under 5,000 by 1950. In 1957, the Village of Westlake became the City of Westlake.

Situated in the western reach of Cuyahoga County, Westlake is 13 miles from downtown Cleveland. Current population, per the 2000 Census, is 31,719 with a total land area of 16.5 square miles. Proximity to Interstate highways I-80, I-90, and I-480 and to Cleveland Hopkins International Airport makes Westlake a desirable locality for residents and commercial enterprise.

FORM OF GOVERNMENT

Westlake operates and is governed by the laws of the State of Ohio and its own charter that was first adopted by the electorate on November 6, 1956. The charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member council. The Council is composed of a president who is elected at-large and six councilpersons elected by wards for four-year terms. All members of Council serve in a part-time capacity.

The City's chief executive and administrative officer is the Mayor who is elected to a four-year term and serves in a full-time capacity. The Mayor may veto legislation passed by Council. A two-thirds vote of all members of Council will override a veto.

The Rocky River Municipal Court provides judicial services for the City of Westlake. The jurisdiction of the court, as established by the Ohio Revised Code, encompasses the contiguous cities of Westlake, Rocky River, Bay Village, Fairview Park, and North Olmsted.

Established by the charter, the municipal government consists of eleven departments. A director who is appointed by and reports directly to the Mayor heads each department. All directors work closely with the Mayor in providing the citizens of Westlake with the highest quality of services while maintaining efficiency and cost effectiveness.

The **Police Department** enforces local, state, and federal laws in addition to protecting citizens and their property. Most recently, the department has taken a more community oriented policing approach that has met with great success. Numerous programs are offered to citizens and students. The department, which is headed by the Chief of Police, consists of three bureaus. The Field Operations Bureau oversees jail operations, animal control, and the auxiliary police, as well as the staff of patrol officers. Administrative Services Bureau consists of secretaries, dispatchers, school guards, park patrol officers, building/vehicle maintenance, and community services. The Criminal Investigations Bureau is responsible for the City's investigative services. The Police Department is located in a separate facility next to City Hall.

The **Fire Department** provides fire protection and emergency medical services to citizens, as well as placing strong emphasis on community involvement and education. A chief and his assistant head the department. A Fire Prevention unit focuses on the reduction of potential fires and loss of property within the City. Two fire facilities located on the east and west sides of the City provide protection.

The **Service Department** is comprised of several divisions administered by a director and an assistant. The City Service Division is responsible for the maintenance of all City vehicles, buildings and signs, and snow and leaf removal. The Storm/Sanitary Sewers Division maintains proper drainage control. The Parks Division maintains four parks and includes forestry services. The Streets Division is responsible for all non-contractual street repairs. In August of 2002, the City outsourced rubbish and recycling services. The City also owns and operates two cemeteries.

The **Recreation Department** provides numerous courses and programs throughout the year. During summer months, the department operates the pool at Clague Park where swimming lessons are also offered. The City owns the twenty-seven hole Meadowood Golf Course which operates on a profit/loss basis. The department's main responsibility is the operation of the new Recreation Center that offers numerous programs and classes to residents.

The **Senior and Community Services Department** provides programs and assistance to seniors, and numerous seniors participate and volunteer their time. The department also provides assistance and aid to families in need.

The **Finance Department** is responsible for the accurate recording of all receipts and disbursements. The department issues bi-weekly payrolls and maintains a fixed asset system. The department compiles the Annual Budget, prepares the Comprehensive Annual Financial Report and Popular Annual Financial Report for residents, and assists the Mayor in all financial decisions.

The **Law Department** advises the Mayor, Council, and all departments on legal matters concerning the City. The department prepares all contracts, legislation, and legal documents.

The **Purchasing Department** furnishes the City with the materials, equipment, and supplies needed to maintain operations. The department also handles all personnel matters, including health insurance.

The **Planning Department** is responsible for implementing plans and programs that promote the comprehensive and orderly development of the City. The department works in conjunction with the Planning Commission, Board of Zoning Appeals, and Board of Building Appeals and Architectural Standards.

The **Inspections Department** is responsible for interpreting and enforcing all building codes in the City. The department issues permits and citations, conducts site inspections, and licenses all contractors.

The **Engineering Department** must insure that all contractors working in Westlake meet the general engineering requirements of the City. Engineering controls the review and implementation of plans and programs relating to the City's infrastructure.

ECONOMIC CONDITION AND OUTLOOK

Residential and commercial expansion has grown considerably over the past years resulting in several new subdivisions, offices, and retail space in Westlake. At present, 26.5 percent of the City's land is available for development.

Several major projects were completed in 2002 and many will follow in 2003. The biggest news is the approval by voters of Crocker Park, a proposed neo-traditional, mixed-use, planned unit development on 75 acres at Crocker and Detroit Roads. When completed, it will create a downtown for Westlake containing 600,000 square feet of upscale retail, 40,000 square feet of restaurants, 225,000 square feet of office and 900,000 square feet of residential space consisting of loft apartments, townhouses and attached luxury homes. The new Jamestown Office Building on Detroit Road and the Clemens Road West Office Building were completed in 2002. LaCentre, a 101,000 square foot commercial building developed by Jubilee Catering, began construction. Hyland software also moved its headquarters to Westlake in 2002. Several more projects are planned for 2003. The Vista Lago Condominium development and the Casa Lago subdivision will begin construction. A 20,000 square foot extension is underway at the Lakewood Hospital/Cleveland Clinic Center. The Elks Lodge of Lakewood will move into commercial space on Center Ridge Road. The Struers, Inc. office and industrial complex will be built on Detroit Road.

The City offers numerous office and industrial areas. The King James Office Park, Phases I through V, houses 335,000 square feet of space and the Reserve Office Park was recently completed next to the Gemini Office Towers. Several industrial parks are situated throughout Westlake. Industrial parks are located on Sharon Drive, First Street, Clemens/Ranney Parkway and Crocker Road. These industrial parks feature such companies as Bonne Bell, EverReady Battery, Nordson, Scott Fetzer, USG, Travel Centers of America and Viking Husquarna.

The Promenade of Westlake features 240,000 square feet of retail space with an 11-Plex-movie theater and two restaurants. St. John West Shore Hospital is a seventy-acre health campus that serves the community. Satellites of Lakewood Hospital, University Hospital, and the Cleveland Clinic are also located in the City.

To encourage industrial and commercial development, the City offers four financial assistance tools. Industrial Development Revenue Bonds is a program under State law that allows the Westlake Community Improvement Corporation and City Council to approve the issuance of revenue bonds. The principal of these reduced interest bonds can be used for land acquisition, building construction, and equipment purchases.

In 1994, Westlake established an Enterprise Zone under State law. This program offers real and personal property tax abatement for the construction and expansion of commercial facilities located within the designated zone. The State of Ohio and County Commissioners allow up to 75 percent abatement over ten years upon approval.

Westlake received State approval to establish a Community Reinvestment Area in 1996. This program covers enterprises located in most of Westlake's industrial zone north of Detroit Road. New construction and renovation over \$100,000 can receive up to 100 percent real property tax abatement with a ten year maximum for commercial development and fifteen years for industry. This program requires the approval of the City Council and Westlake Tax Incentive Review Council.

The Cuyahoga County Department of Development has also established Improved Target Areas by which local business owners can apply for small grants and low interest loans to renovate commercial buildings. Three ITA areas currently exist in Westlake.

MAJOR INITIATIVES

Current Year Projects. The mission of the City of Westlake, its mayor, council, and employees, is to enhance the quality of life for all residents by providing the highest level of service in an efficient and cost effective manner. In 2002, the City upheld that mission by expanding and improving services, upgrading infrastructure, and enhancing public grounds and facilities.

The Police Department continued its commitment to public safety and awareness. The "Home Firearms Safety" program for adults and the "Eddie Eagle Firearms" course for children promoted gun safety and supervision. Programs such as D.A.R.E. (Drug Abuse Resistance Education) continue on with much success. Officer Ken Delfing was named the 2002 D.A.R.E. officer of the year for the State of Ohio. The Community Police Academy held spring and fall sessions providing residents with classroom instruction and hands-on police experiences. A Teen Academy was also added in 2002. In January of 2002, the Department added a Computer Forensics Lab with a designated forensics officer. A Rape Aggression Defense class is offered to women living and working within the City. The "Bike Safety Rodeo" is an annual safety course for elementary students featuring prizes for all participants. 284 children attended Safety Town in 2002.

The Fire Department responded to 1,361 fire and 2,512 emergency medical calls in 2002. A state-of-the-art Sutphen aerial platform truck was purchased and is expected to stay in service for the next twenty years. A new med-tech ambulance and a hand-held thermal imaging unit were also purchased in 2002. The department obtained two grants last year, one to train personnel in bio-terrorism incidents and the second to provide equipment, training, and supplies to fire prevention and education programs. The successful "Explorers" program continues to offer hands-on training to high school students considering firefighting and emergency medical service careers.

The Service Department is involved in numerous activities such as the maintenance of City streets, sewers, parks, buildings, and vehicles. As previously mentioned, in August of 2002, the City out-sourced rubbish and recycling collection to an outside contractor in efforts to better utilize the time and skills of service personnel. With the help of the department, the City won the "America in Bloom" national beautification campaign for cities with populations between 25,000 and 50,000 residents. Evergreen Cemetery held its third annual "Planting of the Fences Day" where families planted flowers in memoriam. The department participated with the County in two computer and two paint round-up programs. Service crews also completed repairs to sidewalks in quadrant one of the City.

According to the 2000 census, 22 percent of the Westlake population is over sixty years of age. The Department of Senior and Community Services offered education, services, and social programs to meet the need of this expanding population. Seniors volunteered 2,052 hours of their time to the department and over 800 newsletters were issued to residents. The department is currently involved with plans to expand the Senior Center with the aid of a Community Development Block Grant. In addition to the many programs offered by the Center, a Senior Olympics was offered for four days in May. The addition of music and art appreciation programs has been met with much success. Through donations, the department offered prescription plan assistance to those in need. The Westlake Assistance Program provided a year-round food bank, special assistance, and holiday baskets.

The Westlake Recreation Center opened in November of 1998. Situated in an 86 acre park setting, the 82,700 square foot facility offers numerous amenities to residents. The center features five pools, a gymnasium with two full size basketball courts, an overhead track, and exercise and craft rooms. Peterson Pool at Clague Park is an outdoor facility offering swimming lessons throughout the summer season. In addition to the numerous classes and activities held at the Recreation Center, the department organized the Fourth of July party, the Fall Pumpkin Festival and Hunt, the Junior Olympics, and the annual Fishing Derby. A new log cabin design clubhouse opened in the spring of 2002.

Construction of a new City Hall directly west of the present building commenced in 2001. The new 44,000 square foot facility was completed in January of 2003. The facility, which was more than five years in the planning, gives each department additional space and features an expanded Council chamber with state-of-the-art audio/visual equipment. The Westlake Board of Education has purchased the existing building.

Various improvements to infrastructure occurred throughout the City in 2002. Through the use of a federal grant, a \$3 million traffic signalization upgrade program was completed. This system also interacts with police and fire emergency sirens. Improvements were made to Sperry Creek storm drainage. Preliminary work was done on the extension and improvement of Crocker Road. The second phase of sanitary sewer installation on Center Ridge Road also commenced.

Future Projects. Numerous projects are planned for 2003. As stated, the Senior Center will receive a grant to expand and refurbish its present facility. Preliminary plans will begin on the construction of a new Service Center facility. In anticipation of the new Crocker Park, improvements will continue along Crocker Road. The City will complete the second and start the third phase of sanitary sewer installation on Center Ridge Road. Improvement projects on Lincoln Road and Hilliard Boulevard will also begin. New sidewalks will be constructed along Bradley, Avon, and Cahoon Roads. Police and Fire emergency services will be controlled through central dispatching. Improvements will be finished on the Clague Park cabin and a new water slide will be installed at Peterson Pool.

FINANCIAL INFORMATION

Internal Control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

An independent appraisal is done periodically on the fixed assets of the City to value and insure their existence. The Finance Department is committed to strengthening internal controls to assure the safeguarding of assets and to provide reasonable assurance that all financial transactions are properly recorded. A fixed asset software system allows for detailed reporting and analysis. Individual departments perform an annual inventory and work with the Finance Department to assure accuracy and accountability.

Budgetary System. Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and in the City Charter. With the assistance of the Finance Director, the Mayor is required to submit to Council, not less than 120 days before the end of each year, an estimate of revenue and expenditures termed the "budget" for the succeeding year. The "budget" is accepted and passed by Council at its first meeting in July and forwarded to the Cuyahoga County Budget Commission by July 20th. Council is required to adopt an annual appropriation ordinance within 90 days after the receipt of a Certificate of Estimated Resources from the County Auditor or from the beginning of the year, whichever shall last occur. Council usually adopts the final appropriation for the succeeding year during its first or second December meeting. The legal level of control has been established by Council at the object level within each department in the general fund and at the object level for all other funds.

The City maintains budgetary control on a cash basis by department for salaries, other expenditures and debt service. Estimated expenditure amounts must be encumbered prior to release of purchase orders to vendors or finalization of other contracts. Encumbrances which would exceed the available appropriation level are identified on an ongoing basis and are not approved or recorded until City Council authorizes additional appropriations or transfers. Unencumbered appropriations lapse at the end of each calendar year. As an additional control over expenditures, the City Charter requires that all contracts in excess of \$15,000 shall be authorized and directed by ordinance of City Council.

The City compiles its Annual Budget in document form. The budget presents anticipated revenues and expenditures by fund and department in line item detail with additional supporting documentation that explains the budgetary process and individual departmental goals. The budget is submitted to the Government Finance Officers Association (GFOA) and has received the Distinguished Budget Presentation Award from 1998 through 2002.

Accounting System. The City uses automated governmental accounting software developed and licensed by Sanderson CMI, Inc. This software controls budgetary accounting, payroll, utility billing, and fixed assets. With the opening of the new City Hall in 2003, the Finance Department purchased a new mainframe computer and will change its present software to Sungard Pentamation, adding land management and internet access software.

The City's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Generally accepted accounting principles determine the type of funds used. Prudent financial administration determines the number of individual funds established.

The City maintains records on a budgetary basis for all fund types. After year end closing, adjusting entries are prepared for the various funds to convert the budgetary basis records to the modified accrual basis of accounting for all governmental fund types and to the accrual basis of accounting for the proprietary fund types. The fund statements are then converted to entity-wide financial statements, and classified as either governmental or business-type activities, using the accrual basis of accounting. Modified accrual basis accounting requires that revenues be recognized when both measurable and available. Expenditures are recorded as fund liabilities when incurred, except for interest on long-term debt which is recorded when due. The accrual basis of accounting recognizes revenues when earned and expenses when incurred. A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the Basic Financial Statements, located in the Financial Section of this report.

CASH MANAGEMENT

The Finance Department has an aggressive cash management program to maximize the use of the City's cash resources. The primary objectives of the City's investment policy are safety, liquidity, and yield. The protection of investment principal is of prime importance. In addition to protecting investments, the City must plan for short and long-term liabilities. The City currently uses interest bearing checking accounts and certificates of deposit. Cash balances and investment schedules are continually evaluated to ensure both liquidity and maximum yield. In 2002, the City earned \$1,706,805 in interest in the general fund.

Beginning in 1995, the Finance Department requested further contractual requirements to safeguard pledged collateral. These addendums guarantee against the substitution of pledged collateral without the written consent of the Finance Director and the dual pledging of collateral. A designated review board of each depository institution approves pledged collateral. Both the City and the depository institution hold collateral jointly. Currently, all collateral is held at the Federal Reserve Bank of Cleveland and at the Chase Bank of New York.

In 1972, the City established an equipment replacement account within the General Fund. The account is used to create a reserve for major equipment purchases at replacement values. At present, the account is used to purchase vehicles, major equipment and computer hardware purchases.

RISK MANAGEMENT

The City insures all risk, with the exception of health insurance, through private insurance carriers. Property valuations are revised annually to provide insurance companies and the City with an accurate inventory of insurable property and replacement cost values.

In March, 1989, the City entered into a self insurance program for employee health care. Reinsurance for maximum benefit levels is incorporated as part of the plan. Resources are accumulated in the internal service fund to meet current and future claims. The City expects to assume no additional risks in the near future.

OTHER INFORMATION

Independent Audit. Included in this report is an unqualified audit opinion regarding the City's financial statements for the year ended December 31, 2002. The Auditor of the State of Ohio completed this year's audit.

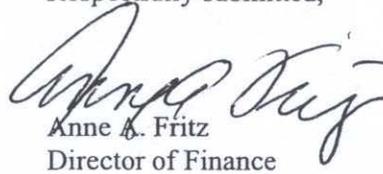
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Westlake, Ohio, for its comprehensive annual financial report (CAFR) for the year ended December 31,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

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

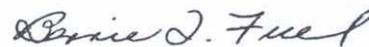
A Certificate of Achievement is valid for a period of one year only. The City of Westlake has received a Certificate of Achievement for the last nineteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting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

Acknowledgments. This comprehensive annual financial report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. This report was prepared in accordance with generally accepted accounting principles (GAAP). Appreciation also is expressed to those other City departments that assisted in preparing supporting documentation. In addition, we would like to thank the Mayor and Members of Council for their continuing support toward the preparation of this report.

Respectfully submitted,

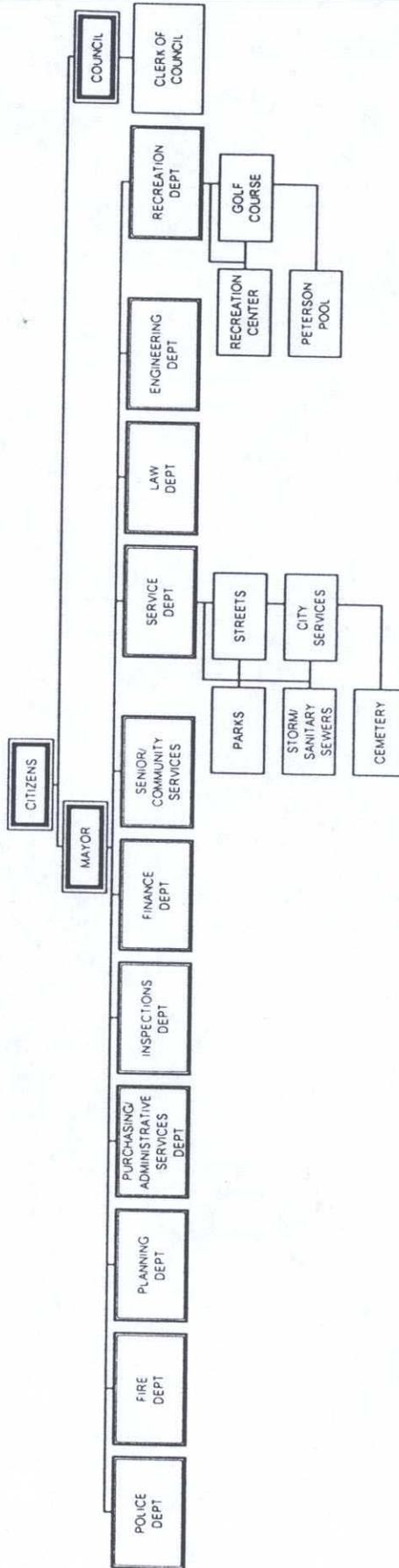


Anne K. Fritz
Director of Finance

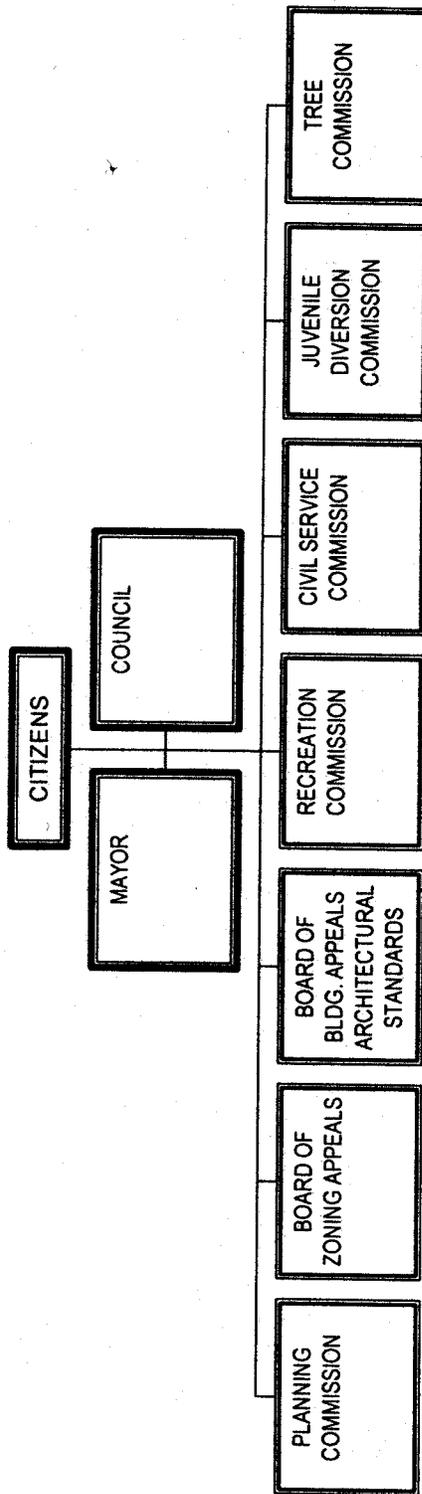


Bonnie L. Freeh
Assistant Director of Finance

CITY OF WESTLAKE ORGANIZATIONAL CHART DEPARTMENTS



CITY OF WESTLAKE ORGANIZATIONAL CHART COMMISSIONS



CITY OF WESTLAKE, OHIO

**PRINCIPAL OFFICIALS
DECEMBER 31, 2002**

ELECTED OFFICIALS

MayorDennis M. Clough
President of Council..... Michael F. Killeen
Council Members
Ward 1 Edward Hack
Ward 2 James Connole
Ward 3 William Sexton
Ward 4 Michael O'Donnell
Ward 5 Kenneth Brady
Ward 6 Nan Baker

APPOINTED OFFICIALS

Director of Engineering Robert Kelly
Director of Finance Anne Fritz
Director of Inspections..... Robert Patton
Director of Law David Harbarger
Director of Planning..... Robert Parry
Director of Purchasing Mary Calabrese
Director of Recreation..... Michael Rump
Director of Senior and Community Services Joyce Able Schroth
Director of Service Donald Glauner
Chief of Police Richard Wallings
Chief of Fire..... Richard Pietrick

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Westlake,
Ohio

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

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



William Patrick Harte

President

Jeffrey R. Enos

Executive Director

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Westlake
Cuyahoga County
27700 Hilliard Boulevard
Westlake, Ohio 44115

To the Members of City Council

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westlake, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westlake, Cuyahoga County, Ohio, as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General, Recreation, Sanitary Sewer Improvement, Issue 11 Improvements, Traffic Signalization, and City Hall Construction Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

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

Betty Montgomery
Auditor of State

June 10, 2003

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

The discussion and analysis of The City of Westlake's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2002. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key Financial highlights for 2002 are as follows:

- Total assets of the City of Westlake exceeded its liabilities at the close of the most recent year by \$200,519,060 (*net assets*). Of this amount, \$48,524,869 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to its citizens and creditors.
- Total Net Assets remained consistent from 2001, increasing by \$832,560, or a 0.42 percent increase over 2001.
- Total Assets of Governmental Activities decreased \$3,745,753, which represents a 1.89 percent decrease from 2001.
- Total Depreciable Capital Assets decreased by \$3,230,959 or 2.50 percent over 2001, while Non-depreciable Capital Assets increased by \$9,083,532 from 2001, primarily due to construction in progress relating to the new City hall facility.
- As of the close of the current year, the City of Westlake's governmental funds reported combined ending fund balances of \$58,404,145, a decrease of \$6,216,393 in comparison with the prior year.
- The City of Westlake's total debt decreased by \$6,610,449 or 18.26 percent during the current year. The key factors in this decrease were the repayment of \$4,025,000 in various purpose notes, while a \$229,000 new note was issued during 2002. The City also repaid \$209,000 in special assessment bonds and \$2,585,000 of general obligation bonds during 2002.
- On a cash basis, City income tax collections increased 2.7 percent during 2002. In the last three years, an average of 4.1 percent increase has been realized.

Overview of the Financial Statements

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Westlake's finances, in a manner similar to private-sector businesses. The *statement of net assets* and *statement of activities* provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

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

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

Both of the government-wide financial statements distinguish functions of the City of Westlake that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Westlake include general government, security of persons and property, public health services, transportation, community environment, basic utility services and leisure time activities. The business-type activities include sewer and golf course.

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

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

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

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

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

The City of Westlake maintains 36 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General fund, Recreation fund, Sanitary Sewer Improvement fund, Issue II Improvements fund, Traffic Signalization fund and City Hall Construction fund, all of which are considered to be major funds. Data from the other 30 governmental funds are combined into single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds The City of Westlake maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer operations and golf course activity. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains such a fund for its self-insurance of health related employee benefits. Because this predominately benefits governmental rather than business functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer operations as it is considered a major fund, while the golf course enterprise fund is a nonmajor fund. The internal service fund is for self-insurance of health benefits.

