

City of Lakewood, Ohio



Comprehensive Annual Financial Report

For the Year Ended December 31, 2003

Issued by:

City of Lakewood
Department of Finance

Jennifer L. Demmerle, CPA
Acting Director of Finance



**Auditor of State
Betty Montgomery**

Members of the City Council
City of Lakewood
12650 Detroit Avenue
Lakewood, Ohio 44107

We have reviewed the Independent Auditor's Report of the City of Lakewood, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2003 to December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 27, 2004

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Introductory Section

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City of Lakewood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2003
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Vic J. Nogalo
Director of Finance

June 2, 2004

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Lakewood:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S.GAAP) and audited in accordance with auditing standards generally accepted by the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Lakewood for the year ended December 31, 2003.

This report consists of management's representations concerning the finances of the City of Lakewood. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Lakewood has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Lakewood's financial statements in conformity with U.S. GAAP. Because of the cost of internal controls should not outweigh their benefits, the City of Lakewood's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section.

1. The Introductory Section includes the table of contents, this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, a list of elected officials, a list of appointed officials, and the organizational chart of the County.
2. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview

of the city's financial position and operating results, the Combining Statements of nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

3. The Statistical Section presents various tables reflecting social and economic information, financial trends, and fiscal capacity of the City.

The City of Lakewood's financial statements have been audited by Ciuni and Panichi, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Lakewood for the year December 31, 2003 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Lakewood's financial statements for the year ended December 31, 2003, are fairly presented in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Lakewood was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Lakewood's separately issued Single Audit Report. U.S. 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 MD&A and should be read in conjunction with it. The City of Lakewood's MD&A can be found immediately following the Independent Auditor's Report.

Reporting Entity

The City has reviewed its reporting entity definition in order insure compliance conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." For financial reporting purposes, management has considered all funds that comprise the primary government and all agencies, boards, and organizations for which the City is financially accountable and its potential component units. The City financially accountable for an organization if the organization is fiscally dependent on the City or if the City appoints a majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the City. The ability to impose its will on the organization exists if the City can either remove members of the governing board at will, modify or approve the organization's governing body, or appoint, hire, reassign or dismiss persons

responsible for management of the organization's day-to-day activities. A financial benefit exists if the City is legally entitled to or can otherwise access the organization's assets. A financial burden exists if the City is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization, or if the City is obligated in some manner for the debt of the organization. The following entities are affiliated organizations of the City of Lakewood; however the City is not financially accountable for these entities. Therefore, these entities have been excluded from the financial reporting entity.

- Lakewood Hospital, a full service, short-term, acute care general hospital, is located in the center of the City. Lakewood Hospital employs approximately 1,410 people making it the largest employer within the City.
- The Board of Education of the Lakewood City School District is a separate political subdivision of the State, the territorial boundaries of which are conterminous with the City limits. The Lakewood Board of Education provides public education for grades 1 through 12 and is the second largest employer within the City employing approximately 1,301 employees.

The City is associated with one jointly governed organization, the West Shore Council of Governments.

Profile of the Government

The City of Lakewood is located along the shores of Lake Erie, five miles west of downtown Cleveland and enjoys close proximity to major cultural, educational and medical facilities in Northeastern Ohio. In addition to the City of Lakewood's superior recreational facilities which includes fourteen parks, playgrounds, pools and the world renowned indoor ice arena, residents are able to embrace facilities such as the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum and the Cleveland Browns Stadium. The City also abuts the Cuyahoga County Metroparks-Rocky River Reservation, which provides even more recreational facilities including horseback riding, walking, hiking and biking trails. This close proximity to Cleveland also provides close access to the University Circle area of Cleveland. University Circle is the home to major cultural, educational and medical facilities including Severance Hall, the home of the world renown Cleveland Orchestra, the Cleveland Museum of Art, Case Western Reserve University, University Hospitals of Cleveland and the Cleveland Clinic, both world renowned medical research, teaching and treatment facilities.

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

The City of Lakewood provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational facilities; refuse collection; and water and sewer services.

Factors Affecting Financial Condition

This information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Lakewood operates.

Local Economy

In 2003, though challenging, clearly reflects the significant effort made to maintain the fiscal integrity of the City. The income tax revenue stream remains stagnant due to the flat economy. Fortunately, the City’s top three employers (Lakewood Hospital, Lakewood Board of Education, and the City of Lakewood) are considered recession proof and comprise 25 percent of the City’s total withholding income tax. On an annual budget basis municipal income tax collections totaled:

Year	Collections
1999	\$15,230,142
2000	\$15,618,585
2001	\$16,826,108
2002	\$16,824,669
2003	\$16,585,743

Likewise, the value of real property in Lakewood has steadily risen. The County Auditor reappraised properties in Lakewood in 2003 as part of a sexennial reappraisal mandated by the State of Ohio. This 15 percent increase will be seen in 2004. The current levy, which will be collected in 2004, is based on a total assessed valuation of \$907,188,349.

Another key indicator of Lakewood’s continuing economic strength is the investment activity in its residential and commercial construction, as measured by the construction value of building permits issued. The following table illustrates the number of building permits issued by the City during the period from 1997 through 2003 and the estimated cost of new construction, alterations, and repairs authorized:

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Estimated Construction Value</u>
1997	3,622	\$12,507,996
1998	3,807	\$18,734,237

1999	3,266	\$17,017,253
2000	3,333	\$18,536,173
2001	3,449	\$24,495,279
2002	3,401	\$19,146,896
2003	3,305	\$19,708,966

The 2003 building permit data indicates that \$10.2 million in private dollars were directly invested in the maintenance and improvement of residential properties. This reflects a consistent trend by property owners to re-invest in their homes. Overall, business owners invested \$9.5 million in the year 2003 in new construction and alterations to commercial properties.

In mature first ring suburbs like Lakewood, it is essential that City government play a major role in development activities and forge important public-private partnerships to encourage and facilitate continued private investment in our community. The City’s business philosophy is based around the concept of “partnership and leveraging” that is, the City should do its best to partner with the business community and all levels of government to leverage the public resources available to us with the private investment in our community. The City was very successful in partnership and leveraging in 2003 as demonstrated by the following:

- Commercial Property Revitalization Program: Provides commercial property owners and tenants with architectural and financial assistance for façade design, signage and streetscape improvements. Overall, for every dollar of public assistance provided through the CPR Program, the 2003 CPR renovation projects generated over \$8 dollars of private investment that resulted in over \$600,000 in façade, code and accessibility improvements in 2003. The CPR program included the following projects:

First Federal Savings and Loan of Lakewood-\$1.2 million investment
North Coast Health Ministry
Panini’s at the Riveria
Winking Lizard-\$516,000 investment

- Economic Development Fund: Provides loans to businesses for a number of activities, including, but not limited to, building acquisition or expansion. One of the main priorities of the EDF is to “upgrade the industrial and commercial building stock in Lakewood”. Overall for every \$1 dollar in public assistance provided through the EDF program, over \$9 dollars of private investment was generated. The following projects were completed in 2003:

International House of Pancakes (IHOP)-\$560,000 investment
Virginia Marti College of Fashion and Art -\$800,000 investment
Hinkley Lighting-\$2.5 million investment
SBC Ohio
Phil Vedda and Sons Printing Company-\$1 million investment

The City is currently implementing the following projects:

- Rockport Square Residential/Commercial Project.

This project is a \$25 million investment through a partnership of two Developers and the City. Features of this proposed mixed-use development include the redevelopment of 4.5 acres of land in the eastern end of the City of Lakewood with construction of over one hundred market-rate townhouse units and approximately 25,000 square feet of commercial space.

Major Initiatives

The City’s focus is on providing high quality services to residents and businesses. We have numerous programs that enhance the safety of the City’s neighborhoods and strengthen the community. The major components of the City’s Capital Improvement Plan include major investments in our neighborhoods with over \$4 million in street reconstruction and deep grind and overlay and \$2.6 million in water and sewer improvements. The capital improvement plan consists of acquisition of vehicles and equipment for various departments, improvements to various buildings, and park and playground improvements.

The City has aggressively and successfully captured over \$11 million in State of Ohio Issue II infrastructure grants and zero-interest loans since 1997 as indicated below:

Madison Avenue	\$650,000
Water Main	704,000
West 117 th	220,000
Debt Support for 1995 Water System	133,650
Forest Road and Clifton Rd Reconstr	616,000
1997 Water Main Replacement	1,349,700
1998 Water Main Replacement	695,809
1998 Water Main Replacement	2,108,906
W Clifton Storm Sewer Rehab	115,101
Loan Asst. Belle Ave	57,000
Edgewater Dr Sewer Separation	654,057
2000 Water Main Replacement	1,193,831
Loan Asst. for Narragansette	58,375
Lakewood Hts Blvd Reconstruction	232,560
Loan Asst. for Street Reconstruction	62,059
2001 Water Main Replacement	1,800,000
2003 Belle Ave Improvements	<u>600,000</u>
Total	<u>\$11,251,048</u>

The Division of Fire is dedicated to protect and safeguard life and property from fire or hazardous conditions and to provide emergency medical treatment to those in need. The Division accomplishes this through a rapid response of well-trained and equipped personnel from its three fire stations strategically located throughout the City. The Division of Fire continues oversight and training of on-site personnel for the Lakewood-Start-A-Heart Automatic External Defibrillation (AED) program. This is one of the first community accessible AED programs, in which AED’s are deployed at 11 public sites throughout the community for rapid response to heart attack victims. The year 2003 marked the fourth full year of City-operated

emergency medical service which was previously operated by Lakewood Hospital. Prior to October 1999, the City reimbursed the Hospital for emergency medical services. The total of this reimbursement was approximately \$400,000 to \$550,000. In October of 1999, the City of Lakewood Division of Fire absorbed the Lakewood Hospital EMS program, added an additional advance life support EMS squad and doubled the number of trained emergency medical responders.

The City continues to use Community Development Block Grant (CDBG) funds to benefit the diverse community of Lakewood. In 2003 CDBG funds were used to continue the Project Pride and Operation Paintbrush programs. Project pride funds the inspection of all one family, two family, three family and retail/mercantile occupancies located in the improvement target areas and low/moderate income areas. The Operation Paintbrush program provides free paint and labor to paint the exterior of very low income, owner occupied Lakewood residences. These two programs, as well as many other initiatives to serve the needs of the entire community from early childhood programs to programs provided through the Division of Aging, improve the quality of life of Lakewood residents.

The City has been awarded several additional grants from various sources to offset the costs of other endeavors benefiting the community. In 2003, the City was awarded the “Recycle Ohio” grant to implement solid waste reduction, recycling, recycling market development and litter prevention programs. The receipt of these grant funds resulted in the City achieving an “A” by Cuyahoga County for a reduction of solid waste by 25 percent. Grant funds received from the Local Law Enforcement Block Grant were used to purchase equipment for the Police Department.

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

Financial Information

Internal Controls: In developing the City’s accounting system, much consideration was given to the adequacy of internal accounting controls. 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.

The City utilizes a fully automated accounting system as well as automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment by the finance department of the City, increases assurance that the financial information generated is both accurate and reliable.

Budgetary Control: The annual budget serves as the foundation for the City of Lakewood’s financial planning and control. Detailed provision for the City’s budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. On or before the fifteenth day of November in each year, the Mayor, Director of Public Works, and Director of Finance shall submit an appropriation budget to Council. The Council is required to hold three public hearings on the proposed budget and to adopt a permanent appropriation measure for the year by April 1. Additionally, the Cuyahoga County Auditor must certify that the City’s appropriation measure does not exceed the amounts set forth in the Cuyahoga Budget Commission’s Certificate of Estimated Resources. The City’s budget is legally adopted and controlled on a budget basis. The City maintains budgetary control on a non-GAAP basis at the fund level. Estimated expenditure amounts are encumbered prior to the release of a purchase order to vendors or the finalization of other contracts. Encumbrances that would exceed available fund budget levels are not approved until the City Council approves additional appropriations. Any encumbrances that remain open at the end of the year are reported as a reserve of fund balance. Unencumbered appropriations lapse at year-end and revert back to the fund balance. Budget-to-actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted.

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

Financial Condition: This is the first year the City has prepared financial statements following GASB Statement 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.” GASB 34 creates new basic financial statements for reporting on the City’s financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the City. This discussion follows the independent accountants' report, providing an assessment of the City finances for 2003.

Cash Management

The City of Lakewood's investment policy includes minimizing credit and market risks, while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or surety bonds, collateralized, or secured by pledged assets consisting of eligible securities with an aggregate market value equal to 105 percent of the excess of all public deposits that are not insured by the Federal Deposit Insurance Corporation or any other agency or instrumentality of the Federal Government. All collateral on deposits was held by an agent of the financial institution's trust department in the City of Lakewood's name.

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

Risk Management

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

Independent Audit

State statutes require an annual audit by the State Auditors Office or by a designated independent certified public accounting firm. This year's audit was completed by Ciuni and Panichi, Inc., along with Watson, Rice and Company. The City of Lakewood has received an unqualified opinion from Ciuni and Panichi, Inc. for 2003 and the opinion is contained herein.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its comprehensive annual financial report (CAFR) for the year ended December 31, 2002. This was the 21st consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both U.S. GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its comprehensive annual financial report (CAFR) for the year ended December 31, 2002. This was the 21st consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both U.S. GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City was presented with its 27th consecutive Tree City USA award in 2003. Lakewood has received this award more than any other city in Ohio.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We would like to express our appreciation to all staff members who have assisted and contributed in its preparations.

In addition, I would like to express gratitude to Ciuni and Panichi, Inc., along with Watson, Rice and Company, for their efforts and professional conduct through the audit engagement.

Finally, I would like to acknowledge the invaluable contributions made by Auditor of State Betty Montgomery's Local Government Services.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Jennifer L. Demmerle', with a long horizontal flourish extending to the right.

Jennifer L. Demmerle
Acting Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lakewood,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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.



A handwritten signature in cursive script, appearing to read "Edward Hargis".

President

A handwritten signature in cursive script, appearing to read "Jeffrey R. Emer".

Executive Director

CITY OF LAKEWOOD, OHIO
2003 Elected Officials

Mayor Madeline A. Cain
Municipal Court Judge Patrick Carroll
City Council At Large Edward FitzGerald
City Council At Large Denis D. Dunn
City Council At Large Michael Dever

City Council by Wards:

Ward 1 Brian T. Corrigan
Ward 2 Thomas J. George
Ward 3 Robert M. Seelie, Council President
Ward 4 Nancy J. Roth

CITY OF LAKEWOOD, OHIO
2003 Appointed Officials

Office of the Mayor

Executive Assistant to the Mayor Keith Benjamin

Office of Council

Clerk of Council Mary Hagan

Municipal Court

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

Department of Law

Director of Law Kevin Spellacy

Department of Finance

Acting Director of Finance Jennifer L. Demmerle*

Department of Public Works

Director of Public Works Bill Boag

Department of Public Safety

Assistant Director of Housing and Building John P. Gallagher
Chief of Fire Lawrence E. Mroz
Chief of Police Timothy Malley

Department of Human Services

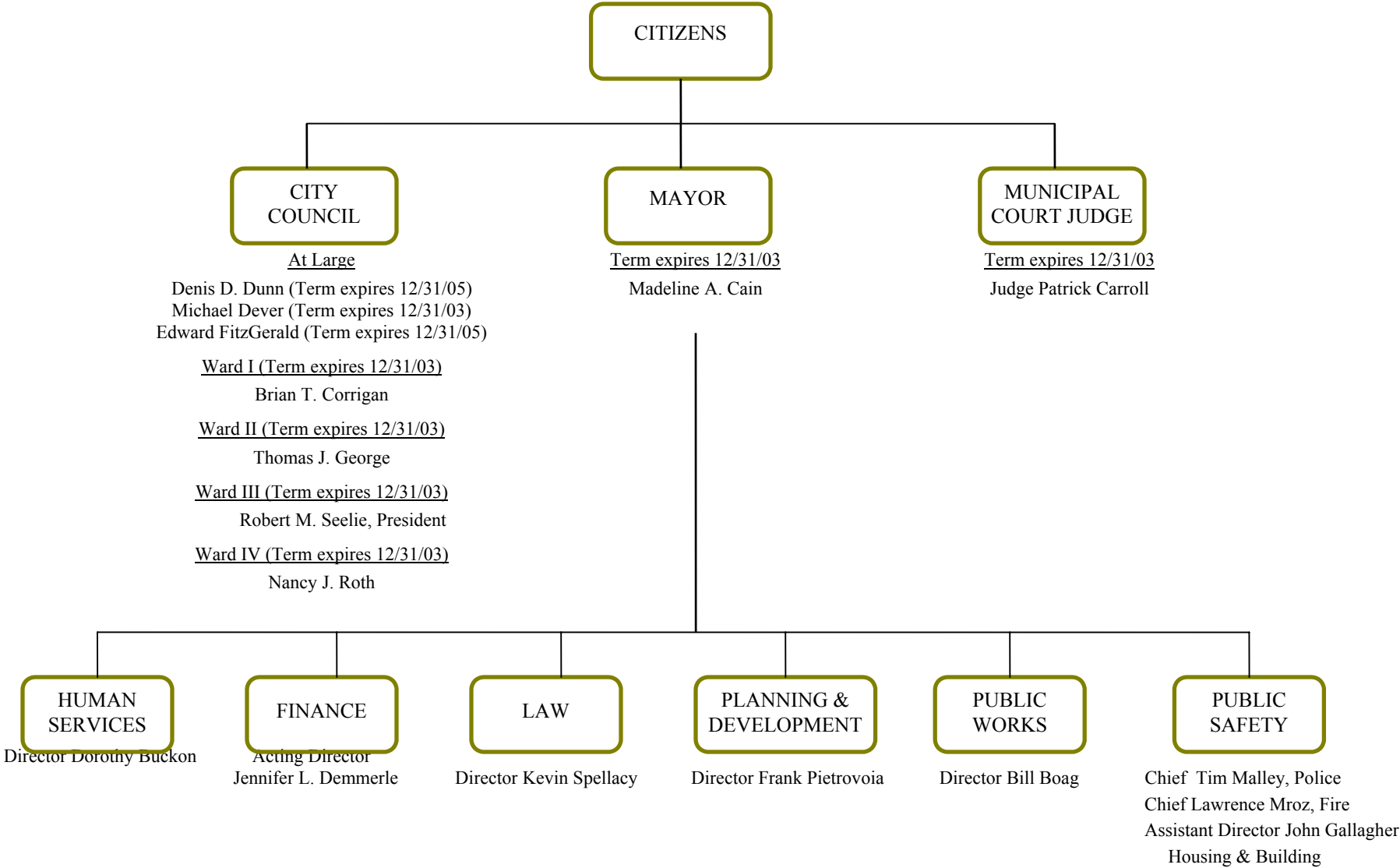
Director of Human Services Dorothy Buckon
Health Commissioner Dr. Virginia A. Evans

Department of Planning and Community Development

Director of Planning and Development Frank Pietravoia

* Vic J. Nogalo became Finance Director on January 5, 2004

CITY OF LAKEWOOD, OHIO
Organizational Chart
as of December 31, 2003



Financial Section

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Independent Auditor's Report

Members of the City Council of the
City of Lakewood, Ohio

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 Lakewood, Ohio, as of and for the year ended December 31, 2003, 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 of Lakewood'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 Lakewood, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Streets and Highways, Police and Fire Pensions, Community Development Block Grant, Office on Aging and Lakewood Hospital Special Revenue Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, the City has implemented a new reporting model, as required by the provisions of GASB Statement No. 34 *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as of December 31, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2004, on our consideration of the City of Lakewood's internal control over financial reporting and on 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.

City of Lakewood
Lakewood, Ohio

The management's discussion and analysis are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cini & Parichi, Inc.

Cleveland, Ohio
June 2, 2004

City of Lakewood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The discussion and analysis of the City of Lakewood's (the City) financial performance provides and overall review of the City's financial activities for the year ended December 31, 2003. 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 2003 are as follows:

- The assets of the City of Lakewood exceeded its liabilities at the close of the most recent year by \$78,741,375(net assets). Of this amount, \$18,421,403 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total Net Assets decreased \$1,438,542 1.8 percent increase over 2002.
- Total Assets of the City decreased \$1,562,363 which represents a .96 percent decrease from 2002.
- Total Capital Assets increased by \$5,520,307 or 5.4 percent over 2002.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,092,567 an increase of \$2,573,515 in comparison with the prior year.
- Total outstanding Long-term liabilities were \$61,236,158. This was a 1.5 percent increase from the balance at the end of 2002.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses. The statement of net assets and statement of activities provides 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 will all other nonmajor funds presented in total in one column.

The statement of net assets presents information on all of the City'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 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).

The governmental activities of the City include general government, security of persons and property, public health services, transportation, community environment, transportation, basic utility services, and leisure time activities. The City's business-type activities include Water, Sewer, the Parking Facilities, Winterhurst Ice Rink, and Congregate Living. The City also has hospitalization, workers' compensation, and general liability insurance internal service funds.

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 Lakewood, 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 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Lakewood maintains thirty-two 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, Streets and Highways Fund, Police and Fire Pensions Fund, Community Development Block Grant Fund, Office on Aging Fund, Lakewood Hospital Fund, Debt Service Fund, and Permanent Capital Improvement Funds; all of which are considered to be major funds. Data from the other twenty-four non major governmental funds are combined into a single fund, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds The City of Lakewood maintains eight proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Lakewood uses enterprise funds to account for its Water, Sewer, Parking Facilities, Winterhurst Ice Rink, and Congregate Living. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City of Lakewood's various functions. The City of Lakewood uses internal service funds to account for its Hospitalization, Workers' Compensation, and General Liability Insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer funds, both of which are considered to be major funds of the City of Lakewood. Data from the other 3 nonmajor proprietary funds are combined into a single fund, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-33 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because of the resources of those funds are not available to support the City of Lakewood's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34 of this report.

Notes to the 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 financial statements can be found on pages 35-70 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 financial statements, the combining statements referred to earlier in connection with nonmajor governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for nonmajor funds. This information can be found on pages 71-148 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 2003?" 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 of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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 the City's 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 Revenues and Expenses
- General Revenues
- Net Assets Beginning of Year and Year End

The City of Lakewood 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 2003 compared to 2002.

Table 1 Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	\$43,591,102	\$45,427,329	\$10,986,872	\$16,242,315	\$54,587,974	\$61,669,644
Capital Assets, Net	51,800,686	49,523,405	55,257,621	52,015,595	107,068,307	101,539,000
Total Assets	95,391,788	94,950,734	66,254,493	68,257,910	161,646,281	163,208,644
Liabilities						
Current Liabilities	18,947,255	17,018,024	2,721,493	5,660,290	21,668,748	22,678,314
Long Term Liabilities						
Due within One Year	2,871,740	8,754,307	1,552,198	5,314,947	4,423,938	14,069,254
Due in More than One Year	34,208,107	27,492,260	22,604,113	18,788,899	56,812,220	46,281,159
Total Liabilities	56,027,102	53,264,591	26,877,804	29,764,136	82,904,906	83,028,727
Net Assets						
Invested in Capital Assets, Net of Related Debt	18,165,717	17,092,119	31,156,117	27,947,433	49,321,834	45,039,552
Restricted for:						
Capital Projects	2,912,382	2,835,127	503,933	0	3,416,315	2,835,127
Debt Service	1,630,679	1,317,357	0	0	1,630,679	1,317,357
Streets and Highways	950,671	1,308,648	0	0	950,671	1,308,648
Police and Fire Pensions	446,933	1,356,545	0	0	446,933	1,356,545
Lakewood Hospital	919,106	1,090,834	0	0	919,106	1,090,834
Grants	3,062,146	3,179,502	0	0	3,062,146	3,179,502
Other Purposes	358,426	333,102	0	0	358,426	333,102
Unrestricted	10,918,626	13,172,909	7,716,639	10,546,341	18,635,265	23,719,250
Total Net Assets	\$39,364,686	\$41,686,143	\$39,376,689	\$38,493,774	\$78,741,375	\$80,179,917

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Lakewood, assets exceeded liabilities by \$78,741,375 at the close of the most recent fiscal year.

The largest portion of the City's net assets (63 percent) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), 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 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 \$1,562,363 from 2003 to 2002, while the City's total liabilities decreased by \$123,821. The most significant change was a decrease in Equity in Pooled Cash and Cash Equivalents, where there was a decrease of \$2,418,983 during the year. The decrease in liabilities was mainly due to the retirement of notes payable and bonded debt.

Total net assets decreased \$1,438,542 with governmental net assets comprising (\$2,321,457) and business-type activities comprising \$882,915 of that amount.

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. However, since this is the first year the City has prepared financial statements following capital GASB Statement 34, revenue and expense comparison to 2002 are not available. In future years, a comparative analysis of government-wide data will be presented.