The basic proprietary fund financial statements can be found on pages 26 through 29 of this report.

Notes to the Basic Financial Statements The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 through 61 of this report.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with nonmajor governmental funds are presented, as well as individual detailed budgetary comparisons for all nonmajor funds. This information can be found on pages 62 through 129 of the report.

Government-Wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2002?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

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

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

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

The City of Westlake as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. The following provides a summary of the City's net assets for 2002 compared to 2001.

NET ASSETS
TABLE 1

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Current and Other Assets	\$80,014,055	\$89,252,237	\$22,171,081	\$22,988,072	\$102,185,136	\$112,240,309
Capital Assets, Net	114,231,030	108,738,601	32,600,462	32,240,318	146,831,492	140,978,919
<i>Total Assets</i>	<u>194,245,085</u>	<u>197,990,838</u>	<u>54,771,543</u>	<u>55,228,390</u>	<u>249,016,628</u>	<u>253,219,228</u>
Current and Other Liabilities	15,329,244	17,332,464	124,244	139,727	15,453,488	17,472,191
Long-Term Liabilities:						
Due within One Year	3,512,965	3,171,671	0	0	3,512,965	3,171,671
Due in More than One Year	29,531,115	32,888,866	0	0	29,531,115	32,888,866
<i>Total Liabilities</i>	<u>48,373,324</u>	<u>53,393,001</u>	<u>124,244</u>	<u>139,727</u>	<u>48,497,568</u>	<u>53,532,728</u>
Invested in Capital Assets, Net of Related Debt	85,331,914	73,315,036	32,600,462	32,240,318	117,932,376	105,555,354
Restricted for:						
Capital Projects	25,278,876	31,678,425	0	0	25,278,876	31,678,425
Debt Service	3,298,269	3,247,987	0	0	3,298,269	3,247,987
Other Purpose	5,484,670	6,024,353	0	0	5,484,670	6,024,353
Unrestricted	26,478,032	30,332,036	22,046,837	22,848,345	48,524,869	53,180,381
<i>Total Net Assets</i>	<u>\$145,871,761</u>	<u>\$144,597,837</u>	<u>\$54,647,299</u>	<u>\$55,088,663</u>	<u>\$200,519,060</u>	<u>\$199,686,500</u>

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Westlake, total assets exceed total liabilities by \$200,519,060 at the close of the most recent year.

The largest portion of the City's net assets (58.8 percent) reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets decreased by \$4,202,600 from 2001 to 2002, while the City's total liabilities decreased by \$5,035,160. The most significant change in assets was a decrease in Equity in Pooled Cash and Cash Equivalents, where there was a decrease of \$10,070,943 during the year. This is due to the City retiring notes, and the payment of construction contracts relating to infrastructure improvements and the new city hall construction. The decrease in liabilities was mainly due to the retirement of the note to finance the construction of the new City Hall facility, and the retirement of other City debt.

At the end of the current year, the City of Westlake is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The total net assets of the City's governmental activities increased \$1,273,924 during the current year. The increase is due to the degree in which resources in ongoing revenues have outstripped similar increases in ongoing expenses as well as a significant amount of construction in progress capitalized but not yet subject to depreciation expense.

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

CHANGES IN NET ASSETS
 TABLE 2

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
Revenues						
Program Revenues:						
Charges for Services	\$3,655,555	\$3,388,691	\$2,127,635	\$2,195,678	\$5,783,190	\$5,584,369
Operating Grants and Contributions	1,607,321	1,252,164	0	0	1,607,321	1,252,164
Capital Grants and Contributions	866,330	4,290,615	0	0	866,330	4,290,615
Total Program Revenues	6,129,206	8,931,470	2,127,635	2,195,678	8,256,841	11,127,148
General Revenues:						
Property and Other Local Taxes	11,063,115	10,516,098	0	0	11,063,115	10,516,098
Income Taxes	15,114,994	15,010,714	0	0	15,114,994	15,010,714
Grants and Entitlements	2,956,228	3,378,432	0	0	2,956,228	3,378,432
Other	3,079,256	3,778,286	313,440	519,086	3,392,696	4,297,372
Total General Revenues	32,213,593	32,683,530	313,440	519,086	32,527,033	33,202,616
Total Revenues	\$38,342,799	\$41,615,000	\$2,441,075	\$2,714,764	\$40,783,874	\$44,329,764

(continued)

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

	Governmental Activities		Business-Type Activities		Total	
	2002	2001**	2002	2001	2002	2001
Program Expenses						
General Government	\$8,288,139	\$8,405,770	\$0	\$0	\$8,288,139	\$8,405,770
Security of Persons and Property	10,701,215	10,338,153	0	0	10,701,215	10,338,153
Public Health Services	755,224	653,421	0	0	755,224	653,421
Transportation	7,435,759	5,967,956	0	0	7,435,759	5,967,956
Community Environment	1,253,995	1,141,786	0	0	1,253,995	1,141,786
Basic Utility Services	2,682,560	2,919,802	0	0	2,682,560	2,919,802
Leisure Time Activities	3,321,751	3,183,996	0	0	3,321,751	3,183,996
Interest and Fiscal Charges	1,746,348	1,784,341	0	0	1,746,348	1,784,341
Sewer	0	0	3,255,674	2,606,026	3,255,674	2,606,026
Golf Course	0	0	510,649	427,768	510,649	427,768
Total Program Expenses	36,184,991	34,395,225	3,766,323	3,033,794	39,951,314	37,429,019
Increase (Decrease) in Net Assets Before Transfers and Contributions	2,157,808	7,219,775	(1,325,248)	(319,030)	832,560	6,900,745
Transfer and Contributions	(883,884)	187,834	883,884	(187,834)	0	0
Increase (Decrease) in Net Assets	\$1,273,924	\$7,407,609	(\$441,364)	(\$506,864)	\$832,560	\$6,900,745

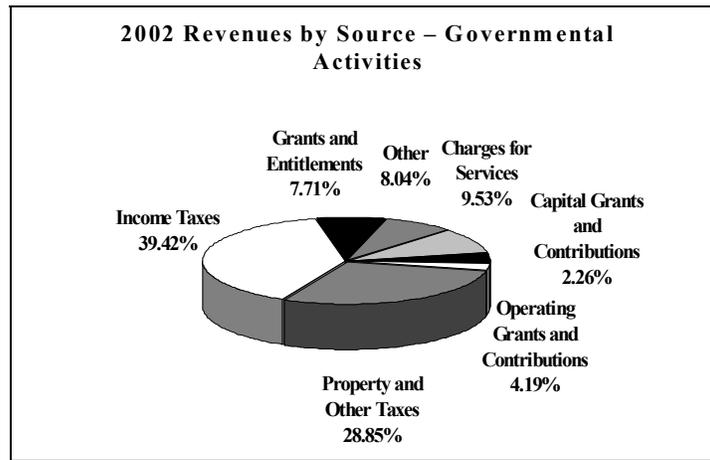
**2001 expenses have been restated from last year's CAFR due to the one-time recognition of construction in progress in 2001 where amounts were actually expended prior to 2001.

Governmental Activities

Governmental activities increased the City's net assets by \$1,273,924 during 2002, as compared to an increase of \$7,407,609 during 2001. The primary reason for the difference between 2002 and 2001 change in net assets relates to decreases in capital grants revenues, and increase in program expense related to transportation and basic utility services. The increases in expenses are mainly related to the one-time expense relating to the early retirement incentive program and increases in personnel, salaries and basic operations.

Several types of revenues fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate was 1.5 percent for 2002, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.5 percent for those who pay income tax to another city. City Council could by Ordinance, choose to vary that income tax credit and create additional revenues for the City.

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The income tax revenue for 2002 was \$15,114,994, an increase of \$104,280 or 0.69 percent from 2001. Of the \$38,342,799 in total revenues, income tax accounts for 39.42 percent of that total. Property taxes for 2002 were \$11,063,115, a \$547,017 or a 5.20 percent increase from 2001.

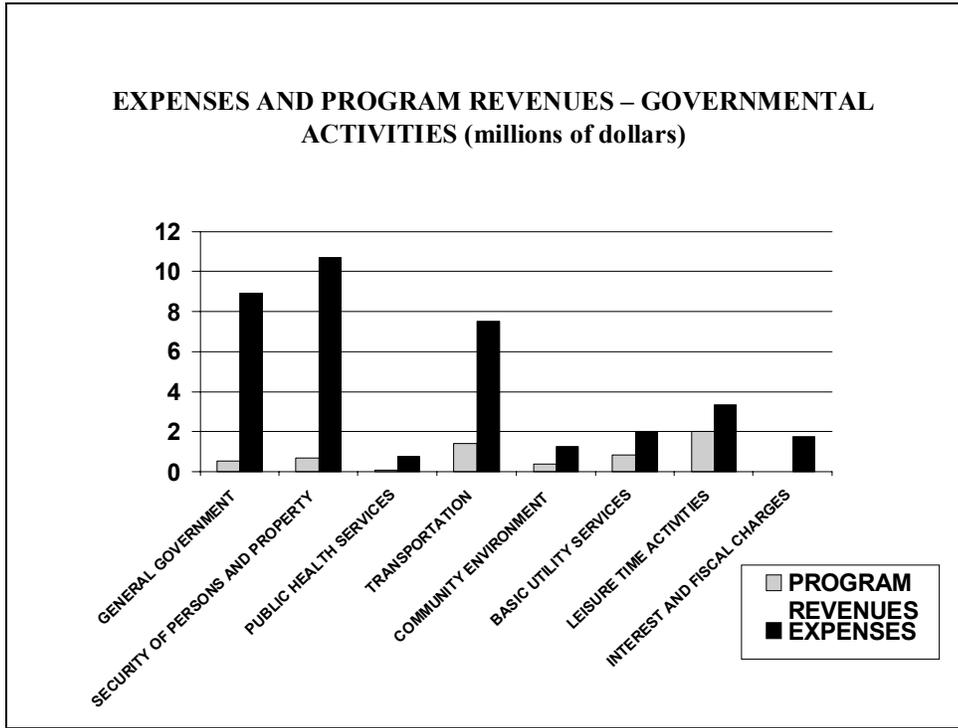
Capital grants and contributions declined \$3,424,285 during 2002, which primarily resulted from the majority of the capital grant revenue relating to traffic signalization being recognized in 2001.

General revenues include grants and entitlements, such as local government funds. With the combination of property tax, income tax and intergovernmental funding all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations.

For the most part, increases in expenses approximate the inflation rate and growth in the demand for services. During 2002, the largest program function for the City relates to security of persons and property which include police and fire services. The increase in expenses from 2001 to 2002 included additional personnel related expenses, as well as additional operating expenses. The next largest program is general government which accounts for the basic operations of the City including council, mayor, finance, law, purchasing, civil service, engineering and building maintenance among other departments and services. The increases in general government expenses from 2001 to 2002 are mainly related to the one-time expense related to the early retirement incentive program and expenses related to the operations of the new City hall. The third largest program for 2002 was transportation where the increases in expenses were due to additional material supplies and contractual services in 2002 for street maintenance.

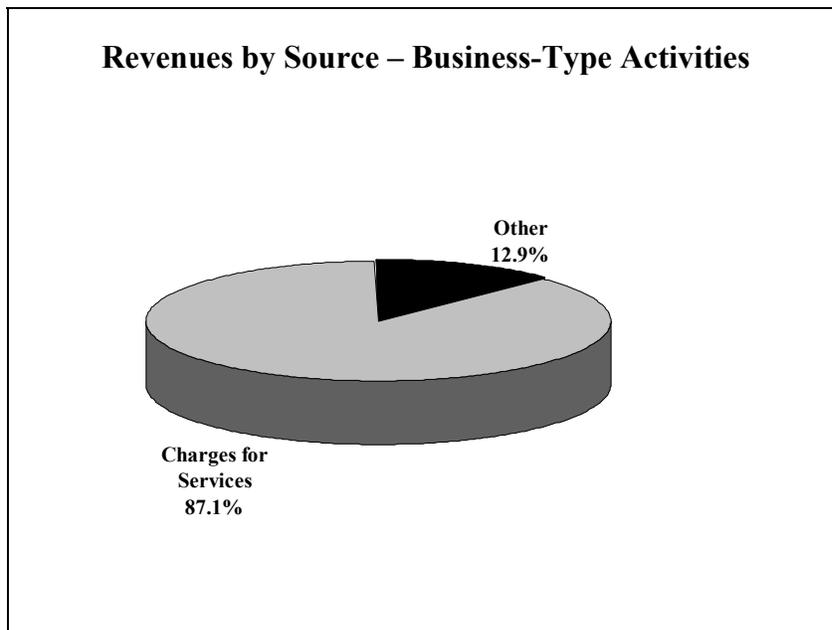
Expenses for basic utility services declined from 2001 to 2002 as the City implemented the outsourcing of rubbish and recyclable collection during 2002 which lowered overall costs of collection.

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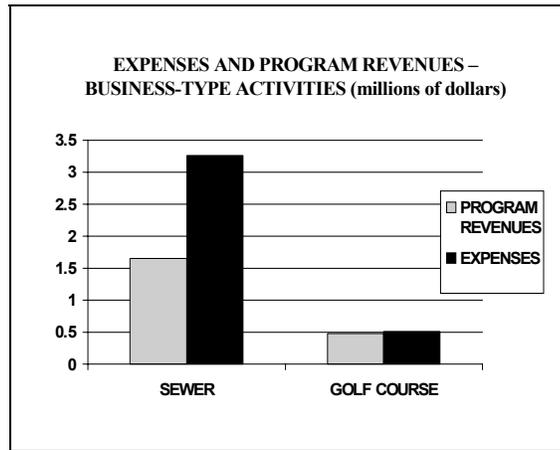


Business-Type Activities

The Business-Type activities of the City, which include the City's sewer operations and golf activities, decreased the City's net assets by \$441,364.



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Program expenses exceeded program revenues in the amount of \$1,607,377 for the sewer operations for 2002. This is due to increased contributions required to the City's share of operating expenses of the Rocky River Wastewater Treatment Plant. General revenue investment earnings of \$197,583 provided additional funding to the sewer operations.

Expenses exceeded program revenue in the Golf Course activity in the amount of \$31,311 for the current year, primarily related to the expenses related to the new clubhouse.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Westlake's governmental funds reported combined ending fund balances of \$58,404,145. Of that amount, \$48,039,429 constitutes unreserved fund balances. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period (\$3,389,716), and to reflect amounts advanced to other funds (\$6,975,000).

All governmental funds had total revenues of \$38,617,691 and expenditures of \$45,009,709, with expenditures exceeding revenues by \$6,392,018. The primary reason for expenditures exceeding revenues for 2002 relates to the capital outlay expended for the construction of the new City hall facility.

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GENERAL FUND

The general fund is the chief operating fund of the City. At the end of the current year, total fund balance for the general fund was \$26,356,296, of which \$18,420,711 was undesignated for financial reporting purposes. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to annual fund expenditures. Undesignated general fund balance represents 84.07 percent of total general fund expenditures, while total fund balance represents 120.3 percent of that same amount. These numbers are an important representation of the City's solid financial performance and condition.

During the current year, the fund balance of the City's general fund decreased by \$1,467,017. The reduction in the general fund balance is primarily due to the transfer of \$3,400,000 to the City service facility capital projects fund to accumulate funds for the new service facility. These transfers reflect the City's desire to accumulate funds over several years so that major capital improvements can be primarily funded with accumulated resources. The excess of revenues over expenditures for the general fund for the current year is \$2,582,983.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2002 the City amended its general fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The general fund supports many of our major activities such as our Police Department and Fire Department as well as most legislative and executive activities. The general fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the general fund, original budgeted revenues were \$22,146,997. The final budgeted revenue amount was \$24,483,369. Original general fund budgeted expenditures were \$25,545,254, and the final amended budget was \$29,183,254. Actual general fund expenditures were \$22,382,329, or \$6,800,925 less than was budgeted.

Advances in to the general fund were budgeted at \$5,418,000, but the actual was \$593,000. The difference was the repayment of the advance from the traffic signalization grant capital fund to the general fund was budgeted for 2002, but will not be repaid until 2003 as the project was still ongoing.

The differences between the general fund's original budget and the final amended budget were minor, except for the changes as follows:

- The most significant change was \$2,500,000 in additional appropriations for the payment of retirement costs for the employees participating in the early retirement incentive initiated in 2002.
- The outsourcing of the rubbish collection required \$460,000 in appropriations to cover the contract related charges for 2002.
- An additional \$330,000 was appropriated to the law department for outside legal services.
- An additional \$150,000 was advanced to the Meadowood Golf fund for the completion of the new clubhouse.

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- Additional appropriations to the general fund for miscellaneous departmental expenditures totaled \$150,000.
- An additional \$150,000 for advances in was added to the original budget as project funds were closed and advances returned to the general fund.
- An increase in estimated revenues as certified by the County Auditor for property taxes in the amount of \$722,776 was recorded.
- An increase in estimated revenues as certified by the County Auditor for municipal income taxes in the amount of \$961,426 was recorded to correct original estimates. Final actual municipal income taxes collected exceeded the amended budget amount by \$89,739.

Capital Assets and Debt Administration

CAPITAL ASSETS AT DECEMBER 31
(NET OF DEPRECIATION)
 TABLE 3

	Governmental Activities		Business-Type Activities	
	2002	2001	2002	2001
Land	\$5,727,486	\$5,727,486	\$1,499,176	\$1,499,176
Construction in Progress	12,350,911	3,937,268	1,315,207	645,318
Buildings	19,304,118	19,734,545	1,630,982	1,106,826
Improvements	1,897,488	1,792,002	124,650	123,802
Machinery and Equipment	669,758	918,749	112,825	115,777
Furniture and Fixtures	188,418	222,355	30,554	5,026
Vehicles	2,422,464	1,806,413	165,056	222,718
Infrastructure:				
Roads	38,027,676	40,462,453	0	0
Water Mains	14,102,931	14,043,437	0	0
Storm Sewers	14,251,894	14,575,508	0	0
Sewer Lines	0	0	27,722,012	28,521,675
Culverts	1,303,560	1,411,956	0	0
Traffic Signals	2,579,772	2,687,262	0	0
Bridges	1,404,554	1,419,167	0	0
Total	\$114,231,030	\$108,738,601	\$32,600,462	\$32,240,318

Total capital assets for governmental activities of the City of Westlake for the year 2002 were \$114,231,030, as compared to \$108,738,601 in 2001. The most significant increases in capital assets are in construction in progress, with many major projects in place including the new City Hall construction and road improvements. Capital assets for business-type activities increased from \$32,240,318 in 2001 to \$32,600,462 in 2002, primarily due to construction in progress for the Center Ridge sanitary sewer improvement project.

The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. Management has a five-year capital plan in place that provides for street improvements and adding additional facilities to complement our current structures. For additional information on Capital Assets see Note 8 of the basic financial statements.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
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Debt

As of December 31, 2002, the City of Westlake had \$29,582,116 in bonds, notes and loans outstanding.

	Governmental Activities	
	2002	2001
General Obligation Bonds	\$27,129,174	\$29,714,174
Special Assessment Bonds	1,999,000	2,208,000
Notes	229,000	4,025,000
OPWC Loan	224,942	245,391
Total	\$29,582,116	\$36,192,565

The general obligation bonds are composed of (1) Rocky River Treatment Plant – a 1983 voted debt issue repaid from charges for services; (2) 1997 Safety Facility voted issue for the construction of police and fire facilities repaid from property taxes, (3) 1997 Recreation Center voted issue for the construction of the City recreation center to be repaid from a dedicated 1/8 percent of the City's municipal income tax; (4) Sewer Construction and Improvement Bonds to be repaid from charges for services; (5) Issue II debt for streets and other infrastructure to be repaid from the proceeds of the Issue II capital improvement dedicated income tax of 3/8 of one percent; and (6) Various purpose other bonds including advance refunding bonds issued in 1997 for the safety facilities debt.

The special assessment bonds consist of various sewer construction projects, Ranney Parkway, various sidewalk improvements, the Marview Waterline, and various other improvements. The principal and interest for these bonds are paid from the collection of special assessments by the County Auditor from the specific property owners who primarily benefited from the projects.

The OPWC Loan is being paid semi-annually from the debt service fund funded by property taxes.

The \$229,000 in notes is for sidewalk improvements to be repaid from the future collection of special assessments through the County Auditor.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 ½ percent of total assessed valuation. The City's overall legal debt margin was \$96,995,361 on December 31, 2002.

Additional information concerning the City's debt can be found in notes 12 and 13 to the basic financial statements.

City of Westlake, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Current Financial Related Activities

The City of Westlake maintained throughout 2002 a Moody's Investors Service and Fitch's Aaa rating, and Standard and Poor's AAA rating. Westlake remains the only suburb in Ohio to have been awarded the Aaa/AAA ratings.

The Administration and City Council developed a master plan for the acquisition of equipment and the building or upgrading of City facilities. As a result, we have seen a remarkable increase in our capital assets over that period of time and the expansion of all City services. The year 2002 is no different as we continued construction on the new City Hall facility, at a total estimated cost of \$9,200,000, and completed the new clubhouse for the golf course at a cost of over \$500,000. Plans for the upcoming year include a new City service facility estimated at \$4,400,000, and a renovation and expansion at the Senior Center of approximately \$1,200,000.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, tax payers, creditors and investors with a general overview of the City's finances and show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information contact Director of Finance Anne A. Fritz, City of Westlake, 27700 Hilliard Blvd., Westlake, Ohio 44145, telephone 440-617-4252, or web site at www.cityofwestlake.org.

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City of Westlake, Ohio

Statement of Net Assets

December 31, 2002

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$58,811,111	\$10,992,006	\$69,803,117
Cash and Cash Equivalents with Fiscal Agents	320,470	0	320,470
Materials and Supplies Inventory	236,917	7,116	244,033
Accrued Interest Receivable	670,437	34,562	704,999
Accounts Receivable	125,810	504,317	630,127
Internal Balances	400,000	(400,000)	0
Intergovernmental Receivable	1,699,786	0	1,699,786
Prepaid Items	170,926	326	171,252
Municipal Income Taxes Receivable	3,881,074	0	3,881,074
Property Taxes Receivable	11,698,524	0	11,698,524
Special Assessments Receivable	1,999,000	0	1,999,000
Investment in Joint Venture	0	11,032,754	11,032,754
Nondepreciable Capital Assets	18,078,397	2,814,383	20,892,780
Depreciable Capital Assets, Net	96,152,633	29,786,079	125,938,712
<i>Total Assets</i>	<u>194,245,085</u>	<u>54,771,543</u>	<u>249,016,628</u>
Liabilities			
Accounts Payable	591,494	4,583	596,077
Contracts Payable	374,213	0	374,213
Accrued Wages and Benefits	346,757	9,326	356,083
Intergovernmental Payable	1,116,756	24,311	1,141,067
Deferred Revenue	11,476,952	0	11,476,952
Retainage Payable	368,454	86,024	454,478
Matured Bonds and Interest Payable	38,289	0	38,289
Accrued Interest Payable	126,851	0	126,851
Claims Payable	248,943	0	248,943
Special Termination Benefits Payable	411,535	0	411,535
Notes Payable	229,000	0	229,000
Long-Term Liabilities:			
Due Within One Year	3,512,965	0	3,512,965
Due In More Than One Year	29,531,115	0	29,531,115
<i>Total Liabilities</i>	<u>48,373,324</u>	<u>124,244</u>	<u>48,497,568</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	87,726,914	32,600,462	120,327,376
Restricted for:			
Capital Projects	25,278,876	0	25,278,876
Debt Service	903,269	0	903,269
Other Purposes	5,484,670	0	5,484,670
Unrestricted	26,478,032	22,046,837	48,524,869
<i>Total Net Assets</i>	<u>\$145,871,761</u>	<u>\$54,647,299</u>	<u>\$200,519,060</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Activities
For the Year Ended December 31, 2002

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$8,288,139	\$557,528	\$780	\$0
Security of Persons and Property	10,701,215	301,778	379,638	0
Public Health Services	755,224	112,691	0	0
Transportation	7,435,759	23,335	1,183,964	306,485
Community Environment	1,253,995	367,209	42,939	0
Basic Utility Services	2,682,560	283,095	0	559,845
Leisure Time Activities	3,321,751	2,009,919	0	0
Interest and Fiscal Charges	1,746,348	0	0	0
<i>Total Governmental Activities</i>	<u>36,184,991</u>	<u>3,655,555</u>	<u>1,607,321</u>	<u>866,330</u>
Business-Type Activities				
Sewer	3,255,674	1,648,297	0	0
Golf	510,649	479,338	0	0
<i>Total Business-Type Activities</i>	<u>3,766,323</u>	<u>2,127,635</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u>\$39,951,314</u>	<u>\$5,783,190</u>	<u>\$1,607,321</u>	<u>\$866,330</u>

General Revenues

Property and Other Local Taxes Levied for:

 General Purposes

 Other Purposes

 Debt Service

Municipal Income Taxes Levied for:

 General Purposes

 Other Purposes

 Debt Service

 Capital Outlay

Grants and Entitlements not Restricted
to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$7,729,831)	\$0	(\$7,729,831)
(10,019,799)	0	(10,019,799)
(642,533)	0	(642,533)
(5,921,975)	0	(5,921,975)
(843,847)	0	(843,847)
(1,839,620)	0	(1,839,620)
(1,311,832)	0	(1,311,832)
(1,746,348)	0	(1,746,348)
<u>(30,055,785)</u>	<u>0</u>	<u>(30,055,785)</u>
0	(1,607,377)	(1,607,377)
<u>0</u>	<u>(31,311)</u>	<u>(31,311)</u>
0	(1,638,688)	(1,638,688)
<u>(30,055,785)</u>	<u>(1,638,688)</u>	<u>(31,694,473)</u>
8,188,115	0	8,188,115
1,541,622	0	1,541,622
1,333,378	0	1,333,378
10,009,473	0	10,009,473
244,093	0	244,093
2,543,848	0	2,543,848
2,317,580	0	2,317,580
2,956,228	0	2,956,228
2,725,652	197,583	2,923,235
353,604	115,857	469,461
<u>32,213,593</u>	<u>313,440</u>	<u>32,527,033</u>
<u>(883,884)</u>	<u>883,884</u>	<u>0</u>
31,329,709	1,197,324	32,527,033
1,273,924	(441,364)	832,560
<u>144,597,837</u>	<u>55,088,663</u>	<u>199,686,500</u>
<u>\$145,871,761</u>	<u>\$54,647,299</u>	<u>\$200,519,060</u>

City of Westlake, Ohio

Balance Sheet

Governmental Funds

December 31, 2002

	<u>General</u>	<u>Recreation</u>	<u>Sanitary Sewer Improvement</u>	<u>Issue 11 Improvements</u>	<u>Traffic Signalization</u>
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$16,038,165	\$670,583	\$3,121,244	\$13,122,408	\$2,950,487
Cash and Cash Equivalents					
with Fiscal Agents	282,181	0	0	0	0
Receivables:					
Municipal Income Taxes	2,565,778	63,262	0	550,336	0
Property Taxes	8,537,371	0	0	0	0
Accounts	117,154	1,990	0	0	0
Intergovernmental	965,775	0	0	0	48,401
Special Assessments	0	0	0	0	0
Accrued Interest	505,530	18,786	0	86,646	0
Interfund Receivable	2,310,000	0	0	0	0
Materials and Supplies Inventory	236,629	288	0	0	0
Prepaid Items	168,671	2,255	0	0	0
Advances to Other Funds	6,975,000	0	0	0	0
<i>Total Assets</i>	<u>\$38,702,254</u>	<u>\$757,164</u>	<u>\$3,121,244</u>	<u>\$13,759,390</u>	<u>\$2,998,888</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$386,438	\$10,984	\$297	\$18	\$0
Contracts Payable	96,852	0	0	1,086	918
Accrued Wages and Benefits	263,651	22,059	0	0	170
Retainage Payable	368,454	0	0	0	0
Intergovernmental Payable	685,849	52,682	0	4	494
Deferred Revenue	10,133,179	21,562	0	205,191	44,421
Advances From Other Funds	0	0	2,550,000	0	3,000,000
Interfund Payable	0	0	1,400,000	0	0
Matured Bonds and Interest Payable	0	0	0	0	0
Accrued Interest Payable	0	0	0	0	0
Special Termination Benefit Payable	411,535	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>12,345,958</u>	<u>107,287</u>	<u>3,950,297</u>	<u>206,299</u>	<u>3,046,003</u>
Fund Balances					
Reserved for Encumbrances	960,585	38,465	236,065	820,176	403,725
Reserved for Advances	6,975,000	0	0	0	0
Undesignated (Deficit), Reported in:					
General Fund	18,420,711	0	0	0	0
Special Revenue Funds	0	611,412	0	0	0
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	(1,065,118)	12,732,915	(450,840)
<i>Total Fund Balances (Deficit)</i>	<u>26,356,296</u>	<u>649,877</u>	<u>(829,053)</u>	<u>13,553,091</u>	<u>(47,115)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$38,702,254</u>	<u>\$757,164</u>	<u>\$3,121,244</u>	<u>\$13,759,390</u>	<u>\$2,998,888</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2002*

City Hall Construction	Other Governmental Funds	Total Governmental Funds
\$1,204,405	\$19,529,455	\$56,636,747
0	38,289	320,470
0	701,698	3,881,074
0	3,161,153	11,698,524
0	6,666	125,810
0	685,610	1,699,786
0	1,999,000	1,999,000
8,658	37,742	657,362
0	0	2,310,000
0	0	236,917
0	0	170,926
0	0	6,975,000
<u>\$1,213,063</u>	<u>\$26,159,613</u>	<u>\$86,711,616</u>
\$133,793	\$52,870	\$584,400
275,357	0	374,213
908	59,969	346,757
0	0	368,454
1,044	77,941	818,014
0	5,845,331	16,249,684
0	1,175,000	6,725,000
0	760,000	2,160,000
0	38,289	38,289
0	2,125	2,125
0	0	411,535
0	229,000	229,000
<u>411,102</u>	<u>8,240,525</u>	<u>28,307,471</u>
752,839	177,861	3,389,716
0	0	6,975,000
0	0	18,420,711
0	5,937,794	6,549,206
0	1,668,871	1,668,871
49,122	10,134,562	21,400,641
<u>801,961</u>	<u>17,919,088</u>	<u>58,404,145</u>
<u>\$1,213,063</u>	<u>\$26,159,613</u>	<u>\$86,711,616</u>

Total Governmental Fund Balances \$58,404,145

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 114,231,030

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

Property and Other Taxes	151,574
Municipal Income Tax	1,398,011
Miscellaneous	14,839
Intergovernmental	1,209,308
Special Assessments	<u>1,999,000</u>

Total 4,772,732

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 1,931,402

Intergovernmental payables includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. (298,742)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (124,726)

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(27,129,174)
Special Assessment Bonds	(1,999,000)
OPWC Loan	(224,942)
Landfill Postclosure Costs	(551,440)
Compensated Absences Payable	<u>(3,139,524)</u>

Total (33,044,080)

Net Assets of Governmental Activities \$145,871,761

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2002

	General	Recreation	Sanitary Sewer Improvement	Issue 11 Improvements	Traffic Signalization	City Hall Construction
Revenues						
Property and Other Local Taxes	\$8,174,055	\$0	\$0	\$0	\$0	\$0
Municipal Income Taxes	10,050,201	244,000	0	2,125,972	0	0
Charges for Services	216,506	1,655,712	0	0	0	0
Licenses, Permits and Fees	714,690	6,626	0	0	0	0
Fines and Forfeitures	208,620	0	0	0	0	0
Intergovernmental	2,670,698	0	261,814	47,861	214,203	0
Special Assessments	45,419	0	0	0	0	0
Interest	1,706,805	46,196	4,546	290,211	0	176,639
Rentals	46,745	55,491	0	0	0	0
Donations	0	0	0	0	0	0
Miscellaneous	661,185	5,363	1,365	0	0	450
<i>Total Revenues</i>	<u>24,494,924</u>	<u>2,013,388</u>	<u>267,725</u>	<u>2,464,044</u>	<u>214,203</u>	<u>177,089</u>
Expenditures						
Current:						
General Government	8,604,473	0	0	0	0	0
Security of Persons and Property	7,218,389	0	0	0	0	0
Public Health Services	418,665	0	0	0	0	0
Transportation	1,866,511	0	0	0	0	0
Community Environment	1,170,191	0	0	0	0	0
Basic Utility Services	1,864,011	0	0	0	0	0
Leisure Time Activities	621,095	1,918,811	0	0	0	0
Capital Outlay	148,606	0	875,949	2,572,446	218,527	6,965,389
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	65,771
<i>Total Expenditures</i>	<u>21,911,941</u>	<u>1,918,811</u>	<u>875,949</u>	<u>2,572,446</u>	<u>218,527</u>	<u>7,031,160</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,582,983</u>	<u>94,577</u>	<u>(608,224)</u>	<u>(108,402)</u>	<u>(4,324)</u>	<u>(6,854,071)</u>
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	0	150,000
Transfers Out	(4,050,000)	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,050,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>
<i>Net Change in Fund Balances</i>	<u>(1,467,017)</u>	<u>94,577</u>	<u>(608,224)</u>	<u>(108,402)</u>	<u>(4,324)</u>	<u>(6,704,071)</u>
<i>Fund Balances (Deficit)</i>						
<i>Beginning of Year</i>	<u>27,823,313</u>	<u>555,300</u>	<u>(220,829)</u>	<u>13,661,493</u>	<u>(42,791)</u>	<u>7,506,032</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$26,356,296</u>	<u>\$649,877</u>	<u>(\$829,053)</u>	<u>\$13,553,091</u>	<u>(\$47,115)</u>	<u>\$801,961</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2002*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	(\$6,216,393)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$2,869,743	\$11,043,798	Governmental funds report capital outlays as expenditures.	
2,767,966	15,188,139	However, in the statement of activities, the cost of those	
313,925	2,186,143	assets is allocated over their estimated useful lives as	
279,387	1,000,703	depreciation expense. This is the amount by which capital	
35,958	244,578	outlays exceeded depreciation in the current period.	
1,838,849	5,033,425	Capital Asset Additions	11,348,545
209,000	254,419	Current Year Depreciation	(5,811,615)
501,255	2,725,652	Total	5,536,930
0	102,236		
43,719	43,719	Governmental funds only report the disposal of capital assets	
126,516	794,879	to the extent proceeds are received from the sale. In the	
		statement of activities, a gain or loss is reported for each	
8,986,318	38,617,691	disposal.	(44,501)
		Revenues in the statement of activities that do not provide	
193,523	8,797,996	current financial resources are not reported as revenues	
2,372,876	9,591,265	Delinquent Property Taxes	19,317
260,379	679,044	Municipal Income Taxes	(73,145)
1,999,981	3,866,492	Miscellaneous	14,839
121,902	1,292,093	Special Assessments	(209,000)
105,863	1,969,874	Intergovernmental	(26,903)
219,806	2,759,712	Total	(274,892)
728,917	11,509,834		
2,814,449	2,814,449	Repayment of bond principal is an expenditure in the	
1,663,179	1,728,950	governmental funds, but the repayment reduces long-term	
		liabilities in the statement of net assets.	2,814,449
10,480,875	45,009,709	In the statement of activities, interest is accrued on	
		outstanding bonds, whereas in governmental funds, an	
(1,494,557)	(6,392,018)	interest expenditure is reported when due.	(17,398)
		Some expenses reported in the statement of activities,	
4,075,625	4,225,625	such as compensated absences do not require the use	
0	(4,050,000)	of current financial resources and therefore are not	
		reported as expenditures.	
4,075,625	175,625	Compensated Absences	167,543
		Landfill	34,465
		Intergovernmental	(298,742)
2,581,068	(6,216,393)	Total	(96,734)
		The internal service fund used by management to charge	
15,338,020	64,620,538	the costs of insurance to individual funds is not reported	
		in entity-wide statement of activities. Governmental	
\$17,919,088	\$58,404,145	expenditures and related internal service fund revenues	
		are eliminated. The net revenue (expense) of the internal	
		service fund is allocated among the governmental activities.	(427,537)
		<i>Change in Net Assets of Governmental Activities</i>	<u>\$1,273,924</u>

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$7,285,560	\$8,054,141	\$8,169,926	\$115,785
Municipal Income Taxes	9,113,574	10,075,000	10,164,739	89,739
Charges for Services	1,289,017	1,425,000	199,634	(1,225,366)
Licenses, Permits and Fees	630,940	697,500	698,595	1,095
Fines and Forfeitures	207,147	229,000	193,922	(35,078)
Intergovernmental	2,241,738	2,478,228	2,962,163	483,935
Special Assessments	22,614	25,000	45,419	20,419
Interest	1,175,945	1,300,000	1,120,172	(179,828)
Rentals	41,610	46,000	46,745	745
Miscellaneous	138,852	153,500	612,707	459,207
<i>Total Revenues</i>	<u>22,146,997</u>	<u>24,483,369</u>	<u>24,214,022</u>	<u>(269,347)</u>
Expenditures				
Current:				
General Government	9,758,505	12,872,505	9,163,666	3,708,839
Security of Persons and Property	8,608,326	8,666,326	7,547,784	1,118,542
Public Health Services	513,526	513,526	423,210	90,316
Transportation	2,120,640	2,272,640	1,618,816	653,824
Community Environment	1,291,368	1,295,368	1,072,751	222,617
Basic Utility Services	2,432,601	2,742,601	1,919,335	823,266
Leisure Time Activities	820,288	820,288	636,767	183,521
<i>Total Expenditures</i>	<u>25,545,254</u>	<u>29,183,254</u>	<u>22,382,329</u>	<u>6,800,925</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,398,257)</u>	<u>(4,699,885)</u>	<u>1,831,693</u>	<u>6,531,578</u>
Other Financing Sources (Uses)				
Advances In	5,418,000	5,418,000	593,000	(4,825,000)
Advances Out	(2,160,000)	(2,310,000)	(2,310,000)	0
Transfers Out	(3,900,000)	(4,050,000)	(4,050,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(642,000)</u>	<u>(942,000)</u>	<u>(5,767,000)</u>	<u>(4,825,000)</u>
<i>Net Change in Fund Balance</i>	(4,040,257)	(5,641,885)	(3,935,307)	1,706,578
<i>Fund Balance Beginning of Year</i>	17,077,802	17,077,802	17,077,802	0
Prior Year Encumbrances Appropriated	1,540,004	1,540,004	1,540,004	0
<i>Fund Balance End of Year</i>	<u>\$14,577,549</u>	<u>\$12,975,921</u>	<u>\$14,682,499</u>	<u>\$1,706,578</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$259,596	\$250,000	\$250,000	\$0
Charges for Services	1,771,486	1,706,000	1,657,135	(48,865)
Licenses, Permits and Fees	5,192	5,000	6,626	1,626
Interest	25,960	25,000	36,040	11,040
Rentals	44,131	42,500	55,491	12,991
Miscellaneous	3,635	3,500	4,234	734
<i>Total Revenues</i>	2,110,000	2,032,000	2,009,526	(22,474)
Expenditures				
Current:				
Leisure Time Activities	2,236,579	2,302,579	1,964,055	338,524
<i>Net Change in Fund Balance</i>	(126,579)	(270,579)	45,471	316,050
<i>Fund Balance Beginning of Year</i>	522,529	522,529	522,529	0
Prior Year Encumbrances Appropriated	53,429	53,429	53,429	0
<i>Fund Balance End of Year</i>	<u>\$449,379</u>	<u>\$305,379</u>	<u>\$621,429</u>	<u>\$316,050</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2002

	Business Type Activities		Total	Governmental Activities - Internal Service Fund
	Sewer	Non Major		
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$10,830,075	\$161,931	\$10,992,006	\$2,174,364
Accounts Receivable	504,317	0	504,317	0
Accrued Interest	34,562	0	34,562	13,075
Materials and Supplies Inventory	0	7,116	7,116	0
Prepaid Items	0	326	326	0
<i>Total Current Assets</i>	<u>11,368,954</u>	<u>169,373</u>	<u>11,538,327</u>	<u>2,187,439</u>
<i>Noncurrent Assets</i>				
Investment in Joint Venture	11,032,754	0	11,032,754	0
Capital Assets, Net	30,115,249	2,485,213	32,600,462	0
<i>Total Noncurrent Assets</i>	<u>41,148,003</u>	<u>2,485,213</u>	<u>43,633,216</u>	<u>0</u>
<i>Total Assets</i>	<u>52,516,957</u>	<u>2,654,586</u>	<u>55,171,543</u>	<u>2,187,439</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	110	4,473	4,583	7,094
Claims Payable	0	0	0	248,943
Accrued Wages and Benefits	5,213	4,113	9,326	0
Intergovernmental Payable	13,090	11,221	24,311	0
Interfund Payable	0	150,000	150,000	0
Retainage Payable	86,024	0	86,024	0
<i>Total Current Liabilities</i>	<u>104,437</u>	<u>169,807</u>	<u>274,244</u>	<u>256,037</u>
<i>Long-Term Liabilities</i>				
Advances From Other Funds	0	250,000	250,000	0
<i>Total Liabilities</i>	<u>104,437</u>	<u>419,807</u>	<u>524,244</u>	<u>256,037</u>
Net Assets				
Invested in Capital Assets	30,115,249	2,485,213	32,600,462	0
Unrestricted (Deficit)	22,297,271	(250,434)	22,046,837	1,931,402
<i>Total Net Assets</i>	<u>\$52,412,520</u>	<u>\$2,234,779</u>	<u>\$54,647,299</u>	<u>\$1,931,402</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2002*

	Business Type Activities		Total	Governmental Activities - Internal Service Fund
	Sewer	Non Major		Self Insurance
Operating Revenues				
Charges for Services	\$1,648,297	\$479,338	\$2,127,635	\$1,115,100
Other	115,707	150	115,857	4,539
<i>Total Operating Revenues</i>	<u>1,764,004</u>	<u>479,488</u>	<u>2,243,492</u>	<u>1,119,639</u>
Operating Expenses				
Personal Services	234,629	255,932	490,561	0
Fringe Benefits	71,147	56,652	127,799	0
Materials and Supplies	10,507	62,320	72,827	0
Contractual Services	1,585,511	74,938	1,660,449	193,980
Depreciation	953,172	42,803	995,975	0
Other	10,339	16,945	27,284	0
Claims	0	0	0	1,406,144
<i>Total Operating Expenses</i>	<u>2,865,305</u>	<u>509,590</u>	<u>3,374,895</u>	<u>1,600,124</u>
<i>Operating Loss</i>	<u>(1,101,301)</u>	<u>(30,102)</u>	<u>(1,131,403)</u>	<u>(480,485)</u>
Non Operating Revenue (Expenses)				
Interest	197,583	0	197,583	52,948
Loss on Disposal of Capital Assets	0	(1,059)	(1,059)	0
Equity in Loss of Joint Venture	(390,369)	0	(390,369)	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>(192,786)</u>	<u>(1,059)</u>	<u>(193,845)</u>	<u>52,948</u>
<i>Loss Before Capital Contributions and Transfers</i>	<u>(1,294,087)</u>	<u>(31,161)</u>	<u>(1,325,248)</u>	<u>(427,537)</u>
Capital Contributions	1,059,509	0	1,059,509	0
Transfers Out	(175,625)	0	(175,625)	0
<i>Total Capital Contributions and Transfers</i>	<u>883,884</u>	<u>0</u>	<u>883,884</u>	<u>0</u>
<i>Change in Net Assets</i>	<u>(410,203)</u>	<u>(31,161)</u>	<u>(441,364)</u>	<u>(427,537)</u>
<i>Net Assets Beginning of Year</i>	<u>52,822,723</u>	<u>2,265,940</u>	<u>55,088,663</u>	<u>2,358,939</u>
<i>Net Assets End of Year</i>	<u>\$52,412,520</u>	<u>\$2,234,779</u>	<u>\$54,647,299</u>	<u>\$1,931,402</u>

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2002

	Business Type Activities Enterprise Funds			Governmental Activities- Internal Service Fund
	Sewer	Non Major	Total	
<i>Increase (Decrease) In Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,625,888	\$479,338	\$2,105,226	\$1,115,100
Cash Received from Other Operating Sources	0	200	200	4,660
Cash Received from Tap-In Fees	115,707	0	115,707	0
Cash Payments to Suppliers for Goods and Services	(1,565,725)	(192,631)	(1,758,356)	(186,886)
Cash Payments for Claims	0	0	0	(1,385,251)
Cash Payments for Employee Services and Benefits	(298,378)	(309,225)	(607,603)	0
Cash Payments for Other Operating Expenses	(10,323)	(16,945)	(27,268)	0
<i>Net Cash Used for Operating Activities</i>	<u>(132,831)</u>	<u>(39,263)</u>	<u>(172,094)</u>	<u>(452,377)</u>
Cash Flows from Noncapital Financing Activities				
Advance In	0	150,000	150,000	0
Advance Out	0	(50,000)	(50,000)	0
Transfer Out	(175,625)	0	(175,625)	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(175,625)</u>	<u>100,000</u>	<u>(75,625)</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(5,021)	(292,648)	(297,669)	0
Cash Flows from Investing Activities				
Interest	302,262	0	302,262	66,618
Capital Contributions to Joint Venture	(160,876)	0	(160,876)	0
<i>Net Cash Provided by Investing Activities</i>	<u>141,386</u>	<u>0</u>	<u>141,386</u>	<u>66,618</u>
<i>Net Decrease In Cash and Cash Equivalents</i>	<u>(172,091)</u>	<u>(231,911)</u>	<u>(404,002)</u>	<u>(385,759)</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>11,002,166</u>	<u>393,842</u>	<u>11,396,008</u>	<u>2,560,123</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$10,830,075</u>	<u>\$161,931</u>	<u>\$10,992,006</u>	<u>\$2,174,364</u>

(continued)

City of Westlake
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2002

	Business Type Activities			Governmental Activities- Internal Service Fund
	Enterprise Funds			
	Sewer	Non Major	Total	
Reconciliation of Operating Loss to Net Cash Used for Operating Activities				
<i>Operating Loss</i>	(\$1,101,301)	(\$30,102)	(\$1,131,403)	(\$480,485)
Adjustments:				
Depreciation	953,172	42,803	995,975	0
(Increase)/Decrease in Assets:				
Accounts Receivable	(22,409)	0	(22,409)	121
Materials and Supplies Inventory	0	1,552	1,552	0
Prepaid Items	0	(326)	(326)	0
Increase/(Decrease) in Liabilities:				
Accounts Payable	(21,276)	(33,937)	(55,213)	7,094
Accrued Wages	1,559	245	1,804	0
Compensated Absences	0	0	0	0
Retainage Payable	51,585	(22,612)	28,973	0
Intergovernmental Payable	5,839	3,114	8,953	0
Claims Payable	0	0	0	20,893
<i>Net Cash Used for Operating Activities</i>	<u>(\$132,831)</u>	<u>(\$39,263)</u>	<u>(\$172,094)</u>	<u>(\$452,377)</u>

Noncash Capital Financing Activities

During 2002, the sewer enterprise fund received sewer lines and construction in progress from the sanitary sewer capital projects fund valued at \$62,244 and \$997,265, respectively.

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2002

	Private Purpose Trust	
	Unclaimed Monies	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$291,879	\$1,529,217
Liabilities		
Undistributed Monies	\$0	\$120,029
Deposits Held and Due to Others	0	1,409,188
<i>Total Liabilities</i>	0	\$1,529,217
Net Assets		
Held in Trust for Potential Claimants	\$291,879	

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2002

	Private Purpose Trust Unclaimed Monies
Additions	
Miscellaneous	\$26,943
Deductions	27,329
<i>Change in Net Assets</i>	(386)
<i>Net Assets Beginning of Year</i>	292,265
<i>Net Assets End of Year</i>	\$291,879

See accompanying notes to the basic financial statements

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Note 1 - Reporting Entity

The City of Westlake is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a Council/Mayor form of government, was adopted in 1956.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. This definition of reporting entity is found in GASB Statement No. 14, "The Financial Reporting Entity".

The City of Westlake's primary government consists of all funds and departments which are not legally separate from the City. They include a police force, a fire fighting force, a street maintenance and sanitation force, planning and zoning departments, a parks and recreation system, a sewer system, one golf course, and a staff to provide essential support to these service providers.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The reporting entity of the City does not include any component units.

The Rocky River Waste Water Treatment Plant is a joint venture, owned and operated by the cities of Westlake, Rocky River, Bay Village, and Fairview Park. The mayors of each City serve during their terms in office as members of the Management Board of the Rocky River Waste Water Treatment Plant. Each City is responsible for a percentage of the operating expenses of the plant based on volume of flow into the plant (See Note 19).

The City is associated with four jointly governed organizations, the West Shore Council of Governments, Tri-City Park, Safe Air For Environment (S.A.F.E), and West Shore Area of Rescue. These organizations are presented in Note 20 to the basic financial statements.

The City is also associated with the Westlake Community Improvement Corporation (WCIC). The WCIC is a not-for-profit corporation which was founded in 1976. The seven-member board, which consists of three elected officials of the City and four members appointed by the trustees promotes industrial, commercial, distribution and research activities within the City. The WCIC has been excluded from the reporting entity.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

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

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

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

B. Fund Accounting

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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

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

Recreation Fund The recreation fund accounts for membership and program fees to be used for the operation and maintenance of the recreational center.

Sanitary Sewer Improvement Fund The sanitary sewer improvement fund accounts for State monies and interest revenues to be used for the cost of construction of new sewer lines within the City that will be donated to the sewer enterprise fund.

Issue 11 Improvements Fund The Issue 11 fund accounts for the costs of all capital projects funded by a 3/8 percent increase in the municipal income tax.

Traffic Signalization Fund The traffic signalization fund accounts for grant monies received from the federal highway administration to be used for the costs to replace and upgrade traffic signals within the City.

City Hall Construction Fund The City Hall construction fund accounts for note proceeds to be used to construct a new City Hall.

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

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

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The sewer fund is the City's major enterprise fund.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Internal Service Fund Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private purpose trust fund established to account for unclaimed monies. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency funds account for storm drainage collections and deposits held for contractors and developers.