Table 2 Changes in Net Assets

	Governmental	Business Type	Total
	Activities	Activities	
	2003	2003	
Revenues			
Program Revenues:			
Charges for Services	\$6,214,065	\$12,764,168	\$18,978,233
Operating Grants and Contributions	9,394,210	294,659	9,688,869
Capital Grants and Contributions	243,000	0	243,000
Total Program Revenues	<u>15,851,275</u>	<u>13,058,827</u>	<u>28,910,102</u>
General Revenues:			
Property Taxes	10,490,540	1,441,091	11,931,631
Income Taxes	15,412,865	0	15,412,865
Grants and Entitlements	2,540,663	0	2,540,663
Investment Income	483,266	47,433	530,699
Miscellaneous	408,462	3,802	412,264
Total General Revenues	<u>29,335,796</u>	<u>1,492,326</u>	<u>30,828,122</u>
Total Revenues	<u>45,187,071</u>	<u>14,551,153</u>	<u>59,738,224</u>
Expenses			
General Government	8,348,643	0	8,348,643
Security of Persons and Property			
Police	10,663,939	0	10,663,939
Fire	8,353,682	0	8,353,682
Public Health Services	3,455,966	0	3,455,966
Transportation	2,698,191	0	2,698,191
Community Environment	5,736,330	0	5,736,330
Basic Utility Services	4,428,339	0	4,428,339
Leisure Time Activities	2,049,816	0	2,049,816
Interest and Fiscal Charges	1,573,622	0	1,573,622
Water	0	7,658,226	7,658,226
Sewer	0	4,812,015	4,812,015
Parking Facilities	0	308,401	308,401
Winterhurst Ice Rink	0	1,080,250	1,080,250
Congregate Living	0	9,346	9,346
Total Expenses	<u>47,308,528</u>	<u>13,868,238</u>	<u>61,176,766</u>
Increase (Decrease) in Net Assets before Transfers	(2,121,457)	682,915	(1,438,542)
Transfers	<u>(200,000)</u>	<u>200,000</u>	<u>0</u>
Increase(Decrease) in Net Assets	<u>(\$2,321,457)</u>	<u>\$882,915</u>	<u>(\$1,438,542)</u>

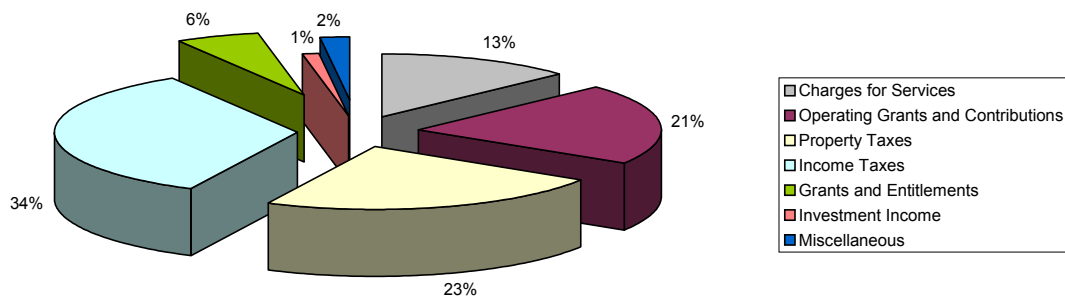
Governmental Activities

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 2003. Both residents 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 .50 percent credit those who pay income tax to another city. The income tax revenue for 2003 was \$15,412,865. Of the \$45,187,071 in total revenues, income tax accounts for 34 percent of that total. Property taxes of \$10,490,540 account for 23 percent of total revenues, operating grants, capital grants, contributions, and general revenues from grants and entitlements account for 27 percent of total revenues, and charges for services and other revenue make up the remaining 16 percent.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.

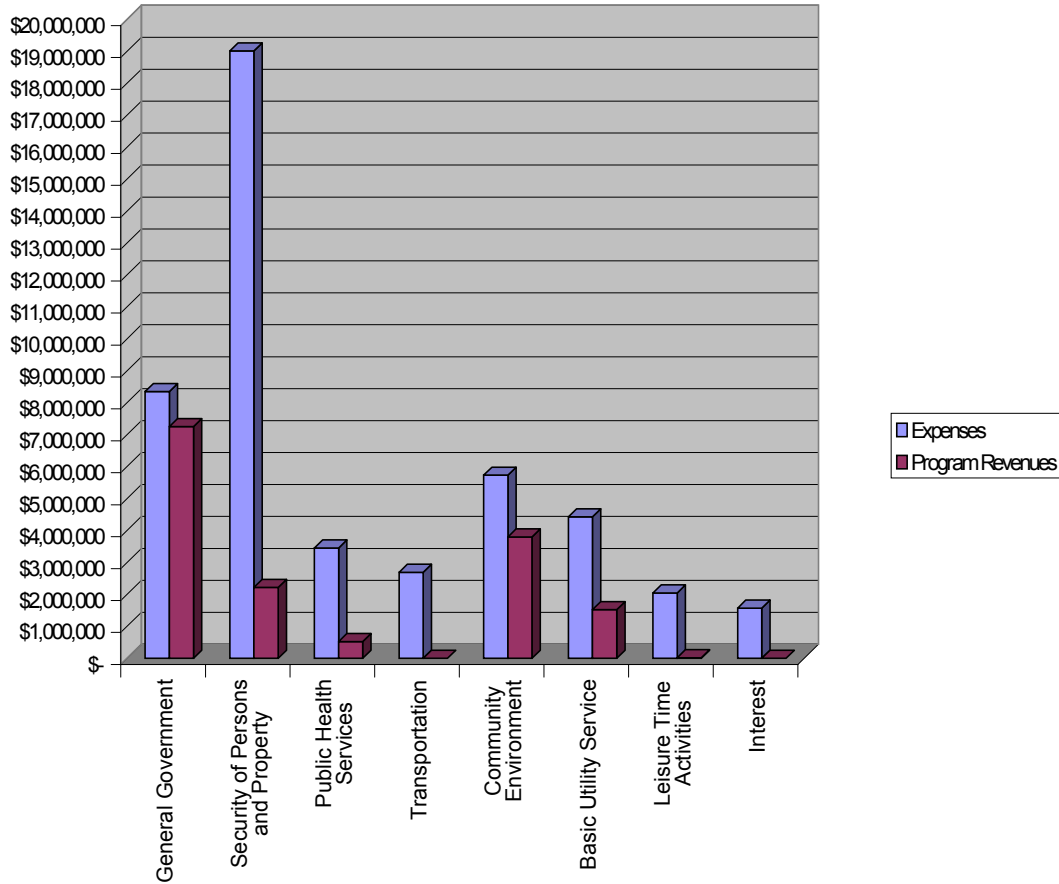
Revenue by Source-Governmental Activities



Total Expenses of governmental activities for 2003 were \$47,308,528. The largest program function for the City relates to security of persons and property, which includes the police and fire departments. Security of Persons and Property accounted for program expenses of \$19,017,621, which is 40 percent of the program expenses for governmental

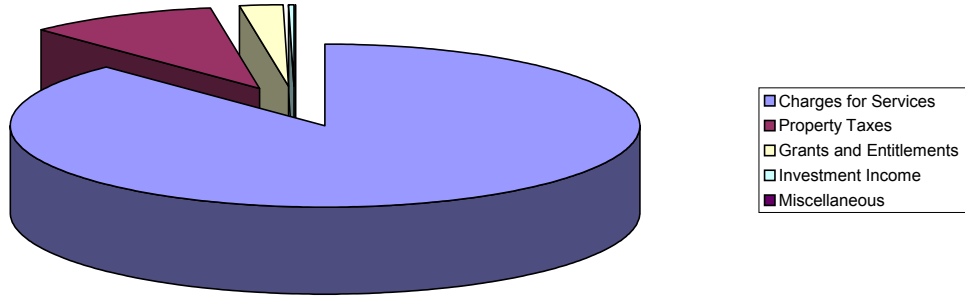
activities. General Government is the next largest program expense at 18 percent, followed by community environment expenses of 12 percent.

Expenses and Program Revenues-Governmental Activities

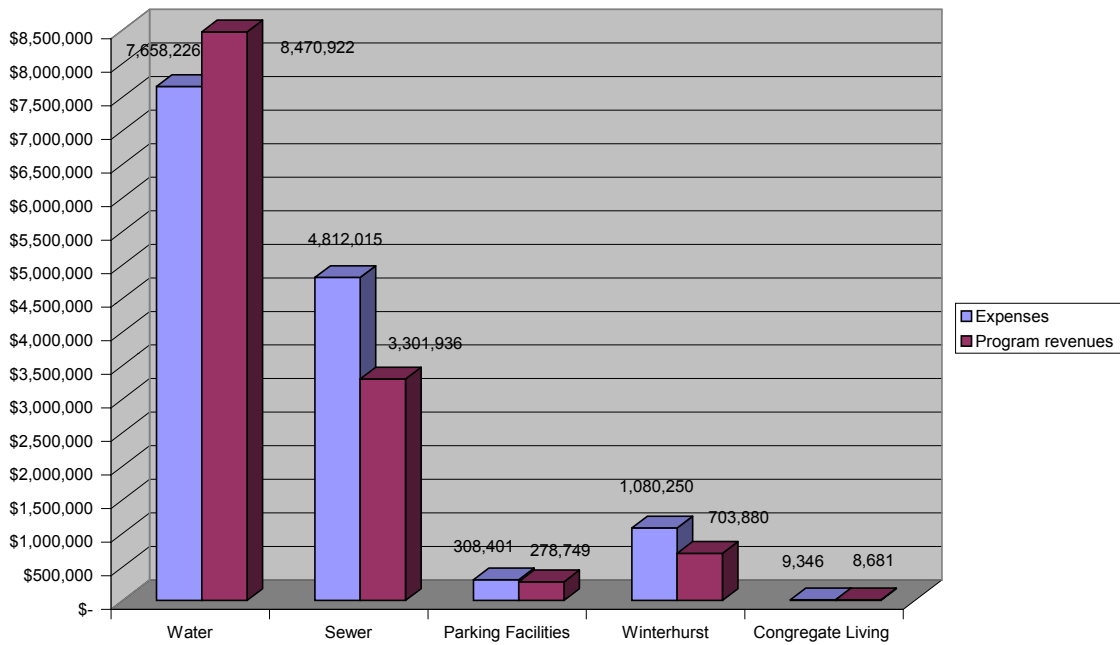


Business-Type activities. Business-type activities increased the City of Lakewood’s net assets by \$882,915. The increase is due to the increase in Capital assets from \$52,015,595 in 2002 to \$55,257,621 in 2003; a 6.2 percent increase. Charges for Services decreased by \$512,495. Total Expenses of business-type activities were \$13,868,238, with the Water department comprising of 55 percent of that amount followed by Sewer Department at 35 percent.

Revenues by Source-Business-Type Activities



Expenses and Program Revenues-Business-Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of Lakewood 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 resource available for spending at the end of the fiscal 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 December 31, 2003, the City's governmental funds reported combined ending fund balances of \$ 16,092,567. Of that amount, \$12,157,777 constitutes unreserved fund balances, which is available for spending at the government's discretion. 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 (\$3,934,790).

The general fund had total revenues of \$32,481,026 and expenditures of \$33,649,823 leaving a deficit of \$1,168,797. This deficit was caused by general economic conditions. For instance, investment income decreased from \$734,965 in 2002 to only \$374,580 in 2003, a decrease of \$360,385.

The general fund is the chief operating fund of the City of Lakewood. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,880,178, while total fund balance reached \$5,982,373. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 17 percent of total general fund expenditures, while total fund balance represents almost 18 percent of that same amount.

Proprietary Funds

The City of Lakewood's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water and Sewer at the end of the year amounted to \$7,774,226, and those for the Winterhurst and other funds amounted to \$(57,587). Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Lakewood's business-type activities.

General Fund Budgetary 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 2003 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 and Fire Departments, Refuse 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 \$32,359,185. The final budgeted revenues were \$32,526,092. The City's ending unencumbered cash balance in the General Fund was \$2,901,420 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

Table 3 Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$6,028,271	\$6,028,271	\$78,160	\$78,160	\$6,106,431	\$6,106,431
Land Improvements	849,983	915,838	745,132	759,095	1,595,115	1,674,933
Buildings and Improvements	9,623,438	8,928,549	7,948,037	8,095,087	17,571,475	17,023,636
Vehicles	5,572,951	5,595,321	879,536	910,770	6,452,487	6,506,091
Furniture and Equipment	1,963,189	1,703,107	3,386,871	3,584,320	5,350,060	5,287,427
Infrastructure:					0	0
Roadways	20,829,802	20,871,770	0	0	20,829,802	20,871,770
Sidewalks	1,546,159	1,570,232	0	0	1,546,159	1,570,232
Traffic Signals	2,024,943	2,024,201	0	0	2,024,943	2,024,201
Water Mains	0	0	27,582,057	27,533,439	27,582,057	27,533,439
Curbing	1,032,812	1,047,064	0	0	1,032,812	1,047,064
Sanitary Sewers	0	0	8,347,992	8,300,127	8,347,992	8,300,127
Construction in Progress	2,329,138	839,052	6,289,836	2,753,597	8,618,974	3,592,649
Total Capital Assets	\$51,800,686	\$49,523,405	\$55,257,621	\$52,014,595	\$107,058,307	\$101,538,000

The City of Lakewood's investment in Capital Assets for its governmental and business type activities as of December 31, 2003, amounts to \$107,058,307 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles, furniture and equipment, roads, sidewalks, traffic signals, water lines, curbing, and sewer lines. The total increase in the City's investment in capital assets for the current fiscal year was 5.4 percent (a 4.6 percent increase for governmental activities and a 6.2 percent increase for business-type activities). The most significant increase in capital assets came in the area of Construction in Progress of \$3,536,239 in

business-type activities. This was due to the large projects beginning in 2003 for the replacement of water and sewer lines.

See Note 8 of the Basic Financial Statements for additional information on the City's capital assets.

Debt

As of December 31, 2003, the City had \$61,236,158 in bonds, notes, loans, capital leases, and compensated absences outstanding with \$4,423,938 due within one year.

Table 4 Long Term Liabilities

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
General Obligation Notes	\$3,555,500	\$5,961,000	\$1,155,000	\$3,945,000	\$4,710,500	\$9,906,000
General Obligation Bonds	28,975,273	25,186,500	10,337,311	7,269,381	39,312,584	32,455,881
Revenue Bonds	0	0	5,943,360	6,443,780	5,943,360	6,443,780
CPWC Loans	611,504	675,526	6,160,171	5,848,354	6,771,675	6,523,880
OWDA Loans	0	0	258,691	280,325	258,691	280,325
Special Assessment Bonds	90,000	155,000	0	0	90,000	155,000
Capital Leases	295,761	453,260	0	19,282	295,761	472,542
Compensated Absences	3,551,809	3,815,281	301,778	297,724	3,853,587	4,113,005
Total	\$37,079,847	\$36,246,567	\$24,156,311	\$24,103,846	\$61,236,158	\$60,350,413

General Obligation Notes represent unvoted general obligation bond anticipation notes payable from ad valorem property taxes.

The General Obligation Bonds outstanding are comprised of unvoted general obligation bonds of the City payable from ad valorem property taxes and special obligation bonds.

Revenue Bonds outstanding are payable from the revenues derived from the Water Fund.

The special assessment bonds outstanding consist of two bonds; \$30,000 for Belle Avenue and \$60,000 for Niagra and Narragansett streets. The principal and interest for these bonds are retired with assessments levied against property owners and/or general levies of the City based on the improvements/benefit to the respective parties. Assessments are collected by the Cuyahoga County Auditor and will be received over periods ranging from five to ten years, with interest equal to the interest on the bonds and notes issued to finance the improvements.

The Ohio Public Works Commission Loans are paid semi-annually from the Water, Sewer and Bond Retirement Funds.

The Ohio Water Development Authority Loan is paid semi-annually from the Wastewater Fund and will be paid in full in the year 2013.

The City's overall legal debt margin was \$45,695,682 at December 31, 2003.

See Note 10 of the Basic Financial Statements for additional information on the City's debt.

Current Financial Related Activities

Over the past eight years the City has enjoyed strong growth in revenues as a result of new industrial, commercial and residential development. The City is ideally located near the shores of Lake Erie, five miles west of downtown Cleveland and enjoys close proximity to major cultural, educational and medical facilities in Northeastern Ohio.

The City has adopted a master plan for the development, growth, and expansion of the City. A Master Sewer Plan is in place. The City has hired Metcalf and Eddy to design the master sewer plan.

The City has begun to work with Ryser Foods Inc. to develop the east-end of the City, known as the Rockport Square development. This development will provide a combination of location, quality, and price. It will consist of an affordable mix of newly constructed 1-3 bedroom Townhomes and Live/Work Lofts. It will also offer street-level retail space for residents and visitors to enjoy day and night.

The City has hired Middough Consulting Inc. to develop the conceptual designs of Lakewood Park. The City has received a Coastal Management Assistance Grant, a NatureWorks Grant from the Ohio Department of Natural Resources, and Issue II grant from the Ohio Public Works Commission. These grants will be used to develop the lakefront at Lakewood Park. The project includes the acquisition of approximately one acre of beach area on Lake Erie that lies immediately west of Lakewood Park. The beach area will be added to Lakewood Park, and an ADA compliant hillside ramp. It will consist of creating an access for the public to this area via stairs. It will also help to develop the area with landscaping to restore the natural elements of the open space and lakefront and to prevent erosion.

The Finance Director, Mayor and City Council work extremely hard to live within our means and plan ahead knowing that responsible leadership commands we observe the budget and expend less than the revenues we receive. We have kept the size of our work force to a level where we believe we meet the needs to our residents.

The City of Lakewood has committed itself to financial excellence and is proven by the bond rating Aa2 by Moody's Investor Service. Lakewood remains one of the few suburbs in Ohio to have been awarded the Aa2 rating. The City also has a history of proving their commitment to financial excellence by receiving the Government Finance Officers Award (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past 21 years.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, 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 Acting Director of Finance, Jennifer L. Demmerle, City of Lakewood, 12650 Detroit Ave., Lakewood, Ohio 44107, telephone (216) 529-6092.

City of Lakewood, Ohio
Statement of Net Assets
December 31, 2003

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 13,987,063	\$ 6,483,594	\$ 20,470,657
Cash and Cash Equivalents with Fiscal Agents	136,085	222,026	358,111
Accrued Interest Receivable	70,340	9,417	79,757
Restricted Cash	0	503,933	503,933
Accounts Receivable	825,885	1,617,698	2,443,583
Allowance for Doubtful Accounts	0	(38,764)	(38,764)
Intergovernmental Receivable	4,015,653	108,278	4,123,931
Materials and Supplies Inventory	211,419	338,133	549,552
Prepaid Items	333,941	0	333,941
Income Taxes Receivable	7,923,535	0	7,923,535
Property Taxes Receivable	12,934,104	1,679,724	14,613,828
Loans Receivable	2,753,127	0	2,753,127
Special Assessments Receivable	118,881	0	118,881
Deferred Charges	106,931	246,971	353,902
Internal Balances	174,138	(174,138)	0
Nondepreciable Capital Assets	8,357,409	6,367,996	14,725,405
Depreciable Capital Assets, Net	43,443,277	48,889,625	92,332,902
<i>Total Assets</i>	<u>95,391,788</u>	<u>66,254,493</u>	<u>161,646,281</u>
Liabilities			
Accounts Payable	1,101,926	743,108	1,845,034
Accrued Wages and Benefits	1,440,993	126,786	1,567,779
Intergovernmental Payable	2,049,104	164,273	2,213,377
Deferred Revenue	12,222,394	1,589,360	13,811,754
Retainage Payable	0	23,009	23,009
Accrued Interest Payable	142,050	74,957	217,007
Claims Payable	1,990,788	0	1,990,788
Long-Term Liabilities:			
Due Within One Year	2,871,740	1,552,198	4,423,938
Due in More than One Year	34,208,107	22,604,113	56,812,220
<i>Total Liabilities</i>	<u>56,027,102</u>	<u>26,877,804</u>	<u>82,904,906</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	18,165,717	31,156,117	49,321,834
Restricted for:			
Capital Projects	2,912,382	503,933	3,416,315
Debt Service	1,630,679	0	1,630,679
Streets and Highways	950,671	0	950,671
Police and Fire Pensions	446,933	0	446,933
Lakewood Hospital	919,106	0	919,106
Grants	3,062,146	0	3,062,146
Other Purposes	358,426	0	358,426
Unrestricted	10,918,626	7,716,639	18,635,265
<i>Total Net Assets</i>	<u>\$ 39,364,686</u>	<u>\$ 39,376,689</u>	<u>\$ 78,741,375</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Activities
For the Year Ended December 31, 2003

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$ 8,348,643	\$ 3,024,746	\$ 4,228,805	\$ 0
Security of Persons and Property				
Police	10,663,939	297,746	17,478	0
Fire	8,353,682	2,162,227	0	0
Public Health Services	3,455,966	55,906	470,837	0
Transportation	2,698,191	0	1,526,475	0
Community Environment	5,736,330	646,650	3,150,615	243,000
Basic Utility Services	4,428,339	20,127	0	0
Leisure Time Activities	2,049,816	6,663	0	0
Interest and Fiscal Charges	1,573,622	0	0	0
<i>Total Governmental Activities</i>	<u>47,308,528</u>	<u>6,214,065</u>	<u>9,394,210</u>	<u>243,000</u>
Business-Type Activities				
Water	7,658,226	8,470,922	0	0
Sewer	4,812,015	3,301,936	294,659	0
Parking Facilities	308,401	278,749	0	0
Winterhurst Ice Rink	1,080,250	703,880	0	0
Congregate Living	9,346	8,681	0	0
<i>Total Business-Type Activities</i>	<u>13,868,238</u>	<u>12,764,168</u>	<u>294,659</u>	<u>0</u>
<i>Totals</i>	<u>\$ 61,176,766</u>	<u>\$ 18,978,233</u>	<u>\$ 9,688,869</u>	<u>\$ 243,000</u>

General Revenues

Property and Other Local Taxes Levied for:
 General Purposes
 Police and Fire Pensions
 Debt Service
 Sewer Operations
Municipal Income Taxes Levied for
 General Purposes
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 , Restated(See Note 3)

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
\$ (1,095,092)	\$ 0	\$ (1,095,092)
(10,348,715)	0	(10,348,715)
(6,191,455)	0	(6,191,455)
(2,929,223)	0	(2,929,223)
(1,171,716)	0	(1,171,716)
(1,696,065)	0	(1,696,065)
(4,408,212)	0	(4,408,212)
(2,043,153)	0	(2,043,153)
(1,573,622)	0	(1,573,622)
<u>(31,457,253)</u>	<u>0</u>	<u>(31,457,253)</u>
0	812,696	812,696
0	(1,215,420)	(1,215,420)
0	(29,652)	(29,652)
0	(376,370)	(376,370)
0	(665)	(665)
<u>0</u>	<u>(809,411)</u>	<u>(809,411)</u>
<u>(31,457,253)</u>	<u>(809,411)</u>	<u>(32,266,664)</u>
5,863,577	0	5,863,577
2,247,896	0	2,247,896
2,379,067	0	2,379,067
0	1,441,091	1,441,091
15,412,865	0	15,412,865
2,540,663	0	2,540,663
483,266	47,433	530,699
408,462	3,802	412,264
29,335,796	1,492,326	30,828,122
<u>(200,000)</u>	<u>200,000</u>	<u>0</u>
29,135,796	1,692,326	30,828,122
(2,321,457)	882,915	(1,438,542)
41,686,143	38,493,774	80,179,917
<u>\$ 39,364,686</u>	<u>\$ 39,376,689</u>	<u>\$ 78,741,375</u>