C. Measurement Focus

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

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

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

The private purpose trust fund is reported using a flow of economic resources measurement focus.

D. Basis of Accounting

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

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

City of Westlake, Ohio
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For the Year Ended December 31, 2002

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Pooled Cash and Cash Equivalents

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

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating certificates of deposit and repurchase agreements, which are reported at cost.

During 2002, investments were limited to repurchase agreements, non negotiable certificates of deposit, Federal Home Loan Bank Bonds, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Farm Bank Bonds, Student Loan Marketing Association Notes and State Treasury Asset Reserve of Ohio (STAROhio).

City of Westlake, Ohio
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STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2002.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2002 amounted to \$1,706,805 which includes \$1,031,671 assigned from other City funds.

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

Cash held for the City by KeyBank, for the payment of debt principal and interest as they come due, is included on the financial statements as "cash and cash equivalents with fiscal agent".

F. Materials and Supplies Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

H. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of two hundred dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

City of Westlake, Ohio
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Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	50 years	50 years
Land Improvements	20 years	20 years
Machinery and Equipment	5 years	5 years
Furniture and Fixtures	10 years	10 years
Vehicles	5 - 10 years	5 - 10 years
Infrastructure	20 - 50 years	50 years

The City's infrastructure consists of roads, water mains, storm sewers, culverts, traffic signals and bridges.

I. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

On fund financial statements, long-term interfund loans, reported as "advances to/from other funds", are equally offset by a fund balance reserve account which indicate that they do not constitute "available expendable financial resources" even though it is a component of net current assets. Repayment is expected to be made within a reasonable time.

J. Compensated Absences

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

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

K. Accrued Liabilities and Long-term Obligations

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

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
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L. Fund Balance Reserves

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include recreation, street construction and repair, and the operation of the fire department.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer services, golf and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

O. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

P. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

Q. Extraordinary and Special Items

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

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

R. Estimates

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

S. Budgetary Data

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

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

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

Note 3 - Accountability and Compliance

A. Accountability

Fund balances at December 31, 2002 included the following individual fund deficits:

Capital Projects Funds	
Sanitary Sewer Improvement	\$829,053
Traffic Signalization	47,115
Sidewalks	412,407

The traffic signalization capital projects fund deficit is due to the recognition of expenditures on the modified accrual basis of accounting which are substantially greater than expenditures recognized on the cash basis. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

The sanitary sewer improvement capital projects fund and sidewalks special revenue fund deficits are the result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued.

B. Compliance

Contrary to Ohio Revised Code Section 5705.39, the following funds had original appropriations in excess of certified available resources:

	Original Revenues Plus Carryover Balance	Appropriations	Excess
Capital Projects Funds:			
Traffic Signalization	\$2,981,709	\$3,306,303	\$324,594
Service Center Construction	4,100,000	4,400,000	300,000
Enterprise Fund:			
Golf Course	923,842	962,164	38,322

Original revenues plus carryover balances exceeded original appropriations in these funds due to the City using a December 21, 2001 certificate of estimated resources. Management was able to reduce the excess balances to zero by year-end.

Note 4 - Deposits and Investments

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies can be invested in the following obligations:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) of this and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

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

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

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

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

At year end, the carrying amount of the City's deposits was \$46,583,592 and the bank balance was \$47,113,230. Of the bank balance:

1. \$42,311,449 was covered by Federal depository insurance, by collateral held by the City, or by collateral held by the City's agent in the name of the City; and

City of Westlake, Ohio
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2. \$4,801,781 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

GASB Statement No. 3, "Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements" requires that local governments disclose the market value and carrying amounts of investments, classified by risk. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	Category 3	Carrying and Fair Value
Repurchase Agreements	\$500,000	\$500,000
Federal Home Loan Bank Bonds	2,810,000	2,810,000
Federal National Mortgage Association Notes	2,995,282	2,995,282
Federal Farm Bank Bonds	2,519,000	2,519,000
Federal Home Loan Mortgage Corporation Notes	15,203,750	15,203,750
Student Loan Marketing Association Notes	1,333,059	1,333,059
	\$25,361,091	\$25,361,091
<i>Total Investments</i>		

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting". Cash and equivalents are defined to include investments with original maturities of three months or less and funds included within the City's cash management pool. A reconciliation between the classification of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$71,944,683	\$0
Investments:		
Repurchase Agreements	(500,000)	500,000
Federal Home Loan Bank Bonds	(2,810,000)	2,810,000
Federal National Mortgage Association Notes	(2,995,282)	2,995,282
Federal Farm Bank Bonds	(2,519,000)	2,519,000
Federal Home Loan Mortgage Corporation Notes	(15,203,750)	15,203,750
Student Loan Marketing Association Notes	(1,333,059)	1,333,059
	\$46,583,592	\$25,361,091
GASB Statement No. 3		

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Note 5 - Interfund Transfers and Balances

Transfer To	General	Transfer From Issue II	Sewer	Total
	City Hall Construction	\$150,000	\$0	\$0
Sewer	0	1,059,509	0	1,059,509
Police Pension	150,000	0	0	150,000
Fire Pension	250,000	0	0	250,000
Cemetery Operations	100,000	0	0	100,000
General Obligation Bond Retirement	0	0	175,625	175,625
Service Center Construction	3,400,000	0	0	3,400,000
Total	\$4,050,000	\$1,059,509	\$175,625	\$5,285,134

The general fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations, and the transfer from the sewer enterprise fund to the general obligation bond retirement fund was made for the payment of debt.

As of December 31, 2002, interfund balances were as follows:

	Receivable		Payable	
	Interfund	Advance	Interfund	Advance
Major Funds				
General Fund	\$2,310,000	\$6,975,000	\$0	\$0
Sanitary Sewer Improvement	0	0	1,400,000	2,550,000
Traffic Signalization	0	0	0	3,000,000
Sidewalk	0	0	760,000	1,175,000
Golf Course	0	0	150,000	250,000
<i>Totals</i>	\$2,310,000	\$6,975,000	\$2,310,000	\$6,975,000

Interfund balances at December 31, 2002, consisted of a general fund advance of \$400,000 to the golf enterprise fund to pay for the construction of a new clubhouse and \$8,885,000 in advances to major and nonmajor governmental funds to finance capital projects.

Note 6 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund and the recreation major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
- (d) Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
- (e) Investments are reported at fair value (GAAP) rather than cost (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budget basis statements for the general fund and the recreation special revenue fund.

	General	Recreation
GAAP Basis	(\$1,467,017)	\$94,577
Net Adjustment for Revenue Accruals	(46,081)	(3,862)
Advances In	593,000	0
Beginning Fair Value Adjustment for Investments	2,779	0
Ending Fair Value Adjustment for Investments	(237,600)	0
Net Adjustment for Expenditure Accruals	929,859	3,910
Advance Out	(2,310,000)	0
Encumbrances	(1,400,247)	(49,154)
Budget Basis	(\$3,935,307)	\$45,471

Note 7 - Receivables

Receivables at December 31, 2002, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investments, and accounts (billings for utility service).

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Notes to the Basic Financial Statements
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No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one year amount to \$1,781,000 in the special assessment bond retirement fund. At December 31, 2002 the amount of delinquent special assessments was \$59,113.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2002 for real and public property taxes represents collections of 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) are for 2002 taxes.

2002 real property taxes are levied after October 1, 2002 on the assessed value as of January 1, 2002 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes which became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value for capital assets and 24 percent for inventory.

The full tax rate for all City operations for the year ended December 31, 2002 was \$10.30 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Real Property	\$1,072,464,840
Public Utility Tangible Property	23,522,370
Tangible Personal Property	<u>77,043,086</u>
Total	<u><u>\$1,173,030,296</u></u>

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

Tangible personal property taxes paid by multi-county taxpayers are due by September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Westlake. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002 and for which there is an enforceable legal claim. In the general, police pension, fire pension, police and fire operating and general obligation bond retirement funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2002 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and a revenue while on a modified accrual basis the revenue is deferred.

B. Income Taxes

The City levies an income tax of 1.5 percent on all income earned within the City as well as income of residents earned outside the City. The City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

The Regional Income Tax Agency administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of 3 percent.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Homesteaded and Rollback	\$636,268
Estate Tax	220,782
Gasoline Tax	208,015
Grants	182,941
Local Government	146,426
Permissive Tax	104,714
Excise Tax	102,701
Westlake City School District	29,038
Auto Registration	22,805
Liquor Permits	16,095
Court Fines	15,227
Prisoner Housing	14,134
Miscellaneous	640
 Total	 \$1,699,786

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Note 8 – Capital Assets

A summary of changes in capital assets during 2002 follows:

	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
Governmental Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$5,727,486	\$0	\$0	\$5,727,486
Construction in Progress	3,937,268	9,548,338	(1,134,695)	12,350,911
<i>Total Capital Assets Not Being Depreciated</i>	<u>9,664,754</u>	<u>9,548,338</u>	<u>(1,134,695)</u>	<u>18,078,397</u>
<i>Capital Assets Being Depreciated</i>				
Buildings	23,124,724	38,242	0	23,162,966
Improvements	3,291,028	271,826	0	3,562,854
Machinery and Equipment	4,392,675	133,014	(164,869)	4,360,820
Furniture and Fixtures	615,783	5,903	(1,272)	620,414
Vehicles	6,961,876	1,234,855	(565,827)	7,630,904
Infrastructure:				
Roads	85,639,109	547,215	(66,816)	86,119,508
Water Mains	24,604,327	550,756	(105,358)	25,049,725
Storm Sewers	22,810,780	132,771	0	22,943,551
Culverts	3,143,490	0	0	3,143,490
Traffic Signals	2,687,262	0	0	2,687,262
Bridges	1,960,511	20,320	0	1,980,831
Total Capital Assets Being Depreciated	<u>179,231,565</u>	<u>2,934,902</u>	<u>(904,142)</u>	<u>181,262,325</u>
Less Accumulated Depreciation:				
Buildings	(3,390,179)	(468,669)	0	(3,858,848)
Improvements	(1,499,026)	(166,340)	0	(1,665,366)
Machinery and Equipment	(3,473,926)	(378,097)	160,961	(3,691,062)
Furniture and Fixtures	(393,428)	(39,284)	716	(431,996)
Vehicles	(5,155,463)	(618,804)	565,827	(5,208,440)
Infrastructure:				
Roads	(45,176,656)	(2,981,992)	66,816	(48,091,832)
Water Mains	(10,560,890)	(451,225)	65,321	(10,946,794)
Storm Sewers	(8,235,272)	(456,385)	0	(8,691,657)
Culverts	(1,731,534)	(108,396)	0	(1,839,930)
Traffic Signals	0	(107,490)	0	(107,490)
Bridges	(541,344)	(34,933)	0	(576,277)
Total Accumulated Depreciation	<u>(80,157,718)</u>	<u>(5,811,615) *</u>	<u>859,641</u>	<u>(85,109,692)</u>
Total Capital Assets Being Depreciated, Net	<u>99,073,847</u>	<u>(2,876,713)</u>	<u>(44,501)</u>	<u>96,152,633</u>
Governmental Activities Capital Assets, Net	<u>\$108,738,601</u>	<u>\$6,671,625</u>	<u>(\$1,179,196)</u>	<u>\$114,231,030</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

	Balance 12/31/01	Additions	Deletions	Balance 12/31/02
Business-Type Activities				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$1,499,176	\$0	\$0	\$1,499,176
Construction in Progress	645,318	1,222,616	(552,727)	1,315,207
<i>Total Capital Assets Not Being Depreciated</i>	<u>2,144,494</u>	<u>1,222,616</u>	<u>(552,727)</u>	<u>2,814,383</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	223,209	9,066	0	232,275
Buildings	1,195,640	552,727	0	1,748,367
Machinery and Equipment	302,677	35,473	(19,955)	318,195
Furniture and Fixtures	13,712	27,779	(97)	41,394
Vehicles	716,577	0	0	716,577
Sewer Lines	44,676,990	62,244	0	44,739,234
<i>Total Capital Assets, Being Depreciated</i>	<u>47,128,805</u>	<u>687,289</u>	<u>(20,052)</u>	<u>47,796,042</u>
Less Accumulated Depreciation:				
Land Improvements	(99,407)	(8,218)	0	(107,625)
Buildings	(88,814)	(28,571)	0	(117,385)
Machinery and Equipment	(186,900)	(37,463)	18,993	(205,370)
Furniture and Fixtures	(8,589)	(2,251)	0	(10,840)
Vehicles	(493,859)	(57,662)	0	(551,521)
Sewer Lines	(16,155,412)	(861,810)	0	(17,017,222)
<i>Total Accumulated Depreciation</i>	<u>(17,032,981)</u>	<u>(995,975)</u>	<u>18,993</u>	<u>(18,009,963)</u>
<i>Total Capital Assets, Being Depreciated, Net</i>	<u>30,095,824</u>	<u>(308,686)</u>	<u>(1,059)</u>	<u>29,786,079</u>
<i>Total Business-Type Capital Assets, Net</i>	<u>\$32,240,318</u>	<u>\$913,930</u>	<u>(\$553,786)</u>	<u>\$32,600,462</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$82,125
Security of Persons and Property	550,568
Public Health	75,795
Basic Utilities	1,016,006
Leisure Time Activities	548,899
Transportation	3,538,222
Total	<u><u>\$5,811,615</u></u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Note 9 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system administered by the Ohio Public Employees Retirement Board. OPERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2002 employer contribution rate for the City was 8.55 percent of covered payroll, decreased from 9.25 percent in 2001. Contributions are authorized by State statute. The City's required contributions to OPERS for the years ended December 31, 2002, 2001, and 2000 were \$638,391, \$668,493, and \$446,803, respectively. The full amount has been contributed for 2001 and 2000. 74 percent has been contributed for 2002, with the remainder being presented as "intergovernmental payable" in the governmental activities column of the statement of net assets.

B. Ohio Police and Fire Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 11.75 percent for police and 16.25 percent for firefighters. For 2001, the City contributions were 12 percent for police and 16.75 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$337,202 and \$417,904 for the year ended December 31, 2002, \$343,742 and \$397,528 for the year ended December 31, 2001, \$331,370 and \$376,681 for the year ended December 31, 2000. The full amount has been contributed for 2001 and 2000. 69 percent and 75 percent, respectively, have been contributed for 2002 with the remainder being presented as "intergovernmental payable" in the governmental activities column of the statement of net assets.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Note 10 – Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) 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 as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll; 5 percent was the portion that was used to fund health care for 2002. For 2001, the contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2001, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase 4 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 402,041. The City's actual contributions for 2002 which were used to fund postemployment benefits were \$373,328. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives 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.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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 the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2002. For 2001 the percent used to fund healthcare was 7.50 percent. 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 City's actual contributions for 2002 that were used to fund postemployment benefits were \$222,410 for police and \$199,308 for fire. The OP&F's total health care expenses for the year ended December 31, 2001, (the latest information available) were \$122,298,771, which was net of member contributions of \$6,874,699. The number of OP&F participants eligible to receive health care benefits as of December 31, 2001, was 13,174 for police and 10,239 for firefighters.

Note 11 - Other Employee Benefits

A. Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Current policy permits vacation leave to be accumulated up to two years. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of four and six-tenths hours for every eighty hours worked. A maximum of 2,500 hours may be accumulated by each employee. Those employees whose accumulation exceeds 2,500 hours are paid, in December of each year, one-fourth of those hours at their current rate. Each employee with ten or more years of service with the City is paid for one-half of the employee's earned unused sick leave upon termination with the City, transfer to another governmental agency, or retirement, 60 percent after 17 years of service, 68 percent after 20 years of service and 75 percent after 25 years of service.

B. Early Retirement Incentive

The City offered employees participation in an Early Retirement Incentive program. Participation was available between March 1, 2002 through February 28, 2003 for 5 percent of the employees of the City, who were employed at their offices and are members of OPERS. The lesser of five year of service credit or service credit equal to 20 percent of total service with OPERS was purchase for those employees who elected to retire under this plan. The employees had to be eligible to retire under OPERS with the service credit purchased by the City to participate in the plan. The incentive was paid from the fund from which the employee was paid from. The employees were to notify the City no later than April 15, 2002 of their decision to retire.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Note 12 - Long-term Obligations

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

	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Bonds				
Rocky River Treatment Plant	1983	2003	9.25 %	\$2,240,000
Recreation Center	1997	2020	3.85-6.90	12,600,000
Sewer Improvements	1986	2007	6.75	2,250,000
Issue II Streets	1993	2007	3.75-7.00	3,500,000
Issue II Clague Park Dam	1993	2007	3.75-7.00	1,000,000
Issue II Sewers	1993	2007	3.75-7.00	2,150,000
Issue II D.W.A.K.	1993	2007	3.75-7.00	1,500,000
Street Improvements	1994	2004	3.95-5.45	1,050,000
Street Improvements	1994	2007	3.95-5.75	4,100,000
Street Improvements	1994	2014	3.95-6.00	1,540,000
Water Lines	1994	2007	3.95-5.75	600,000
Safety Facility Refunding Bonds	1997	2010	3.85-10.90	1,749,900
Advance Refunding Bonds	1997	2008	3.85-6.40	1,105,000
Advance Refunding Bonds	1997	2008	3.85-10.90	2,298,297
Issue II Various Purpose Bonds	1999	2007	3.15-3.95	4,900,000
Special Assessment Bonds				
Sewer Construction	1977	2002	5.88	20,000
Sewer Construction	1978	2003	6.63	300,000
Sewer Construction	1983	2003	9.88	92,000
Bradley Sewer	1984	2004	10.13	240,000
Clemens Road	1985	2005	9.25	680,000
Sewer System Improvements	1986	2006	6.75	40,000
West Hedgewood Sewer Improvements	1987	2007	7.88	100,000
Issue II Sewers	1993	2013	3.75-7.00	540,000
Issue II D.W.A.K.	1993	2008	3.75-7.00	270,000
Sewer System Phase III	1994	2014	3.95-6.00	305,000
Sidewalks	1995	2004	3.95-5.45	25,000
Marview Waterline	1997	2010	3.30-4.15	88,000
Bradley Sidewalks	1997	2005	3.85-5.00	102,000
Various Purpose Improvements	1999	2009	3.30-4.15	285,000
Various Purpose Improvements	2001	2021	2.65-5.00	765,000
OPWC Loan	1994	2014	0	411,308

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Changes in long-term obligations during the year ended December 31, 2002, consisted of the following:

	Balance 12/31/01	Increase	Decrease	Balance 12/31/02	Amounts Due in One Year
General Obligation Bonds					
Rocky River Treatment Plant	\$320,000	\$0	\$160,000	\$160,000	\$160,000
Recreation Center	12,300,000	0	165,000	12,135,000	200,000
Sewer Improvements	750,000	0	125,000	625,000	125,000
Issue II Streets	1,770,000	0	260,000	1,510,000	275,000
Issue II Clague Park Dam	505,000	0	75,000	430,000	80,000
Issue II Sewers	1,525,000	0	95,000	1,430,000	100,000
Issue II D.W.A.K.	825,000	0	100,000	725,000	105,000
Street Improvements	370,000	0	115,000	255,000	125,000
Street Improvements	2,225,000	0	325,000	1,900,000	340,000
Street Improvements	1,175,000	0	65,000	1,110,000	65,000
Water Lines	325,000	0	45,000	280,000	50,000
Safety Facility Refunding Bonds	1,534,457	0	190,000	1,344,457	200,000
Advance Refunding Bonds	815,000	0	100,000	715,000	105,000
Advance Refunding Bonds	1,839,717	0	245,000	1,594,717	260,000
Issue II Various Purpose Bonds	3,435,000	0	520,000	2,915,000	540,000
<i>Total General Obligation Bonds</i>	<u>29,714,174</u>	<u>0</u>	<u>2,585,000</u>	<u>27,129,174</u>	<u>2,730,000</u>
Special Assessment Bonds					
Sewer Construction	1,000	0	1,000	0	0
Sewer Construction	40,000	0	20,000	20,000	20,000
Sewer Construction	12,000	0	6,000	6,000	6,000
Bradley Sewer	45,000	0	15,000	30,000	15,000
Clemens Road	160,000	0	40,000	120,000	40,000
Sewer System Improvements	10,000	0	2,000	8,000	2,000
West Hedgewood Sewer Improvements	30,000	0	5,000	25,000	5,000
Issue II Sewers	380,000	0	25,000	355,000	25,000
Issue II D.W.A.K.	150,000	0	20,000	130,000	20,000
Sewer System Phase III	251,000	0	12,000	239,000	12,000
Sidewalks	9,000	0	3,000	6,000	3,000
Marview Waterline	65,000	0	5,000	60,000	5,000
Bradley Sidewalks	55,000	0	10,000	45,000	15,000
Various Purpose Improvements	235,000	0	25,000	210,000	25,000
Various Purpose Improvements	765,000	0	20,000	745,000	25,000
<i>Total Special Assessment Bonds</i>	<u>2,208,000</u>	<u>0</u>	<u>209,000</u>	<u>1,999,000</u>	<u>218,000</u>
OPWC Loan	245,391	0	20,449	224,942	20,500
Compensated Absences Payable	3,307,067	520,772	688,315	3,139,524	510,000
Landfill Postclosure Costs	585,905	0	34,465	551,440	34,465
Total Governmental Long-Term Liabilities	<u>\$36,060,537</u>	<u>\$520,772</u>	<u>\$3,537,229</u>	<u>\$33,044,080</u>	<u>\$3,512,965</u>

City of Westlake, Ohio
Notes to the Basic Financial Statements
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General obligation bonds General obligation bonds are direct obligations of the City for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from both voted and unvoted general property taxes levied on all taxable property located within the City. Tax monies will be received in and the debt will be retired from the general obligation bond debt service fund. The 1993 Issue II general obligation bonds will be repaid from taxes levied on all taxable income within the City.

Sewer general obligation bonds are paid out of the Sewer enterprise fund to the extent that resources are available.

Special assessment bonds Special assessment bonds are payable from the proceeds of assessments against the specific property owners who primarily benefited from the project. Special assessment monies will be received in and the debt will be retired from the special assessment debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

Other long-term obligations Compensated absences will be paid from the reserve for compensated absences special revenue fund, in accordance with section 5705.13(B), Ohio Revised Code. The Issue II Loan liability is payable semiannually from the general obligation bond debt service fund. The loan is interest free.

1993 Issue II Bonds The 1993 Issue II general obligation bond issues have optional redemption provisions which, at the sole option of the City, are callable in reverse order beginning December 1, 2003. The bonds are redeemable at the prices set forth below, plus accrued interest to the redemption date.

Redemption dates	Redemption prices
December 1, 2003 through November 30, 2004	102 percent
December 1, 2004 through November 30, 2005	101 percent
December 1, 2005 and thereafter	100 percent

1994 Bonds The 1994 general obligation bond issues have optional redemption provisions which, at the sole option of the City, are callable in reverse order beginning December 1, 2004. The bonds are redeemable at the prices set forth below, plus accrued interest to the redemption date.

Redemption dates	Redemption prices
December 1, 2004 through November 30, 2005	102 percent
December 1, 2005 through November 30, 2006	101 percent
December 1, 2006 and thereafter	100 percent

1997 Bonds The 1997 general obligation bond issues have optional redemption provisions which, at the sole option of the City, are callable in reverse order beginning December 1, 2008. The bonds are redeemable at the prices set forth below, plus accrued interest to the redemption date.

Redemption dates	Redemption prices
December 1, 2008 through November 30, 2009	101 percent
December 1, 2009 through November 30, 2010	100 ½ percent
December 1, 2010 and thereafter	100 percent

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

The City's overall legal debt margin was \$96,995,361 at December 31, 2002. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2002, are as follows:

Year	General Obligation Bonds		Special Assessment Bonds		OPWC Loan	Total	
	Principal	Interest	Principal	Interest		Principal	Interest
2003	\$2,730,000	\$1,389,996	\$218,000	\$104,723	\$20,450	\$2,968,450	\$1,494,719
2004	2,705,000	1,251,775	202,000	91,459	20,450	2,927,450	1,343,234
2005	2,735,000	1,119,395	187,000	79,594	20,450	2,942,450	1,198,989
2006	2,890,000	984,003	137,000	69,092	20,449	3,047,449	1,053,095
2006	2,835,565	890,139	150,000	62,552	20,449	3,006,014	952,691
2007-2011	4,918,609	3,087,826	605,000	211,905	102,245	5,625,854	3,299,731
2012-2016	4,915,000	1,749,245	300,000	86,400	20,449	5,235,449	1,835,645
2017-2021	3,400,000	383,350	200,000	25,000	0	3,600,000	408,350
Total	\$27,129,174	\$10,855,729	\$1,999,000	\$730,725	\$224,942	\$29,353,116	\$11,586,454

Note 13 - Notes Payable

Note activity for the year ended December 31, 2002, consisted of the following:

	Outstanding 12/31/01	Issued	Retired	Outstanding 12/31/02
Capital Projects Funds				
2.05% Maturity - 11/28/02				
City Hall Construction	\$3,500,000	\$0	\$3,500,000	\$0
2.05% Maturity - 11/28/02				
Sidewalk Improvements	525,000	0	525,000	0
1.65% Maturity - 11/28/03				
Sidewalk Improvements	0	229,000	0	229,000
<i>Total</i>	<u>\$4,025,000</u>	<u>\$229,000</u>	<u>\$4,025,000</u>	<u>\$229,000</u>

All the notes are backed by the full faith and credit of the City of Westlake. The note liability is reflected in the fund which received the proceeds.

By Ohio law, notes can be issued in anticipation of bond proceeds, special assessment bond proceeds and levies, or for up to 50 percent of anticipated revenue collections. There are also limitations on the number of times notes can be renewed. All notes outstanding at year-end are bond anticipation notes. The notes will be refinanced until the projects are complete and the City determines it to be advantageous to issue bonds.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Note 14 - Construction and Other Significant Commitments

At December 31, 2002, the City's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining on Contract
Central Dispatch Tower	\$248,747	\$95,822	\$152,925
Meadowood Parking Lot	525,145	387,309	137,836
Clague Park Tennis Courts	110,452	72,560	37,892
Road Improvements	1,782,158	1,547,544	234,614
Storm Sewer Upgrade	565,069	507,173	57,896
City Hall Construction	7,561,783	7,300,026	261,757
Sanitary Sewer Upgrade	1,398,077	1,183,758	214,319
Total	\$12,191,431	\$11,094,192	\$1,097,239

Note 15 - Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City's landfill placed its final cover in 1989. The \$551,440 reported as landfill postclosure costs in the long-term liabilities due in more than one year line of the governmental activities column of the statement of net assets at December 31, 2002, represents the estimated cost of maintenance and monitoring through 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City is required by State and Federal laws and regulations to provide assurances that financial resources will be available to provide for postclosure care and remediation or containment of environmental hazards at the landfill. Financial assurances may take the form of a financial test and corporate guarantee. The financial test was performed on the 2002 audited financial statements and the City was in compliance.

Note 16 - Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year the City contracted with Jackson, Dieken, and Associates for all their insurance. The coverage and deductibles are as follows:

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Type of Coverage	Coverage	Deductible
St. Paul Fire and Marine Insurance Company		
Blanket Property, and Contents, Replacement	\$33,982,278	\$0
General Liability	2,000,000	0
Automobile Liability	1,000,000	1,000
Umbrella Liability	10,000,000	10,000
Public Officials Liability	2,000,000	0
Police Professional Liability	2,000,000	0
Specialty National Insurance		
Public Officials Bond	1,000,000	1,000
Travelers Insurance		
Boiler Coverage	15,000,000	0

Settled claims have not exceeded this commercial coverage in any of the past three years.

The City has elected to provide employee hospital/medical, prescription, dental, and vision insurance benefits through a partially self insured program. The City established a Self Insurance internal service fund to account for and finance the cost of this program.

The program provides three medical plans with different deductible options for single and family coverage, a dental plan with a \$25 deductible and a \$1,500 limit per person per year, a \$10 co-pay on generic and a \$15 co-pay on name brand prescriptions, and a vision plan providing \$50 every 2 years per individual for exams and up to \$150 for prescription lenses.

A third party administrator reviews and processes the claims which the City then pays. The City purchased stop loss coverage of \$60,000 per individual and \$1,731,850 aggregate per year. For each employee, the City paid monthly into the Self Insurance internal service fund \$200 for single and \$500 for family coverage. These rates are paid by the fund from which the employees' salary is paid.

The claims liability of \$248,943 as estimated by the third party administrator and reported in the Self Insurance internal service fund at December 31, 2002, is based on the requirements of GASB Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the funds claims liability amount in 2001 and 2002 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2001	\$190,678	\$1,277,780	\$1,240,408	\$228,050
2002	228,050	1,406,144	1,385,251	248,943

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Workers' compensation coverage is provided by the State of Ohio. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 17 - Industrial Development Revenue Bonds

The City has issued three issues of industrial development revenue bonds in the aggregate outstanding principal amount of \$2,990,000 at December 31, 2002 for facilities used by private corporations or other entities. The City is not obligated in any way to pay debt related charges on the bonds from any of its funds, and therefore, they have been excluded entirely from the City's debt presentation. There has not been and there is not currently any condition of default under the bonds or the related financing documents.

Note 18 - Contingent Liabilities

The City of Westlake is a party to legal proceedings seeking damages. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Note 19 - Joint Venture - Rocky River Wastewater Treatment Plant

The Rocky River Wastewater Treatment Plant (the "Plant") is a joint venture among the cities of Fairview Park, Bay Village, Rocky River and Westlake. The plant is governed by a management board consisting of the elected mayors of the four member cities and a fifth person nominated and elected by the mayors. The board has complete authority over all aspects of the Plant's operation. The Plant supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of the Plant is dependent on the City's continued participation, and the City has an equity interest in the Plant. The City's equity interest is \$11,032,754 which represents 40.22 percent of the total equity in the Plant. The Plant is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. Complete financial statements can be obtained from the City of Rocky River, 21012 Hilliard, Rocky River, Ohio 44116.

Note 20 - Jointly Governed Organizations

A. West Shore Council of Governments

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The board is comprised of one member from each of the six participating entities. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. In 2002, the City contributed \$40,955 which represented 19.16 percent of total contributions. Complete financial information statements can be obtained from the City of Bay Village 350 Dover Center Road, Bay Village, Ohio 44140.

City of Westlake, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

The council has established two subsidiary organizations, the West Shore Hazardous Materials Committee ("HAZ MAT") which provides hazardous material protection and assistance, and the West Shore Enforcement Bureau which provides extra assistance to cities in the form of a Swat Team.

B. Tri-City Park

The Tri-City Park provides a recreational park to the cities of Westlake, Rocky River, and Fairview Park. The park is governed by a board consisting of the elected mayors of the three cities. The Board exercises total control over the operation of the park including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2002, the City contributed \$1,000 which represented 33 percent of total contributions.

C. S.A.F.E Council of Governments

The S.A.F.E Council of Governments was formed between municipalities to oppose changes to Cleveland Hopkins International Airport air traffic pattern. The Cities of Rocky River, Bay Village, Fairview Park and Westlake govern by a board consisting of the elected mayors. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the board. The City of Westlake did not make any contributions to the S.A.F.E. in 2002.

D. West Shore Area Rescue Association

The West Shore Area Rescue Association (Weshare) helps foster cooperation between municipalities and hospitals to provide optimum emergency medical services. The Board is comprised of one member from each of the nine participating entities. The Board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management.

Budgets are adopted by the Board. Each City's degree of control is limited to its representation on the Board. In 2002, the City contributed \$300 which represented 8.3 percent of total contributions.

Note 21 - Subsequent Events

On June 12, 2003, the City issued \$7,200,000 of bond anticipation notes for the purpose of street improvements, sewer and water mains, and improving road service.

**Combining Statements and
Individual Fund Schedules**

Combining Statements - Nonmajor Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Street Maintenance Fund - To account for that portion of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund - To account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Permissive Motor Vehicle License Fund - To account for the additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

Police Pension Fund - To account for accumulated property taxes levied for the payment of current employer contributions for police disability and pension benefits and the accrued liability.

Fire Pension Fund - To account for accumulated property taxes levied for the payment of current employer contributions for fire disability and pension benefits and the accrued liability.

Police and Fire Operating Fund - To account for accumulated property taxes levied for the payment of salaries and related expenditures for the safety forces. This is in addition to expenditures made from the general fund.

Law Enforcement Fund - To account for monies seized from criminals by law enforcement officials in the course of their work and restricted, by State statute, for expenditures that would enhance the police department.

Mandatory Drug Fines Fund - To account for the resources obtained from confiscated monies from criminal offenses and designated, by State statute, for expenditures that would enhance the police department.

Alcohol Education Fund - To account for court fees obtained from D.W.I. cases and restricted by State statute for expenditures that would promote education about driving while intoxicated.

Juvenile Diversion Fund - To account for monies received from Cuyahoga County to be used to establish or expand community policing programs.

Federal Equitable Fund - To account for federal forfeiture monies returned to the City restricted for certain law enforcement purposes.

Swimming Pool Operation Fund - To account for State and Federal monies used for the operation of the public swimming pool.

Cemetery Operating Fund - To account for the operation and maintenance of two public cemeteries.

Cemetery Investment Fund - To account for proceeds from the sale of cemetery lots.

Westlake/Bay Ecological Fund - To account for proceeds from the sale of humus that is restricted to expenditures that promote recycling of yard waste materials and maintain and improve the appearance of the landfill.

Newsletter Fund - To account for donations used to print the City-wide newsletter.

(continued)

Combining Statements - Nonmajor Funds (continued)

Reserved for Compensated Absences Fund - To account for the accumulation of resources for accumulated sick leave and vacation leave, upon the termination of employment of employees in the City.

City Donations Fund - To account for contributions from private sources whose use is restricted.

Nonmajor Debt Service Funds

General Obligation Bond Retirement Fund - To account for resources used for the payment of principal and interest and fiscal charges on general obligation debt.

Special Assessment Bond Retirement Fund - To account for resources used for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

Issue II Bond Retirement Fund - To account for resources from a 3/8 percent increase in the income tax levy to be used for the retirement of debt issued to finance capital projects within the City.

Nonmajor Capital Projects Funds

Storm Drainage Fund - To account for charges to developers which are used to finance the City's cost of installing or cleaning ditches.

Grants Fund - To account for various State and Federal monies which are used for historical site preservation and the construction of recreation facilities.

Park Improvement Fund - To account for the charges to developers for the construction of new park facilities and the acquisition of new park land.

Impact Fees Fund - To account for impact fees charged to developers for new park facilities.

Sidewalks Fund - To account for special assessments used for the construction of sidewalks throughout the City.

Recreation Center Construction Fund - To account for income tax proceeds to be used for improvements to the recreation center.

Service Center Construction Fund - To account for monies to be used to construct a new service center.

Recreation Center Bond Construction Fund - To account for interest revenue to be used for the construction of the recreation center. These monies are returned when the work is completed.

Proprietary Funds

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

Enterprise Fund

Golf Course Fund - The golf course fund accounts for the operations of the City owned golf course.

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,968,491	\$1,229,871	\$12,331,093	\$19,529,455
Cash and Cash Equivalents with Fiscal Agents	0	38,289	0	38,289
Receivables:				
Municipal Income Taxes	0	656,289	45,409	701,698
Property Taxes	1,693,475	1,467,678	0	3,161,153
Accounts	6,666	0	0	6,666
Intergovernmental	532,064	80,306	73,240	685,610
Special Assessments	0	1,999,000	0	1,999,000
Accrued Interest	13,033	0	24,709	37,742
<i>Total Assets</i>	<u>\$8,213,729</u>	<u>\$5,471,433</u>	<u>\$12,474,451</u>	<u>\$26,159,613</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$52,754	\$0	\$116	\$52,870
Accrued Wages and Benefits	59,366	0	603	59,969
Intergovernmental Payable	76,560	0	1,381	77,941
Deferred Revenue	2,056,085	3,764,273	24,973	5,845,331
Advances From Other Funds	0	0	1,175,000	1,175,000
Interfund Payable	0	0	760,000	760,000
Matured Bonds and Interest Payable	0	38,289	0	38,289
Accrued Interest Payable	0	0	2,125	2,125
Notes Payable	0	0	229,000	229,000
<i>Total Liabilities</i>	<u>2,244,765</u>	<u>3,802,562</u>	<u>2,193,198</u>	<u>8,240,525</u>
Fund Balances				
Reserved for Encumbrances	31,170	0	146,691	177,861
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	5,937,794	0	0	5,937,794
Debt Service Funds	0	1,668,871	0	1,668,871
Capital Projects Funds	0	0	10,134,562	10,134,562
<i>Total Fund Balances</i>	<u>5,968,964</u>	<u>1,668,871</u>	<u>10,281,253</u>	<u>17,919,088</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,213,729</u>	<u>\$5,471,433</u>	<u>\$12,474,451</u>	<u>\$26,159,613</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$1,538,805	\$1,330,938	\$0	\$2,869,743
Municipal Income Taxes	0	2,605,700	162,266	2,767,966
Charges for Services	313,925	0	0	313,925
Licenses, Permits and Fees	0	0	279,387	279,387
Fines and Forfeitures	35,958	0	0	35,958
Intergovernmental	1,380,206	160,612	298,031	1,838,849
Special Assessments	0	209,000	0	209,000
Interest	54,229	216,626	230,400	501,255
Donations	43,719	0	0	43,719
Miscellaneous	23,137	0	103,379	126,516
<i>Total Revenues</i>	<u>3,389,979</u>	<u>4,522,876</u>	<u>1,073,463</u>	<u>8,986,318</u>
Expenditures				
Current:				
General Government	193,523	0	0	193,523
Security of Persons and Property	2,372,876	0	0	2,372,876
Public Health Services	260,379	0	0	260,379
Transportation	1,999,981	0	0	1,999,981
Community Environment	121,902	0	0	121,902
Basic Utility Services	105,863	0	0	105,863
Leisure Time Activities	219,806	0	0	219,806
Capital Outlay	0	0	728,917	728,917
Debt Service:				
Principal Retirement	0	2,814,449	0	2,814,449
Interest and Fiscal Charges	300	1,650,888	11,991	1,663,179
<i>Total Expenditures</i>	<u>5,274,630</u>	<u>4,465,337</u>	<u>740,908</u>	<u>10,480,875</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,884,651)	57,539	332,555	(1,494,557)
Other Financing Sources				
Transfers In	500,000	175,625	3,400,000	4,075,625
<i>Net Change in Fund Balances</i>	(1,384,651)	233,164	3,732,555	2,581,068
<i>Fund Balances Beginning of Year</i>	<u>7,353,615</u>	<u>1,435,707</u>	<u>6,548,698</u>	<u>15,338,020</u>
<i>Fund Balances End of Year</i>	<u>\$5,968,964</u>	<u>\$1,668,871</u>	<u>\$10,281,253</u>	<u>\$17,919,088</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension
Assets				
Equity in Pooled Cash and Cash Equivalents	\$550,617	\$427,680	\$428,719	\$458,349
Receivables:				
Property Taxes	0	0	0	338,695
Accounts	0	0	0	0
Intergovernmental	309,147	25,014	104,714	18,532
Accrued Interest	5,570	5,169	980	0
<i>Total Assets</i>	<u>\$865,334</u>	<u>\$457,863</u>	<u>\$534,413</u>	<u>\$815,576</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$41,613	\$0	\$0	\$0
Accrued Wages and Benefits	4,033	0	0	0
Intergovernmental Payable	11,280	0	67	0
Deferred Revenue	195,695	15,868	58,387	357,227
<i>Total Liabilities</i>	<u>252,621</u>	<u>15,868</u>	<u>58,454</u>	<u>357,227</u>
Fund Balances				
Reserved for Encumbrances	19,229	0	67	0
Unreserved, Undesignated	593,484	441,995	475,892	458,349
<i>Total Fund Balances</i>	<u>612,713</u>	<u>441,995</u>	<u>475,959</u>	<u>458,349</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$865,334</u>	<u>\$457,863</u>	<u>\$534,413</u>	<u>\$815,576</u>

<u>Fire Pension</u>	<u>Police and Fire Operating</u>	<u>Law Enforcement</u>	<u>Mandatory Drug Fines</u>	<u>Alcohol Education</u>	<u>Juvenile Diversion</u>	<u>Federal Equitable</u>
\$178,498	\$957,515	\$53,165	\$16,513	\$35,278	\$8,524	\$367,081
338,695	1,016,085	0	0	0	0	0
0	0	0	0	0	0	0
18,532	55,596	0	100	429	0	0
0	0	0	0	0	0	980
<u>\$535,725</u>	<u>\$2,029,196</u>	<u>\$53,165</u>	<u>\$16,613</u>	<u>\$35,707</u>	<u>\$8,524</u>	<u>\$368,061</u>
\$0	\$0	\$0	\$0	\$0	\$345	\$0
0	21,191	0	0	0	0	0
0	24,370	0	0	0	28	0
<u>357,227</u>	<u>1,071,681</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>357,227</u>	<u>1,117,242</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>373</u>	<u>0</u>
0	0	0	0	0	28	0
<u>178,498</u>	<u>911,954</u>	<u>53,165</u>	<u>16,613</u>	<u>35,707</u>	<u>8,123</u>	<u>368,061</u>
<u>178,498</u>	<u>911,954</u>	<u>53,165</u>	<u>16,613</u>	<u>35,707</u>	<u>8,151</u>	<u>368,061</u>
<u>\$535,725</u>	<u>\$2,029,196</u>	<u>\$53,165</u>	<u>\$16,613</u>	<u>\$35,707</u>	<u>\$8,524</u>	<u>\$368,061</u>

(continued)

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002 (continued)

	Swimming Pool Operation	Senior/ Community Service	Cemetery Operating	Cemetery Investment
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$90,088	\$27,519	\$43,667	\$364,316
Receivables:				
Property Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Accrued Interest	0	0	334	0
<i>Total Assets</i>	<u>\$90,088</u>	<u>\$27,519</u>	<u>\$44,001</u>	<u>\$364,316</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$37	\$2,380	\$2,786	\$0
Accrued Wages and Benefits	0	0	892	0
Intergovernmental Payable	0	0	2,539	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>37</u>	<u>2,380</u>	<u>6,217</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	7,382	1,565	0
Unreserved, Undesignated	90,051	17,757	36,219	364,316
<i>Total Fund Balances</i>	<u>90,051</u>	<u>25,139</u>	<u>37,784</u>	<u>364,316</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$90,088</u>	<u>\$27,519</u>	<u>\$44,001</u>	<u>\$364,316</u>

<u>Westlake/ Bay Ecological</u>	<u>Newsletter</u>	<u>Reserve for Compensated Absences</u>	<u>City Donations</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$179,616	\$4,481	\$1,611,685	\$165,180	\$5,968,491
0	0	0	0	1,693,475
6,666	0	0	0	6,666
0	0	0	0	532,064
0	0	0	0	13,033
<u>\$186,282</u>	<u>\$4,481</u>	<u>\$1,611,685</u>	<u>\$165,180</u>	<u>\$8,213,729</u>
\$319	\$0	\$0	\$5,274	\$52,754
102	0	33,148	0	59,366
156	0	38,120	0	76,560
0	0	0	0	2,056,085
<u>577</u>	<u>0</u>	<u>71,268</u>	<u>5,274</u>	<u>2,244,765</u>
39	0	0	2,860	31,170
185,666	4,481	1,540,417	157,046	5,937,794
<u>185,705</u>	<u>4,481</u>	<u>1,540,417</u>	<u>159,906</u>	<u>5,968,964</u>
<u>\$186,282</u>	<u>\$4,481</u>	<u>\$1,611,685</u>	<u>\$165,180</u>	<u>\$8,213,729</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002

	Street Maintenance	State Highway	Permissive Motor Vehicle License	Police Pension
Revenues				
Property and Other Local Taxes	\$0	\$0	\$0	\$307,761
Charges for Services	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	821,143	63,158	310,584	37,064
Interest	2,786	19,574	11,448	0
Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>823,929</u>	<u>82,732</u>	<u>322,032</u>	<u>344,825</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	559,224
Public Health Services	0	0	0	0
Transportation	1,391,753	25,870	507,422	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>1,391,753</u>	<u>25,870</u>	<u>507,422</u>	<u>559,224</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(567,824)	56,862	(185,390)	(214,399)
Other Financing Sources				
Transfers In	0	0	0	150,000
<i>Net Change in Fund Balances</i>	(567,824)	56,862	(185,390)	(64,399)
<i>Fund Balances Beginning of Year</i>	<u>1,180,537</u>	<u>385,133</u>	<u>661,349</u>	<u>522,748</u>
<i>Fund Balances End of Year</i>	<u>\$612,713</u>	<u>\$441,995</u>	<u>\$475,959</u>	<u>\$458,349</u>

<u>Fire Pension</u>	<u>Police and Fire Operating</u>	<u>Law Enforcement</u>	<u>Mandatory Drug Fines</u>	<u>Alcohol Education</u>	<u>Juvenile Diversion</u>	<u>Federal Equitable</u>
\$307,762	\$923,282	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	15,988	5,692	3,743	10,535
37,064	111,193	0	0	0	0	0
0	0	0	0	0	0	10,444
0	0	0	0	0	0	0
0	0	10,040	0	0	0	0
<u>344,826</u>	<u>1,034,475</u>	<u>10,040</u>	<u>15,988</u>	<u>5,692</u>	<u>3,743</u>	<u>20,979</u>
0	0	0	0	0	0	0
605,387	875,212	2,296	17,750	183	3,392	44,183
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>605,387</u>	<u>875,212</u>	<u>2,296</u>	<u>17,750</u>	<u>183</u>	<u>3,392</u>	<u>44,183</u>
(260,561)	159,263	7,744	(1,762)	5,509	351	(23,204)
<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(10,561)	159,263	7,744	(1,762)	5,509	351	(23,204)
<u>189,059</u>	<u>752,691</u>	<u>45,421</u>	<u>18,375</u>	<u>30,198</u>	<u>7,800</u>	<u>391,265</u>
<u>\$178,498</u>	<u>\$911,954</u>	<u>\$53,165</u>	<u>\$16,613</u>	<u>\$35,707</u>	<u>\$8,151</u>	<u>\$368,061</u>

(continued)

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2002

	Swimming Pool Operation	Senior/ Community Service	Cemetery Operating	Cemetery Investment
Revenues				
Property and Other Local Taxes	\$0	\$0	\$0	\$0
Charges for Services	170,747	62,432	14,480	11,895
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	9,977	0
Donations	0	0	0	0
Miscellaneous	6,431	0	0	0
<i>Total Revenues</i>	<u>177,178</u>	<u>62,432</u>	<u>24,457</u>	<u>11,895</u>
Expenditures				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	0	0
Public Health Services	0	64,925	167,060	200
Transportation	0	0	0	0
Community Environment	0	0	0	0
Basic Utility Services	0	0	0	0
Leisure Time Activities	182,833	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>182,833</u>	<u>64,925</u>	<u>167,060</u>	<u>200</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,655)	(2,493)	(142,603)	11,695
Other Financing Sources				
Transfers In	0	0	100,000	0
<i>Net Change in Fund Balances</i>	(5,655)	(2,493)	(42,603)	11,695
<i>Fund Balances Beginning of Year</i>	<u>95,706</u>	<u>27,632</u>	<u>80,387</u>	<u>352,621</u>
<i>Fund Balances End of Year</i>	<u>\$90,051</u>	<u>\$25,139</u>	<u>\$37,784</u>	<u>\$364,316</u>

Westlake/ Bay Ecological	Newsletter	Reserve for Compensated Absences	City Donations	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$1,538,805
54,371	0	0	0	313,925
0	0	0	0	35,958
0	0	0	0	1,380,206
0	0	0	0	54,229
0	780	0	42,939	43,719
6,666	0	0	0	23,137
<u>61,037</u>	<u>780</u>	<u>0</u>	<u>42,939</u>	<u>3,389,979</u>
0	0	193,523	0	193,523
0	0	265,249	0	2,372,876
0	0	28,194	0	260,379
0	0	74,936	0	1,999,981
0	0	79,694	42,208	121,902
29,136	0	76,727	0	105,863
0	0	36,973	0	219,806
<u>0</u>	<u>0</u>	<u>0</u>	<u>300</u>	<u>300</u>
<u>29,136</u>	<u>0</u>	<u>755,296</u>	<u>42,508</u>	<u>5,274,630</u>
31,901	780	(755,296)	431	(1,884,651)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500,000</u>
31,901	780	(755,296)	431	(1,384,651)
<u>153,804</u>	<u>3,701</u>	<u>2,295,713</u>	<u>159,475</u>	<u>7,353,615</u>
<u>\$185,705</u>	<u>\$4,481</u>	<u>\$1,540,417</u>	<u>\$159,906</u>	<u>\$5,968,964</u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Debt Services Funds
December 31, 2002

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Issue II Bond Retirement	Total Nonmajor Debt Service Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$833,231	\$258,575	\$138,065	\$1,229,871
Cash and Cash Equivalents with Fiscal Agents	12,200	0	26,089	38,289
Receivables:				
Municipal Income Taxes	214,623	0	441,666	656,289
Property Taxes	1,467,678	0	0	1,467,678
Intergovernmental	80,306	0	0	80,306
Special Assessments	0	1,999,000	0	1,999,000
<i>Total Assets</i>	<u>\$2,608,038</u>	<u>\$2,257,575</u>	<u>\$605,820</u>	<u>\$5,471,433</u>
Liabilities and Fund Balances				
Liabilities				
Deferred Revenue	\$1,616,607	\$1,999,000	\$148,666	\$3,764,273
Matured Bonds and Interest Payable	12,200	0	26,089	38,289
<i>Total Liabilities</i>	1,628,807	1,999,000	174,755	3,802,562
Fund Balances				
Unreserved, Undesignated	979,231	258,575	431,065	1,668,871
<i>Total Liabilities and Fund Balances</i>	<u>\$2,608,038</u>	<u>\$2,257,575</u>	<u>\$605,820</u>	<u>\$5,471,433</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2002