City of Lakewood, Ohio
Balance Sheet
Governmental Funds
December 31, 2003

	General Fund	Streets and Highways Fund	Police and Fire Pensions Fund	Community Development Block Grant Fund	Office on Aging Fund	Lakewood Hospital Fund
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 3,858,176	\$ 513,727	\$ 708,726	\$ 0	\$ 154,746	\$ 1,003,392
Cash and Cash Equivalents with Fiscal Agents	0	0	0	80,007	0	0
Accrued Interest Receivable	65,512	0	0	0	0	0
Accounts Receivable	646,412	0	0	21,326	20,667	126,834
Intergovernmental Receivable	3,012,163	586,580	184,577	4,445	21,037	0
Materials and Supplies Inventory	113,507	97,912	0	0	0	0
Prepaid Items	314,630	0	0	2,588	0	16,723
Income Taxes Receivable	7,923,535	0	0	0	0	0
Property Taxes Receivable	7,264,928	0	2,754,817	0	0	0
Loans Receivable	0	0	0	2,753,127	0	0
Special Assessments Receivable	0	0	0	0	0	0
Interfund Receivable	203,162	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 23,402,025</u>	<u>\$ 1,198,219</u>	<u>\$ 3,648,120</u>	<u>\$ 2,861,493</u>	<u>\$ 196,450</u>	<u>\$ 1,146,949</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 716,526	\$ 52,682	\$ 0	\$ 37,440	\$ 7,578	\$ 5,489
Accrued Wages and Benefits	1,222,158	56,156	0	21,465	63,747	74,481
Intergovernmental Payable	499,480	20,294	0	8,211	28,375	25,414
Deferred Revenue	14,647,184	393,986	2,939,394	0	0	0
Interfund Payable	334,304	17,765	0	52,477	31,492	16,957
<i>Total Liabilities</i>	<u>17,419,652</u>	<u>540,883</u>	<u>2,939,394</u>	<u>119,593</u>	<u>131,192</u>	<u>122,341</u>
Fund Balances						
Reserved for Encumbrances	102,195	202,623	0	68,078	78	71,717
Reserved for Loans		0	0	2,753,127	0	0
Undesignated (Deficit), Reported In:						
General Fund	5,880,178	0	0	0	0	0
Special Revenue Funds	0	454,713	708,726	(79,305)	65,180	952,891
Debt Service Funds	0	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>5,982,373</u>	<u>657,336</u>	<u>708,726</u>	<u>2,741,900</u>	<u>65,258</u>	<u>1,024,608</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 23,402,025</u>	<u>\$ 1,198,219</u>	<u>\$ 3,648,120</u>	<u>\$ 2,861,493</u>	<u>\$ 196,450</u>	<u>\$ 1,146,949</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2003*

Debt Service Fund	Permanent Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$ 16,092,567
				<i>Amounts reported for governmental activities in statement of net assets are different because</i>	
\$ 1,158,750	\$ 2,863,480	\$ 1,012,324	\$ 11,273,321	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	51,800,686
0	56,078	0	136,085	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
4,191	0	0	69,703	Property and Other Taxes	\$ 547,766
0	0	10,646	825,885	Municipal Income Taxes	5,348,507
176,420	0	30,431	4,015,653	Intergovernmental	2,937,058
0	0	0	211,419	Special Assessments	134,500
0	0	0	333,941	Total	8,967,831
0	0	0	7,923,535		
2,914,359	0	0	12,934,104		
0	0	0	2,753,127		
118,881	0	0	118,881		
0	0	0	203,162		
<u>\$ 4,372,601</u>	<u>\$ 2,919,558</u>	<u>\$ 1,053,401</u>	<u>\$ 40,798,816</u>	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 funds are included in governmental activities in the statement of net assets.	778,073
\$ 0	\$ 166,696	\$ 21,956	\$ 1,008,367	Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(1,159,505)
0	0	2,986	1,440,993		
0	0	438	582,212		
3,209,661	0	0	21,190,225	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(142,050)
0	0	31,457	484,452	Bond Issuance costs will be amortized over the life of the bonds on the statement of net assets.	106,931
<u>3,209,661</u>	<u>166,696</u>	<u>56,837</u>	<u>24,706,249</u>	Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds.	
0	716,010	20,962	1,181,663	Notes Payable	(3,555,500)
0	0	0	2,753,127	General Obligation Bonds	(28,975,273)
0	0	0	5,880,178	Special Assessment Bonds	(90,000)
0	0	816,082	2,918,287	OPWC Loans	(611,504)
1,162,940	0	0	1,162,940	Compensated Absences Payable	(3,551,809)
0	2,036,852	159,520	2,196,372	Capital Leases Payable	(295,761)
<u>1,162,940</u>	<u>2,752,862</u>	<u>996,564</u>	<u>16,092,567</u>	Total	(37,079,847)
<u>\$ 4,372,601</u>	<u>\$ 2,919,558</u>	<u>\$ 1,053,401</u>	<u>\$ 40,798,816</u>	<i>Net Assets of Governmental Activities</i>	<u>\$ 39,364,686</u>

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2003

	General Fund	Streets and Highways Fund	Police and Fire Pensions Fund	Community Development Block Grant Fund	Office on Aging Fund	Lakewood Hospital Fund
Revenues						
Property and Other Local Taxes	\$ 5,775,011	\$ 0	\$ 2,214,209	\$ 0	\$ 0	\$ 0
Municipal Income Taxes	16,626,831	0	0	0	0	0
Charges for Services	1,675,960	0	0	0	3,000	2,075,961
Licenses, Permits and Fees	631,958	0	0	0	0	86,189
Fines and Forfeitures	1,196,106	0	0	0	0	77
Intergovernmental	6,122,997	1,520,835	305,665	2,612,799	429,421	41,416
Special Assessments	1,429	0	0	0	0	0
Interest	374,580	0	0	78,270	0	0
Miscellaneous	76,154	72,738	0	0	223,222	930
<i>Total Revenues</i>	<u>32,481,026</u>	<u>1,593,573</u>	<u>2,519,874</u>	<u>2,691,069</u>	<u>655,643</u>	<u>2,204,573</u>
Expenditures						
Current:						
General Government	8,150,675	0	0	0	0	0
Security of Persons and Property:						
Police	8,930,101	0	1,038,667	0	0	0
Fire	6,545,357	0	1,275,262	0	0	1,573,759
Public Health Services	760,203	0	0	0	1,929,254	842,736
Transportation	0	2,337,498	0	0	0	0
Community Environment	2,653,060	0	0	2,871,130	0	0
Basic Utility Services	4,340,840	0	0	0	0	0
Leisure Time Activities	1,930,211	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	331,490	0	0	0	0	0
Interest and Fiscal Charges	7,886	0	0	0	0	0
Bond Issuance Costs	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>33,649,823</u>	<u>2,337,498</u>	<u>2,313,929</u>	<u>2,871,130</u>	<u>1,929,254</u>	<u>2,416,495</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,168,797)</u>	<u>(743,925)</u>	<u>205,945</u>	<u>(180,061)</u>	<u>(1,273,611)</u>	<u>(211,922)</u>
Other Financing Sources (Uses)						
Bonds Issued	0	0	0	0	0	0
Notes Issued	0	0	0	0	0	0
Premium on Bonds	0	0	0	0	0	0
Inception of Capital Leases	173,991	0	0	0	0	0
Transfers In	5,000	350,000	0	0	1,180,000	0
Transfers Out	(1,735,000)	0	(582,700)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,556,009)</u>	<u>350,000</u>	<u>(582,700)</u>	<u>0</u>	<u>1,180,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(2,724,806)</u>	<u>(393,925)</u>	<u>(376,755)</u>	<u>(180,061)</u>	<u>(93,611)</u>	<u>(211,922)</u>
<i>Fund Balances (Deficit) Beginning of Year, Restated See Note 3)</i>	<u>8,707,179</u>	<u>1,051,261</u>	<u>1,085,481</u>	<u>2,921,961</u>	<u>158,869</u>	<u>1,236,530</u>
<i>Fund Balances End of Year</i>	<u>\$ 5,982,373</u>	<u>\$ 657,336</u>	<u>\$ 708,726</u>	<u>\$ 2,741,900</u>	<u>\$ 65,258</u>	<u>\$ 1,024,608</u>

See accompanying notes to the basic financial statements

City of Lakewood, 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, 2003*

Debt Service Fund	Permanent Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds	Net Change in Fund Balances - Total Government Funds	\$ 2,573,515
\$ 2,343,516	\$ 0	\$ 0	\$ 10,332,736	<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
0	0	0	16,626,831	Governmental funds report capital outlays as expenditures. However, in the state-	
0	0	21,733	3,776,654	of activities the cost of those assets is allocated over their estimated useful lives	
0	0	0	718,147	lives as depreciation expense. This is the amount by which capital outlays	
0	0	398,593	1,594,776	exceeded depreciation in the current period.	
348,922	243,000	555,294	12,180,349	Capital Asset Additions	\$ 3,923,043
99,619	50,908	44,604	196,560	Current Year Depreciation	(1,645,762)
30,416	0	0	483,266	Total	2,277,281
3,534	0	31,884	408,462	Revenues in the statement of activities that do not provide current financial	
<u>2,826,007</u>	<u>293,908</u>	<u>1,052,108</u>	<u>46,317,781</u>	resources are no reported as revenues.	
40,729	0	144,004	8,335,408	Delinquent Property Taxes	157,804
0	0	149,723	10,118,491	Municipal Income Taxes	(1,213,966)
0	0	0	9,394,378	Special Assessments	(72,072)
0	0	0	3,532,193	Intergovernmental	(2,476)
0	0	0	2,337,498	Total	(1,130,710)
0	0	536,345	6,060,535	Repayment of bond principal is an expenditure in the governmental funds, but the	
0	0	0	4,340,840	repayment reduces long-term liabilities in the statement of net assets.	
0	0	0	1,930,211	In the statement of activities, interest is accrued on outstanding bonds, whereas in	
0	2,848,800	0	2,848,800	governmental funds, an interest expenditure is reported when due.	
1,635,822	0	40,000	2,007,312	Some expenses reported in the statement of activities, such as compensated	
1,437,852	149,223	2,100	1,597,061	absences do not require the use of current financial resources and therefore are	
0	110,619	0	110,619	not reported as expenditures:	
<u>3,114,403</u>	<u>3,108,642</u>	<u>872,172</u>	<u>52,613,346</u>	Compensated Absences	263,472
(288,396)	(2,814,734)	179,936	(6,295,565)	Intergovernmental	101,747
0	5,219,000	0	5,219,000	Bond Issuance Costs will be amortized over the life of the bonds on the statement	
0	3,555,500	0	3,555,500	of net assets.	
0	120,589	0	120,589	Bond Premium will be amortized over the life of the bonds on the statement	
0	0	0	173,991	of net assets.	
582,700	0	9,737	2,127,437	Repayment of Capital Lease. Principal is an expenditure in the statement of	
0	0	(9,737)	(2,327,437)	net assets.	
<u>582,700</u>	<u>8,895,089</u>	<u>0</u>	<u>8,869,080</u>	Other financing sources in governmental funds that increase long-term liabilities in the	
294,304	6,080,355	179,936	2,573,515	statement of net assets are not reported as revenues in statement of activities.	
868,636	(3,327,493)	816,628	13,519,052	Bonds Issued	(5,219,000)
<u>\$ 1,162,940</u>	<u>\$ 2,752,862</u>	<u>\$ 996,564</u>	<u>\$ 16,092,567</u>	Notes Issued	(3,555,500)
				Capital Leases	(173,991)
					(8,948,491)
				The internal service fund used by management to charge the costs of insurance to	
				individual funds is not reported in entity-wide statement of activities. Govern-	
				mental expenditures and related internal service fund revenues are eliminated. The	
				net revenue (expense) of the internal service fund is allocated among the govern-	
				mental activities.	
					520,948
				<i>Change in Net Assets of Governmental Activities</i>	
					<u>\$ (2,321,457)</u>

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 6,137,327	\$ 6,147,327	\$ 6,157,511	\$ 10,184
Municipal Income Taxes	16,700,000	16,700,000	16,585,743	(114,257)
Charges for Services	1,141,321	1,141,321	1,248,265	106,944
Licenses, Permits and Fees	607,920	607,920	631,958	24,038
Fines and Forfeitures	1,046,500	1,046,500	1,184,041	137,541
Intergovernmental	6,255,417	6,412,324	6,115,867	(296,457)
Interest	430,000	430,000	342,275	(87,725)
Miscellaneous	40,700	40,700	184,864	144,164
<i>Total Revenues</i>	<u>32,359,185</u>	<u>32,526,092</u>	<u>32,450,524</u>	<u>(75,568)</u>
Expenditures				
Current:				
General Government	8,489,919	8,643,409	7,758,764	884,645
Security of Persons and Property:				
Police	9,626,318	9,589,065	8,865,519	723,546
Fire	6,975,410	6,948,132	6,814,075	134,057
Public Health Services	762,312	763,379	724,594	38,785
Community Environment	2,841,323	3,270,104	2,655,406	614,698
Basic Utility Services	4,570,358	4,556,628	4,388,454	168,174
Leisure Time Activities	2,261,676	2,254,321	1,988,076	266,245
<i>Total Expenditures</i>	<u>35,527,316</u>	<u>36,025,038</u>	<u>33,194,888</u>	<u>2,830,150</u>
Excess of Revenues Under Expenditures	<u>(3,168,131)</u>	<u>(3,498,946)</u>	<u>(744,364)</u>	<u>2,754,582</u>
Other Financing Sources (Uses)				
Transfers In	5,000	5,000	5,000	0
Transfers Out	(2,085,000)	(2,085,000)	(1,735,000)	350,000
Advances Out	0	0	(203,162)	(203,162)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,080,000)</u>	<u>(2,080,000)</u>	<u>(1,933,162)</u>	<u>146,838</u>
<i>Net Change in Fund Balances</i>	<u>(5,248,131)</u>	<u>(5,578,946)</u>	<u>(2,677,526)</u>	<u>2,901,420</u>
<i>Fund Balances Beginning of Year</i>	6,295,582	6,295,582	6,295,582	0
Unexpended Prior Year Encumbrances	24,087	24,087	24,087	0
<i>Fund Balances End of Year</i>	<u>\$ 1,071,538</u>	<u>\$ 740,723</u>	<u>\$ 3,642,143</u>	<u>\$ 2,901,420</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Streets and Highways Fund
For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 2,033,000	\$ 1,633,000	\$ 1,534,494	\$ (98,506)
Miscellaneous	5,000	5,000	72,738	67,738
<i>Total Revenues</i>	<u>2,038,000</u>	<u>1,638,000</u>	<u>1,607,232</u>	<u>(30,768)</u>
Expenditures				
Current:				
Transportation	2,383,607	2,533,607	2,360,866	172,741
<i>Total Expenditures</i>	<u>2,383,607</u>	<u>2,533,607</u>	<u>2,360,866</u>	<u>172,741</u>
Excess of Revenues Under Expenditures	<u>(345,607)</u>	<u>(895,607)</u>	<u>(753,634)</u>	<u>141,973</u>
Other Financing Sources				
Transfers In	350,000	350,000	350,000	0
<i>Total Other Financing Sources</i>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	4,393	(545,607)	(403,634)	141,973
<i>Fund Balances Beginning of Year</i>	618,072	618,072	618,072	0
Unexpended Prior Year Encumbrances	63,898	63,898	63,898	0
<i>Fund Balances End of Year</i>	<u>\$ 686,363</u>	<u>\$ 136,363</u>	<u>\$ 278,336</u>	<u>\$ 141,973</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police and Fire Pensions Fund
For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 2,318,379	\$ 2,327,218	\$ 2,331,121	\$ 3,903
Intergovernmental	316,143	312,848	305,665	(7,183)
<i>Total Revenues</i>	<u>2,634,522</u>	<u>2,640,066</u>	<u>2,636,786</u>	<u>(3,280)</u>
Expenditures				
Current:				
Security of Persons and Property				
Police	1,167,235	1,167,235	1,050,661	116,574
Fire	1,245,011	1,245,011	1,171,165	73,846
<i>Total Expenditures</i>	<u>2,412,246</u>	<u>2,412,246</u>	<u>2,221,826</u>	<u>190,420</u>
Excess of Revenues Over Expenditures	<u>222,276</u>	<u>227,820</u>	<u>414,960</u>	<u>187,140</u>
Other Financing Uses				
Transfers Out	(582,700)	(582,700)	(582,700)	0
<i>Total Other Financing Uses</i>	<u>(582,700)</u>	<u>(582,700)</u>	<u>(582,700)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(360,424)	(354,880)	(167,740)	187,140
<i>Fund Balances Beginning of Year</i>	366,180	366,180	366,180	0
<i>Fund Balances End of Year</i>	<u>\$ 5,756</u>	<u>\$ 11,300</u>	<u>\$ 198,440</u>	<u>\$ 187,140</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Community Development Block Grant Fund
 For the Year Ended December 31, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 4,466,100	\$ 5,175,977	\$ 3,139,558	\$ (2,036,419)
<i>Total Revenues</i>	<u>4,466,100</u>	<u>5,175,977</u>	<u>3,139,558</u>	<u>(2,036,419)</u>
Expenditures				
Current:				
Community Environment:				
Community Development Block Grant	5,175,977	5,175,977	3,285,810	1,890,167
<i>Total Expenditures</i>	<u>5,175,977</u>	<u>5,175,977</u>	<u>3,285,810</u>	<u>1,890,167</u>
Excess of Revenues Under Expenditures	<u>(709,877)</u>	<u>0</u>	<u>(146,252)</u>	<u>(146,252)</u>
Other Financing Sources				
Advances In	0	0	47,632	47,632
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>47,632</u>	<u>47,632</u>
<i>Net Change in Fund Balances</i>	<u>(709,877)</u>	<u>0</u>	<u>(98,620)</u>	<u>(98,620)</u>
<i>Fund Balances Beginning of Year</i>	<u>15,583</u>	<u>15,583</u>	<u>15,583</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (694,294)</u>	<u>\$ 15,583</u>	<u>\$ (83,037)</u>	<u>\$ (98,620)</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 465,854	\$ 395,854	\$ 432,477	\$ 36,623
Miscellaneous	220,383	220,383	219,319	(1,064)
<i>Total Revenues</i>	<u>686,237</u>	<u>616,237</u>	<u>651,796</u>	<u>35,559</u>
Expenditures				
Current:				
Public Health Services	<u>1,958,711</u>	<u>1,958,711</u>	<u>1,900,267</u>	<u>58,444</u>
<i>Total Expenditures</i>	<u>1,958,711</u>	<u>1,958,711</u>	<u>1,900,267</u>	<u>58,444</u>
Excess of Revenues				
Under Expenditures	<u>(1,272,474)</u>	<u>(1,342,474)</u>	<u>(1,248,471)</u>	<u>94,003</u>
Other Financing Sources				
Transfers In	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,180,000</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,180,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(92,474)	(162,474)	(68,471)	94,003
<i>Fund Balances Beginning of Year</i>	222,835	222,835	222,835	0
Unexpended Prior Year Encumbrances	<u>304</u>	<u>304</u>	<u>304</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$ 130,665</u>	<u>\$ 60,665</u>	<u>\$ 154,668</u>	<u>\$ 94,003</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 1,961,535	\$ 1,961,535	\$ 2,074,321	\$ 112,786
Licenses, Permits and Fees	79,440	79,440	86,189	6,749
Intergovernmental	17,000	17,000	41,416	24,416
Miscellaneous	0	0	1,019	1,019
<i>Total Revenues</i>	<u>2,057,975</u>	<u>2,057,975</u>	<u>2,202,945</u>	<u>144,970</u>
Expenditures				
Current:				
Security of Persons and Property:				
Fire	1,727,611	1,727,013	1,538,270	188,743
Public Health Services	952,021	952,619	832,602	120,017
<i>Total Expenditures</i>	<u>2,679,632</u>	<u>2,679,632</u>	<u>2,370,872</u>	<u>308,760</u>
<i>Net Change in Fund Balances</i>	(621,657)	(621,657)	(167,927)	453,730
<i>Fund Balances Beginning of Year</i>	1,092,944	1,092,944	1,092,944	0
Unexpended Prior Year Encumbrances	2,106	2,106	2,106	0
<i>Fund Balances End of Year</i>	<u>\$ 473,393</u>	<u>\$ 473,393</u>	<u>\$ 927,123</u>	<u>\$ 453,730</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2003

	Business Type Activities			Total	Governmental Activities - Internal Service Funds
	Water	Enterprise Funds Sewer	Non Major		
Assets					
Current Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$ 3,132,480	\$ 3,264,118	\$ 86,996	\$ 6,483,594	\$ 2,713,742
Cash and Cash Equivalents with Fiscal Agents	36,738	185,288	0	222,026	0
Accrued Interest Receivable	9,417	0	0	9,417	637
Accounts Receivable	1,118,996	457,151	41,551	1,617,698	0
Less: Allowance for Doubtful Accounts	(27,521)	(11,243)	0	(38,764)	0
Interfund Receivable	0	0	0	0	455,428
Intergovernmental Receivable	0	108,278	0	108,278	0
Materials and Supplies Inventory	99,311	147,014	91,808	338,133	0
Property Taxes Receivable	0	1,679,724	0	1,679,724	0
<i>Total Current Assets</i>	<u>4,369,421</u>	<u>5,830,330</u>	<u>220,355</u>	<u>10,420,106</u>	<u>3,169,807</u>
Noncurrent Assets					
Restricted Assets:					
Cash Equivalents Held in Trustee	503,933	0	0	503,933	0
Deferred Bonds Issue Costs	171,354	63,210	12,407	246,971	0
Nondepreciable Capital Assets	2,611,333	3,679,513	77,150	6,367,996	0
Depreciable Capital Assets, Net	28,953,797	18,093,238	1,842,590	48,889,625	0
<i>Total Noncurrent Assets</i>	<u>32,240,417</u>	<u>21,835,961</u>	<u>1,932,147</u>	<u>56,008,525</u>	<u>0</u>
<i>Total Assets</i>	<u>36,609,838</u>	<u>27,666,291</u>	<u>2,152,502</u>	<u>66,428,631</u>	<u>3,169,807</u>
Liabilities					
Current Liabilities					
Accounts Payable	509,880	156,876	76,352	743,108	93,559
Accrued Wages and Benefits	35,471	69,185	22,130	126,786	0
Intergovernmental Payable	44,670	92,781	26,822	164,273	307,387
Interfund Payable	16,151	29,877	128,110	174,138	0
Deferred Revenue	0	1,589,360	0	1,589,360	0
Retainage Payable	23,009	0	0	23,009	0
Claims Payable	0	0	0	0	1,990,788
Accrued Interest	20,982	48,720	5,255	74,957	0
Compensated Absences Payable	6,016	23,538	30,861	60,415	0
Bonds Payable	490,000	610,711	23,200	1,123,911	0
OPWC Loans Payable	310,813	34,486	0	345,299	0
OWDA Loans Payable	0	22,573	0	22,573	0
<i>Total Current Liabilities</i>	<u>1,456,992</u>	<u>2,678,107</u>	<u>312,730</u>	<u>4,447,829</u>	<u>2,391,734</u>
Long-Term Liabilities					
Notes Payable	0	1,155,000	0	1,155,000	0
Compensated Absences Payable	91,167	136,970	13,226	241,363	0
Bonds Payable	5,453,360	8,461,200	1,242,200	15,156,760	0
OPWC Loans Payable	5,237,158	577,714	0	5,814,872	0
OWDA Loan Payable	0	236,118	0	236,118	0
<i>Total Long-Term Liabilities</i>	<u>10,781,685</u>	<u>10,567,002</u>	<u>1,255,426</u>	<u>22,604,113</u>	<u>0</u>
<i>Total Liabilities</i>	<u>12,238,677</u>	<u>13,245,109</u>	<u>1,568,156</u>	<u>27,051,942</u>	<u>2,391,734</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	19,902,445	10,611,739	641,933	31,156,117	0
Restricted for Capital Projects	503,933	0	0	503,933	0
Unrestricted (Deficit)	3,964,783	3,809,443	(57,587)	7,716,639	778,073
<i>Total Net Assets</i>	<u>\$ 24,371,161</u>	<u>\$ 14,421,182</u>	<u>\$ 584,346</u>	<u>\$ 39,376,689</u>	<u>\$ 778,073</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2003

	Business Type Activities				Governmental Activities - Internal Service Fund
	Water	Sewer	Non Major	Total	
Operating Revenues					
Charges for Services	\$ 7,692,102	\$ 3,301,140	\$ 991,310	\$ 11,984,552	\$ 4,280,312
Water Charges Pledged as Security for Revenue Bonds	776,383	0	0	776,383	0
Special Assessments	2,437	796	0	3,233	0
Miscellaneous	1,862	0	1,940	3,802	165,080
<i>Total Operating Revenues</i>	<u>8,472,784</u>	<u>3,301,936</u>	<u>993,250</u>	<u>12,767,970</u>	<u>4,445,392</u>
Operating Expenses					
Personal Services	1,095,737	2,383,782	626,794	4,106,313	0
Contractual Services	190,140	159,572	284,931	634,643	69,137
Materials and Supplies	86,768	500,241	74,455	661,464	0
Utilities	5,712,583	647,472	273,251	6,633,306	0
Depreciation	425,595	472,207	73,138	970,940	0
Workers Compensation Premium	0	0	0	0	306,665
Claims	0	0	0	0	3,551,973
<i>Total Operating Expenses</i>	<u>7,510,823</u>	<u>4,163,274</u>	<u>1,332,569</u>	<u>13,006,666</u>	<u>3,927,775</u>
<i>Operating Income (Loss)</i>	<u>961,961</u>	<u>(861,338)</u>	<u>(339,319)</u>	<u>(238,696)</u>	<u>517,617</u>
Non Operating Revenue (Expenses)					
Interest	47,433	0	0	47,433	3,331
Interest and Fiscal Charges	(147,403)	(648,741)	(65,428)	(861,572)	0
Property Tax Revenue	0	1,441,091	0	1,441,091	0
Intergovernmental	0	294,659	0	294,659	0
<i>Total Non Operating Revenues (Expenses)</i>	<u>(99,970)</u>	<u>1,087,009</u>	<u>(65,428)</u>	<u>921,611</u>	<u>3,331</u>
<i>Net Income (Loss) before Transfers</i>	861,991	225,671	(404,747)	682,915	520,948
Transfers In	0	0	200,000	200,000	0
<i>Change in Net Assets</i>	861,991	225,671	(204,747)	882,915	520,948
<i>Net Assets Beginning of Year, Restated (See Note 3)</i>	<u>23,509,170</u>	<u>14,195,511</u>	<u>789,093</u>	<u>38,493,774</u>	<u>257,125</u>
<i>Net Assets End of Year</i>	<u>\$ 24,371,161</u>	<u>\$ 14,421,182</u>	<u>\$ 584,346</u>	<u>\$ 39,376,689</u>	<u>\$ 778,073</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2003