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Issue II Bond Retirement	Total Nonmajor Debt Service Funds
Revenues				
Property and Other Local Taxes	\$1,330,938	\$0	\$0	\$1,330,938
Municipal Income Taxes	854,300	0	1,751,400	2,605,700
Intergovernmental	160,612	0	0	160,612
Special Assessments	0	209,000	0	209,000
Interest	0	216,626	0	216,626
<i>Total Revenues</i>	<u>2,345,850</u>	<u>425,626</u>	<u>1,751,400</u>	<u>4,522,876</u>
Expenditures				
Debt Service:				
Principal Retirement	1,265,449	209,000	1,340,000	2,814,449
Interest and Fiscal Charges	1,114,051	131,824	405,013	1,650,888
<i>Total Expenditures</i>	<u>2,379,500</u>	<u>340,824</u>	<u>1,745,013</u>	<u>4,465,337</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,650)	84,802	6,387	57,539
Other Financing Sources				
Transfers In	175,625	0	0	175,625
<i>Net Change in Fund Balances</i>	141,975	84,802	6,387	233,164
<i>Fund Balances Beginning of Year</i>	<u>837,256</u>	<u>173,773</u>	<u>424,678</u>	<u>1,435,707</u>
<i>Fund Balances End of Year</i>	<u><u>\$979,231</u></u>	<u><u>\$258,575</u></u>	<u><u>\$431,065</u></u>	<u><u>\$1,668,871</u></u>

City of Westlake, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2002

	Storm Drainage	Grants	Park Improvement	Impact Fees
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,215,080	\$304,804	\$146,821	\$1,276,073
Receivables:				
Municipal Income Taxes	0	0	0	0
Intergovernmental	73,240	0	0	0
Accrued Interest	24,295	0	0	414
<i>Total Assets</i>	<u>\$4,312,615</u>	<u>\$304,804</u>	<u>\$146,821</u>	<u>\$1,276,487</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	177	0	0	0
Deferred Revenue	0	0	0	0
Advances From Other Funds	0	0	0	0
Interfund Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>177</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	80,618	0	0	65,562
Unreserved, Undesignated (Deficit)	4,231,820	304,804	146,821	1,210,925
<i>Total Fund Balances (Deficit)</i>	<u>4,312,438</u>	<u>304,804</u>	<u>146,821</u>	<u>1,276,487</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,312,615</u>	<u>\$304,804</u>	<u>\$146,821</u>	<u>\$1,276,487</u>

<u>Sidewalks</u>	<u>Recreation Center Construction</u>	<u>Service Center Construction</u>	<u>Recreation Center Bond Construction</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$1,755,641	\$207,674	\$4,400,000	\$25,000	\$12,331,093
0	45,409	0	0	45,409
0	0	0	0	73,240
0	0	0	0	24,709
<u>\$1,755,641</u>	<u>\$253,083</u>	<u>\$4,400,000</u>	<u>\$25,000</u>	<u>\$12,474,451</u>

\$116	\$0	\$0	\$0	\$116
603	0	0	0	603
1,204	0	0	0	1,381
0	24,973	0	0	24,973
1,175,000	0	0	0	1,175,000
760,000	0	0	0	760,000
2,125	0	0	0	2,125
229,000	0	0	0	229,000
<u>2,168,048</u>	<u>24,973</u>	<u>0</u>	<u>0</u>	<u>2,193,198</u>
511	0	0	0	146,691
(412,918)	228,110	4,400,000	25,000	10,134,562
<u>(412,407)</u>	<u>228,110</u>	<u>4,400,000</u>	<u>25,000</u>	<u>10,281,253</u>
<u>\$1,755,641</u>	<u>\$253,083</u>	<u>\$4,400,000</u>	<u>\$25,000</u>	<u>\$12,474,451</u>

City of Westlake, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2002

	Storm Drainage	Grants	Park Improvement	Impact Fees
Revenues				
Municipal Income Taxes	\$0	\$0	\$0	\$0
Licenses, Permits and Fees	163,875	0	0	115,512
Intergovernmental	298,031	0	0	0
Interest	66,984	0	0	22,206
Miscellaneous	103,379	0	0	0
<i>Total Revenues</i>	<u>632,269</u>	<u>0</u>	<u>0</u>	<u>137,718</u>
Expenditures				
Capital Outlay	524,546	0	0	80,707
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>524,546</u>	<u>0</u>	<u>0</u>	<u>80,707</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	107,723	0	0	57,011
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	107,723	0	0	57,011
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>4,204,715</u>	<u>304,804</u>	<u>146,821</u>	<u>1,219,476</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,312,438</u></u>	<u><u>\$304,804</u></u>	<u><u>\$146,821</u></u>	<u><u>\$1,276,487</u></u>

Sidewalks	Recreation Center Construction	Service Center Construction	Recreation Center Bond Construction	Total Nonmajor Capital Projects Funds
\$0	\$162,266	\$0	\$0	\$162,266
0	0	0	0	279,387
0	0	0	0	298,031
141,210	0	0	0	230,400
0	0	0	0	103,379
141,210	162,266	0	0	1,073,463
60,963	37,701	0	25,000	728,917
11,991	0	0	0	11,991
72,954	37,701	0	25,000	740,908
68,256	124,565	0	(25,000)	332,555
0	0	3,400,000	0	3,400,000
68,256	124,565	3,400,000	(25,000)	3,732,555
(480,663)	103,545	1,000,000	50,000	6,548,698
(\$412,407)	\$228,110	\$4,400,000	\$25,000	\$10,281,253

Combining Statements - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is the Unclaimed Monies private purpose trust. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private Purpose Trust Fund

Unclaimed Monies Fund - To account for monies held by the City specifically for individuals, organizations or governments who have not yet requested monies. If individuals do not claim the monies in five years, the monies are deposited in the general fund to be used for the general operation of the City.

Agency Funds

Escrow Storm Drainage Fund - The City serves as the collecting and disbursing agent under a contract to construct a storm drainage ditch for certain properties within the City.

Deposits Fund - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

City of Westlake, Ohio
Combining Statement of Assets and Liabilities
All Agency Funds
December 31, 2002

	Escrow Storm Drainage	Deposits	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,837	\$1,523,380	\$1,529,217
Liabilities			
Undistributed Monies	\$5,837	\$114,192	\$120,029
Deposits Held and Due to Others	0	1,409,188	1,409,188
<i>Total Liabilities</i>	\$5,837	\$1,523,380	\$1,529,217

City of Westlake, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2002

	Balance 12/31/01	Additions	Reductions	Balance 12/31/02
<i>Escrow Storm Drainage</i>				
Assets				
Cash and Cash Equivalents	\$5,837	\$0	\$0	\$5,837
Liabilities				
Undistributed Monies	\$5,837	\$0	\$0	\$5,837
<i>Deposits</i>				
Assets				
Cash and Cash Equivalents	\$1,792,914	\$524,932	\$794,466	\$1,523,380
Liabilities				
Undistributed Monies	\$114,192	\$0	\$0	\$114,192
Deposits Held and Due to Others	1,678,722	524,932	794,466	1,409,188
<i>Total Liabilities</i>	<u>\$1,792,914</u>	<u>\$524,932</u>	<u>\$794,466</u>	<u>\$1,523,380</u>
<i>Totals - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,798,751	\$524,932	\$794,466	\$1,529,217
Liabilities				
Undistributed Monies	\$120,029	\$0	\$0	\$120,029
Deposits Held and Due to Others	1,678,722	524,932	794,466	1,409,188
<i>Total Liabilities</i>	<u>\$1,798,751</u>	<u>\$524,932</u>	<u>\$794,466</u>	<u>\$1,529,217</u>

*Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balances/Fund Equity
Budget (Non-GAAP Basis) and Actual*

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$7,285,560	\$8,054,141	\$8,169,926	\$115,785
Municipal Income Taxes	9,113,574	10,075,000	10,164,739	89,739
Charges for Services	1,289,017	1,425,000	199,634	(1,225,366)
Licenses, Permits and Fees	630,940	697,500	698,595	1,095
Fines and Forfeitures	207,147	229,000	193,922	(35,078)
Intergovernmental	2,241,738	2,478,228	2,962,163	483,935
Special Assessments	22,614	25,000	45,419	20,419
Interest	1,175,945	1,300,000	1,120,172	(179,828)
Rentals	41,610	46,000	46,745	745
Miscellaneous	138,852	153,500	612,707	459,207
<i>Total Revenues</i>	<u>22,146,997</u>	<u>24,483,369</u>	<u>24,214,022</u>	<u>(269,347)</u>
Expenditures				
Current:				
General Government				
Council				
Salaries	143,400	143,400	142,051	1,349
Fringe Benefits	35,051	35,051	32,725	2,326
Contractual Services	24,689	24,689	17,865	6,824
Materials and Supplies	6,800	6,800	4,714	2,086
Capital Outlay	1,000	1,000	0	1,000
Other	11,500	11,500	2,389	9,111
Total Council	<u>222,440</u>	<u>222,440</u>	<u>199,744</u>	<u>22,696</u>
Mayor				
Salaries	187,800	187,800	182,405	5,395
Fringe Benefits	43,543	43,543	41,459	2,084
Contractual Services	28,055	28,055	20,682	7,373
Materials and Supplies	6,614	6,614	4,194	2,420
Capital Outlay	6,000	6,000	0	6,000
Other	21,701	21,701	13,076	8,625
Total Mayor	<u>293,713</u>	<u>293,713</u>	<u>261,816</u>	<u>31,897</u>
Finance Department				
Salaries	296,500	296,500	287,720	8,780
Fringe Benefits	88,630	89,308	80,386	8,922
Contractual Services	443,436	447,200	433,577	13,623
Materials and Supplies	19,057	19,219	15,831	3,388
Capital Outlay	56,322	56,800	15,998	40,802
Other	49,254	49,672	4,596	45,076
Total Finance Department	<u>\$953,199</u>	<u>\$958,699</u>	<u>\$838,108</u>	<u>\$120,591</u>

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Law Department				
Salaries	\$307,800	\$307,800	\$273,216	\$34,584
Fringe Benefits	38,948	90,771	78,810	11,961
Contractual Services	155,733	422,100	416,111	5,989
Materials and Supplies	1,917	5,132	2,276	2,856
Capital Outlay	2,212	5,994	4,845	1,149
Other	4,276	11,589	5,722	5,867
Total Law Department	<u>510,886</u>	<u>843,386</u>	<u>780,980</u>	<u>62,406</u>
Purchasing				
Salaries	139,600	139,600	137,940	1,660
Fringe Benefits	42,334	42,334	38,191	4,143
Contractual Services	3,750	3,750	1,632	2,118
Materials and Supplies	8,695	8,695	3,332	5,363
Capital Outlay	3,700	3,700	2,530	1,170
Other	4,200	4,200	652	3,548
Total Purchasing	<u>202,279</u>	<u>202,279</u>	<u>184,277</u>	<u>18,002</u>
Civil Service				
Salaries	1,000	2,000	1,315	685
Fringe Benefits	100	312	229	83
Contractual Services	18,150	62,300	23,777	38,523
Material and Supplies	58	200	78	122
Other	204	700	572	128
Total Civil Service	<u>19,512</u>	<u>65,512</u>	<u>25,971</u>	<u>39,541</u>
Engineering				
Salaries	524,400	524,400	415,736	108,664
Fringe Benefits	168,736	171,568	139,528	32,040
Contractual Services	66,378	67,140	48,211	18,929
Material and Supplies	18,443	18,770	16,944	1,826
Capital Outlay	13,407	13,648	11,324	2,324
Other	45,479	46,317	5,890	40,427
Total Engineering	<u>836,843</u>	<u>841,843</u>	<u>637,633</u>	<u>204,210</u>
Building Maintenance				
Salaries	46,500	46,500	32,066	14,434
Fringe Benefits	14,628	14,628	7,563	7,065
Contractual Services	346,214	346,214	274,944	71,270
Material and Supplies	2,018	2,018	1,314	704
Capital Outlay	11,545	11,545	0	11,545
Other	4,500	4,500	1,850	2,650
Total Building Maintenance	<u>\$425,405</u>	<u>\$425,405</u>	<u>\$317,737</u>	<u>\$107,668</u>

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Miscellaneous				
Salaries	\$125,200	\$125,200	\$53,626	\$71,574
Fringe Benefits	1,241,862	2,832,532	2,183,503	649,029
Contractual Services	669,293	1,520,247	956,233	564,014
Material and Supplies	9,789	22,150	13,939	8,211
Capital Outlay	7,474	17,025	12,079	4,946
Other	30,189	66,653	34,742	31,911
Total Miscellaneous	2,083,807	4,583,807	3,254,122	1,329,685
Equipment Replacement				
Capital Outlay	2,016,381	2,051,381	1,317,266	734,115
Cable TV				
Salaries	34,000	44,000	3,498	40,502
Fringe Benefits	4,000	4,000	525	3,475
Capital Outlay	167,000	317,000	91,240	225,760
Total Cable TV	205,000	365,000	95,263	269,737
Contracts				
Contractual Services	1,989,040	2,019,040	1,250,749	768,291
Total General Government	9,758,505	12,872,505	9,163,666	3,708,839
Security of Persons and Property				
Police Department				
Salaries	3,672,500	3,672,500	3,353,653	318,847
Fringe Benefits	695,574	695,574	561,628	133,946
Contractual Services	472,215	472,215	387,808	84,407
Materials and Supplies	52,900	52,900	48,014	4,886
Capital Outlay	47,261	47,261	42,572	4,689
Other	204,188	204,188	18,280	185,908
Total Police Department	5,144,638	5,144,638	4,411,955	732,683
Fire Department				
Salaries	2,406,700	2,406,700	2,349,188	57,512
Fringe Benefits	336,659	355,847	265,152	90,695
Contractual Services	366,146	385,371	364,754	20,617
Materials and Supplies	50,116	52,938	48,827	4,111
Capital Outlay	92,038	94,253	93,923	330
Other	200,729	212,279	2,211	210,068
Total Fire Department	\$3,452,388	\$3,507,388	\$3,124,055	\$383,333

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Safety Town				
Salaries	\$5,500	\$8,500	\$6,524	\$1,976
Fringe Benefits	1,000	1,000	979	21
Other	4,800	4,800	4,271	529
Total Safety Town	<u>11,300</u>	<u>14,300</u>	<u>11,774</u>	<u>2,526</u>
Total Security of Persons and Property	<u>8,608,326</u>	<u>8,666,326</u>	<u>7,547,784</u>	<u>1,118,542</u>
Public Health Services				
Senior/Community				
Salaries	305,900	305,900	284,583	21,317
Fringe Benefits	78,183	78,183	66,393	11,790
Contractual Services	61,000	61,000	44,270	16,730
Materials and Supplies	15,343	15,343	12,808	2,535
Capital Outlay	13,700	13,700	11,841	1,859
Other	39,400	39,400	3,315	36,085
Total Public Health Services	<u>513,526</u>	<u>513,526</u>	<u>423,210</u>	<u>90,316</u>
Transportation				
Service Director				
Salaries	206,000	206,000	196,658	9,342
Fringe Benefits	53,466	53,489	46,767	6,722
Materials and Supplies	12,224	12,207	5,100	7,107
Contractual Services	4,097	4,090	2,297	1,793
Capital Outlay	2,253	2,245	440	1,805
Other	11,780	11,789	531	11,258
Total Service Director	<u>289,820</u>	<u>289,820</u>	<u>251,793</u>	<u>38,027</u>
City Service				
Salaries	670,500	820,500	731,807	88,693
Fringe Benefits	276,020	276,561	259,959	16,602
Materials and Supplies	134,493	134,768	100,959	33,809
Contractual Services	147,437	147,722	132,437	15,285
Capital Outlay	29,156	29,219	25,601	3,618
Other	389,886	390,722	11,698	379,024
Total City Service	<u>1,647,492</u>	<u>1,799,492</u>	<u>1,262,461</u>	<u>537,031</u>
Snow Removal				
Salaries	140,000	140,000	77,108	62,892
Fringe Benefits	21,111	21,111	11,301	9,810
Contractual Services	20,917	20,917	16,131	4,786
Other	1,300	1,300	22	1,278
Total Snow Removal	<u>183,328</u>	<u>183,328</u>	<u>104,562</u>	<u>78,766</u>
Total Transportation	<u>\$2,120,640</u>	<u>\$2,272,640</u>	<u>\$1,618,816</u>	<u>\$653,824</u>

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Community Environment				
Planning				
Salaries	\$250,900	\$250,900	\$228,465	\$22,435
Fringe Benefits	65,423	65,941	68,389	(2,448)
Contractual Services	37,127	37,369	16,664	20,705
Materials and Supplies	11,122	11,221	6,423	4,798
Capital Outlay	7,888	7,941	5,574	2,367
Other	9,992	10,080	767	9,313
Total Planning	<u>382,452</u>	<u>383,452</u>	<u>326,282</u>	<u>57,170</u>
Zoning				
Salaries	600	600	436	164
Fringe Benefits	2,609	2,609	2,036	573
Materials and Supplies	750	750	618	132
Other	150	150	0	150
Total Zoning	<u>4,109</u>	<u>4,109</u>	<u>3,090</u>	<u>1,019</u>
Board of Building Standards				
Salaries	300	300	0	300
Fringe Benefits	100	100	0	100
Contractual Services	500	500	0	500
Materials and Supplies	500	500	19	481
Other	200	200	0	200
Total Board of Building Standards	<u>1,600</u>	<u>1,600</u>	<u>19</u>	<u>1,581</u>
Inspection				
Salaries	576,860	576,860	509,656	67,204
Fringe Benefits	158,980	160,808	143,655	17,153
Contractual Services	24,003	24,307	12,844	11,463
Materials and Supplies	17,276	17,494	13,844	3,650
Capital Outlay	13,329	13,500	5,807	7,693
Other	37,459	37,938	2,317	35,621
Total Inspection	<u>827,907</u>	<u>830,907</u>	<u>688,123</u>	<u>142,784</u>
Architect				
Contractual Services	75,300	75,300	55,237	20,063
Total Community Environment	<u>1,291,368</u>	<u>1,295,368</u>	<u>1,072,751</u>	<u>222,617</u>
Basic Utility Services				
Forester				
Salaries	92,100	92,100	87,375	4,725
Fringe Benefits	34,079	34,079	27,276	6,803
Contractual Services	2,600	2,600	1,910	690
Materials and Supplies	14,100	14,100	13,891	209
Other	22,708	22,708	4,220	18,488
Total Forester	<u>\$165,587</u>	<u>\$165,587</u>	<u>\$134,672</u>	<u>\$30,915</u>

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Storm Drainage				
Salaries	\$16,100	\$16,100	\$4,682	\$11,418
Fringe Benefits	8,682	8,682	4,316	4,366
Contractual Services	40,600	40,600	33,223	7,377
Materials and Supplies	1,100	1,100	277	823
Capital Outlay	77,700	77,700	47,173	30,527
Other	4,200	4,200	1,363	2,837
Total Storm Drainage	<u>148,382</u>	<u>148,382</u>	<u>91,034</u>	<u>57,348</u>
Rubbish				
Salaries	379,600	329,600	279,061	50,539
Fringe Benefits	97,746	137,026	85,857	51,169
Contractual Services	689,218	990,850	831,687	159,163
Materials and Supplies	53,203	74,700	50,118	24,582
Capital Outlay	5,773	6,169	0	6,169
Other	222,333	319,528	11,664	307,864
Total Rubbish	<u>1,447,873</u>	<u>1,857,873</u>	<u>1,258,387</u>	<u>599,486</u>
Recycling Program				
Salaries	264,500	164,500	150,834	13,666
Fringe Benefits	90,713	90,713	50,655	40,058
Contractual Services	28,300	28,300	190	28,110
Other	2,100	2,100	905	1,195
Total Recycling Program	<u>385,613</u>	<u>285,613</u>	<u>202,584</u>	<u>83,029</u>
Leaf Pick-Up				
Salaries	180,000	180,000	167,125	12,875
Fringe Benefits	43,796	43,796	41,369	2,427
Contractual Services	60,050	60,050	23,999	36,051
Other	1,300	1,300	165	1,135
Total Leaf Pick-Up	<u>285,146</u>	<u>285,146</u>	<u>232,658</u>	<u>52,488</u>
<i>Total Basic Utility Services</i>	<u>2,432,601</u>	<u>2,742,601</u>	<u>1,919,335</u>	<u>823,266</u>
Leisure Time Activities				
Ranney Park				
Salaries	5,000	5,000	0	5,000
Fringe Benefits	800	800	0	800
Contractual Services	10,600	10,600	4,264	6,336
Capital Outlay	2,200	2,200	2,200	0
Other	2,100	2,100	1,552	548
Total Ranney Park	<u>\$20,700</u>	<u>\$20,700</u>	<u>\$8,016</u>	<u>\$12,684</u>

(continued)

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Bradley Road Nature Park				
Salaries	\$1,200	\$1,200	\$0	\$1,200
Fringe Benefits	300	300	0	300
Contractual Services	8,700	8,700	6,667	2,033
Capital Outlay	1,100	1,100	0	1,100
Other	1,300	1,300	1,058	242
Total Bradley Road Nature Park	12,600	12,600	7,725	4,875
Recreation				
Salaries	151,000	151,000	147,423	3,577
Fringe Benefits	45,301	45,301	36,363	8,938
Contractual Services	133,030	133,030	94,518	38,512
Materials and Supplies	6,200	6,200	5,048	1,152
Capital Outlay	13,000	13,000	0	13,000
Total Recreation	348,531	348,531	283,352	65,179
Park				
Salaries	177,500	177,500	153,463	24,037
Fringe Benefits	59,771	59,771	42,495	17,276
Contractual Services	154,851	154,851	131,910	22,941
Materials and Supplies	6,026	6,026	3,245	2,781
Capital Outlay	1,100	1,100	0	1,100
Other	39,209	39,209	6,561	32,648
Total Park	438,457	438,457	337,674	100,783
<i>Total Leisure Time Activities</i>	<i>820,288</i>	<i>820,288</i>	<i>636,767</i>	<i>183,521</i>
Total Expenditures	25,545,254	29,183,254	22,382,329	6,800,925
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(3,398,257)</i>	<i>(4,699,885)</i>	<i>1,831,693</i>	<i>6,531,578</i>
Other Financing Sources (Uses)				
Advances In	5,418,000	5,418,000	593,000	(4,825,000)
Advances Out	(2,160,000)	(2,310,000)	(2,310,000)	0
Transfers Out	(3,900,000)	(4,050,000)	(4,050,000)	0
Total Other Sources (Uses)	(642,000)	(942,000)	(5,767,000)	(4,825,000)
Net Change in Fund Balance	(4,040,257)	(5,641,885)	(3,935,307)	1,706,578
Fund Balance Beginning of Year	17,077,802	17,077,802	17,077,802	0
Prior Year Encumbrances Appropriated	1,540,004	1,540,004	1,540,004	0
Fund Balance End of Year	\$14,577,549	\$12,975,921	\$14,682,499	\$1,706,578

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$259,596	\$250,000	\$250,000	\$0
Charges for Services	1,771,486	1,706,000	1,657,135	(48,865)
Licenses, Permits and Fees	5,192	5,000	6,626	1,626
Interest	25,960	25,000	36,040	11,040
Rentals	44,131	42,500	55,491	12,991
Miscellaneous	3,635	3,500	4,234	734
<i>Total Revenues</i>	2,110,000	2,032,000	2,009,526	(22,474)
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	1,079,300	1,085,300	917,347	167,953
Fringe Benefits	253,092	265,324	231,963	33,361
Contractual Services	604,141	635,713	541,307	94,406
Materials and Supplies	130,343	137,333	127,722	9,611
Capital Outlay	32,080	33,824	3,200	30,624
Other	137,623	145,085	142,516	2,569
<i>Total Expenditures</i>	2,236,579	2,302,579	1,964,055	338,524
<i>Net Change in Fund Balance</i>	(126,579)	(270,579)	45,471	316,050
<i>Fund Balance Beginning of Year</i>	522,529	522,529	522,529	0
Prior Year Encumbrances Appropriated	53,429	53,429	53,429	0
<i>Fund Balance End of Year</i>	\$449,379	\$305,379	\$621,429	\$316,050

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer Improvement Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$382,200	\$364,613	\$261,814	(\$102,799)
Interest	140,000	140,000	4,546	(135,454)
Miscellaneous	0	0	1,365	1,365
<i>Total Revenues</i>	522,200	504,613	267,725	(236,888)
Expenditures				
Capital Outlay:				
Sanitary Sewer Improvement:				
Salaries	0	55,000	7,085	47,915
Contractual Services	50,000	50,000	0	50,000
Capital Outlay	1,752,800	1,752,800	1,061,502	691,298
Other	75,000	75,000	43,427	31,573
<i>Total Expenditures</i>	1,877,800	1,932,800	1,112,014	820,786
<i>Excess of Revenues Under Expenditures</i>	(1,355,600)	(1,428,187)	(844,289)	583,898
Other Financing Sources (Uses)				
Notes Issued	200,000	200,000	0	(200,000)
Advances In	1,400,000	1,400,000	1,400,000	0
Advances Out	(1,701,000)	(1,213,000)	(488,000)	725,000
<i>Total Other Financing Sources (Uses)</i>	(101,000)	387,000	912,000	525,000
<i>Net Change in Fund Balance</i>	(1,456,600)	(1,041,187)	67,711	1,108,898
<i>Fund Balance Beginning of Year</i>	2,739,372	2,739,372	2,739,372	0
Prior Year Encumbrances Appropriated	77,800	77,800	77,800	0
<i>Fund Balance End of Year</i>	\$1,360,572	\$1,775,985	\$2,884,883	\$1,108,898

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue 11 Improvements Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Municipal Income Taxes	\$2,425,799	\$2,220,000	\$2,181,564	(\$38,436)
Intergovernmental	0	0	47,861	47,861
Interest	344,201	315,000	313,127	(1,873)
<i>Total Revenues</i>	<u>2,770,000</u>	<u>2,535,000</u>	<u>2,542,552</u>	<u>7,552</u>
Expenditures				
Capital Outlay:				
Issue II Improvements:				
Salaries	145,000	145,000	3,953	141,047
Fringe Benefits	21,000	21,000	250	20,750
Contractual Services	13,502,781	13,502,781	3,366,371	10,136,410
Capital Outlay	2,550	2,550	2,568	(18)
Other	36,500	36,500	21,444	15,056
<i>Total Expenditures</i>	<u>13,707,831</u>	<u>13,707,831</u>	<u>3,394,586</u>	<u>10,313,245</u>
<i>Net Change in Fund Balance</i>	(10,937,831)	(11,172,831)	(852,034)	10,320,797
<i>Fund Balance Beginning of Year</i>	12,069,000	12,069,000	12,069,000	0
Prior Year Encumbrances Appropriated	1,078,731	1,078,731	1,078,731	0
<i>Fund Balance End of Year</i>	<u>\$2,209,900</u>	<u>\$1,974,900</u>	<u>\$12,295,697</u>	<u>\$10,320,797</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Traffic Signalization Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$0	\$210,223	\$210,223
Expenditures				
Capital Outlay:				
Traffic Signalization:				
Salaries	0	5,000	2,202	2,798
Contractual Services	360	360	357	3
Capital Outlay	3,301,253	3,616,253	615,903	3,000,350
Other	4,690	4,690	3,126	1,564
<i>Total Expenditures</i>	<u>3,306,303</u>	<u>3,626,303</u>	<u>621,588</u>	<u>3,004,715</u>
<i>Excess of Revenues Under Expenditures</i>	(3,306,303)	(3,626,303)	(411,365)	3,214,938
Other Financing Sources				
Transfers In	24,500	669,094	0	(669,094)
<i>Net Change in Fund Balance</i>	(3,281,803)	(2,957,209)	(411,365)	2,545,844
<i>Fund Balance Beginning of Year</i>	2,650,906	2,650,906	2,650,906	0
Prior Year Encumbrances Appropriated	306,303	306,303	306,303	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$324,594)</u>	<u>\$0</u>	<u>\$2,545,844</u>	<u>\$2,545,844</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Hall Construction Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$3,680,000	\$220,000	\$203,801	(\$16,199)
Miscellaneous	0	0	450	450
<i>Total Revenues</i>	<u>3,680,000</u>	<u>220,000</u>	<u>204,251</u>	<u>(15,749)</u>
Expenditures				
Capital Outlay:				
City Hall Construction:				
Salaries	20,000	20,000	18,661	1,339
Contractual Services	42,700	42,700	134,616	(91,916)
Capital Outlay	8,061,032	8,061,032	7,941,900	119,132
Other	12,300	12,300	11,172	1,128
Total Capital Outlay	<u>8,136,032</u>	<u>8,136,032</u>	<u>8,106,349</u>	<u>29,683</u>
Total Expenses				
Principal Retirement	3,500,000	3,500,000	3,500,000	0
Interest and Fiscal Charges	71,800	71,800	71,750	50
Total Debt Service	<u>3,571,800</u>	<u>3,571,800</u>	<u>3,571,750</u>	<u>50</u>
<i>Total Expenditures</i>	<u>11,707,832</u>	<u>11,707,832</u>	<u>11,678,099</u>	<u>29,733</u>
<i>Excess of Revenues Under Expenditures</i>	(8,027,832)	(11,487,832)	(11,473,848)	13,984
Other Financing Sources				
Transfers In	150,000	150,000	150,000	0
<i>Net Change in Fund Balance</i>	(7,877,832)	(11,337,832)	(11,323,848)	13,984
<i>Fund Balance Beginning of Year</i>	5,100,232	5,100,232	5,100,232	0
Prior Year Encumbrances Appropriated	<u>6,266,032</u>	<u>6,266,032</u>	<u>6,266,032</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$3,488,432</u>	<u>\$28,432</u>	<u>\$42,416</u>	<u>\$13,984</u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$2,628,734	\$2,620,000	\$1,625,888	(\$994,112)
Tap-In Fees	250,833	250,000	284,304	34,304
Interest	130,433	130,000	115,707	(14,293)
<i>Total Revenues</i>	<u>3,010,000</u>	<u>3,000,000</u>	<u>2,025,899</u>	<u>(974,101)</u>
Expenses				
Current:				
Sewer Fund:				
Salaries	216,500	241,500	227,231	14,269
Fringe Benefits	79,454	79,454	78,242	1,212
Contractual Services	1,730,357	1,730,357	1,716,328	14,029
Materials and Supplies	11,000	11,000	10,468	532
Capital Outlay	839,545	839,545	69,319	770,226
Other	13,961	13,961	10,946	3,015
Debt Service:				
Principal Retirement	125,000	125,000	125,000	0
Interest and Fiscal Charges	51,000	51,000	50,625	375
<i>Total Expenses</i>	<u>3,066,817</u>	<u>3,091,817</u>	<u>2,288,159</u>	<u>803,658</u>
<i>Net Change in Fund Equity</i>	(56,817)	(91,817)	(262,260)	(170,443)
<i>Fund Equity Beginning of Year</i>	10,794,398	10,794,398	10,794,398	0
Prior Year Encumbrances Appropriated	<u>222,667</u>	<u>222,667</u>	<u>222,667</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$10,960,248</u>	<u>\$10,925,248</u>	<u>\$10,754,805</u>	<u>(\$170,443)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$949,579	\$930,000	\$854,523	(\$75,477)
Interest	20,421	20,000	1,467	(18,533)
<i>Total Revenues</i>	<u>970,000</u>	<u>950,000</u>	<u>855,990</u>	<u>(94,010)</u>
Expenditures				
Current:				
Transportation:				
Street Maintenance and Repair:				
Salaries	275,500	275,500	245,397	30,103
Fringe Benefits	83,797	100,744	80,940	19,804
Contractual Services	48,187	58,060	43,751	14,309
Materials and Supplies	483,740	569,511	378,154	191,357
Capital Outlay	615,829	727,565	645,095	82,470
Other	12,327	15,000	13,519	1,481
<i>Total Expenditures</i>	<u>1,519,380</u>	<u>1,746,380</u>	<u>1,406,856</u>	<u>339,524</u>
<i>Net Change in Fund Balance</i>	(549,380)	(796,380)	(550,866)	245,514
<i>Fund Balance Beginning of Year</i>	884,459	884,459	884,459	0
Prior Year Encumbrances Appropriated	<u>197,080</u>	<u>197,080</u>	<u>197,080</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$532,159</u></u>	<u><u>\$285,159</u></u>	<u><u>\$530,673</u></u>	<u><u>\$245,514</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$79,773	\$78,000	\$65,823	(\$12,177)
Interest	10,227	10,000	16,097	6,097
<i>Total Revenues</i>	<u>90,000</u>	<u>88,000</u>	<u>81,920</u>	<u>(6,080)</u>
Expenditures				
Current:				
Transportation:				
State Highway				
Contractual Services	25,900	25,900	25,870	30
Materials and Supplies	74,100	74,100	0	74,100
<i>Total Expenditures</i>	<u>100,000</u>	<u>100,000</u>	<u>25,870</u>	<u>74,130</u>
<i>Net Change in Fund Balance</i>	(10,000)	(12,000)	56,050	68,050
<i>Fund Balance Beginning of Year</i>	<u>371,630</u>	<u>371,630</u>	<u>371,630</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$361,630</u></u>	<u><u>\$359,630</u></u>	<u><u>\$427,680</u></u>	<u><u>\$68,050</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$293,091	\$260,000	\$304,457	\$44,457
Interest	16,909	15,000	10,468	(4,532)
<i>Total Revenues</i>	<u>310,000</u>	<u>275,000</u>	<u>314,925</u>	<u>39,925</u>
Expenditures				
Current:				
Transportation:				
Permissive Motor Vehicle License:				
Salaries	10,000	10,000	5,629	4,371
Fringe Benefits	1,000	1,000	831	169
Contractual Services	546,873	546,873	499,966	46,907
Other	3,000	3,000	996	2,004
<i>Total Expenditures</i>	<u>560,873</u>	<u>560,873</u>	<u>507,422</u>	<u>53,451</u>
<i>Net Change in Fund Balance</i>	(250,873)	(285,873)	(192,497)	93,376
<i>Fund Balance Beginning of Year</i>	570,277	570,277	570,277	0
Prior Year Encumbrances Appropriated	<u>50,873</u>	<u>50,873</u>	<u>50,873</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$370,277</u></u>	<u><u>\$335,277</u></u>	<u><u>\$428,653</u></u>	<u><u>\$93,376</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Local Taxes	\$620,101	\$302,847	\$307,761	\$4,914
Intergovernmental	76,319	37,273	37,064	(209)
<i>Total Revenues</i>	696,420	340,120	344,825	4,705
Expenditures				
Current:				
Security of Persons and Property:				
Police Pension:				
Fringe Benefits	650,000	650,000	559,224	90,776
<i>Total Expenses</i>				
<i>(Under) Expenditures</i>	46,420	(309,880)	(214,399)	95,481
Other Financing Sources				
Transfers In	150,000	150,000	150,000	0
<i>Net Change in Fund Balance</i>	196,420	(159,880)	(64,399)	95,481
<i>Fund Balance Beginning of Year</i>	522,747	522,747	522,747	0
<i>Fund Balance End of Year</i>	\$719,167	\$362,867	\$458,348	\$95,481

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property and Other Local Taxes	\$620,101	\$302,847	\$307,762	\$4,915
Intergovernmental	76,319	37,273	37,064	(209)
<i>Total Revenues</i>	696,420	340,120	344,826	4,706
Expenditures				
Current:				
Security of Persons and Property:				
Fire Pension:				
Fringe Benefits	650,000	650,000	605,387	44,613
<i>Excess of Revenues Over</i>				
<i>Total Expenses</i>	46,420	(309,880)	(260,561)	49,319
Other Financing Sources				
Transfers In	250,000	250,000	250,000	0
<i>Net Change in Fund Balance</i>	296,420	(59,880)	(10,561)	49,319
<i>Fund Balance Beginning of Year</i>	189,059	189,059	189,059	0
<i>Fund Balance End of Year</i>	<u>\$485,479</u>	<u>\$129,179</u>	<u>\$178,498</u>	<u>\$49,319</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police and Fire Operating Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Local Taxes	\$1,861,111	\$908,936	\$923,282	\$14,346
Intergovernmental	228,149	111,424	111,193	(231)
<i>Total Revenues</i>	2,089,260	1,020,360	1,034,475	14,115
Expenditures				
Current:				
Security of Persons and Property:				
Police and Fire Operating:				
Salaries	920,000	920,000	855,636	64,364
<i>Net Change in Fund Balance</i>	1,169,260	100,360	178,839	78,479
<i>Fund Balance Beginning of Year</i>	778,676	778,676	778,676	0
<i>Fund Balance End of Year</i>	<u>\$1,947,936</u>	<u>\$879,036</u>	<u>\$957,515</u>	<u>\$78,479</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$20,000	\$20,000	\$10,040	(\$9,960)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	10,000	10,000	0	10,000
Other	15,000	15,000	2,296	12,704
<i>Total Expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>2,296</u>	<u>22,704</u>
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	7,744	12,744
<i>Fund Balance Beginning of Year</i>	<u>45,421</u>	<u>45,421</u>	<u>45,421</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$40,421</u></u>	<u><u>\$40,421</u></u>	<u><u>\$53,165</u></u>	<u><u>\$12,744</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Mandatory Drug Fines Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$20,000	\$20,000	\$15,888	(\$4,112)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	<u>20,307</u>	<u>20,307</u>	<u>18,057</u>	<u>2,250</u>
<i>Net Change in Fund Balance</i>	(307)	(307)	(2,169)	(1,862)
<i>Fund Balance Beginning of Year</i>	18,374	18,374	18,374	0
Prior Year Encumbrances Appropriated	<u>307</u>	<u>307</u>	<u>307</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,374</u></u>	<u><u>\$18,374</u></u>	<u><u>\$16,512</u></u>	<u><u>(\$1,862)</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alcohol Education Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$5,000	\$5,000	\$6,351	\$1,351
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	10,000	10,000	183	9,817
Capital Outlay	5,000	5,000	0	5,000
<i>Total Expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>183</u>	<u>14,817</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	6,168	16,168
<i>Fund Balance Beginning of Year</i>	<u>29,110</u>	<u>29,110</u>	<u>29,110</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$19,110</u></u>	<u><u>\$19,110</u></u>	<u><u>\$35,278</u></u>	<u><u>\$16,168</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Diversion Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$5,000	\$12,000	\$3,743	(\$8,257)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Salaries	3,000	3,000	2,202	798
Fringe Benefits	100	100	68	32
Other	8,900	8,900	1,122	7,778
<i>Total Expenditures</i>	<u>12,000</u>	<u>12,000</u>	<u>3,392</u>	<u>8,608</u>
<i>Net Change in Fund Balance</i>	(7,000)	0	351	351
<i>Fund Balance Beginning of Year</i>	<u>7,800</u>	<u>7,800</u>	<u>7,800</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$800</u></u>	<u><u>\$7,800</u></u>	<u><u>\$8,151</u></u>	<u><u>\$351</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Equitable Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$0	\$0	\$10,535	\$10,535
Interest	0	0	9,848	9,848
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>20,383</u>	<u>20,383</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Capital Outlay	35,000	35,000	32,184	2,816
Other	25,025	25,025	11,999	13,026
<i>Total Expenditures</i>	<u>60,025</u>	<u>60,025</u>	<u>44,183</u>	<u>15,842</u>
<i>Net Change in Fund Balance</i>	(60,025)	(60,025)	(23,800)	36,225
<i>Fund Balance Beginning of Year</i>	<u>390,881</u>	<u>390,881</u>	<u>390,881</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$330,856</u></u>	<u><u>\$330,856</u></u>	<u><u>\$367,081</u></u>	<u><u>\$36,225</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pool Operation Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$156,000	\$156,000	\$170,747	\$14,747
Miscellaneous	0	0	6,431	6,431
<i>Total Revenues</i>	<u>156,000</u>	<u>156,000</u>	<u>177,178</u>	<u>21,178</u>
Expenditures				
Current:				
Leisure Time Activities:				
Recreation:				
Salaries	114,500	114,500	101,524	12,976
Fringe Benefits	17,311	17,311	15,186	2,125
Contractual Services	41,100	41,100	31,381	9,719
Materials and Supplies	38,900	38,900	27,298	11,602
Capital Outlay	5,000	5,000	0	5,000
Other	13,450	13,450	10,711	2,739
<i>Total Expenditures</i>	<u>230,261</u>	<u>230,261</u>	<u>186,100</u>	<u>44,161</u>
<i>Net Change in Fund Balance</i>	(74,261)	(74,261)	(8,922)	65,339
<i>Fund Balance Beginning of Year</i>	98,962	98,962	98,962	0
Prior Year Encumbrances Appropriated	11	11	11	0
<i>Fund Balance End of Year</i>	<u>\$24,712</u>	<u>\$24,712</u>	<u>\$90,051</u>	<u>\$65,339</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior/Community Service Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$70,000	\$70,000	\$62,432	(\$7,568)
Expenditures				
Current:				
Public Health Services:				
Senior/Community Services:				
Contractual Services	81,635	81,635	71,430	10,205
Materials and Supplies	1,000	1,000	396	604
Capital Outlay	10,000	10,000	0	10,000
Other	1,650	1,650	1,628	22
<i>Total Expenditures</i>	<u>94,285</u>	<u>94,285</u>	<u>73,454</u>	<u>20,831</u>
<i>Net Change in Fund Balance</i>	(24,285)	(24,285)	(11,022)	13,263
<i>Fund Balance Beginning of Year</i>	26,994	26,994	26,994	0
Prior Year Encumbrances Appropriated	<u>1,785</u>	<u>1,785</u>	<u>1,785</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,494</u></u>	<u><u>\$4,494</u></u>	<u><u>\$17,757</u></u>	<u><u>\$13,263</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Operating Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$18,000	\$18,000	\$14,855	(\$3,145)
Interest	15,000	15,000	12,245	(2,755)
<i>Total Revenues</i>	<u>33,000</u>	<u>33,000</u>	<u>27,100</u>	<u>(5,900)</u>
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Salaries	70,700	70,700	68,775	1,925
Fringe Benefits	19,756	19,756	19,338	418
Contractual Services	16,050	16,050	12,039	4,011
Materials and Supplies	8,250	8,250	7,033	1,217
Capital Outlay	47,700	47,700	41,672	6,028
Other	28,150	28,150	21,434	6,716
<i>Total Expenditures</i>	<u>190,606</u>	<u>190,606</u>	<u>170,291</u>	<u>20,315</u>
<i>Excess of Revenues Under Expenditures</i>	(157,606)	(157,606)	(143,191)	14,415
Other Financing Sources				
Transfers In	100,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	(57,606)	(57,606)	(43,191)	14,415
<i>Fund Balance Beginning of Year</i>	80,251	80,251	80,251	0
Prior Year Encumbrances Appropriated	2,256	2,256	2,256	0
<i>Fund Balance End of Year</i>	<u>\$24,901</u>	<u>\$24,901</u>	<u>\$39,316</u>	<u>\$14,415</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cemetery Investment Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$15,000	\$15,000	\$11,895	(\$3,105)
Expenditures				
Current:				
Public Health Services:				
Cemetery Operations:				
Other:				
Other	3,000	3,000	200	2,800
<i>Net Change in Fund Balance</i>	12,000	12,000	11,695	(305)
<i>Fund Balance Beginning of Year</i>	352,621	352,621	352,621	0
<i>Fund Balance End of Year</i>	<u>\$364,621</u>	<u>\$364,621</u>	<u>\$364,316</u>	<u>(\$305)</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Westlake/Bay Ecological Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$60,000	\$60,600	\$54,371	(\$6,229)
Expenditures				
Current:				
Basic Utility Services:				
Litter Prevention:				
Fringe Benefits	50	50	39	11
Contractual Services	39,150	39,150	17,415	21,735
Capital Outlay	2,700	2,700	0	2,700
Other	13,441	13,441	11,463	1,978
<i>Total Expenditures</i>	55,341	55,341	28,917	26,424
<i>Net Change in Fund Balance</i>	4,659	5,259	25,454	20,195
<i>Fund Balance Beginning of Year</i>	153,663	153,663	153,663	0
Prior Year Encumbrances Appropriated	141	141	141	0
<i>Fund Balance End of Year</i>	\$158,463	\$159,063	\$179,258	\$20,195

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Newsletter Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Donations	\$0	\$0	\$780	\$780
Expenditures				
Current:				
General Government:				
Contractual Services	2,000	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(2,000)	(2,000)	780	2,780
<i>Fund Balance Beginning of Year</i>	3,701	3,701	3,701	0
<i>Fund Balance End of Year</i>	<u>\$1,701</u>	<u>\$1,701</u>	<u>\$4,481</u>	<u>\$2,780</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Reserve for Compensated Absences Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government				
Compensated Absences				
Personal Services	300,000	800,000	686,959	113,041
Fringe Benefits	25,000	25,000	1,356	23,644
<i>Total Expenditures</i>	325,000	825,000	688,315	136,685
<i>Net Change in Fund Balance</i>	(325,000)	(825,000)	(688,315)	136,685
<i>Fund Balance Beginning of Year</i>	2,300,000	2,300,000	2,300,000	0
<i>Fund Balance End of Year</i>	<u>\$1,975,000</u>	<u>\$1,475,000</u>	<u>\$1,611,685</u>	<u>\$136,685</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
City Donations Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Donations	\$31,000	\$27,500	\$42,939	\$15,439
Expenditures				
Current:				
Community Environment:				
Capital Outlay	10,000	10,000	2,665	7,335
Other	59,907	64,390	42,403	21,987
Total Community Environment	69,907	74,390	45,068	29,322
Debt Service:				
Interest and Fiscal Charges	5,000	5,000	300	4,700
<i>Total Expenditures</i>	74,907	79,390	45,368	34,022
<i>Net Change in Fund Balance</i>	(43,907)	(51,890)	(2,429)	49,461
<i>Fund Balance Beginning of Year</i>	116,828	116,828	116,828	0
Prior Year Encumbrances Appropriated	11,107	11,107	11,107	0
<i>Fund Balance End of Year</i>	\$84,028	\$76,045	\$125,506	\$49,461

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Local Taxes	\$2,017,145	\$1,312,799	\$1,330,938	\$18,139
Municipal Income Taxes	1,306,044	850,000	850,000	0
Intergovernmental	247,466	161,056	160,612	(444)
<i>Total Revenues</i>	<u>3,570,655</u>	<u>2,323,855</u>	<u>2,341,550</u>	<u>17,695</u>
Expenditures				
Debt Service:				
Principal Retirement	1,140,500	1,140,500	1,140,449	51
Interest and Fiscal Charges	1,067,000	1,067,000	1,063,426	3,574
<i>Total Expenses</i>	<u>2,207,500</u>	<u>2,207,500</u>	<u>2,203,875</u>	<u>3,625</u>
<i>Net Change in Fund Balance</i>	1,363,155	116,355	137,675	21,320
<i>Fund Balance Beginning of Year</i>	<u>695,555</u>	<u>695,555</u>	<u>695,555</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,058,710</u></u>	<u><u>\$811,910</u></u>	<u><u>\$833,230</u></u>	<u><u>\$21,320</u></u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$400,000	\$400,000	\$425,626	\$25,626
Expenditures				
Debt Service:				
Principal Retirement	220,000	220,000	209,000	11,000
Interest and Fiscal Charges	138,000	138,000	131,824	6,176
<i>Total Expenses</i>	<u>358,000</u>	<u>358,000</u>	<u>340,824</u>	<u>17,176</u>
<i>Net Change in Fund Balance</i>	42,000	42,000	84,802	42,802
<i>Fund Balance Beginning of Year</i>	<u>173,773</u>	<u>173,773</u>	<u>173,773</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$215,773</u>	<u>\$215,773</u>	<u>\$258,575</u>	<u>\$42,802</u>

City of Westlake, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Bond Retirement Fund
For the Year Ended December 31, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Income Taxes	\$1,750,000	\$1,750,000	\$1,750,000	\$0
Expenditures				
Debt Service:				
Principal Retirement	1,340,000	1,340,000	1,340,000	0
Interest and Fiscal Charges	406,000	406,000	405,013	987
<i>Total Expenses</i>	<u>1,746,000</u>	<u>1,746,000</u>	<u>1,745,013</u>	<u>987</u>
<i>Net Change in Fund Balance</i>	4,000	4,000	4,987	987
<i>Fund Balance Beginning of Year</i>	<u>133,078</u>	<u>133,078</u>	<u>133,078</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$137,078</u></u>	<u><u>\$137,078</u></u>	<u><u>\$138,065</u></u>	<u><u>\$987</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Storm Drainage Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Licenses, Permits and Fees	\$326,712	\$265,000	\$163,875	(\$101,125)
Intergovernmental	0	0	224,791	224,791
Interest	123,288	100,000	86,160	(13,840)
Miscellaneous	0	0	103,379	103,379
<i>Total Revenues</i>	<u>450,000</u>	<u>365,000</u>	<u>578,205</u>	<u>213,205</u>
Expenditures				
Capital Outlay:				
Storm Drainage:				
Salaries	10,000	10,000	9,159	841
Fringe Benefits	1,610	1,610	1,504	106
Contractual Services	190	190	17,652	(17,462)
Capital Outlay	897,669	897,669	570,072	327,597
Other	10,200	10,200	6,600	3,600
<i>Total Expenses</i>	<u>919,669</u>	<u>919,669</u>	<u>604,987</u>	<u>314,682</u>
<i>Net Change in Fund Balance</i>	(469,669)	(554,669)	(26,782)	527,887
<i>Fund Balance Beginning of Year</i>	4,103,574	4,103,574	4,103,574	0
Prior Year Encumbrances Appropriated	47,669	47,669	47,669	0
<i>Fund Balance End of Year</i>	<u><u>\$3,681,574</u></u>	<u><u>\$3,596,574</u></u>	<u><u>\$4,124,461</u></u>	<u><u>\$527,887</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Grants Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$150,000	\$0	(\$150,000)
Expenditures				
Capital Outlay:				
Grants:				
Salaries	10,000	10,000	0	10,000
Contractual Services	175,000	175,000	0	175,000
Other	9,850	9,850	0	9,850
<i>Total Expenses</i>	<u>194,850</u>	<u>194,850</u>	<u>0</u>	<u>194,850</u>
<i>Net Change in Fund Balance</i>	(194,850)	(44,850)	0	44,850
<i>Fund Balance Beginning of Year</i>	<u>304,804</u>	<u>304,804</u>	<u>304,804</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$109,954</u></u>	<u><u>\$259,954</u></u>	<u><u>\$304,804</u></u>	<u><u>\$44,850</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Park Improvement Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<i>Total Expenses</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	146,821	146,821	146,821	0
<i>Fund Balance End of Year</i>	<u>\$146,821</u>	<u>\$146,821</u>	<u>\$146,821</u>	<u>\$0</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Impact Fees Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses, Permits and Fees	\$141,129	\$125,000	\$115,512	(\$9,488)
Interest	33,871	30,000	30,946	946
<i>Total Revenues</i>	175,000	155,000	146,458	(8,542)
Expenditures				
Capital Outlay:				
Impact Fee:				
Capital Outlay	263,013	418,537	146,444	272,093
Other	5,524	10,000	0	10,000
<i>Total Expenditures</i>	268,537	428,537	146,444	282,093
<i>Net Change in Fund Balance</i>	(93,537)	(273,537)	14	273,551
<i>Fund Balance Beginning of Year</i>	1,139,460	1,139,460	1,139,460	0
Prior Year Encumbrances Appropriated	71,037	71,037	71,037	0
<i>Fund Balance End of Year</i>	\$1,116,960	\$936,960	\$1,210,511	\$273,551