	Business Type Activities			Total	Governmental Activities - Internal Service Fund
	Water	Sewer	Non Major		
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 8,452,971	\$ 3,333,530	\$ 990,661	\$ 12,777,162	\$ 0
Cash Received from Transactions with Other Funds	0	0	0	0	4,377,889
Cash Received from Other Operating Sources	4,399	796	5,770	10,965	175,870
Cash Payments to Suppliers for Goods and Services	(6,186,722)	(1,263,579)	(633,412)	(8,083,713)	(59,443)
Cash Payments for Claims	0	0	0	0	(3,803,117)
Cash Payments for Premium	0	0	0	0	(216,609)
Cash Payments for Employee Services and Benefits	(1,074,277)	(2,319,156)	(614,176)	(4,007,609)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,196,371</u>	<u>(248,409)</u>	<u>(251,157)</u>	<u>696,805</u>	<u>474,590</u>
Cash Flows from Noncapital Financing Activities					
Intergovernmental Revenue	0	186,381	0	186,381	0
Tax Revenue	0	1,422,015	0	1,422,015	0
Transfer In	0	0	200,000	200,000	0
Advances In	0	0	124,073	124,073	0
<i>Net Cash Provided by Non-Capital Financing Activities</i>	<u>0</u>	<u>1,608,396</u>	<u>324,073</u>	<u>1,932,469</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(1,285,423)	(2,890,928)	(26,220)	(4,202,571)	0
Bonds Issued	0	3,559,836	0	3,559,836	0
Notes Issued	0	1,155,000	0	1,155,000	0
Loans Issued	570,612	0	0	570,612	0
Principal paid on Bonds	(530,000)	(495,000)	(23,200)	(1,048,200)	0
Principal paid on Notes	0	(3,945,000)	0	(3,945,000)	0
Principal paid on Loans	(224,309)	(56,120)	0	(280,429)	0
Interest and Fiscal Charges Paid on Bonds	(210,501)	(481,709)	(64,036)	(756,246)	0
Interest and Fiscal Charges Paid on Notes	0	(90,496)	0	(90,496)	0
Interest and Fiscal Charges Paid on Loans	0	(11,824)	0	(11,824)	0
<i>Net Cash used for Capital and Related Financing Activities</i>	<u>(1,679,621)</u>	<u>(3,256,241)</u>	<u>(113,456)</u>	<u>(5,049,318)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest	52,662	0	0	52,662	3,344
<i>Net Cash Provided by Investing Activities</i>	<u>52,662</u>	<u>0</u>	<u>0</u>	<u>52,662</u>	<u>3,344</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(430,588)	(1,896,254)	(40,540)	(2,367,382)	477,934
<i>Cash and Cash Equivalents Beginning of Year</i>	4,103,739	5,345,660	127,536	9,576,935	2,235,808
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 3,673,151</u>	<u>\$ 3,449,406</u>	<u>\$ 86,996</u>	<u>\$ 7,209,553</u>	<u>\$ 2,713,742</u>

(continued)

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Cash Flows
Proprietary Funds (continued)
For the Year Ended December 31, 2003

	Business Type Activities				Governmental Activities - Internal Service Fund
	Water	Sewer	Non Major	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
<i>Operating Income (Loss)</i>	\$ 961,961	\$ (861,338)	\$ (339,319)	\$ (238,696)	\$ 517,617
Adjustments:					
Depreciation	425,595	472,207	73,138	970,940	0
Increase (Decrease) in Allowance for D/A	(1,808)	(1,041)	0	(2,849)	0
(Increase) Decrease in Assets:					
Accounts Receivable	(15,514)	5,003	2,536	(7,975)	0
Accrued Interest	0	27,388	646	28,034	10,790
Interfund Receivable	0	0	0	0	97,577
Materials and Supplies Inventory	5,195	22,633	7,271	35,099	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(200,518)	22,114	(6,615)	(185,019)	(194,974)
Accrued Wages	(14,228)	(24,932)	(5,296)	(44,456)	0
Compensated Absences	(8,911)	6,925	6,040	4,054	0
Interfund Payable	(71)	(10,149)	(1,612)	(11,832)	0
Intergovernmental Payable	44,670	92,781	12,054	149,505	307,387
Claims Payable	0	0	0	0	(263,807)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 1,196,371</u>	<u>\$ (248,409)</u>	<u>\$ (251,157)</u>	<u>\$ 696,805</u>	<u>\$ 474,590</u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2003

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,012,395
Cash and Investments in Segregated Accounts	<u>205,667</u>
<i>Total Assets</i>	<u><u>\$ 1,218,062</u></u>
Liabilities	
Undistributed Monies	\$ 205,667
Deposits Held and Due to Others	<u>1,012,395</u>
<i>Total Liabilities</i>	<u><u>\$ 1,218,062</u></u>

See accompanying notes to the basic financial statements

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 1 - Description of the City and Reporting Entity

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

Reporting Entity

The 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. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the City.

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 authorizes the issuance of debt or levying of taxes, or determining the budget. The City has no component units.

The City is associated with the West Shore Council of Governments, a jointly governed organization. Additional information is included in Note 18.

The following entities, which are associated with the City, are excluded from the accompanying financial statements: Lakewood City School District, Lakewood Public Library and Lakewood Hospital Association.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local 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 most 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

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 single business-type activity 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 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 the 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. The City reports three categories of funds: governmental, proprietary and fiduciary.

Governmental Fund 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 general laws of Ohio.

Streets and Highways Special Revenue Fund The Streets and Highways fund accounts for State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City as required by the Ohio Revised Code.

Police and Fire Pensions Special Revenue Fund The Police and Fire Pensions fund accounts for the revenue from property taxes levied for the partial payments of the current and accrued liability for police and firemen disability and pension.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

Community Development Block Grant Special Revenue Fund The Community Development Block Grant fund accounts for the revenues received from the federal government and expenditures as prescribed under the Community Development Block Grant program.

Office on Aging Special Revenue Fund The Office On Aging fund accounts for the revenues received from Ohio Department of Natural Resources and expenditures relative to this program.

Lakewood Hospital Special Revenue Fund The Lakewood Hospital fund accounts for revenue and expenditures related to providing emergency medical services and other health and safety services.

Debt Service Fund The Debt Service fund accounts for the accumulation of resources for and payment of, general longterm obligations principal and interest.

Permanent Capital Improvement Fund The Permanent Capital Improvement fund accounts financial resources to be used for acquisition of equipment and the construction of general fixed assets of the City (other than those financed by proprietary funds).

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 City has two major enterprise funds.

Water Fund The Water fund accounts for the provision of water distribution to the residential and commercial users in the City.

Sewer Fund The Sewer fund accounts for the sanitary sewer services to the residential and commercial users of the City.

Internal Service Funds 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 three internal service funds account for funds reserved to finance potential losses on property and liability cases, workers' compensation costs and a self insurance program for hospitalization benefits.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary funds are comprised of only the agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The purpose of the agency funds are for municipal court and deposits.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

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 (i.e. revenues) and decreases (i.e. 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 are generally 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 statement 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.

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. Government 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 Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the 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.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

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), interest, fines and forfeitures, grants and fees.

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, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue.

On the 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 when 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 the governmental funds.

E. Budgetary Process

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 ordinance, 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 ordinance 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 budgetary control has been established by City Council at the fund level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control. The Finance Director has been authorized to allocate appropriations to the department and object level within each fund. Budgetary statements are presented beyond the legal level of control for informational purposes only.

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 final amended official certificate of estimated resources issued during 2003.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts on the budgetary statements reflect the first appropriations ordinance 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

F. 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 City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City treasury.

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

During 2003, investments were limited to overnight repurchase agreements, Federal Home Loan Mortgage Bank (FHLMB) Notes, Federal Home Loan Mortgage Corporation (FHLMC) Notes, Federal National Mortgage Association (FNMA) Notes, Repurchase Agreements, Mutual Funds, and State Treasury Asset Reserve of Ohio (STAROhio).

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, 2003.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue is distributed to the general fund, debt service fund, water fund, and general liabilities self-insurance funds. Interest revenue credited to the general fund during 2003 amounted to \$374,580, which includes \$74,523 assigned from other City funds.

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

G. Restricted Assets

Proceeds of the City's Enterprise Fund Revenue Bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

H. Inventory

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

I. 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. These 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

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

All reported 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 replacements. Depreciation for governmental and business-type capital assets is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land	N/A
Building and Improvements	75 years
Equipment, Machinery and Furniture	10 - 20 years
Vehicles	15 years
Infrastructure	40 - 100 years

The City's infrastructure consists of roads, traffic lights, sidewalks, curbing, storm sewers and water lines. In addition, the City has recorded construction in progress for City road projects initiated in 2003.

J. Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". 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.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for 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 the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

L. 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, compensated absences 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.

M. 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 loans receivable.

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 water services, wastewater treatment, parking services, ice rink, living facility and self insurance programs. Operating expenses are necessary costs incurred to provide the service for the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

O. 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. 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 the city's miniature golf course and special fees and fines from the court. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net asset are available.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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.

Note 3 – Changes in Accounting Principles and Restatement of Prior Year Fund Equity

A. Changes in Accounting Principles

For 2003, the City has implemented GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB Statement No. 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City’s programs between business-type and governmental activities. Except as explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2003, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

The City has also implemented a new capital asset policy increasing the capitalization threshold for capital assets from \$100 to \$5,000.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 3 – Changes in Accounting Principles and Restatement of Prior Year Fund Equity (Continued)

B. Restatement of Fund Balance

The implementation of these changes, along with cash adjustments, had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

Governmental Activities:

	General	Streets and Highways	Police and Fire Pensions	Community Development Block Grant	Office On Aging
Fund Balances, December 31, 2002	\$ 8,702,237	\$ 1,051,261	\$ 1,089,178	\$ 2,921,961	\$ 158,719
Cash Adjustments	4,942	-	(3,697)	-	150
Adjusted Fund Balance December 31, 2002	<u>\$ 8,707,179</u>	<u>\$ 1,051,261</u>	<u>\$ 1,085,481</u>	<u>\$ 2,921,961</u>	<u>\$ 158,869</u>

	Lakewood Hospital	Debt Service	Permanent Capital Improvement	Nonmajor	Total
Fund Balances, December 31, 2002	\$ 1,236,380	\$ 868,636	\$ (3,327,493)	\$ 820,458	\$ 13,521,337
Cash Adjustments	150	0	0	(3,830)	(2,285)
Adjusted Fund Balance December 31, 2002	<u>\$ 1,236,530</u>	<u>\$ 868,636</u>	<u>\$ (3,327,493)</u>	<u>\$ 816,628</u>	<u>\$ 13,519,052</u>

GASB 34 Adjustments:				
Capital Assets				\$ 49,523,405
Long-Term (deferred) Assets				10,098,541
Long-Term Liabilities:				
Compensated Absences Payable				(3,815,281)
Intergovernmental Payable				(1,261,252)
Accrued Interest Payable				(165,161)
Capital Leases				(453,260)
Internal Service Funds				257,125
Debt				<u>(26,017,026)</u>
Governmental Activities Net Assets, December 31, 2002				<u>\$ 41,686,143</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 3 – Changes in Accounting Principles and Restatement of Prior Year Fund Equity (Continued)

The implementation of these changes had no effect on net assets for business type activities at December 31, 2002; however, an overstatement in capital assets, and understatements in compensated absences payable, overstatements in OPWC and OWDA loans payable, had the following effect on net assets at December 31, 2002:

Business Type Activities:

	Water	Sewer	Nonmajor	Total
Fund Equity, December 31, 2002, as Previously Reported	\$15,177,862	\$ 22,288,265	\$3,490,758	\$40,956,885
Cash Adjustments	300	(6,941)	(123)	(6,764)
Capital Assets	8,106,883	(8,318,759)	(2,687,687)	(2,899,563)
Compensated Absences Payable	(47,062)	(83,994)	(13,855)	(144,911)
OPWC Loans Payable	4,967	17,245	-	22,212
OWDA Loans Payable	-	10,476	-	10,476
Bonds Payable	266,220	289,219	-	555,439
Business Type Activities Net Assets, December 31, 2002	<u>\$ 23,509,170</u>	<u>\$ 14,195,511</u>	<u>\$ 789,093</u>	<u>\$ 38,493,774</u>

NOTE 4- Fund Deficits and Legal Compliance

A. Fund Deficits

The Lead Based Paint Hazard Control Program and Family Day Care Program Special Revenue Funds had deficit fund balances of \$4,885 and \$3,982, respectively. The deficit fund balances are due to the recognition of accrued liabilities. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

NOTE 4- Fund Deficits and Legal Compliance (Continued)

B. Legal Compliance

Contrary to Section 5705.39 Ohio Revised Code, the following funds had original appropriations in excess of original estimated revenue available for expenditures.

	Certificate of Estimate Resources	Original Appropriations	Excess
<i>Special Revenue Funds:</i>			
Community Development Block Grant Fund	\$ 4,481,683	\$ 5,175,977	\$694,294
Court Probation Services Fund	43,054	50,000	6,946
Emergency Shelter Grant Fund	128,541	130,371	1,830
HOME Investment Program Fund	462,500	602,500	140,000
Help-to-Others Fund	38,545	47,994	9,449
<i>Capital Projects Fund:</i>			
Permanent Capital Improvement Fund	3,273,187	3,380,130	106,943
<i>Enterprise Fund:</i>			
Winterhurst Ice Rink Fund	815,179	1,112,760	97,581
<i>Internal Service Fund:</i>			
Hospitalization Fund	3,609,965	4,105,307	495,342

The amended certificate of estimated resources was revised and all funds had sufficient revenue and fund balance to support the final appropriations at year end.

Note 5 - Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General and major special revenue funds is 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 as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 5 - Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

Net Change in Fund Balance			
	General	Streets and Highways	Police and Fire Pensions
GAAP Basis	(\$2,724,806)	(\$393,925)	(\$376,755)
Net Adjustment for Revenue Accruals	(204,493)	13,659	116,912
Net Adjustment for Expenditure Accruals	670,968	212,023	602,389
Advances Out	(203,162)	0	0
Adjustments for Encumbrances	(216,033)	(235,391)	(510,286)
Budget Basis	(\$2,677,526)	(\$403,634)	(\$167,740)
	Community Development Block Grant	Office on Aging	Lakewood Hospital
GAAP Basis	(\$180,061)	(\$93,611)	(\$211,922)
Net Adjustment for Revenue Accruals	448,489	(3,847)	(1,628)
Advances In	47,632	0	0
Net Adjustment for Expenditure Accruals	(331,643)	29,065	121,892
Adjustments for Encumbrances	(83,037)	(78)	(76,269)
Budget Basis	(\$98,620)	(\$68,471)	(\$167,927)

Note 6 - Deposits and Investments

State statutes classify monies held by the City into three categories.

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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 6 - Deposits and Investments (Continued)

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director 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 may be deposited or invested in the following securities:

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;
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 division (1) or (2) of this section 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; and
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. Historically, the City has not purchased these types of investments or issued these types of notes. 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.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 6 - Deposits and Investments (Continued)

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.

Cash on Hand At year end, the City had \$9,695 in petty cash on hand which is included on the financial statements of the City as part of "equity in pooled cash and cash equivalents" and "cash and cash equivalents in segregated accounts."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits At year end, the carrying amount of the City's deposits was \$3,928,207 and the bank balance was \$4,316,766. Of the bank balance:

1. \$500,000 was covered by federal depository insurance;
2. \$3,816,766 was insured by surety bonds in the City's name.

Investments The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. Mutual Funds and STAROhio are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Carrying Amount	Fair Value
Federal Home Loan Mortgage Bank Notes	\$2,998,075	\$2,998,075	\$2,998,075
Federal Home Loan Mortgage Corporation Notes	504,517	504,517	504,517
Federal National Mortgage Association Notes	5,481,605	5,481,605	5,481,605
Repurchase Agreements	9,468,493	9,468,493	9,468,493
Investment in Mutual Funds	0	155,866	155,866
State Treasurer Assets Reverse Fund (STAR Ohio)	0	4,305	4,305
Total Investments	\$18,452,690	\$18,612,861	\$18,612,861

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined as investments with an original maturity of three months or less. Reconciliation between the classification of cash and investments on the basic financial statements and the classifications per GASB Statement No. 3, is as follows:

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 6 - Deposits and Investments (Continued)

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$22,550,763	\$0
Cash on Hand	(9,695)	
Investments:		
Federal Home Loan Mortgage Bank Notes	(2,998,075)	2,998,075
Federal Home Loan Mortgage Corporation Notes	(504,517)	504,517
Federal National Mortgage Association Notes	(5,481,605)	5,481,605
Repurchase Agreement	(9,468,493)	9,468,493
Investment in Mutual Funds	(155,866)	155,866
STAROhio	(4,305)	4,305
GASB Statement No. 3	\$3,928,207	\$18,612,861

Note 7 - Receivables

Receivables at December 31, 2003, consisted primarily of municipal income taxes, property and other taxes, special assessments, intergovernmental receivables arising from grants, entitlements and shared revenues, interest, interfunds, advances, loans (community development block grant monies loaned to local businesses), and accounts (billings for user charged services).

Allowance for doubtful accounts has been recorded at \$27,521 in the water fund and \$11,243 in the sewer fund.

Special assessments expected to be collected in more than one year amount to \$58,881 in the bond retirement fund. The amount of delinquent special assessments outstanding at December 31, 2003 is \$10,933.

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 2003 for real and public utility property taxes represents collections of 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) are for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

Note 7 - Receivables (Continued)

2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent for inventories.

The full tax rate for all City operations for the year ended December 31, 2003, was \$17.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax collections were based are as follows:

	<u>Assessed Value</u>
Real Estate	\$760,550,790
Public Utility Property	16,001,560
Tangible Personal	<u>28,345,579</u>
Total Assessed Value	<u><u>\$804,897,929</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 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.

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Lakewood. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since current taxes were not levied to finance 2003 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 the modified accrual basis the revenue is deferred.

B. Income Tax

The City levies a municipal income tax at a rate of 1.50 percent. The City's income tax is levied upon the net income of corporations and other business entities and on wages, salaries, and other personal service compensation earned by residents of the City and non-residents working within the City. Residents of the City are granted a .50 percent credit for income taxes paid to other municipalities. Employers within the City are required to withhold income tax on employee compensation and remit the tax to an intermediary collection agency (Regional Income Tax Agency) at least quarterly. Corporations and other self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the collection agency. The collection agency remits tax collected for the City each month, net of a fee for their service. Collection fees for 2003 were \$634,563.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 7 - Receivables (Continued)

C. Intergovernmental Receivables

A summary of the governmental activities principal items of intergovernmental receivables follows:

	<u>Amounts</u>
Local Government	\$2,319,308
Gasoline Tax	407,443
Permissive Motor Vehicle License Tax	22,491
Grants	48,482
Motor Vehicle License Registration	156,646
Homestead and Rollback	829,446
Hotel Tax	580
Estate Tax	<u>231,257</u>
Total	<u><u>\$4,015,653</u></u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 8 - Capital Assets

Capital asset activity for the year ended December 31, 2003, was as follows:

	Balance 12/31/02	Additions	Deletions	Balance 12/31/03
Governmental Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$6,028,271	\$0	\$0	\$6,028,271
Construction in Progress	839,052	3,201,587	(1,711,501)	2,329,138
<i>Total Capital Assets, not being Depreciated</i>	<u>6,867,323</u>	<u>3,201,587</u>	<u>(1,711,501)</u>	<u>8,357,409</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	2,286,341	13,950	0	2,300,291
Buildings and Improvements	11,827,053	873,947	0	12,701,000
Equipment, Machinery and Furniture	2,852,291	429,955	0	3,282,246
Vehicles	9,506,374	540,285	0	10,046,659
Infrastructure				
Roads	26,462,180	485,739	0	26,947,919
Traffic Lights	3,526,138	89,081	0	3,615,219
Sidewalks	2,408,564	0	0	2,408,564
Curbing	1,425,964	0	0	1,425,964
<i>Total Capital Assets, being Depreciated</i>	<u>60,294,905</u>	<u>2,432,957</u>	<u>0</u>	<u>62,727,862</u>
Less Accumulated Depreciation:				
Land Improvements	(1,370,503)	(79,805)	0	(1,450,308)
Buildings and Improvements	(2,898,504)	(179,058)	0	(3,077,562)
Equipment, Machinery and Furniture	(1,149,184)	(169,873)	0	(1,319,057)
Vehicles	(3,911,053)	(562,655)	0	(4,473,708)
Infrastructure				
Roads	(5,590,410)	(527,707)	0	(6,118,117)
Traffic Lights	(1,501,937)	(88,339)	0	(1,590,276)
Sidewalk	(838,332)	(24,073)	0	(862,405)
Curbing	(378,900)	(14,252)	0	(393,152)
Total Accumulation Depreciation	<u>(17,638,823)</u>	<u>(1,645,762)</u>	<u>0</u>	<u>(19,284,585)</u>
Total Capital Assets being Depreciated, Net	<u>42,656,082</u>	<u>787,195</u>	<u>0</u>	<u>43,443,277</u>
Governmental Activities Capital Assets, Net	<u>\$49,523,405</u>	<u>\$3,988,782</u>	<u>(\$1,711,501)</u>	<u>\$51,800,686</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 8 - Capital Assets (Continued)

	Balance 12/31/02	Additions	Deletions	Balance 12/31/03
Business-Type Activities				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$78,160	\$0	\$0	\$78,160
Construction in Progress	2,753,597	4,108,558	(572,319)	6,289,836
<i>Total Capital Assets, not being Depreciated</i>	<u>2,831,757</u>	<u>4,108,558</u>	<u>(572,319)</u>	<u>6,367,996</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,104,630	0	0	1,104,630
Building and Improvements	12,079,070	0	0	12,079,070
Furniture and Equipment	6,917,968	11,369	0	6,929,337
Vehicles	1,496,392	64,695	0	1,561,087
Infrastructure:				
Water Lines	37,461,650	421,094	0	37,882,744
Sewer Lines	13,359,388	180,569	0	13,539,957
<i>Total Capital Assets, being Depreciated</i>	<u>72,419,098</u>	<u>677,727</u>	<u>0</u>	<u>73,096,825</u>
Less Accumulated Depreciation:				
Land Improvements	(345,535)	(13,960)	0	(359,495)
Buildings and Improvements	(3,983,983)	(147,050)	0	(4,131,033)
Furniture and Equipment	(3,333,648)	(208,818)	0	(3,542,466)
Vehicles	(585,622)	(95,932)	0	(681,554)
Infrastructure				
Water Lines	(9,928,211)	(372,476)	0	(10,300,687)
Sewer Lines	(5,059,261)	(132,704)	0	(5,191,965)
Total Accumulation Depreciation	<u>(23,236,260)</u>	<u>(970,940)</u>	<u>0</u>	<u>(24,207,200)</u>
Total Capital Assets, being Depreciated	<u>49,182,838</u>	<u>(293,213)</u>	<u>0</u>	<u>48,889,625</u>
Business - Type Activities Assets	<u>\$52,014,595</u>	<u>\$3,815,345</u>	<u>(\$572,319)</u>	<u>\$55,257,621</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 8 - Capital Assets (Continued)

* Depreciation expense was charged to governmental functions as follows:

General Government	\$171,066
Security of Persons and Property-Police	91,610
Security of Persons and Property-Fire	154,445
Transportation	787,890
Community Environment	32,649
Sanitation	203,043
Public Health Services	39,326
Leisure Time Activities	<u>165,733</u>
Total Depreciation Expense	<u><u>\$1,645,762</u></u>

Depreciation Expense was charged to nonmajor proprietary funds as follows:

Parking Facilities Fund	\$24,498
Winterhurst Ice Rink Fund	47,844
Congregate Living Fund	<u>796</u>
Total Depreciation Expense	<u><u>\$73,138</u></u>

Note 9 - Contingencies

A. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2003.

B. Litigation

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2003.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 10 - Long-Term Obligations

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

<i>Governmental Activities</i>	<u>Original</u>	<u>Interest</u>	<u>Original</u>	<u>Date of</u>
<i>Notes</i>	<u>Issue Date</u>	<u>Rate</u>	<u>Issue Amount</u>	<u>Maturity</u>
<i>Governmental Activities</i>				
<i>Notes</i>				
Various Purpose	2002	2.50%	\$5,961,000	June 2, 2003
Various Purpose	2002	1.25%	3,175,500	June 3, 2004
Capital Projects	2003	1.40%	380,000	June 3, 2004
<i>General Obligation Bonds</i>				
Various Purpose	1995	4.40-6.60%	8,665,000	December 1, 2015
Various Purpose	1998	3.60-5.125%	3,596,700	December 1, 2017
1992 Various Purpose Refunding	1998	3.60-5.125%	7,625,000	December 1, 2012
Various Purpose	2001	3.45-5.875%	8,085,000	December 1, 2021
Various Purpose	2003	3.55-5.00%	5,219,000	December 1, 2023
<i>Special Assessment Bonds</i>				
Lakeshore Breakwall	1995	4.40-5.25%	40,000	December 1, 2003
Belle Avenue	2001	3.45-4.05%	100,000	December 1, 2006
Niagra and Narragansett Avenue	2001	3.45-4.05%	120,000	December 1, 2006
<i>OPWC Loan</i>				
Forest and Clifton Road	1999	0%	616,000	December 1, 2019
Lakewood Heights Boulevard	2002	0%	232,560	July 1, 2008
<i>Business-Type Activities</i>				
<i>Notes</i>				
Storm Sewer Replacement	2002	1.75%	696,000	June 2, 2003
Storm Sewer Replacement	2002	2.50%	3,249,000	June 2, 2003
Storm Sewer Replacement	2003	1.25%	1,155,000	June 3, 2004
<i>Revenue Bonds</i>				
Water Main Improvements	1995	4.40-6.60%	2,850,000	December 1, 2020
Water System Refunding	2002	2.00-3.65%	4,025,000	December 1, 2011
<i>General Obligation Bonds</i>				
<i>Sewer and Wastewater Fund</i>				
Sewer Construction	1995	4.40-6.60%	2,520,000	December 1, 2015
Sewer Construction Refunding	1998	3.60-5.125%	4,680,000	December 1, 2011
Sewer Construction	2003	3.55-5.00%	3,481,000	December 1, 2023
<i>Winterhurst Ice Rink</i>				
Recreational Facility	1998	3.60-5.125%	1,292,200	December 1, 2017
<i>OPWC Loans</i>				
<i>Water Fund</i>				
Water Main Replacements	1999	0%	1,248,464	December 1, 2019
Water Main Replacements	2001	0%	1,944,012	December 1, 2021
Water Main Replacements	2003	0%	994,614	July 1, 2023
Water Main Replacements	2003	0%	1,592,840	July 1, 2023
Belle Avenue Improvements	2003	0%	436,444	December 1, 2023
<i>Sewer and Wastewater Fund</i>				
West Clifton Storm Sewer Rehab.	2000	0%	85,461	December 1, 2020
Edgewater Drive-Sewer Separation	2002	0%	604,258	December 1, 2022
<i>OWDA Loan</i>				
<i>Sewer and Wastewater Fund</i>				
Lakewood Avenue	2002	4.30%	311,097	July 1, 2013

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 10 - Long-Term Obligations (Continued)

A schedule of changes in bonds and other long-term obligations of the City during 2003 follows:

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003	Amount Due in One Year
Governmental Activities					
Notes Payable					
Various Purpose	\$ 5,961,000	\$0	\$ 5,961,000	\$0	\$0
Various Purpose	0	3,175,500	0	3,175,500	0
Capital Projects	0	380,000	0	380,000	0
<i>Total Notes Payable</i>	<u>5,961,000</u>	<u>3,555,500</u>	<u>5,961,000</u>	<u>3,555,500</u>	<u>0</u>
General Obligation Bonds					
Various Purpose	\$7,760,000	\$0	\$490,000	\$7,270,000	\$535,000
Various Purpose	3,206,500	0	186,800	3,019,700	201,800
1992 Various Purpose Refunding	6,435,000	0	555,000	5,880,000	570,000
Various Purpose	7,785,000	0	315,000	7,470,000	320,000
Various Purpose	0	5,219,000	0	5,219,000	194,289
Unamortized Premium	0	120,589	4,016	116,573	0
<i>Total General Obligation Bonds</i>	<u>25,186,500</u>	<u>5,339,589</u>	<u>1,550,816</u>	<u>28,975,273</u>	<u>1,821,089</u>
Special Assessment Bonds					
Lakeshore Breakwall	40,000	0	40,000	0	0
Belle Avenue	35,000	0	5,000	30,000	10,000
Niagra and Narragansett Streets	80,000	0	20,000	60,000	20,000
<i>Total Special Assessment Bonds</i>	<u>155,000</u>	<u>0</u>	<u>65,000</u>	<u>90,000</u>	<u>30,000</u>
OPWC Loans					
Forest and Clifton Road	492,800	0	30,800	462,000	30,800
Lakewood Heights Boulevard	182,726	0	33,222	149,504	33,222
<i>Total OPWC Loans</i>	<u>675,526</u>	<u>0</u>	<u>64,022</u>	<u>611,504</u>	<u>64,022</u>
Compensated Absences Payable	3,815,281	148,367	411,839	3,551,809	774,661
Capital Lease Payable	453,260	173,991	331,490	295,761	181,968
<i>Total Governmental Activities</i>	<u>\$36,246,567</u>	<u>\$9,217,447</u>	<u>\$8,384,167</u>	<u>\$37,079,847</u>	<u>\$2,871,740</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 10 - Long-Term Obligations (Continued)

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003	Amount Due in One Year
Business-Type Activities					
Notes Payable					
<i>Sewer Fund</i>					
Storm Sewer Replacement	\$ 696,000	\$0	\$ 696,000	\$0	\$0
Storm Sewer Replacement	3,249,000	0	3,249,000	0	0
Storm Sewer Replacement	0	1,155,000	0	1,155,000	0
<i>Total Notes Payable</i>	<u>3,945,000</u>	<u>1,155,000</u>	<u>3,945,000</u>	<u>1,155,000</u>	<u>0</u>
Revenue Bonds					
<i>Water Fund</i>					
Water Main Improvements	2,685,000	0	90,000	2,595,000	90,000
Water System Refunding	4,025,000	0	440,000	3,585,000	400,000
Unamortized Accounting Loss	(266,220)	0	(29,580)	(236,640)	0
<i>Total Revenue Bonds</i>	<u>6,443,780</u>	<u>0</u>	<u>500,420</u>	<u>5,943,360</u>	<u>490,000</u>
General Obligation Bonds					
<i>Sewer Fund</i>					
Sewer Construction	2,295,000	0	125,000	2,170,000	130,000
Sewer Construction Refunding	3,975,000	0	370,000	3,605,000	385,000
Unamortized Accounting Loss	(289,219)	0	(28,922)	(260,297)	0
Sewer Construction	0	3,481,000	0	3,481,000	95,711
Unamortized Premium	0	78,836	2,628	76,208	0
<i>Total Sewer Fund</i>	<u>5,980,781</u>	<u>3,559,836</u>	<u>468,706</u>	<u>9,071,911</u>	<u>610,711</u>
<i>Winterhurst Ice Rink</i>					
Recreational Facility	1,288,600	0	23,200	1,265,400	23,200
<i>Total General Obligation Bonds</i>	<u>7,269,381</u>	<u>3,559,836</u>	<u>491,906</u>	<u>10,337,311</u>	<u>633,911</u>
OPWC Loans					
<i>Water Fund</i>					
Water Main Replacements	998,770	0	62,424	936,346	62,424
Water Main Replacements	1,749,612	0	97,200	1,652,412	97,200
Water Main Replacements	994,614	0	24,865	969,749	49,730
Water Main Replacements	1,458,672	134,168	39,820	1,553,020	79,642
Belle Avenue Improvements	0	436,444	0	436,444	21,817
<i>Total Water Fund</i>	<u>5,201,668</u>	<u>570,612</u>	<u>224,309</u>	<u>5,547,971</u>	<u>310,813</u>
<i>Sewer Fund</i>					
West Clifton Storm Sewer Rehabilitation	72,641	0	4,274	68,367	4,274
Edgewater Drive-Sewer Separation	574,045	0	30,212	543,833	30,212
<i>Total Sewer Fund</i>	<u>646,686</u>	<u>0</u>	<u>34,486</u>	<u>612,200</u>	<u>34,486</u>
<i>Total OPWC Loans</i>	<u>5,848,354</u>	<u>570,612</u>	<u>258,795</u>	<u>6,160,171</u>	<u>345,299</u>
OWDA Loan					
<i>Sewer Fund</i>					
Lakewood Avenue	280,325	0	21,634	258,691	22,573
Compensated Absences Payable	297,724	48,683	44,629	301,778	60,415
Capital Lease Payable	19,282	0	19,282	0	0
<i>Total Business-Type Activities</i>	<u>\$24,103,846</u>	<u>\$5,334,131</u>	<u>\$5,281,666</u>	<u>\$24,156,311</u>	<u>\$1,552,198</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

Note 10 - Long-Term Obligations (Continued)

General Obligation Bonds will be retired from the general obligation debt service fund, using general property tax revenue. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The OPWC loan will be paid from general property tax revenue. Compensated absences will be paid from the general fund, streets and highway, community development block grant, office on aging, and lakewood hospital special revenue funds, and the water, sewer, parking facilities, and winterhurst ice rink enterprise funds. The revenue bonds, general obligation bonds, OPWC loans and the OWDA loans reported in the enterprise funds will be paid from revenues derived by the City from water, sewer and ice rink user charges.

The 1998 advance refunding of the 1992 Sanitary Sewer System special obligation bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt. The refunded debt was called on December 1, 2001 and has been paid off. The unamortized balance of the deferral totaled \$260,297 at December 31, 2003. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2011 using the straight-line method.

On March 1, 1998, the City issued \$5,695,000 in general obligation bonds to advance refund \$5,195,000 of outstanding 1992 Sanitary Sewer System special obligation bonds. The net proceeds of \$5,631,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities and fixed earning from the securities are sufficient to provide for all future debt service payment on the 1992 bonds. As a result are considered to be defeased and the liability for those bonds has been removed from the Sewer and Wastewater Fund. As of December 31, 2003, \$3,605,000 of the defeased debt remained outstanding.

On March 1, 1998, the City issued \$9,060,000 in general obligation bonds to advance refund \$8,170,000 of outstanding 1992 various purpose general obligation bonds. The net proceeds of \$8,960,000 (after payment of issuance costs) were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust and an escrow agent. The securities and fixed earnings from the securities are sufficient to provide for all future debt service payments on the 1992 bonds. As a result, the 1992 bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Obligation Account Group. As of December 31, 2003, \$5,880,000 of the defeased debt remained outstanding.

In 1995, the City issued \$2,850,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.40 percent to 6.60 percent. Proceeds were used to improve the City's water mains. The revenue bonds included serial bonds. The redemption price is equal to 100 percent of the principal plus accrued interest at the redemption date. Restricted assets relating to the water main improvement revenue bonds at December 31, 2003, were as follows:

Restricted Assets Held by City:
Replacement and Improvements \$328,177

On December 12, 2002 the City issued \$4,025,000 in water revenue refunding bonds to advance refund and defease the series 1991 water revenue bonds of \$2,845,000 and advance refund a portion (\$880,000) of the series 2002 bond anticipation notes. The net proceeds were used to purchase direct obligations of the U.S. government. Those securities were deposited in an irrevocable trust with an escrow agent. The securities

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

Note 10 - Long-Term Obligations (Continued)

and fixed earnings from the securities are sufficient to provide for all future debt service payments on the series 1991 water revenue bonds and respective portion of the series 2002 bond anticipation notes. As a result, the 1991 water revenue bonds and the respective portion of the series 2002 bond anticipation notes are considered to be defeased. As of December 31 2003, \$3,585,000 of the defeased debt remained outstanding. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the accompanying financial statement as a deduction from due in more than one year, is being charged to operations through the year 2011 using the straight-line method. The unamortized balance of the deferral totaled \$236,640 at December 31, 2003. The bonds maturing on or after July 1, 2001 are subject to redemption, at the sole option of the City, either in whole on any date or in part on any interest payment date, on or after July 1, 2001, in multiples of \$5,000, at 100 percent of the redemption price plus accrued interest as of July 1, 2003 and thereafter. Restricted assets relating to the refunding water revenue bonds at December 31, 2003 were as follows:

Restricted Assets Held by City:
Replacement and Improvement \$175,756

Legal Debt Margin: Under the Uniform Bond Act of the Ohio Revised Code, the City at December 31, 2003 had the capacity to issue \$5,450,786 of additional unvoted general obligation debt. The City's overall debt margin was \$45,695,682 at December 31, 2003. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2003, are as follows:

	G o v e r n m e n t a l A c t i v i t i e s			
	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2004	\$ 1,821,089	\$ 1,456,124	\$ 30,000	\$ 2,415
2005	1,878,218	1,377,502	30,000	1,215
2006	1,876,154	1,286,747	30,000	1,215
2007	1,951,004	1,195,814	0	0
2008	1,976,540	1,095,087	0	0
2009-2013	10,274,317	3,815,821	0	0
2014-2018	6,059,084	1,555,185	0	0
2019-2023	3,022,294	540,402	0	0
	\$ 28,858,700	\$ 12,322,682	\$ 90,000	\$ 4,845
	O P W C L o a n s		T o t a l	
	Principal	Interest	Principal	Interest
2004	\$ 64,022	\$ 0	\$ 1,915,111	\$ 1,458,539
2005	64,023	0	1,972,241	1,378,717
2006	64,023	0	1,970,177	1,287,962
2007	64,023	0	2,015,027	1,195,814
2008	47,413	0	2,023,953	1,095,087
2009-2013	154,000	0	10,428,317	3,815,821
2014-2018	154,000	0	6,213,084	1,555,185
2019-2023	0	0	3,022,194	540,402
	\$ 611,504	\$ 0	\$ 29,560,104	\$ 12,327,527

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 10 - Long-Term Obligations (Continued)

	Business Type Activities			
	Revenue Bonds		GO Bonds	
	Principal	Interest	Principal	Interest
2004	\$ 490,000	\$ 251,785	\$ 633,911	\$ 506,915
2005	510,000	239,016	661,782	420,240
2006	530,000	225,466	693,846	443,917
2007	545,000	209,760	718,996	414,281
2008-2012	565,000	192,015	818,461	378,629
2013-2017	2,150,000	636,301	3,640,683	1,216,234
2018-2022	930,000	304,201	1,965,914	564,479
2023-2027	460,000	40,658	1,387,807	194,169
	<u>\$ 6,180,000</u>	<u>\$ 2,099,202</u>	<u>\$ 10,521,400</u>	<u>\$ 4,138,864</u>
	OPWC Loans		OWDA Loans	
	Principal	Interest	Principal	Interest
2004	\$ 345,304	\$0	\$ 22,573	\$ 10,884
2005	345,303	0	23,555	9,903
2006	345,303	0	24,579	8,879
2007	345,303	0	25,647	7,811
2008-2012	345,303	0	145,955	21,322
2013-2017	1,726,525	0	16,382	346
2018-2022	1,726,524	0	-	-
2023-2027	980,606	0	-	-
	<u>\$ 6,160,171</u>	<u>\$0</u>	<u>\$ 258,691</u>	<u>\$ 59,145</u>
Total				
	Principal	Interest		
2004	\$ 1,491,788	\$ 769,584		
2005	1,540,640	669,159		
2006	1,593,728	678,262		
2007	1,634,946	631,852		
2008-2012	1,874,719	591,966		
2013-2017	7,533,590	1,852,881		
2018-2022	4,622,438	868,680		
2023-2027	2,828,413	234,827		
	<u>\$ 23,120,262</u>	<u>\$ 6,297,211</u>		

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 11 – Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

In 1983 and 1989 the City issued Hospital Improvement Revenue Bonds for the purpose of providing funds to pay the cost of Lakewood Hospital Facility improvements. In 1989, the City also issued Hospital Improvement Refunding Bonds to advance refund the Hospital Improvement Bonds, Series 1983. On November 13, 2003, the City issued \$27,570,000 Hospital Revenue Bonds, Series 2003 to advance refund the 1989 Series. As of December 31, 2003, the aggregate principal amount of conduit debt obligation outstanding for Lakewood Hospital was \$26,250,000. On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. The aggregate principal amount of conduit debt obligations for St. Edward High School was \$10,800,000. This amount will not be paid down until 2005. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements.

Note 12 – Capital Leases

A. Capital Leases

The City leases police vehicles and copier equipment through capital leasing arrangements. The assets of such agreements are recorded in the Government-Wide Statement of Net Assets. The lease contracts contain annual one-year renewal options that can be exercised by the City if sufficient funds are appropriated by City Council. The vehicles and equipment have been capitalized in the amounts of \$551,601 and \$92,656 respectively. The book values are \$496,334 and \$71,853 as of December 31, 2003. The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2003

	<u>Totals</u>
2004	\$ 186,090
2005	76,621
2006	21,874
2007	15,120
2008	743
Total minimum lease payments	300,448
Less: amount representing interest	(4,687)
Total	\$ 295,761

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 12 – Capital Leases (Continued)

B. Operating Leases

In 1997, the City renegotiated its lease agreement with the Lakewood Hospital Association (LHA) for its use of real and personal property owned by the City for the purpose of operating a hospital. The cost of leased assets and accumulated depreciation totaled \$170,650,000 and \$112,242,000, respectively, as of December 31, 2002 (the most recent information available). Under the terms of the lease, the City will receive amounts ranging from \$1 million to \$1.225 million commencing in 1997 and continuing through 2026. Upon expiration of the lease term or the termination of this lease, LHA will surrender the leased property to the City.

Note 13 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has insurance coverage with Federal Insurance Company who provides the boiler coverage. The City's coverage for general liability, bodily injury and property damage to others, with Arch Insurance Company, is limited to \$1,000,000 per occurrence and has a \$3,000,000 aggregate limit per year with no deductible. In addition, there is an excess umbrella coverage of \$10,000,000 per occurrence for all liability coverage with no deductible.

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence, no aggregate with an \$5,000 deductible. Vehicles are covered for \$1,000,000 per each occurrence, no aggregate, with a \$250 deductible for comprehensive, \$1,000 deductible for collision.

The boiler and machinery is covered at \$50,000,000 with a \$5,000 deductible and municipal pools are covered at \$5,000,000 per occurrence and \$5,000,000 aggregate with a zero deductible.

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$93,624,617 with a \$1,000 deductible. Inland marine coverage for all City property that moves has a coverage of \$6,220,982 with a \$1,000 deductible and EDP equipment are covered at \$2,571,887 with a \$1,000 deductible.

Medical Professional are \$1,000,000 per occurrence and \$3,000,000 aggregate with \$2,500 deductible per occurrence. Medical Professional (health department) are \$1,000,000 per occurrence and \$3,000,000 aggregate with a \$2,500 deductible.

Pollution (lead abatement policy) are \$1,000,000 per occurrence with a \$2,500 deductible and earthquake and flood are \$5,000,000 per occurrence with a \$50,000 deductible.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

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

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 13 - Risk Management (Continued)

At December 31, 2003, \$455,428 has been accrued for hospitalization claims representing an estimate of the amount to be paid for claims that have been incurred but not reported 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 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 balances of claims liabilities during the past two fiscal years follows:

	2003	2002
Estimated claims payable January 1	\$ 553,005	\$ 428,045
Plus: Current year claims	3,511,186	3,584,796
Less: Claim payments	<u>(3,608,763)</u>	<u>(3,459,836)</u>
Estimated claims payable December 31	\$ <u>455,428</u>	\$ <u>553,005</u>

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

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

At December 31, 2003, \$1,512,360 has been accrued for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims calculated using trends in actual claims experience 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 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 balance of claims liabilities during the past two fiscal years are as follows:

	2003	2002
Estimated Claims payable January 1	\$ 1,678,590	\$ 2,224,944
Plus: Current year claims	40,596	(470,511)
Less: Claim payments	<u>(206,826)</u>	<u>(75,843)</u>
Estimated Claims payable December 31	\$ <u>1,512,360</u>	\$ <u>1,678,590</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

Note 13 - Risk Management (Continued)

In accordance with GASB Statement No. 10, claims liabilities, arising from uninsured risks, are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities included an amount for claims incurred but not reported. Changes to the estimated claims payable recorded in the General Insurance Fund and during the years ended December 31, 2003 and 2002 were as follows:

	2003	2002
Estimated claims payable January 1	\$ 23,000	\$ 23,000
Plus: Current year claims	191	6,244
Less: Claim payments	(191)	(6,244)
Estimated claims payable December 31	\$ 23,000	\$ 23,000

Note 14 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

Note 14 - Defined Benefit Pension Plans (Continued)

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$ 2,499,328, \$ 2,493,532, and \$ 2,388,054 respectively; 73 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were \$8,001 made by the City and \$5,019 made by the plan members.

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the Fund for the years ended December 31, 2003, 2002, and 2001 were \$2,226,927, \$2,192,960, and \$1,919,806 respectively, equal to the required contributions for each year. The full amount has been contributed for 2002 and 2001. 74 percent has been contributed for 2003 with the remainder being reported as a liability.

Note 15 - Post Employment Benefits

A. Ohio Public Employee Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 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 annually.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

Note 15 - Post Employment Benefits (Continued)

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$922,761. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

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 service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides 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 funds of OP&F 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 rate 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 2003. 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. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2003 that were used to fund postemployment benefits were \$417,976 for police and \$379,506 for firefighters. The OP&F's total health care expense for the year ended December 31, 2002, (the latest information available) was \$141,028,006, which was net of member contributions of \$12,623,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2002, was 13,527 for police and 10,396 for firefighters.

Note 16 - Other Employee Benefits

A. Compensated Absences

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

In addition, employees of the City accumulate deferred compensation for a portion of overtime hours worked based upon time and a half for police and fire department employees and straight time for other employees. Employees are entitled to receive payments for their accumulated hours upon retirement or other termination from the City's payroll. Police and fire department employees can receive, on a yearly basis, payments for portions of overtime accumulated upon written request to the respective department Chief.

Fire Department personnel required to work a holiday shall be granted, at a later time, an eight or twenty-four hour off-duty period. Members hired after January 1, 1989 must take holiday time off during the year in which it is earned. Members hired before January 1, 1989 may accumulate up to fourteen 24-hour holidays which would be paid at their hourly rate at the time of retirement or termination. Members have the option of up to 144 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

B. Health and Life Insurance

The City provides health insurance through Medical Mutual and life insurance and accidental death and dismemberment insurance to its employees through Kansas City Life Insurance. The options to select an HMO from Kaiser Permanente and SuperMed HMO is provided to the employees and premiums are paid by the City and partly by the employee.

Note 17 - Interfund Transfers and Balances

A. Transfers

The general fund transfers to the major and nonmajor governmental funds and the Winterhurst Ice Rink enterprise fund were made to provide additional resources for current operations. The transfers from police and fire pension special revenue funds and permanent capital improvement fund were to cover debt payments. The transfer from the law and drug enforcement special revenue to the bureau of justice special revenue fund was made to fund the program. The transfer from the political subdivision special revenue to the general fund is for a portion of court costs to be transferred back to the general fund where court costs are originally paid.

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2003

Note 17 - Interfund Transfers and Balances (Continued)

Transfer To	Transfer From				Total
	General	Police and Fire Pension	Law and Drug Enforcement	Political Subdivision	
Governmental Activities					
Major Funds					
General	\$0	\$0	\$0	\$5,000	\$5,000
Streets and Highways	350,000	0	0	0	350,000
Office on Aging	1,180,000	0	0	0	1,180,000
GO Bond Retirement	0	582,700	0	0	582,700
Nonmajor Funds					
Bureau of Justice	0	0	4,737	0	4,737
Community Festival	5,000	0	0	0	5,000
<i>Total Governmental Activities</i>	1,535,000	582,700	4,737	5,000	2,127,437
Business-Type Activities					
Winterhurst	200,000	0	0	0	200,000
Total	\$1,735,000	\$582,700	\$4,737	\$5,000	\$2,327,437

B. Balances

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds. It is also to cover the cash flow in the Winterhurst Enterprise Fund as well as those funds that owe the Hospitalization Fund for claims incurred. All interfund balances will be repaid within one year. Interfund balances at December 31, 2003, consist of the following:

Interfund Payable	Interfund Receivable		Total
	General	Hospitalization	
Governmental Activities			
Major Funds:			
General	\$0	\$334,304	\$334,304
<i>Special Revenue Funds:</i>			
Streets and Highways	0	17,765	17,765
Community Development Block Grant	47,632	4,845	52,477
Office on Aging	0	31,492	31,492
Lakewood Hospital	0	16,957	16,957
<i>Enterprise Funds:</i>			
Water	0	16,151	16,151
Sewer	0	29,877	29,877
Nonmajor Funds			
<i>Special Revenue Funds:</i>			
Litter Control	825	0	825
Lead Based Paint	27,885	0	27,885
Family Day Care	2,747	0	2,747
<i>Enterprise Funds:</i>			
Parking Facilities	0	2,422	2,422
Winterhurst Ice Rink	124,073	1,615	125,688
	<u>\$203,162</u>	<u>\$455,428</u>	<u>\$658,590</u>

City of Lakewood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December, 31, 2003

Note 18 - Jointly Governed Organization

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 2003, the City contributed \$28,600 which represented 12.41 percent of total contributions.