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalks Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$1,558,700	\$534,090	\$133,196	(\$400,894)
Interest	0	0	8,014	8,014
<i>Total Revenues</i>	<u>1,558,700</u>	<u>534,090</u>	<u>141,210</u>	<u>(392,880)</u>
Expenditures				
Capital Outlay:				
Sidewalk Improvement:				
Salaries	37,000	47,000	18,998	28,002
Fringe Benefits	6,120	6,200	2,442	3,758
Materials and Supplies	44,325	44,900	9,364	35,536
Contractual Services	6,466	6,550	3,288	3,262
Capital Outlay	1,225,523	1,239,632	19,251	1,220,381
Other	11,698	11,850	6,324	5,526
Total Capital Outlay	<u>1,331,132</u>	<u>1,356,132</u>	<u>59,667</u>	<u>1,296,465</u>
Debt Service:				
Principal Retirement	525,000	525,000	525,000	0
Interest and Fiscal Charges	13,500	13,500	10,763	2,737
Total Debt Service	<u>538,500</u>	<u>538,500</u>	<u>535,763</u>	<u>2,737</u>
<i>Total Expenditures</i>	<u>1,869,632</u>	<u>1,894,632</u>	<u>595,430</u>	<u>1,299,202</u>
<i>Total Expenses</i> <i>Under Expenditures</i>	<u>(310,932)</u>	<u>(1,360,542)</u>	<u>(454,220)</u>	<u>906,322</u>
Other Financing Sources (Uses)				
Bonds Issued	204,000	204,000	0	(204,000)
Notes Issued	0	0	229,000	229,000
Advances In	100,000	200,000	760,000	560,000
Advances Out	(54,563)	(55,000)	(55,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>249,437</u>	<u>349,000</u>	<u>934,000</u>	<u>585,000</u>
<i>Net Change in Fund Balance</i>	(61,495)	(1,011,542)	479,780	1,491,322
<i>Fund Balance Beginning of Year</i>	1,135,600	1,135,600	1,135,600	0
Prior Year Encumbrances Appropriated	<u>139,632</u>	<u>139,632</u>	<u>139,632</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,213,737</u>	<u>\$263,690</u>	<u>\$1,755,012</u>	<u>\$1,491,322</u>

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Center Construction Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Municipal Income Taxes	\$274,733	\$130,000	\$179,554	\$49,554
Interest	42,267	20,000	0	(20,000)
<i>Total Revenues</i>	317,000	150,000	179,554	29,554
Expenditures				
Capital Outlay:				
Recreation Center Construction:				
Contractual Services	45,000	45,000	37,701	7,299
Total Expenses				
<i>Net Change in Fund Balance</i>	272,000	105,000	141,853	36,853
<i>Fund Balance Beginning of Year</i>	65,820	65,820	65,820	0
<i>Fund Balance End of Year</i>	\$337,820	\$170,820	\$207,673	\$36,853

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Service Center Construction Fund
For the Year Ended December 31, 2002

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Service Center Construction:				
Salaries	30,000	30,000	0	30,000
Contractual Services	50,000	50,000	0	50,000
Capital Outlay	4,300,000	4,300,000	0	4,300,000
Other	20,000	20,000	0	20,000
<i>Total Expenditures</i>	4,400,000	4,400,000	0	4,400,000
Total Expenses				
<i>Excess of Revenues Under Expenditures</i>	(4,400,000)	(4,400,000)	0	4,400,000
Other Financing Sources				
Transfers In	3,100,000	3,400,000	3,400,000	0
<i>Net Change in Fund Balance</i>	(1,300,000)	(1,000,000)	3,400,000	4,400,000
<i>Fund Balance Beginning of Year</i>	1,000,000	1,000,000	1,000,000	0
<i>Fund Balance (Deficit) End of Year</i>	(\$300,000)	\$0	\$4,400,000	\$4,400,000

City of Westlake, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Center Bond Construction Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Bond Recreation Construction:				
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(50,000)	(50,000)	(50,000)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of Westlake, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Golf Course Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$530,000	\$578,822	\$479,338	(\$99,484)
Other	0	0	200	200
Advances In	0	0	150,000	150,000
<i>Total Revenues</i>	<u>530,000</u>	<u>578,822</u>	<u>629,538</u>	<u>50,716</u>
Expenses				
Current:				
Golf Course:				
Salaries	242,625	253,125	252,573	552
Fringe Benefits	65,634	65,634	63,141	2,493
Contractual Services	153,001	153,001	139,752	13,249
Materials and Supplies	75,800	75,800	63,253	12,547
Capital Outlay	357,161	357,161	295,798	61,363
Other	17,943	17,943	16,947	996
Advances Out	50,000	50,000	50,000	0
<i>Total Expenses</i>	<u>962,164</u>	<u>972,664</u>	<u>881,464</u>	<u>91,200</u>
<i>Net Change in Fund Equity</i>	(432,164)	(393,842)	(251,926)	141,916
<i>Fund Equity Beginning of Year</i>	93,403	93,403	93,403	0
Prior Year Encumbrances Appropriated	<u>300,439</u>	<u>300,439</u>	<u>300,439</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u>(\$38,322)</u>	<u>\$0</u>	<u>\$141,916</u>	<u>\$141,916</u>

City of Westlake, Ohio
Statement of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$1,200,000	\$1,200,000	\$1,115,100	(\$84,900)
Interest	90,000	90,000	66,618	(23,382)
Other	10,000	10,000	4,660	(5,340)
<i>Total Revenues</i>	1,300,000	1,300,000	1,186,378	(113,622)
Expenses				
Contractual Services	188,400	188,400	186,996	1,404
Claims	1,394,600	1,394,600	1,392,345	2,255
<i>Total Expenses</i>	1,583,000	1,583,000	1,579,341	3,659
<i>Net Change in Fund Equity</i>	(283,000)	(283,000)	(392,963)	(109,963)
<i>Fund Equity Beginning of Year</i>	2,560,123	2,560,123	2,560,123	0
<i>Fund Equity End of Year</i>	\$2,277,123	\$2,277,123	\$2,167,160	(\$109,963)

City of Westlake, Ohio
Statement of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Unclaimed Monies Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$30,000	\$30,000	\$26,943	(\$3,057)
Expenses				
Current:				
Community Environment:				
Salaries	5,000	5,000	0	5,000
Other	69,500	69,500	27,329	42,171
<i>Total Expenses</i>	<u>74,500</u>	<u>74,500</u>	<u>27,329</u>	<u>47,171</u>
<i>Net Change in Fund Equity</i>	(44,500)	(44,500)	(386)	44,114
<i>Fund Equity Beginning of Year</i>	<u>292,265</u>	<u>292,265</u>	<u>292,265</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$247,765</u></u>	<u><u>\$247,765</u></u>	<u><u>\$291,879</u></u>	<u><u>\$44,114</u></u>

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City of Westlake, Ohio
*Governmental Activities Revenues by Source
and Expenses by Program
Last Two Years*

	<u>2002</u>	<u>2001</u>
Program Revenues		
Charges for Services	\$3,655,555	\$3,388,691
Operating Grants and Contributions	1,607,321	1,252,164
Capital Grants and Contributions	866,330	4,290,615
General Revenues		
Property and Other Local Taxes	11,063,115	10,516,098
Municipal Income Taxes	15,114,994	15,010,714
Intergovernmental	2,956,228	3,378,432
Interest	2,725,652	3,216,845
Miscellaneous	353,604	561,441
Total	<u>\$38,342,799</u>	<u>\$41,615,000</u>
Expenses		
Current:		
General Government	8,288,139	8,405,770
Security of Persons and Property	10,701,215	10,338,153
Public Health and Welfare	755,224	653,421
Transportation	7,435,759	5,967,956
Community Environment	1,253,995	1,141,786
Basic Utility Services	2,682,560	2,919,802
Leisure Time Activities	3,321,751	3,183,996
Debt Service	1,746,348	1,784,341
Total	<u>\$36,184,991</u>	<u>\$34,395,225</u>

Source: City financial records

City of Westlake, Ohio
Governmental Revenues by Source
and Expenditures by Function (1)
Last Ten Years

	2002	2001	2000	1999
Property and Other Local Taxes	\$26,231,937	\$26,160,225	\$24,381,214	\$23,521,449
Charges for Services	2,186,143	1,954,858	2,576,524	2,091,093
Liscenses, Permits and Fees	1,000,703	1,080,632	336,383	596,256
Fines and Forfeitures	244,578	263,909	1,058,014	243,781
Intergovernmental	5,033,425	8,867,603	8,335,592	7,148,069
Special Assessments	254,419	325,453	774,745	1,217,900
Interest	2,725,652	3,216,845	3,687,324	2,588,958
Miscellaneous	940,834	724,365	528,143	557,025
Total	\$38,617,691	\$42,593,890	\$41,677,939	\$37,964,531
Expenditures				
Current:				
General Government	\$8,770,407	\$8,353,695	\$4,084,882	\$4,418,553
Security of Persons and Property	9,591,265	9,328,629	9,915,392	7,985,868
Public Health and Welfare	679,044	552,394	545,759	521,648
Transportation	3,866,492	2,331,272	2,504,899	1,791,762
Community Environment	1,292,093	1,054,340	1,084,387	1,026,612
Basic Utility Services	1,969,874	1,714,022	2,101,426	1,830,218
Leisure Time Activities	2,759,712	2,542,274	2,288,584	2,401,645
Capital Outlay	11,509,834	3,726,438	7,272,143	6,570,376
Landfill Postclosure Costs	27,589	34,465	0	23,926
Debt Service	4,543,399	4,608,666	4,778,110	4,786,506
Total	\$45,009,709	\$34,246,195	\$34,575,582	\$31,357,114

Source: City financial records

(1) Information is based on modified accrual.

1998	1997	1996	1995	1994	1993
\$22,135,654	\$20,416,845	\$19,117,957	\$17,808,718	\$16,197,878	\$13,840,516
2,126,854	843,497	665,344	1,647,466	929,199	786,511
571,357	490,879	411,058	411,707	404,121	706,823
196,413	212,092	173,399	202,377	175,609	198,279
4,109,312	3,951,301	3,972,843	4,051,682	3,660,252	2,966,322
725,172	662,359	721,238	811,394	952,760	851,942
2,295,892	2,282,145	1,373,351	1,557,343	932,891	745,966
1,463,229	177,857	303,526	219,218	150,251	513,709
<u>\$33,623,883</u>	<u>\$29,036,975</u>	<u>\$26,738,716</u>	<u>\$26,709,905</u>	<u>\$23,402,961</u>	<u>\$20,610,068</u>
\$3,477,090	\$3,432,466	\$4,336,141	\$6,221,806	\$2,822,661	\$2,688,505
7,318,077	7,012,373	7,138,750	6,479,812	6,063,850	5,758,098
560,830	518,776	450,931	401,858	339,470	276,544
1,615,974	1,899,481	3,477,679	1,605,287	1,674,100	1,950,887
888,222	823,191	747,052	669,228	659,656	645,290
1,875,057	1,853,946	1,917,415	1,876,385	1,857,305	1,768,382
1,522,285	1,267,620	1,797,882	894,620	809,422	705,577
11,021,139	10,162,776	2,294,065	4,629,790	6,368,915	6,163,027
23,731	13,784	23,034	32,077	25,816	0
4,224,658	4,176,072	3,931,550	4,004,679	3,554,331	2,845,299
<u>\$32,527,063</u>	<u>\$31,160,485</u>	<u>\$26,114,499</u>	<u>\$26,815,542</u>	<u>\$24,175,526</u>	<u>\$22,801,609</u>

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

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections (1)</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Total Tax Levy</u>
2002	\$11,225,940	\$10,695,012	95.27 %	\$307,667	11,002,679	98.01 %	\$670,864	5.98 %
2001	11,310,839	10,922,571	96.57	250,109	11,172,680	98.78	571,223	5.05
2000	9,908,961	9,338,060	94.24	174,345	9,512,405	96.00	328,951	3.32
1999	9,543,649	9,142,265	95.79	195,253	9,337,518	97.84	199,981	2.10
1998	9,078,834	8,598,110	94.71	113,626	8,711,736	95.96	221,292	2.44
1997	8,896,826	8,445,688	94.93	99,814	8,545,502	96.05	357,919	4.02
1996	8,637,861	8,250,402	95.51	120,360	8,370,762	96.91	283,256	3.28
1995	8,377,367	8,030,615	95.86	140,879	8,171,494	97.54	173,647	2.07
1994	7,674,414	7,327,808	95.48	79,760	7,407,568	96.52	212,992	2.78
1993	7,483,956	7,070,569	94.48	154,716	7,225,285	96.54	232,807	3.11

Source: Cuyahoga County, Ohio; County Auditor

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

City of Westlake, Ohio
Assessed Valuation and Estimated True Values of Taxable Property
Last Ten Years

<u>Year</u>	<u>Real Property</u>	<u>Public Utility Real Property</u>	<u>Public Utility Tangible Property</u>	<u>Tangible Personal Property</u>	<u>Total</u>	<u>Estimated True Values of Taxable Property</u>
2002	\$1,072,464,840	\$21,100	\$23,522,370	\$77,021,986	\$1,173,030,296	\$3,064,185,257
2001	1,028,638,660	21,100	30,491,100	74,494,491	1,133,645,351	2,938,967,600
2000	893,379,720	16,670	30,889,430	69,493,252	993,779,072	2,552,513,486
1999	851,890,920	503,290	33,579,300	63,939,231	949,912,741	2,433,974,057
1998	828,758,170	503,290	34,326,270	64,750,544	928,338,274	2,367,880,486
1997	761,247,630	503,290	35,417,680	65,660,169	862,828,769	2,174,993,229
1996	738,267,020	514,810	35,226,690	57,920,927	831,929,447	2,109,334,343
1995	703,901,450	514,810	36,652,930	56,067,638	797,136,828	2,011,147,000
1994	630,218,290	352,890	35,396,530	57,067,959	723,035,669	1,800,623,686
1993	608,318,270	352,890	34,365,670	49,632,336	692,669,166	1,738,052,200

Source: Cuyahoga County, Ohio; County Auditor

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

Year	City of Westlake				Westlake City School District including Library	Cuyahoga County Commissioners	Special (1) Taxing Districts	Total
	General	Special Revenue	Debt Service	Total				
2002	\$7.50	\$1.50	\$1.30	\$10.30	\$61.20	\$14.65	\$3.55	\$89.70
2001	7.50	1.50	1.30	10.30	62.70	11.72	4.48	89.20
2000	7.38	1.50	1.62	10.50	63.10	10.82	4.48	88.90
1999	7.38	1.50	1.62	10.50	63.10	10.82	4.48	88.90
1998	7.38	1.50	1.32	10.20	63.00	12.12	4.48	89.80
1997	7.24	1.50	2.06	10.80	62.70	12.12	4.48	90.10
1996	7.18	1.50	2.22	10.90	60.30	12.12	4.48	87.80
1995	7.15	1.50	2.35	11.00	55.90	12.32	4.48	83.70
1994	7.25	1.50	2.45	11.20	55.90	12.32	4.48	83.90
1993	7.25	1.50	2.45	11.20	57.90	12.32	4.48	85.90

(1) Cleveland Metroparks Park District, Cuyahoga Community College,
and Cleveland-Port Authority

Source: Cuyahoga County Auditor

City of Westlake, Ohio
Special Assessment Levies and Collections (1)
Last Ten Years

Year	Current Assessments Levied	Current Assessments Collected (2)	Percentage of Current Assessments Collected to Levy	Total Outstanding Delinquent
2002	\$515,606	\$209,000	40.53 %	\$59,113
2001	611,115	325,453	53.26	54,075
2000	633,836	577,833	91.16	56,323
1999	651,848	600,291	92.09	51,250
1998	672,649	602,931	89.64	70,253
1997	698,329	662,359	94.85	55,588
1996	822,241	766,625	93.24	50,906
1995	824,058	746,751	90.62	78,724
1994	864,200	775,172	89.70	87,980
1993	822,530	723,522	87.96	101,120

Source: Cuyahoga County, Ohio; County Auditor

(1) These figures represent only amounts certified to and collected by the Cuyahoga County Auditor and does not include prepayments paid directly to the City.

(2) Prior to 2001, special assessments include both principal and interest.

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

Year	Population		Assessed (2) Value	Gross (3) Bonded Debt	Debt Service Monies Available
2002	31,719	b	\$1,173,030,296	\$27,129,174	\$979,231
2001	31,719	b	1,133,645,351	29,714,174	837,256
2000	31,719	b	993,779,072	33,662,724	741,894
1999	27,018	a	949,911,741	34,652,302	912,383
1998	27,018	a	928,338,274	32,021,481	854,666
1997	27,018	a	862,828,769	33,415,628	1,235,350
1996	27,018	a	831,929,447	22,486,832	889,634
1995	27,018	a	797,136,828	24,196,399	285,455
1994	27,018	a	723,035,669	25,855,966	426,025
1993	27,018	a	692,669,166	19,790,533	172,910

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Source: Cuyahoga County Auditor

(3) Includes all general obligation bonded debt

Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capital
\$26,149,943	2.22%	\$824.43
28,876,918	2.55	910.40
32,920,830	3.31	1,037.89
33,739,919	3.55	1,248.79
31,166,815	3.36	1,153.56
32,180,278	3.73	1,191.07
21,597,198	2.60	799.36
23,910,944	3.00	885.00
25,429,941	3.52	941.22
19,617,623	2.83	726.09

City of Westlake, Ohio
Computation of Legal Debt Margin
December 31, 2002

Total Assessed Property Value	<u>\$1,173,030,296</u>
Overall Debt Limitation (10 ½ % of Assessed Valuation)	123,168,181
Gross Indebtedness	29,582,116
Less: Special Assessment Bonds	(1,999,000)
General Obligation Bond Retirement Fund Balance	(979,231)
Issue II Bond Retirement Fund Balance	<u>(431,065)</u>
Net Debt Within 10 1/2% Limitations	<u>26,172,820</u>
Overall Legal Debt Margin Within 10 1/2% Limitations	<u>\$96,995,361</u>
Unvoted Debt Limitation (5 1/2% of Assessed Valuation)	<u>\$64,516,666</u>
Net Unvoted Indebtedness Authorized by Council	17,287,116
Less: Special Assessment Bonds	(1,999,000)
General Obligation Bond Retirement Fund Balance	(979,231)
Issue II Bond Retirement Fund Balance	<u>(431,065)</u>
Net Debt Within 5 1/2% Limitations	<u>13,877,820</u>
Unvoted Legal Debt Margin Within 5 1/2% Limitations	<u>\$50,638,846</u>

Source: City Financial Records

City of Westlake, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2002

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Westlake
Direct			
City of Westlake (1)	\$27,129,174	100.00%	\$27,129,174
Overlapping			
Westlake School District	29,500,000	100.00	29,500,000
Cuyahoga County	200,162,636	4.16	8,326,766
Greater Cleveland Regional Transit Authority	136,310,000	4.16	5,670,496
<i>Total Overlapping Debt</i>	365,972,636		43,497,262
Total	\$393,101,810		\$70,626,436

Source: Cuyahoga County, Ohio; County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.
The debt outstanding includes general obligation bonds and note debt.

City of Westlake, Ohio
*Ratio of Annual Debt Principal Expenditures For
 General Bonded Debt to Total Governmental Expenditures
 Last Ten Years*

Year	Debt (1) Principal	Total Governmental Expenditures	Ratio of Debt Service To Total Governmental Expenditures
2002	\$2,585,000	\$45,009,709	5.74%
2001	2,468,550	34,246,195	7.21
2000	2,469,581	34,575,582	7.14
1999	2,319,567	31,357,114	7.40
1998	1,754,567	32,527,063	5.39
1997	1,734,567	31,160,485	5.57
1996	1,709,567	26,114,499	6.55
1995	1,659,567	26,815,542	6.19
1994	1,224,567	24,175,526	5.07
1993	809,567	22,801,609	3.55

Source: City financial records

(1) 1997 excludes \$5,115,000 in advance refunding debt payment.

City of Westlake, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>		<u>School (2) Enrollment</u>
2002	31,719	b	3,743
2001	31,719	b	3,734
2000	31,719	b	3,698
1999	27,018	a	3,760
1998	27,018	a	3,674
1997	27,018	a	3,688
1996	27,018	a	3,739
1995	27,018	a	3,764
1994	27,018	a	3,778
1993	27,018	a	3,753

- (1) Source: U. S. Census, Census of population
(a) 1990 Federal Census
(b) 2000 Federal Census
(2) Source: Westlake Board of Education

City of Westlake, Ohio
Construction and Bank Deposits
Last Ten Years

Year	Number of Construction Permits Issued	Residential Construction Value (1)	Commercial Construction Value (1)	Domestic Bank Deposits in the County (2) (in thousands)	Financial Institution Deposits in the City (3)
2002	1,189	\$44,684,226	\$42,101,533	\$95,761,917	\$71,796,095
2001	1,265	52,105,345	41,894,175	63,893,769	82,165,173
2000	1,308	52,991,580	30,588,215	61,942,764	69,179,904
1999	1,368	80,928,725	31,395,240	57,816,942	62,367,785
1998	1,254	62,927,295	121,084,840	58,904,596	49,488,362
1997	1,030	37,638,725	42,835,925	53,941,971	(4) 49,034,003
1996	930	43,690,510	12,431,385	27,068,211	36,361,458
1995	928	38,704,215	17,720,195	22,458,573	33,254,182
1994	1,020	37,057,210	10,394,095	20,885,453	33,717,448
1993	984	40,236,882	18,731,377	21,009,421	29,422,077

(1) Source: City of Westlake Building Department Reports

(2) Source: Federal Reserve Bank of Cleveland

(3) Total balances per bank for all institutions receiving City of Westlake deposits.

(4) Large increase in deposits due to KeyBank becoming a single charter in 1997.

City of Westlake, Ohio

Principal Taxpayers

December 31, 2002

<u>Taxpayer</u>	<u>Real Property Assessed Valuation (1)</u>	<u>Percentage of Total Assessed Valuation</u>
Cleveland Electric Illuminating Company	\$11,605,230	0.99%
Westlake Center Associates	8,853,880	0.75
University Hospital Health Systems	8,246,840	0.70
Eveready Battery Company	7,381,185	0.63
Ohio Bell Telephone Company	6,108,655	0.52
Cleveland Retirement Properties, LLC	6,037,500	0.51
King James Park Ltd.	5,962,390	0.51
J.G. Westlake Hotel	5,887,385	0.50
Remington-OP & F, Incorporated	5,713,120	0.49
Kopf-Newton Venture I	5,505,500	0.47
	<u>\$71,301,685</u>	<u>6.08%</u>
Total Assessed Valuation	<u>\$1,173,030,296</u>	

(1) Assessed valuation based on the valuation of property for taxes collected in 2002 and a review of the 10 largest parcels for the City. Total valuation listed for each taxpayer does not include all parcels owned by that taxpayer in the County.

Source: Cuyahoga County Auditor

City of Westlake
Miscellaneous Statistics
December 31, 2002

Date of Incorporation	November 19, 1957
Form of Government	Mayor/Council
Area	16.5 square miles
Miles of Streets	135 miles
Number of Street Lights (per light bill)	14,407
Fire Protection:	
Number of Stations	2
Number of Fireman and Officers	45
Police Protection:	
Number of Stations	1
Number of Policeman and Officers	49
Hospital	1
Education (K-12) (public only)	
Attendance Centers	7
Number of Classrooms	205
Number of Teachers	262
Number of Students	3,743
Miles of Sanitary Sewer	121 miles
Recreation and Culture:	
Number of Parks	5
Number of Libraries	1
Employees:	
Full-Time	248
Part-time	403



**Auditor of State
Betty Montgomery**

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CITY OF WESTLAKE

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
JULY 24, 2003**