Note 19 - Subsequent Event

On June 2, 2004, the City issued \$10,913,300 in various purpose bond anticipation notes. Of that amount \$4,035,000 was rolled over from prior year. The notes had a 1.82 percent interest rate and mature in one year.

Combining Statements-Nonmajor Governmental Funds

Fund Descriptions

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specific purposes.

Litter Control Grant Fund	To account for the revenues received from Ohio Department of Natural Resources and expenditures relative to this program.
Community Festival Fund	To account for the revenues and expenditures relating to various community activities held during the year.
Law and Drug Enforcement Trust Fund	To account for confiscated property and forfeited bonds. Monies are designated for specific law enforcement purposes and activities.
Bureau of Justice Grant Fund	To account for grant proceeds from the federal government and the expenditures relative to this program.
Federal Forfeiture Fund	To account for proceeds received from the profits derived from illegal enterprises. These are the result of joint investigations between the Lakewood Police Department and Federal Agencies. The revenues in this fund may only be used per specific requirements of the federal code to support law enforcement investigations, technology, equipment and training.
Indigent Drivers Alcohol Treatment Fund	To account for the revenue from fines imposed by the persons convicted of "Driving while under the influence of alcohol (D.U.I.)"
Enforcement and Education Fund	To account for the revenue from fines imposed by the Courts which are used for programs aimed at further education in enforcement of D.U.I. laws.
Political Subdivision Fund	To account for the revenue from fines imposed by the Courts which is distributed to the political subdivision responsible for housing the D.U.I. offender to offset related costs.
Computer Research and Maintenance Fund	To account for the revenue from fines imposed by the Courts which is used to provide for computerized research services and maintenance of the Court's computer system.

Court Special Projects Fund	To account for the revenue from fines imposed by the Courts which is used for payment of special project costs of the Lakewood Municipal Court.
Court Probation Services Fund	To account for the revenue from fines imposed by the Courts which is used for the efficient operations of the Probation Department of the Lakewood Municipal Court.
Emergency Shelter Grant Fund	To account for grants issued to the City of the United States Department of Housing and Urban Development (HUD) to fund the renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless.
HOME Investment Program Fund	To account for the revenues received to help first-time homebuyer with low and moderate income to purchase a new home.
Lead-Based Paint Hazard Control Fund	To account for grant funds to families with low to moderate income and who have children under the age of six who are at risk for lead paint poisoning.
Children's Trust Grant Fund	To account for the revenue received from the Governor's Office of Criminal Justice Services which are used to implement a comprehensive community awareness and prevention program for Lakewood's youth.
Little Links Fund	To account for the revenues and expenditures to maintain the City's miniature golf course.
Cuyahoga County Violence Prevention Fund	To account for grant proceeds from the County used to provide case management services to children who witness violence.
Juvenile Accountability Incentive Block Grant Fund	To account for grant proceeds from the State used to decrease the number of juveniles entering the court system.
Byrne Memorial Grant Fund	To account for grant proceeds from the State used to expand the community safety outreach program.
Help-to-Others Fund	To account for camp registrations and donations used to fund a youth program that promotes volunteerism.
Child and Adult Day Care Program Fund	To account for grant proceeds received from the State of Ohio USDA to provide reimbursements to home daycare providers for food and snacks served to eligible children in their care.

Non Major Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds).

Lakehouse Breakwall Fund To account for the construction of a permanent breakwall to protect the property of the citizens of the City.

Land Acquisition Fund To account for the acquisition of properties purchased by the City to be developed for recreation, economic or other purposes as deemed appropriate by City Council and the Mayor.

City Park Improvement Fund To account for the purpose of accumulating resources for the acquisition, construction, or improvement of the City Park.

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash			
Equivalents	\$ 852,804	\$ 159,520	\$ 1,012,324
Accounts Receivable	10,646	0	10,646
Intergovernmental Receivable	30,431	0	30,431
<i>Total Assets</i>	<u>\$ 893,881</u>	<u>\$ 159,520</u>	<u>\$ 1,053,401</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 21,956	\$ 0	\$ 21,956
Accrued Wages and Benefits	2,986	0	2,986
Intergovernmental Payable	438	0	438
Interfund Payable	31,457	0	31,457
<i>Total Liabilities</i>	<u>56,837</u>	<u>0</u>	<u>56,837</u>
Fund Balances			
Reserved for Encumbrances	20,962	0	20,962
Undesignated, Reported In:			
Special Revenue Funds	816,082	0	816,082
Capital Projects Funds	0	159,520	159,520
<i>Total Fund Balances</i>	<u>837,044</u>	<u>159,520</u>	<u>996,564</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 893,881</u>	<u>\$ 159,520</u>	<u>\$ 1,053,401</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Charges for Services	\$ 21,733	\$ 0	\$ 21,733
Fines and Forfeitures	398,593	0	398,593
Intergovernmental	555,294	0	555,294
Special Assessments	0	44,604	44,604
Miscellaneous	31,884	0	31,884
<i>Total Revenues</i>	<u>1,007,504</u>	<u>44,604</u>	<u>1,052,108</u>
Expenditures			
Current:			
General Government	144,004	0	144,004
Security of Persons and Property:			
Police	149,723	0	149,723
Community Environment	536,345	0	536,345
Debt Service:			
Principal Retirement	0	40,000	40,000
Interest and Fiscal Charges	0	2,100	2,100
<i>Total Expenditures</i>	<u>830,072</u>	<u>42,100</u>	<u>872,172</u>
Excess of Revenues Over Expenditures	<u>177,432</u>	<u>2,504</u>	<u>179,936</u>
Other Financing Sources (Uses)			
Transfers In	9,737	0	9,737
Transfers Out	(9,737)	0	(9,737)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	177,432	2,504	179,936
<i>Fund Balances Beginning of Year</i>	<u>659,612</u>	<u>157,016</u>	<u>816,628</u>
<i>Fund Balances End of Year</i>	<u>\$ 837,044</u>	<u>\$ 159,520</u>	<u>\$ 996,564</u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2003

	Litter Control Grant Fund	Community Festival Fund	Law and Drug Enforcement Trust Fund	Bureau of Justice Grant Fund
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$ 0	\$ 6,641	\$ 268,074	\$ 36,454
Accounts Receivable	0	0	838	0
Intergovernmental Receivable	7,431	0	0	0
<i>Total Assets</i>	<u>\$ 7,431</u>	<u>\$ 6,641</u>	<u>\$ 268,912</u>	<u>\$ 36,454</u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	\$ 0	\$ 0	\$ 6,233	\$ 0
Accrued Wages and Benefits	636	0	0	0
Intergovernmental Payable	86	0	0	0
Interfund Payable	825	0	0	0
<i>Total Liabilities</i>	<u>1,547</u>	<u>0</u>	<u>6,233</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	0	7,392	13,570
Unreserved, Undesignated(Deficit)	5,884	6,641	255,287	22,884
<i>Total Fund Balances (Deficit)</i>	<u>5,884</u>	<u>6,641</u>	<u>262,679</u>	<u>36,454</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 7,431</u>	<u>\$ 6,641</u>	<u>\$ 268,912</u>	<u>\$ 36,454</u>

<u>Federal Forfeiture Fund</u>	<u>Indigent Drivers Alcohol Treatment Fund</u>	<u>Enforcement and Education Fund</u>	<u>Political Subdivision Fund</u>	<u>Computer Research and Maintenance Fund</u>	<u>Court Special Projects Fund</u>
\$ 35,597	\$ 122,751	\$ 170,515	\$ 1,338	\$ 65,109	\$ 17,590
0	628	587	655	1,873	3,350
0	0	0	0	0	0
<u>\$ 35,597</u>	<u>\$ 123,379</u>	<u>\$ 171,102</u>	<u>\$ 1,993</u>	<u>\$ 66,982</u>	<u>\$ 20,940</u>
\$ 4,071	\$ 0	\$ 5,640	\$ 0	\$ 6,012	\$ 0
0	0	0	0	0	1,276
0	0	0	0	0	191
0	0	0	0	0	0
<u>4,071</u>	<u>0</u>	<u>5,640</u>	<u>0</u>	<u>6,012</u>	<u>1,467</u>
0	0	0	0	0	0
<u>31,526</u>	<u>123,379</u>	<u>165,462</u>	<u>1,993</u>	<u>60,970</u>	<u>19,473</u>
<u>31,526</u>	<u>123,379</u>	<u>165,462</u>	<u>1,993</u>	<u>60,970</u>	<u>19,473</u>
<u>\$ 35,597</u>	<u>\$ 123,379</u>	<u>\$ 171,102</u>	<u>\$ 1,993</u>	<u>\$ 66,982</u>	<u>\$ 20,940</u>

continued

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds(continued)
December 31, 2003

	<u>Court Probation Services Fund</u>	<u>Emergency Shelter Grant Fund</u>	<u>HOME Investment Program Fund</u>	<u>Lead-Based Paint Hazard Control Fund</u>	<u>Children's Trust Grant Fund</u>
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$ 48,636	\$ 2,486	\$ 67,500	\$ 0	\$ 324
Accounts Receivable	2,715	0	0	0	0
Intergovernmental Receivable	0	0	0	23,000	0
<i>Total Assets</i>	<u>\$ 51,351</u>	<u>\$ 2,486</u>	<u>\$ 67,500</u>	<u>\$ 23,000</u>	<u>\$ 324</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Interfund Payable	0	0	0	27,885	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,885</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	0	0	0	0
Unreserved, Undesignated(Deficit)	51,351	2,486	67,500	(4,885)	324
<i>Total Fund Balances (Deficit)</i>	<u>51,351</u>	<u>2,486</u>	<u>67,500</u>	<u>(4,885)</u>	<u>324</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 51,351</u>	<u>\$ 2,486</u>	<u>\$ 67,500</u>	<u>\$ 23,000</u>	<u>\$ 324</u>

Little Links Fund	Juvenile Accountability Incentive Block Grant Fund	Byrne Memorial Grant Fund	Help-to-Others Fund	Child and Adult Day Care Program Fund	Total Nonmajor Special Revenue Funds
\$ 6,096	\$ 340	\$ 1,908	\$ 1,445	\$ 0	\$ 852,804
0	0	0	0	0	10,646
0	0	0	0	0	30,431
<u>\$ 6,096</u>	<u>\$ 340</u>	<u>\$ 1,908</u>	<u>\$ 1,445</u>	<u>\$ 0</u>	<u>\$ 893,881</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,956
0	0	0	0	1,074	2,986
0	0	0	0	161	438
0	0	0	0	2,747	31,457
0	0	0	0	3,982	56,837
0	0	0	0	0	20,962
6,096	340	1,908	1,445	(3,982)	816,082
6,096	340	1,908	1,445	(3,982)	837,044
<u>\$ 6,096</u>	<u>\$ 340</u>	<u>\$ 1,908</u>	<u>\$ 1,445</u>	<u>\$ 0</u>	<u>\$ 893,881</u>

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2003

	Litter Control Grant Fund	Community Festival Fund	Law and Drug Enforcement Trust Fund	Bureau of Justice Grant Fund
Revenues				
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0
Fines and Forfeitures	0	0	148,466	0
Intergovernmental	57,430	0	0	17,478
Miscellaneous	300	3,000	6,605	0
<i>Total Revenues</i>	<u>57,730</u>	<u>3,000</u>	<u>155,071</u>	<u>17,478</u>
Expenditures				
Current:				
General Government	0	8,259	0	0
Security of Persons and Property:				
Police	0	0	94,285	43,734
Community Environment	67,057	0	0	0
<i>Total Expenditures</i>	<u>67,057</u>	<u>8,259</u>	<u>94,285</u>	<u>43,734</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,327)</u>	<u>(5,259)</u>	<u>60,786</u>	<u>(26,256)</u>
Other Financing Sources (Uses)				
Transfers In	0	5,000	0	4,737
Transfers Out	0	0	(4,737)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>5,000</u>	<u>(4,737)</u>	<u>4,737</u>
<i>Net Change in Fund Balances</i>	(9,327)	(259)	56,049	(21,519)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>15,211</u>	<u>6,900</u>	<u>206,630</u>	<u>57,973</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 5,884</u>	<u>\$ 6,641</u>	<u>\$ 262,679</u>	<u>\$ 36,454</u>

Federal Forfeiture Fund	Indigent Drivers Alcohol Treatment Fund	Enforcement and Education Fund	Political Subdivision Fund	Computer Research and Maintenance Fund	Court Special Projects Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8,082	15,020	126,178	5,067	23,878	37,454
0	0	0	0	0	0
0	0	0	0	0	0
<u>8,082</u>	<u>15,020</u>	<u>126,178</u>	<u>5,067</u>	<u>23,878</u>	<u>37,454</u>
0	30,750	0	0	70,445	33,399
4,071	0	7,632	0	0	0
0	0	0	0	0	0
<u>4,071</u>	<u>30,750</u>	<u>7,632</u>	<u>0</u>	<u>70,445</u>	<u>33,399</u>
<u>4,011</u>	<u>(15,730)</u>	<u>118,546</u>	<u>5,067</u>	<u>(46,567)</u>	<u>4,055</u>
0	0	0	0	0	0
0	0	0	(5,000)	0	0
0	0	0	(5,000)	0	0
4,011	(15,730)	118,546	67	(46,567)	4,055
<u>27,515</u>	<u>139,109</u>	<u>46,916</u>	<u>1,926</u>	<u>107,537</u>	<u>15,418</u>
<u>\$ 31,526</u>	<u>\$ 123,379</u>	<u>\$ 165,462</u>	<u>\$ 1,993</u>	<u>\$ 60,970</u>	<u>\$ 19,473</u>

continued

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2003

	Court Probation Services Fund	Emergency Shelter Grant Fund	HOME Investment Program Fund	Lead-Based Paint Hazard Control Fund	Children's Trust Grant Fund
Revenues					
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines and Forfeitures	34,448	0	0	0	0
Intergovernmental	0	90,254	275,000	87,243	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>34,448</u>	<u>90,254</u>	<u>275,000</u>	<u>87,243</u>	<u>0</u>
Expenditures					
Current:					
General Government	1,151	0	0	0	0
Security of Persons and Property:					
Police	0	0	0	0	0
Community Environment	0	78,522	220,000	92,128	0
<i>Total Expenditures</i>	<u>1,151</u>	<u>78,522</u>	<u>220,000</u>	<u>92,128</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>33,297</u>	<u>11,732</u>	<u>55,000</u>	<u>(4,885)</u>	<u>0</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	33,297	11,732	55,000	(4,885)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>18,054</u>	<u>(9,246)</u>	<u>12,500</u>	<u>0</u>	<u>324</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 51,351</u>	<u>\$ 2,486</u>	<u>\$ 67,500</u>	<u>\$ (4,885)</u>	<u>\$ 324</u>

Little Links Fund	Cuyahoga County Violence Prevention Fund	Juvenile Accountability Incentive Block Grant Fund	Byrne Memorial Grant Fund	Help-to-Others Fund	Child and Adult Day Care Program Fund	Total Nonmajor Special Revenue Funds
\$ 15,871	\$ 0	\$ 0	\$ 0	\$ 5,862	\$ 0	\$ 21,733
0	0	0	0	0	0	398,593
0	0	14,494	1,908	0	11,487	555,294
292	0	0	0	21,687	0	31,884
<u>16,163</u>	<u>0</u>	<u>14,494</u>	<u>1,908</u>	<u>27,549</u>	<u>11,487</u>	<u>1,007,504</u>
0	0	0	0	0	0	144,004
0	1	0	0	0	0	149,723
15,149	0	20,471	0	27,549	15,469	536,345
<u>15,149</u>	<u>1</u>	<u>20,471</u>	<u>0</u>	<u>27,549</u>	<u>15,469</u>	<u>830,072</u>
<u>1,014</u>	<u>(1)</u>	<u>(5,977)</u>	<u>1,908</u>	<u>0</u>	<u>(3,982)</u>	<u>177,432</u>
0	0	0	0	0	0	9,737
0	0	0	0	0	0	(9,737)
0	0	0	0	0	0	0
1,014	(1)	(5,977)	1,908	0	(3,982)	177,432
5,082	1	6,317	0	1,445	0	659,612
<u>\$ 6,096</u>	<u>\$ 0</u>	<u>\$ 340</u>	<u>\$ 1,908</u>	<u>\$ 1,445</u>	<u>\$ (3,982)</u>	<u>\$ 837,044</u>

City of Lakewood, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2003

	<u>Lakehouse Breakwall Fund</u>	<u>Land Acquisition Fund</u>	<u>City Park Improvement Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 9,510	\$ 150,000	\$ 10	\$ 159,520
<i>Total Assets</i>	<u>\$ 9,510</u>	<u>\$ 150,000</u>	<u>\$ 10</u>	<u>\$ 159,520</u>
Liabilities and Fund Balance				
Liabilities				
<i>Total Liabilities</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances				
Reserved for Encumbrances				0
Unreserved, Undesignated	9,510	150,000	10	159,520
<i>Total Fund Balances</i>	<u>9,510</u>	<u>150,000</u>	<u>10</u>	<u>159,520</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 9,510</u>	<u>\$ 150,000</u>	<u>\$ 10</u>	<u>\$ 159,520</u>

City of Lakewood, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2003

	Lakehouse Breakwall Fund	Land Acquisition Fund	City Park Improvement Fund	Total Nonmajor Capital Projects Funds
Revenues				
Special Assessments	\$ 44,604	\$ 0	\$ 0	\$ 44,604
<i>Total Revenues</i>	<u>44,604</u>	<u>0</u>	<u>0</u>	<u>44,604</u>
Expenditures				
Debt Service:				
Principal Retirement	40,000	0	0	40,000
Interest and Fiscal Charges	<u>2,100</u>	<u>0</u>	<u>0</u>	<u>2,100</u>
<i>Total Expenditures</i>	<u>42,100</u>	<u>0</u>	<u>0</u>	<u>42,100</u>
<i>Change in Fund Balances</i>	2,504	0	0	2,504
<i>Fund Balances Beginning of Year</i>	<u>7,006</u>	<u>150,000</u>	<u>10</u>	<u>157,016</u>
<i>Fund Balances End of Year</i>	<u>\$ 9,510</u>	<u>\$ 150,000</u>	<u>\$ 10</u>	<u>\$ 159,520</u>

Combining Statements-Nonmajor Proprietary Funds

Fund Descriptions

Nonmajor Enterprise Funds

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

Parking Facilities Fund	To account for the off-street parking services provided by the City.
Winterhurst Ice Rink Fund	To account for the revenues and costs of operating the Municipal ice rink facility.
Congregate Living Facility Fund	To account for residential accommodations for senior citizens provided by the City.

Internal Service Funds

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

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

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2003

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 84,379	\$0	\$ 2,617	\$ 86,996
Accounts Receivable	0	41,551	0	41,551
Materials and Supplies Inventory	52,722	39,086	0	91,808
<i>Total Current Assets</i>	<u>137,101</u>	<u>80,637</u>	<u>2,617</u>	<u>220,355</u>
<i>NonCurrent Assets:</i>				
Deferred Bond Issuance Costs	0	12,407	0	12,407
Nondepreciable Capital Assets	77,130	10	10	77,150
Depreciable Capital Assets, Net	173,039	1,625,840	43,711	1,842,590
<i>Total Noncurrent Assets</i>	<u>250,169</u>	<u>1,638,257</u>	<u>43,721</u>	<u>1,932,147</u>
<i>Total Assets</i>	<u>387,270</u>	<u>1,718,894</u>	<u>46,338</u>	<u>2,152,502</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	51,635	19,494	5,223	76,352
Accrued Wages and Benefits	5,820	16,310	0	22,130
Intergovernmental Payable	7,098	19,724	0	26,822
Interfund Payable	2,422	125,688	0	128,110
Accrued Interest Payable	0	5,255	0	5,255
Compensated Absences Payable	649	30,212	0	30,861
Bonds Payable	0	23,200	0	23,200
<i>Total Current Liabilities</i>	<u>67,624</u>	<u>239,883</u>	<u>5,223</u>	<u>312,730</u>
<i>Long Term Liabilities:</i>				
Compensated Absences Payable	6,891	6,335	0	13,226
Bonds Payable	0	1,242,200	0	1,242,200
<i>Total Long-Term Liabilities</i>	<u>6,891</u>	<u>1,248,535</u>	<u>0</u>	<u>1,255,426</u>
<i>Total Liabilities</i>	<u>74,515</u>	<u>1,488,418</u>	<u>5,223</u>	<u>1,568,156</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	250,169	348,043	43,721	641,933
Unrestricted (Deficit)	62,586	(117,567)	(2,606)	(57,587)
<i>Total Net Assets</i>	<u>\$ 312,755</u>	<u>\$ 230,476</u>	<u>\$ 41,115</u>	<u>\$ 584,346</u>

City of Lakewood, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2003

	Parking Facilities Fund	Winterhurst Ice Rink Fund	Congregate Living Facility Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for Services	\$ 278,749	\$ 703,880	\$ 8,681	\$ 991,310
Miscellaneous	1,805	135	0	1,940
<i>Total Operating Revenues</i>	<u>280,554</u>	<u>704,015</u>	<u>8,681</u>	<u>993,250</u>
Operating Expenses				
Personal Services	163,724	463,070	0	626,794
Contractual Services	119,754	159,738	5,439	284,931
Materials and Supplies	425	73,316	714	74,455
Utilities	0	270,854	2,397	273,251
Depreciation	24,498	47,844	796	73,138
<i>Total Operating Expenses</i>	<u>308,401</u>	<u>1,014,822</u>	<u>9,346</u>	<u>1,332,569</u>
Operating Loss	<u>(27,847)</u>	<u>(310,807)</u>	<u>(665)</u>	<u>(339,319)</u>
Nonoperating Expenses				
Interest and Fiscal Charges	0	(65,428)	0	(65,428)
<i>Total Nonoperating Expenses</i>	<u>0</u>	<u>(65,428)</u>	<u>0</u>	<u>(65,428)</u>
<i>Net Loss Before Transfers</i>	(27,847)	(376,235)	(665)	(404,747)
<i>Transfers In</i>	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
<i>Change in Net Assets</i>	(27,847)	(176,235)	(665)	(204,747)
<i>Net Assets Beginning of Year</i>	<u>340,602</u>	<u>406,711</u>	<u>41,780</u>	<u>789,093</u>
<i>Net Assets at End of Year</i>	<u>\$ 312,755</u>	<u>\$ 230,476</u>	<u>\$ 41,115</u>	<u>\$ 584,346</u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
NonMajor Enterprise Funds
For the Year Ended December 31, 2003

	Business Type Activities			Total
	Parking Facilities	Winterhurst Ice Rink	Congregate Living Facility	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 278,749	\$ 703,212	\$ 8,700	\$ 990,661
Cash Received from Other Operating Sources	2,258	3,512	0	5,770
Cash Payments to Suppliers for Goods and Services	(106,923)	(516,702)	(9,787)	(633,412)
Cash Payments for Employee Services and Benefits	(172,127)	(442,049)	0	(614,176)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,957</u>	<u>(252,027)</u>	<u>(1,087)</u>	<u>(251,157)</u>
Cash Flows from Noncapital Financing Activities				
Transfer In	0	200,000	0	200,000
Advances In	0	124,073	0	124,073
<i>Net Cash Provided by Non-capital Financing Activities</i>	<u>0</u>	<u>324,073</u>	<u>0</u>	<u>324,073</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(6,351)	(19,869)	0	(26,220)
Principal paid on Bonds	0	(23,200)	0	(23,200)
Interest and Fiscal Charges Paid on Bonds	0	(64,036)	0	(64,036)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(6,351)</u>	<u>(107,105)</u>	<u>0</u>	<u>(113,456)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(4,394)	(35,059)	(1,087)	(40,540)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>88,773</u>	<u>35,059</u>	<u>3,704</u>	<u>127,536</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 84,379</u>	<u>\$ 0</u>	<u>\$ 2,617</u>	<u>\$ 86,996</u>

(continued)

City of Lakewood, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Year Ended December 31, 2003

	Business Type Activities			
	Parking Facilities	Winterhurst Ice Rink	Congregate Living	Total
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Loss</i>	\$ (27,847)	\$ (310,807)	\$ (665)	\$ (339,319)
Adjustments:				
Depreciation	24,498	47,844	796	73,138
(Increase) Decrease in Assets:				
Accounts Receivable	0	2,536	0	2,536
Accrued Interest	454	173	19	646
Materials and Supplies Inventory	9,637	(2,366)	0	7,271
Increase (Decrease) in Liabilities:				
Accounts Payable	3,618	(10,428)	195	(6,615)
Accrued Wages	(2,360)	(2,936)	0	(5,296)
Compensated Absences	(230)	6,270	0	6,040
Interfund Payable	425	(2,037)	0	(1,612)
Intergovernmental Payable	(6,238)	19,724	(1,432)	12,054
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 1,957</u>	<u>\$ (252,027)</u>	<u>\$ (1,087)</u>	<u>\$ (251,157)</u>

City of Lakewood, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2003

	<u>Hospitalization</u>	<u>Workers ' Compensation</u>	<u>General Liability Insurance</u>	<u>Total Internal Service Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 708,187	\$ 1,875,392	\$ 130,163	\$ 2,713,742
Accrued Interest Receivable	0	0	637	637
Interfund Receivable	455,428	0	0	455,428
<i>Total Assets</i>	<u>1,163,615</u>	<u>1,875,392</u>	<u>130,800</u>	<u>3,169,807</u>
Liabilities				
Accounts Payable	81,482	0	12,077	93,559
Intergovernmental Payable	0	307,387	0	307,387
Claims Payable	455,428	1,512,360	23,000	1,990,788
<i>Total Liabilities</i>	<u>536,910</u>	<u>1,819,747</u>	<u>35,077</u>	<u>2,391,734</u>
Net Assets				
Unrestricted	<u>626,705</u>	<u>55,645</u>	<u>95,723</u>	<u>778,073</u>
<i>Total Net Assets</i>	<u>\$ 626,705</u>	<u>\$ 55,645</u>	<u>\$ 95,723</u>	<u>\$ 778,073</u>

City of Lakewood, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2003

	Hospitalization	Workers ' Compensation	General Liability Insurance	Total Internal Service Funds
Operating Revenues				
Charges for Services	\$ 4,035,842	\$ 244,470	\$ 0	\$ 4,280,312
Miscellaneous	145,216	19,864	0	165,080
<i>Total Operating Revenues</i>	<u>4,181,058</u>	<u>264,334</u>	<u>0</u>	<u>4,445,392</u>
Operating Expenses				
Contractual Services	32,493	26,500	10,144	69,137
Workers Comp Premium	0	306,665	0	306,665
Claims	3,511,186	40,596	191	3,551,973
<i>Total Operating Expenses</i>	<u>3,543,679</u>	<u>373,761</u>	<u>10,335</u>	<u>3,927,775</u>
Operating Income (Loss)	<u>637,379</u>	<u>(109,427)</u>	<u>(10,335)</u>	<u>517,617</u>
Nonoperating Revenue				
Interest	0	0	3,331	3,331
<i>Total Nonoperating Revenue</i>	<u>0</u>	<u>0</u>	<u>3,331</u>	<u>3,331</u>
<i>Change in Net Assets</i>	637,379	(109,427)	(7,004)	520,948
<i>Net Assets Beginning of Year, Restated</i>	<u>(10,674)</u>	<u>165,072</u>	<u>102,727</u>	<u>257,125</u>
<i>Net Assets at End of Year</i>	<u>\$ 626,705</u>	<u>\$ 55,645</u>	<u>\$ 95,723</u>	<u>\$ 778,073</u>

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2003

Increase (Decrease) in Cash and Cash Equivalents	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>General Liability Insurance</u>	<u>Total</u>
Cash Flows from Operating Activities				
Cash Received from Transactions with Other Funds	\$ 4,133,419	\$ 244,470	\$0	\$ 4,377,889
Cash Received from Other Operating Sources	145,514	30,356	0	175,870
Cash Payments to Suppliers for Goods and Services	(32,943)	(26,500)	0	(59,443)
Cash Payments for Claims	(3,596,100)	(206,826)	(191)	(3,803,117)
Cash Payments for Workers Compensation Premium	0	(216,609)	0	(216,609)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>649,890</u>	<u>(175,109)</u>	<u>(191)</u>	<u>474,590</u>
Cash Flows from Investing Activities				
Interest	0	0	3,344	3,344
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>0</u>	<u>3,344</u>	<u>3,344</u>
<i>Net Increase (Decrease)in Cash and Cash Equivalents</i>	649,890	(175,109)	3,153	477,934
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>58,297</u>	<u>2,050,501</u>	<u>127,010</u>	<u>2,235,808</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 708,187</u>	<u>\$ 1,875,392</u>	<u>\$ 130,163</u>	<u>\$ 2,713,742</u>

(continued)

City of Lakewood, Ohio
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended December 31, 2003

	<u>Hospitalization</u>	<u>Workers ' Compensation</u>	<u>General Liability Insurance</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities				
<i>Operating Income (Loss)</i>	\$ 637,379	\$ (109,427)	\$ (10,335)	\$ 517,617
Adjustments:				
(Increase) Decrease in Assets:				
Accrued Interest	298	10,492	0	10,790
Interfund Receivable	97,577	0	0	97,577
Increase (Decrease) in Liabilities:				
Accounts Payable	12,213	(217,331)	10,144	(194,974)
Intergovernmental Payable	0	307,387	0	307,387
Claims Payable	<u>(97,577)</u>	<u>(166,230)</u>	<u>0</u>	<u>(263,807)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 649,890</u>	<u>\$ (175,109)</u>	<u>\$ (191)</u>	<u>\$ 474,590</u>

CITY OF LAKEWOOD, OHIO

Agency Funds

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

Municipal Court Fund

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

Deposits

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

City of Lakewood, Ohio
Combining Statement of Assets and Liabilities
All Agency Funds
December 31, 2003

	Municipal Court	Deposits	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 1,012,395	\$ 1,012,395
Cash and Investments in Segregated Accounts	205,667	0	205,667
<i>Total Assets</i>	<u>\$ 205,667</u>	<u>\$ 1,012,395</u>	<u>\$ 1,218,062</u>
Liabilities			
Undistributed Monies	\$ 205,667	\$ 0	\$ 205,667
Deposits Held and Due to Others	0	1,012,395	1,012,395
<i>Total Liabilities</i>	<u>\$ 205,667</u>	<u>\$ 1,012,395</u>	<u>\$ 1,218,062</u>

City of Lakewood, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2003

	Balance 12/31/02	Additions	Reductions	Balance 12/31/03
Municipal Court				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$ 176,796	\$ 2,704,261	\$ 2,675,390	\$ 205,667
Liabilities				
Undistributed Monies	\$ 176,796	\$ 2,704,261	\$ 2,675,390	\$ 205,667
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,336,189	\$ 261,353	\$ 585,147	\$ 1,012,395
Liabilities				
Deposits Held and Due to Others	\$ 1,336,189	\$ 261,353	\$ 585,147	\$ 1,012,395
Totals - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,336,189	\$ 261,353	\$ 585,147	\$ 1,012,395
Cash and Cash Equivalents in Segregated Accounts	176,796	2,704,261	2,675,390	205,667
<i>Total Assets</i>	<u>\$ 1,512,985</u>	<u>\$ 2,965,614</u>	<u>\$ 3,260,537</u>	<u>\$ 1,218,062</u>
Liabilities				
Undistributed Monies	\$ 176,796	\$ 2,704,261	\$ 2,675,390	\$ 205,667
Deposits Held and Due to Others	1,336,189	261,353	585,147	1,012,395
<i>Total Liabilities</i>	<u>\$ 1,512,985</u>	<u>\$ 2,965,614</u>	<u>\$ 3,260,537</u>	<u>\$ 1,218,062</u>

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

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2003

	<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	\$ 6,137,327	\$ 6,147,327	\$ 6,157,511	\$ 10,184
Municipal Income Taxes	16,700,000	16,700,000	16,585,743	(114,257)
Charges for Services	1,141,321	1,141,321	1,248,265	106,944
Licenses, Permits and Fees	607,920	607,920	631,958	24,038
Fines and Forfeitures	1,046,500	1,046,500	1,184,041	137,541
Intergovernmental	6,255,417	6,412,324	6,115,867	(296,457)
Interest	430,000	430,000	342,275	(87,725)
Miscellaneous	40,700	40,700	184,864	144,164
<i>Total Revenues</i>	<u>\$ 32,359,185</u>	<u>\$ 32,526,092</u>	<u>\$ 32,450,524</u>	<u>\$ (75,568)</u>
Expenditures				
Current:				
General Government:				
Council				
Salaries	\$ 133,416	\$ 133,416	\$ 131,401	\$ 2,015
Fringe Benefits	86,129	85,347	77,256	8,091
Travel and Transportation	9,850	5,700	3,488	2,212
Professional Services	35,050	45,650	29,543	16,107
Communications	3,425	3,125	2,646	479
Materials and Supplies	2,795	2,770	2,179	591
Capital Outlay	5,000	6,800	6,601	199
Other	7,540	9,615	8,110	1,505
Total Council	<u>283,205</u>	<u>292,423</u>	<u>261,224</u>	<u>31,199</u>
Municipal Court				
Salaries	870,143	870,143	817,668	52,475
Fringe Benefits	317,382	312,262	275,517	36,745
Travel and Transportation	6,500	5,990	5,933	57
Professional Services	39,800	39,800	38,144	1,656
Communications	50,000	50,010	49,788	222
Materials and Supplies	25,600	28,000	26,799	1,201
Other	12,850	10,950	8,694	2,256
Total Municipal Court	<u>1,322,275</u>	<u>1,317,155</u>	<u>1,222,543</u>	<u>94,612</u>
Civil Service				
Salaries	61,400	61,400	55,549	5,851
Fringe Benefits	16,951	16,598	15,212	1,386
Professional Services	158,835	158,835	20,321	138,514
Communications	1,200	1,200	648	552
Materials and Supplies	1,700	1,700	259	1,441
Other	1,600	1,600	729	871
Total Civil Service	<u>\$ 241,686</u>	<u>\$ 241,333</u>	<u>\$ 92,718</u>	<u>\$ 148,615</u>

continued

City of Lakewood, 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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Mayor's Office				
Salaries	\$ 175,888	\$ 175,693	\$ 175,247	\$ 446
Fringe Benefits	52,874	51,848	48,154	3,694
Travel and Transportation	50	0	0	0
Professional Services	8,300	7,145	6,804	341
Communications	4,400	3,900	3,241	659
Materials and Supplies	1,400	3,000	2,538	462
Other	1,300	1,600	1,425	175
Total Mayor's Office	244,212	243,186	237,409	5,777
Human Resources				
Salaries	209,506	209,506	198,860	10,646
Fringe Benefits	66,468	65,243	59,178	6,065
Travel and Transportation	234	354	308	46
Professional Services	34,170	34,050	23,609	10,441
Communications	3,476	3,476	2,804	672
Materials and Supplies	5,890	5,890	3,350	2,540
Other	33,162	33,162	12,127	21,035
Total Human Resources	352,906	351,681	300,236	51,445
Community Relations				
Salaries	99,529	99,529	95,442	4,087
Fringe Benefits	24,719	24,136	22,225	1,911
Professional Services	15,344	14,044	5,558	8,486
Communications	16,800	16,800	7,673	9,127
Contractual Services	10,000	10,000	4,500	5,500
Materials and Supplies	3,250	4,300	2,714	1,586
Other	50,650	49,600	18,331	31,269
Total Community Relations	220,292	218,409	156,443	61,966
Public Works Administration				
Salaries	156,239	156,239	154,448	1,791
Fringe Benefits	57,423	56,510	52,088	4,422
Travel and Transportation	100	100	25	75
Professional Services	160	160	69	91
Communications	3,800	3,800	2,662	1,138
Materials and Supplies	3,930	3,670	1,417	2,253
Other	4,100	4,360	1,899	2,461
Total Public Works Administration	\$ 225,752	\$ 224,839	\$ 212,608	\$ 12,231

continued

City of Lakewood, 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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Buildings and Facilities				
Salaries	\$ 360,849	\$ 360,849	\$ 342,959	\$ 17,890
Fringe Benefits	71,119	68,954	63,237	5,717
Professional Services	675	675	42	633
Communications	9,075	9,075	8,838	237
Contractual Services	14,700	14,700	4,388	10,312
Materials and Supplies	26,600	26,600	12,273	14,327
Other	213,433	213,433	223,431	(9,998)
Total Buildings and Facilities	696,451	694,286	655,168	39,118
Fleet Management				
Salaries	596,652	596,652	589,917	6,735
Fringe Benefits	210,144	206,614	191,862	14,752
Professional Services	2,150	2,150	725	1,425
Communications	4,600	4,600	4,066	534
Contractual Services	3,000	3,650	3,387	263
Materials and Supplies	31,514	31,514	23,688	7,826
Other	37,528	36,878	41,832	(4,954)
Total Fleet Management	885,588	882,058	855,477	26,581
Engineering				
Salaries	315,903	315,903	248,173	67,730
Fringe Benefits	107,093	105,259	88,858	16,401
Travel and Transportation	200	200	64	136
Professional Services	16,500	15,700	9,360	6,340
Communications	5,500	6,290	4,521	1,769
Contractual Services	8,100	8,100	0	8,100
Materials and Supplies	8,100	8,100	3,659	4,441
Other	10,650	10,650	11,978	(1,328)
Total Engineering	472,046	470,202	366,613	103,589
Finance				
Salaries	562,905	554,146	508,062	46,084
Fringe Benefits	193,198	189,888	157,314	32,574
Travel and Transportation	50	915	878	37
Professional Services	139,500	91,310	76,509	14,801
Communications	15,100	15,100	17,000	(1,900)
Materials and Supplies	8,060	8,080	7,445	635
Capital Outlay	0	1,314	909	405
Other	605,200	675,191	656,533	18,658
Total Finance	\$ 1,524,013	\$ 1,535,944	\$ 1,424,650	\$ 111,294

continued

City of Lakewood, 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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Information Systems				
Salaries	\$ 271,093	\$ 271,093	\$ 265,190	\$ 5,903
Fringe Benefits	84,445	82,861	76,283	6,578
Travel and Transportation	25	205	79	126
Professional Services	8,400	5,720	5,933	(213)
Communications	5,460	8,040	3,937	4,103
Materials and Supplies	3,650	3,770	1,916	1,854
Other	261,400	257,020	193,611	63,409
Total Information Systems	634,473	628,709	546,949	81,760
General Administration				
Professional Services	100,000	216,000	212,381	3,619
Communications	9,000	9,000	(10,077)	19,077
Contractual Services	20,000	20,000	20,000	0
Materials and Supplies	17,477	17,477	3,381	14,096
Other	680,623	656,623	599,567	57,056
Total General Administration	827,100	919,100	825,252	93,848
Law				
Salaries	358,290	358,290	344,424	13,866
Fringe Benefits	100,305	98,205	90,792	7,413
Travel and Transportation	150	150	90	60
Professional Services	80,000	148,014	150,303	(2,289)
Communications	5,500	5,500	4,928	572
Contractual Services	250	0	0	0
Materials and Supplies	11,750	10,500	8,847	1,653
Other	3,675	3,425	2,090	1,335
Total Law	559,920	624,084	601,474	22,610
<i>Total General Government</i>	8,489,919	8,643,409	7,758,764	884,645
Security of Persons and Property:				
Police Department				
Salaries	5,937,830	5,937,830	5,626,542	311,288
Fringe Benefits	1,031,959	1,001,015	863,871	137,144
Professional Services	24,850	18,650	11,449	7,201
Communications	37,300	37,300	43,425	(6,125)
Contractual Services	70,290	70,290	70,037	253
Materials and Supplies	105,484	106,834	104,692	2,142
Capital Outlay	150,000	151,010	59,893	91,117
Other	203,198	207,038	201,832	5,206
Total Police Department	\$ 7,560,911	\$ 7,529,967	\$ 6,981,741	\$ 548,226

continued

City of Lakewood, 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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Safety Administration				
Salaries	\$ 78,186	\$ 78,186	\$ 77,724	\$ 462
Fringe Benefits	9,277	8,878	7,665	1,213
Professional Services	160	160	150	10
Materials and Supplies	750	850	752	98
Other	1,350	1,250	0	1,250
Total Safety Administration	89,723	89,324	86,291	3,033
Police Communications				
Salaries	458,993	458,993	445,389	13,604
Fringe Benefits	166,453	163,761	148,600	15,161
Professional Services	2,300	2,300	70	2,230
Materials and Supplies	1,825	1,825	936	889
Other	66,850	66,850	58,029	8,821
Total Police Communications	696,421	693,729	653,024	40,705
Support of Prisoners				
Salaries	484,028	484,028	421,262	62,766
Fringe Benefits	53,826	51,250	45,156	6,094
Professional Services	75,200	47,500	38,890	8,610
Contractual Services	152,000	181,000	172,401	8,599
Materials and Supplies	57,810	55,010	52,097	2,913
Capital Outlay	0	2,200	464	1,736
Other	8,900	8,200	1,135	7,065
Total Support of Prisoners	831,764	829,188	731,405	97,783
School Guards				
Salaries	226,240	226,240	204,753	21,487
Fringe Benefits	33,936	33,936	30,294	3,642
Other	3,400	3,400	2,700	700
Total School Guards	\$ 263,576	\$ 263,576	\$ 237,747	\$ 25,829

continued

City of Lakewood, 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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Animal Control				
Salaries	\$ 109,529	\$ 109,529	\$ 106,723	\$ 2,806
Fringe Benefits	50,153	49,511	45,218	4,293
Travel and Transportation	50	50	0	50
Professional Services	3,300	2,309	2,126	183
Communications	1,500	1,850	1,801	49
Contractual Services	0	65	64	1
Materials and Supplies	3,735	3,761	2,952	809
Other	15,656	16,206	16,427	(221)
Total Animal Control	<u>183,923</u>	<u>183,281</u>	<u>175,311</u>	<u>7,970</u>
Total Police	<u>9,626,318</u>	<u>9,589,065</u>	<u>8,865,519</u>	<u>723,546</u>
Fire:				
Fire Department				
Salaries	5,304,190	5,304,190	5,324,003	(19,813)
Fringe Benefits	801,675	774,397	681,547	92,850
Travel and Transportation	0	0	111	(111)
Professional Services	3,055	6,235	6,124	111
Communications	15,500	15,500	14,689	811
Contractual Services	1,000	375	660	(285)
Materials and Supplies	68,200	57,550	39,120	18,430
Capital Outlay	30,390	30,610	25,900	4,710
Other	241,400	249,275	235,283	13,992
Total Fire Department	<u>6,465,410</u>	<u>6,438,132</u>	<u>6,327,437</u>	<u>110,695</u>
Fire Communications				
Materials and Supplies	6,000	6,000	3,311	2,689
Other	0	0	38	(38)
Total Fire Communications	<u>6,000</u>	<u>6,000</u>	<u>3,349</u>	<u>2,651</u>
Street Lighting				
Other	504,000	504,000	483,289	20,711
Total Street Lighting	<u>504,000</u>	<u>504,000</u>	<u>483,289</u>	<u>20,711</u>
Total Fire	<u>6,975,410</u>	<u>6,948,132</u>	<u>6,814,075</u>	<u>134,057</u>
<i>Total Security of Persons and Property</i>	<u>16,601,728</u>	<u>16,537,197</u>	<u>15,679,594</u>	<u>857,603</u>
Public Health Services:				
Traffic Signs and Signals				
Salaries	304,106	304,106	292,754	11,352
Fringe Benefits	98,726	96,945	88,943	8,002
Travel and Transportation	200	200	0	200
Professional Services	1,300	800	357	443
Communications	2,210	2,210	1,776	434
Contractual Services	300	300	52	248
Materials and Supplies	26,550	26,700	23,756	2,944
Capital Outlay	0	3,100	2,988	112
Other	19,850	17,100	13,925	3,175
Total Traffic Signs and Signals	<u>\$ 453,242</u>	<u>\$ 451,461</u>	<u>\$ 424,551</u>	<u>\$ 26,910</u>

City of Lakewood, 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, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Human Services Administration				
Salaries	\$ 124,924	\$ 124,924	\$ 127,445	\$ (2,521)
Fringe Benefits	36,320	35,591	30,617	4,974
Travel and Transportation	500	500	284	216
Professional Services	600	612	294	318
Communications	2,100	2,140	1,851	289
Materials and Supplies	1,915	1,915	975	940
Other	4,105	4,053	2,544	1,509
Total Human Services Administration	170,464	169,735	164,010	5,725
Communications				
Salaries	100,961	103,161	102,534	627
Fringe Benefits	32,964	32,361	30,221	2,140
Professional Services	400	324	104	220
Communications	510	720	822	(102)
Materials and Supplies	1,471	1,421	1,082	339
Other	2,300	4,196	1,270	2,926
Total Communications	138,606	142,183	136,033	6,150
Total Public Health Services	762,312	763,379	724,594	38,785
Community Environment:				
Housing and Building				
Salaries	887,192	887,192	832,469	54,723
Fringe Benefits	338,921	333,724	301,788	31,936
Travel and Transportation	11,000	12,025	11,883	142
Professional Services	15,845	14,660	11,464	3,196
Communications	13,600	13,600	14,835	(1,235)
Materials and Supplies	6,550	8,490	5,779	2,711
Capital Outlay	0	60	35	25
Other	19,350	17,510	12,088	5,422
Total Housing and Building	\$ 1,292,458	\$ 1,287,261	\$ 1,190,341	\$ 96,920

continued

City of Lakewood, 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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Forestry				
Salaries	\$ 297,320	\$ 297,320	\$ 290,379	\$ 6,941
Fringe Benefits	111,218	109,448	99,913	9,535
Professional Services	1,100	1,100	671	429
Communications	650	650	344	306
Contractual Services	6,200	6,200	5,500	700
Materials and Supplies	16,415	16,415	11,519	4,896
Capital Outlay	28,600	28,600	28,600	0
Other	18,734	18,734	7,920	10,814
Total Forestry	480,237	478,467	444,846	33,621
Child Care				
Salaries	94,138	94,138	71,594	22,544
Fringe Benefits	23,910	23,358	18,619	4,739
Professional Services	170	170	207	(37)
Communications	2,300	2,300	2,318	(18)
Contractual Services	2,370	2,370	2,305	65
Materials and Supplies	400	400	71	329
Other	1,210	1,210	840	370
Total Child Care	124,498	123,946	95,954	27,992
Youth				
Salaries	401,060	407,060	402,734	4,326
Fringe Benefits	160,716	158,344	146,147	12,197
Travel and Transportation	800	833	829	4
Professional Services	0	32	32	0
Communications	7,716	7,574	6,933	641
Contractual Services	3,700	3,506	2,708	798
Materials and Supplies	4,250	3,791	3,796	(5)
Capital Outlay	0	900	860	40
Other	54,881	48,711	47,278	1,433
Total Youth	633,123	630,751	611,317	19,434
Planning and Development				
Salaries	138,190	138,219	136,447	1,772
Fringe Benefits	38,959	38,150	35,544	2,606
Travel and Transportation	200	131	130	1
Professional Services	101,653	44,387	29,388	14,999
Communications	4,250	6,350	6,139	211
Contractual Services	0	488,717	70,032	418,685
Materials and Supplies	13,050	9,184	8,570	614
Capital Outlay	0	12,114	12,114	0
Other	14,705	12,427	14,584	(2,157)
Total Planning and Development	311,007	749,679	312,948	436,731
Total Community Environment	\$ 2,841,323	\$ 3,270,104	\$ 2,655,406	\$ 614,698

continued

City of Lakewood, 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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Basic Utility Services:				
Refuse and Recycling				
Salaries	\$ 2,292,911	\$ 2,292,911	\$ 2,250,311	\$ 42,600
Fringe Benefits	880,293	866,563	809,585	56,978
Travel and Transportation	0	0	3	(3)
Professional Services	860	860	776	84
Communications	6,735	6,735	5,525	1,210
Contractual Services	903,368	913,538	902,828	10,710
Materials and Supplies	116,134	123,195	112,572	10,623
Capital Outlay	111,800	111,800	111,743	57
Other	258,257	241,026	195,111	45,915
Total Basic Utility Services	4,570,358	4,556,628	4,388,454	168,174
Leisure Time Activities:				
Security				
Salaries	70,000	70,000	67,640	2,360
Fringe Benefits	10,500	10,500	10,146	354
Total Security	80,500	80,500	77,786	2,714
Parks				
Salaries	743,755	743,755	680,900	62,855
Fringe Benefits	341,284	333,954	294,403	39,551
Travel and Transportation	0	0	9	(9)
Professional Services	2,200	2,200	561	1,639
Communications	8,100	8,100	7,278	822
Contractual Services	22,750	22,750	11,166	11,584
Materials and Supplies	66,450	62,450	38,706	23,744
Capital Outlay	0	0	892	(892)
Other	164,121	168,121	127,666	40,455
Total Parks	1,348,660	1,341,330	1,161,581	179,749
Construction				
Salaries	415,719	415,719	410,200	5,519
Fringe Benefits	137,958	136,633	125,106	11,527
Total Construction	\$ 553,677	\$ 552,352	\$ 535,306	\$ 17,046

continued

City of Lakewood, 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, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Swimming Pools				
Professional Services	\$ 125	\$ 125	\$ 0	\$ 125
Communications	500	500	0	500
Contractual Services	0	1,500	740	760
Materials and Supplies	29,864	28,364	22,150	6,214
Other	118,583	118,583	86,410	32,173
Total Swimming Pools	<u>149,072</u>	<u>149,072</u>	<u>109,300</u>	<u>39,772</u>
Band Concerts				
Salaries	13,000	13,000	9,106	3,894
Fringe Benefits	1,950	1,950	1,327	623
Professional Services	11,000	11,000	10,997	3
Materials and Supplies	1,397	1,397	1,381	16
Other	4,500	4,500	6,033	(1,533)
Total Band Concerts	<u>31,847</u>	<u>31,847</u>	<u>28,844</u>	<u>3,003</u>
Museums				
Contractual Services	4,200	7,200	5,452	1,748
Materials and Supplies	3,750	750	0	750
Other	7,200	7,200	6,130	1,070
Total Museums	<u>15,150</u>	<u>15,150</u>	<u>11,582</u>	<u>3,568</u>
July 4th Festival				
Salaries	11,000	11,000	10,017	983
Fringe Benefits	1,650	1,650	1,435	215
Contractual Services	32,180	34,300	34,300	0
Materials and Supplies	3,000	2,180	595	1,585
Other	800	800	0	800
Total July 4th Festival	<u>\$ 48,630</u>	<u>\$ 49,930</u>	<u>\$ 46,347</u>	<u>\$ 3,583</u>

continued

City of Lakewood, 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, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Tennis Courts				
Contractual Services	\$ 1,570	\$ 1,570	\$ 0	\$ 1,570
Materials and Supplies	6,970	6,970	2,525	4,445
Other	25,600	25,600	14,805	10,795
Total Tennis Courts	<u>34,140</u>	<u>34,140</u>	<u>17,330</u>	<u>16,810</u>
<i>Total Leisure Time Activities</i>	<u>2,261,676</u>	<u>2,254,321</u>	<u>1,988,076</u>	<u>266,245</u>
<i>Total Expenditures</i>	<u>35,527,316</u>	<u>36,025,038</u>	<u>33,194,888</u>	<u>2,830,150</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,168,131)</u>	<u>(3,498,946)</u>	<u>(744,364)</u>	<u>2,754,582</u>
Other Financing Sources (Uses)				
Transfers In	5,000	5,000	5,000	0
Transfers Out	(2,085,000)	(2,085,000)	(1,735,000)	350,000
Advances Out	0	0	(203,162)	(203,162)
<i>Total Financing Other Sources (Uses)</i>	<u>(2,080,000)</u>	<u>(2,080,000)</u>	<u>(1,933,162)</u>	<u>146,838</u>
<i>Net Change in Fund Balance</i>	(5,248,131)	(5,578,946)	(2,677,526)	2,901,420
<i>Fund Balance Beginning of Year</i>	6,295,582	6,295,582	6,295,582	0
<i>Unexpended Prior Year Encumbrances</i>	<u>24,087</u>	<u>24,087</u>	<u>24,087</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,071,538</u>	<u>\$ 740,723</u>	<u>\$ 3,642,143</u>	<u>\$ 2,901,420</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Streets and Highways Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 2,033,000	\$ 1,633,000	\$ 1,534,494	\$ (98,506)
Miscellaneous	5,000	5,000	72,738	67,738
<i>Total Revenues</i>	<u>2,038,000</u>	<u>1,638,000</u>	<u>1,607,232</u>	<u>(30,768)</u>
Expenditures				
Current:				
Transportation:				
Salaries	1,105,847	1,105,847	1,062,570	43,277
Fringe Benefits	375,405	375,405	365,558	9,847
Professional Services	1,100	1,295	810	485
Communications	4,825	4,825	4,492	333
Contractual Services	218,500	368,500	285,634	82,866
Materials and Supplies	321,280	320,510	339,370	(18,860)
Other	356,650	357,225	302,432	54,793
<i>Total Expenditures</i>	<u>2,383,607</u>	<u>2,533,607</u>	<u>2,360,866</u>	<u>172,741</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(345,607)</u>	<u>(895,607)</u>	<u>(753,634)</u>	<u>141,973</u>
Other Financing Sources				
Transfers In	350,000	350,000	350,000	0
<i>Total Other Financing Sources</i>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,393	(545,607)	(403,634)	141,973
<i>Fund Balance Beginning of Year</i>	618,072	618,072	618,072	0
<i>Unexpended Prior Year Encumbrances</i>	63,898	63,898	63,898	0
<i>Fund Balance End of Year</i>	<u>\$ 686,363</u>	<u>\$ 136,363</u>	<u>\$ 278,336</u>	<u>\$ 141,973</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Police and Fire Pensions Fund
For the Year Ended December 31, 2003

	<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	\$ 2,318,379	\$ 2,327,218	\$ 2,331,121	\$ 3,903
Intergovernmental	316,143	312,848	305,665	(7,183)
<i>Total Revenues</i>	<u>2,634,522</u>	<u>2,640,066</u>	<u>2,636,786</u>	<u>(3,280)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police				
Fringe Benefits	1,167,235	1,167,235	1,050,661	116,574
Fire				
Fringe Benefits	1,245,011	1,245,011	1,171,165	73,846
<i>Total Expenditures</i>	<u>2,412,246</u>	<u>2,412,246</u>	<u>2,221,826</u>	<u>190,420</u>
<i>Excess of Revenues Over Expenditures</i>	<u>222,276</u>	<u>227,820</u>	<u>414,960</u>	<u>187,140</u>
Other Financing Uses				
Transfers Out	(582,700)	(582,700)	(582,700)	0
<i>Total Other Financing Uses</i>	<u>(582,700)</u>	<u>(582,700)</u>	<u>(582,700)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(360,424)	(354,880)	(167,740)	187,140
<i>Fund Balance Beginning of Year</i>	366,180	366,180	366,180	0
<i>Fund Balance End of Year</i>	<u>\$ 5,756</u>	<u>\$ 11,300</u>	<u>\$ 198,440</u>	<u>\$ 187,140</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 4,466,100	\$ 5,175,977	\$ 3,139,558	\$ (2,036,419)
<i>Total Revenues</i>	<u>4,466,100</u>	<u>5,175,977</u>	<u>3,139,558</u>	<u>(2,036,419)</u>
Expenditures				
Current				
Community Environment:				
Community Development Block Grant:				
Salaries	833,341	833,341	730,056	103,285
Fringe Benefits	196,007	196,007	168,602	27,405
Travel and Transportation	9,049	8,349	6,359	1,990
Professional Services	65,182	65,182	41,194	23,988
Communications	7,950	8,100	7,513	587
Contractual Services	1,964,965	1,964,965	786,578	1,178,387
Materials and Supplies	9,510	10,560	8,439	2,121
Capital Outlay	1,934,440	1,934,440	1,416,472	517,968
Other	155,533	155,033	120,597	34,436
<i>Total Community Environment</i>	<u>5,175,977</u>	<u>5,175,977</u>	<u>3,285,810</u>	<u>1,890,167</u>
<i>Total Expenditures</i>	<u>5,175,977</u>	<u>5,175,977</u>	<u>3,285,810</u>	<u>1,890,167</u>
<i>Excess of Revenues (Under) Expenditures</i>	<u>(709,877)</u>	<u>0</u>	<u>(146,252)</u>	<u>(146,252)</u>
Other Financing Sources				
Advances In	0	0	47,632	(47,632)
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>47,632</u>	<u>(47,632)</u>
<i>Net Change in Fund Balance</i>	(709,877)	0	(98,620)	(98,620)
<i>Fund Balance Beginning of Year</i>	<u>15,583</u>	<u>15,583</u>	<u>15,583</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (694,294)</u>	<u>\$ 15,583</u>	<u>\$ (83,037)</u>	<u>\$ (98,620)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Office on Aging Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 465,854	\$ 395,854	\$ 432,477	\$ 36,623
Miscellaneous	220,383	220,383	219,319	(1,064)
<i>Total Revenues</i>	<u>686,237</u>	<u>616,237</u>	<u>651,796</u>	<u>35,559</u>
Expenditures				
Current:				
Public Health Services:				
Salaries	1,323,769	1,323,769	1,290,360	33,409
Fringe Benefits	438,072	438,072	432,233	5,839
Travel and Transportation	7,000	7,100	7,136	(36)
Professional Services	7,469	3,969	2,301	1,668
Communications	17,800	17,800	19,748	(1,948)
Contractual Services	2,370	2,070	464	1,606
Materials and Supplies	61,253	61,833	58,301	3,532
Capital Outlay	0	120	112	8
Other	100,978	103,978	89,612	14,366
<i>Total Expenditures</i>	<u>1,958,711</u>	<u>1,958,711</u>	<u>1,900,267</u>	<u>58,444</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,272,474)</u>	<u>(1,342,474)</u>	<u>(1,248,471)</u>	<u>94,003</u>
Other Financing Sources				
Transfers In	1,180,000	1,180,000	1,180,000	0
<i>Total Other Financing Sources</i>	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,180,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(92,474)	(162,474)	(68,471)	94,003
<i>Fund Balance Beginning of Year</i>	222,835	222,835	222,835	0
<i>Unexpended Prior Year Encumbrances</i>	304	304	304	0
<i>Fund Balance End of Year</i>	<u>\$ 130,665</u>	<u>\$ 60,665</u>	<u>\$ 154,668</u>	<u>\$ 94,003</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakewood Hospital Fund
For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 1,961,535	\$ 1,961,535	\$ 2,074,321	\$ 112,786
Licenses, Permits and Fees	79,440	79,440	86,189	6,749
Intergovernmental	17,000	17,000	41,416	24,416
Miscellaneous	0	0	1,019	1,019
<i>Total Revenues</i>	<u>2,057,975</u>	<u>2,057,975</u>	<u>2,202,945</u>	<u>144,970</u>
Expenditures				
Security of Persons and Property:				
Fire				
Salaries	1,133,535	1,133,535	1,004,640	128,895
Fringe Benefits	275,038	274,440	270,088	4,352
Travel and Transportation	0	400	135	265
Professional Services	87,100	86,700	85,915	785
Communications	2,500	2,500	1,577	923
Materials and Supplies	46,250	46,250	29,992	16,258
Capital Outlay	115,000	115,000	107,772	7,228
Other	68,188	68,188	38,151	30,037
<i>Total Security of Persons and Property</i>	<u>1,727,611</u>	<u>1,727,013</u>	<u>1,538,270</u>	<u>188,743</u>
Public Health Services:				
Health				
Salaries	657,252	657,252	590,008	67,244
Fringe Benefits	168,639	169,237	157,382	11,855
Travel and Transportation	3,775	4,815	4,669	146
Professional Services	7,050	7,615	3,407	4,208
Communications	9,050	9,050	7,432	1,618
Contractual Services	35,000	32,780	4,133	28,647
Materials and Supplies	33,175	33,020	30,100	2,920
Capital Outlay	0	650	648	2
Other	38,080	38,200	34,823	3,377
<i>Total Public Health Services</i>	<u>952,021</u>	<u>952,619</u>	<u>832,602</u>	<u>120,017</u>
<i>Total Expenditures</i>	<u>2,679,632</u>	<u>2,679,632</u>	<u>2,370,872</u>	<u>308,760</u>
<i>Net Change in Fund Balance</i>	(621,657)	(621,657)	(167,927)	453,730
<i>Fund Balance Beginning of Year</i>	1,092,944	1,092,944	1,092,944	0
<i>Unexpended Prior Year Encumbrances</i>	2,106	2,106	2,106	0
<i>Fund Balance End of Year</i>	<u>\$ 473,393</u>	<u>\$ 473,393</u>	<u>\$ 927,123</u>	<u>\$ 453,730</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2003

	<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	\$ 2,452,675	\$ 2,462,026	\$ 2,467,200	\$ 5,174
Intergovernmental	334,456	330,970	348,922	17,952
Special Assessments	44,753	44,753	99,619	54,866
Interest	12,000	12,000	26,225	14,225
Miscellaneous	0	0	3,534	3,534
<i>Total Revenues</i>	<u>2,843,884</u>	<u>2,849,749</u>	<u>2,945,500</u>	<u>95,751</u>
Expenditures				
Current				
General Government:				
Other	55,000	55,000	40,729	14,271
<i>Total General Government</i>	<u>55,000</u>	<u>55,000</u>	<u>40,729</u>	<u>14,271</u>
Debt Service				
Principal Retirement	7,941,633	7,941,633	7,596,823	344,810
Interest and Fiscal Charges	1,759,720	1,759,720	1,587,074	172,646
Bond Issuance Costs	0	0	110,619	(110,619)
<i>Total Debt Service</i>	<u>9,701,353</u>	<u>9,701,353</u>	<u>9,294,516</u>	<u>406,837</u>
<i>Total Expenditures</i>	<u>9,756,353</u>	<u>9,756,353</u>	<u>9,335,245</u>	<u>421,108</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(6,912,469)</u>	<u>(6,906,604)</u>	<u>(6,389,745)</u>	<u>516,859</u>
Other Financing Sources				
General Obligation Bonds Issued	5,219,000	5,219,000	5,219,000	0
Premium on Bonds	0	0	115,445	115,445
Premium on Notes	0	0	5,144	5,144
Transfers In	1,324,700	1,673,890	1,323,890	(350,000)
<i>Total Other Financing Sources</i>	<u>6,543,700</u>	<u>6,892,890</u>	<u>6,663,479</u>	<u>(229,411)</u>
<i>Net Change in Fund Balance</i>	<u>(368,769)</u>	<u>(13,714)</u>	<u>273,734</u>	<u>287,448</u>
<i>Fund Balance Beginning of Year</i>	<u>744,953</u>	<u>744,953</u>	<u>744,953</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 376,184</u>	<u>\$ 731,239</u>	<u>\$ 1,018,687</u>	<u>\$ 287,448</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Permanent Capital Improvement Fund
 For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 0	\$ 1,661,533	\$ 243,000	\$ (1,418,533)
Special Assessments	0	0	102,052	102,052
<i>Total Revenues</i>	<u>0</u>	<u>1,661,533</u>	<u>345,052</u>	<u>(1,316,481)</u>
Expenditures				
General Government				
Capital Outlay	573,791	232,611	270,086	(37,475)
<i>Total General Government</i>	<u>573,791</u>	<u>232,611</u>	<u>270,086</u>	<u>(37,475)</u>
Security of Persons and Property				
Capital Outlay	72,044	72,044	96,517	(24,473)
<i>Total Security of Persons and Property</i>	<u>72,044</u>	<u>72,044</u>	<u>96,517</u>	<u>(24,473)</u>
Public Health Services				
Capital Outlay	222,105	222,105	62,533	159,572
<i>Total Public Health Services</i>	<u>222,105</u>	<u>222,105</u>	<u>62,533</u>	<u>159,572</u>
Transportation				
Capital Outlay	1,643,519	1,643,519	1,404,365	239,154
<i>Total Transportation</i>	<u>1,643,519</u>	<u>1,643,519</u>	<u>1,404,365</u>	<u>239,154</u>
Community Environment				
Capital Outlay	78,219	78,219	114,627	(36,408)
<i>Total Community Environment</i>	<u>78,219</u>	<u>78,219</u>	<u>114,627</u>	<u>(36,408)</u>
Basic Utility Services				
Capital Outlay	275,081	275,081	108,025	167,056
<i>Total Basic Utility Services</i>	<u>275,081</u>	<u>275,081</u>	<u>108,025</u>	<u>167,056</u>
Leisure Time Activities				
Capital Outlay	910,738	2,472,261	850,926	1,621,335
<i>Total Leisure Time Activities</i>	<u>910,738</u>	<u>2,472,261</u>	<u>850,926</u>	<u>1,621,335</u>
<i>Total Expenditures</i>	<u>3,775,497</u>	<u>4,995,840</u>	<u>2,907,079</u>	<u>2,088,761</u>
<i>Excess of Revenues Under Expenditures</i>	<u>\$ (3,775,497)</u>	<u>\$ (3,334,307)</u>	<u>\$ (2,562,027)</u>	<u>\$ 772,280</u>

continued

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Permanent Capital Improvement Fund (continued)
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Notes Issued	1,800,000	3,343,500	3,555,500	212,000
Transfers Out	<u>0</u>	<u>(741,190)</u>	<u>(741,190)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,800,000</u>	<u>2,602,310</u>	<u>2,814,310</u>	<u>212,000</u>
<i>Net Change in Fund Balance</i>	(1,975,497)	(731,997)	252,283	984,280
<i>Fund Balance Beginning of Year</i>	1,473,187	1,473,187	1,473,187	0
<i>Unexpended Prior Year Encumbrances</i>	<u>395,367</u>	<u>395,367</u>	<u>395,367</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (106,943)</u>	<u>\$ 1,136,557</u>	<u>\$ 2,120,837</u>	<u>\$ 984,280</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 10,163,134	\$ 9,276,985	\$ 8,452,971	\$ (824,014)
Interest	8,000	8,000	52,662	44,662
Miscellaneous	3,175	3,175	4,298	1,123
OPWC Loans Issued	300,000	300,000	570,612	270,612
<i>Total Revenues</i>	<u>10,474,309</u>	<u>9,588,160</u>	<u>9,080,543</u>	<u>(507,617)</u>
Expenses				
Water Fund:				
Salaries	886,261	885,120	836,039	49,081
Fringe Benefits	282,015	282,015	273,719	8,296
Travel and Transportation	3,000	3,015	2,406	609
Professional Services	55,940	72,430	62,680	9,750
Communications	50,095	51,395	49,648	1,747
Contractual Services	38,495	46,865	45,373	1,492
Materials and Supplies	52,280	47,338	33,741	13,597
Capital Outlay	1,256,000	1,256,000	1,130,953	125,047
Other	6,440,480	6,420,388	5,892,510	527,878
Debt Service:				
Principal Retirement	794,315	794,315	754,309	40,006
Interest and Fiscal Charges	219,571	219,571	210,501	9,070
Bond Issuance Costs	24,050	24,050	0	24,050
<i>Total Expenses</i>	<u>10,102,502</u>	<u>10,102,502</u>	<u>9,291,879</u>	<u>810,623</u>
<i>Excess of Revenues Over (Under) Expenses</i>	<u>371,807</u>	<u>(514,342)</u>	<u>(211,336)</u>	<u>303,006</u>
<i>Net Change in Fund Equity</i>	371,807	(514,342)	(211,336)	303,006
<i>Fund Equity Beginning of Year</i>	3,642,754	3,642,754	3,642,754	0
<i>Unexpended Prior Year Encumbrances</i>	<u>113,041</u>	<u>113,041</u>	<u>113,041</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 4,127,602</u>	<u>\$ 3,241,453</u>	<u>\$ 3,544,459</u>	<u>\$ 303,006</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2003

	<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	\$ 1,415,654	\$ 1,419,035	\$ 1,422,015	\$ 2,980
Intergovernmental	190,761	190,761	186,381	(4,380)
Charges for Services	4,111,571	3,656,361	3,330,650	(325,711)
Special Assessments	993	993	796	(197)
Interest	0	0	2,880	2,880
Notes Issued	1,155,000	1,155,000	1,155,000	0
General Obligations Bonds Issued	3,481,000	3,481,000	3,481,000	0
Premium on Bonds	0	0	77,000	77,000
Premium on Notes	0	0	1,836	1,836
<i>Total Revenues</i>	<u>10,354,979</u>	<u>9,903,150</u>	<u>9,657,558</u>	<u>(245,592)</u>
Expenses				
Sewer Fund:				
Salaries	1,785,001	1,785,001	1,719,650	65,351
Fringe Benefits	602,112	602,112	593,081	9,031
Travel and Transportation	100	113	134	(21)
Professional Services	62,500	61,087	37,972	23,115
Communications	7,350	7,200	7,997	(797)
Contractual Services	159,350	174,562	136,472	38,090
Materials and Supplies	202,150	199,825	143,793	56,032
Capital Outlay	1,631,608	1,631,608	1,362,103	269,505
Other	936,053	924,716	846,990	77,726
Debt Service:				
Principal Retirement	4,681,129	4,644,152	4,496,120	148,032
Interest and Fiscal Charges	563,714	600,691	510,193	90,498
Bond Issuance Costs	0	0	73,836	(73,836)
<i>Total Expenses</i>	<u>10,631,067</u>	<u>10,631,067</u>	<u>9,928,341</u>	<u>702,726</u>
<i>Excess of Revenues Under Expenses</i>	<u>(276,088)</u>	<u>(727,917)</u>	<u>(270,783)</u>	<u>457,134</u>
<i>Net Change in Fund Equity</i>	(276,088)	(727,917)	(270,783)	457,134
<i>Fund Equity Beginning of Year</i>	2,426,422	2,426,422	2,426,422	0
<i>Unexpended Prior Year Encumbrances</i>	<u>228,327</u>	<u>228,327</u>	<u>228,327</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$ 2,378,661</u></u>	<u><u>\$ 1,926,832</u></u>	<u><u>\$ 2,383,966</u></u>	<u><u>\$ 457,134</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Litter Control Grant Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 56,600	\$ 56,600	\$ 50,299	\$ (6,301)
<i>Total Revenues</i>	<u>56,600</u>	<u>56,600</u>	<u>50,299</u>	<u>(6,301)</u>
Expenditures				
Current:				
Community Environment:				
Refuse:				
Salaries	22,800	22,800	20,880	1,920
Fringe Benefits	3,668	3,668	3,132	536
Travel and Transportation	4,942	2,684	2,116	568
Professional Services	2,075	2,343	2,335	8
Materials and Supplies	11,217	11,217	10,949	268
Capital Outlay	12,735	14,935	14,716	219
Other	13,124	12,914	12,097	817
<i>Total Expenditures</i>	<u>70,561</u>	<u>70,561</u>	<u>66,225</u>	<u>4,336</u>
Excess of Revenues Under Expenditures	<u>(13,961)</u>	<u>(13,961)</u>	<u>(15,926)</u>	<u>(1,965)</u>
Other Financing Sources				
Advances In	<u>0</u>	<u>0</u>	<u>825</u>	<u>(825)</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>825</u>	<u>(825)</u>
<i>Net Change in Fund Balance</i>	<u>(13,961)</u>	<u>(13,961)</u>	<u>(15,101)</u>	<u>(1,140)</u>
<i>Fund Balance Beginning of Year</i>	<u>15,101</u>	<u>15,101</u>	<u>15,101</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,140</u>	<u>\$ 1,140</u>	<u>\$ 0</u>	<u>\$ (1,140)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Community Festival Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$ 0	\$ 0	\$ 3,000	\$ 3,000
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>3,000</u>
Expenditures				
Current:				
General Government:				
Mayor's Office:				
Salaries	6,934	6,934	6,932	2
Fringe Benefits	1,732	1,732	1,327	405
<i>Total Expenditures</i>	<u>8,666</u>	<u>8,666</u>	<u>8,259</u>	<u>407</u>
Excess of Revenues				
Under Expenditures	<u>(8,666)</u>	<u>(8,666)</u>	<u>(5,259)</u>	<u>3,407</u>
Other Financing Sources				
Transfers In	5,000	5,000	5,000	0
<i>Total Other Financing Sources</i>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,666)	(3,666)	(259)	3,407
<i>Fund Balance Beginning of Year</i>	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,234</u>	<u>\$ 3,234</u>	<u>\$ 6,641</u>	<u>\$ 3,407</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Law and Drug Enforcement Trust Fund
For the Year Ended December 31, 2003

	<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	\$ 5,000	\$ 148,814	\$ 143,814
Miscellaneous	20,000	20,000	0	(20,000)
<i>Total Revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>148,814</u>	<u>123,814</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Salaries	9,000	9,000	0	9,000
Fringe Benefits	302	302	0	302
Travel and Transportation	20,000	20,000	2,487	17,513
Professional Services	19,000	19,000	15,141	3,859
Communications	1,500	1,500	1,856	(356)
Contractual Services	0	0	0	0
Materials and Supplies	48,000	48,000	12,510	35,490
Capital Outlay	32,000	32,000	6,786	25,214
Other	30,000	30,000	59,320	(29,320)
<i>Total Expenditures</i>	<u>159,802</u>	<u>159,802</u>	<u>98,100</u>	<u>61,702</u>
Excess of Revenues Over (Under) Expenditures	<u>(134,802)</u>	<u>(134,802)</u>	<u>50,714</u>	<u>185,516</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	250	250	6,294	6,044
Transfers Out	(4,737)	(4,737)	(4,737)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,487)</u>	<u>(4,487)</u>	<u>1,557</u>	<u>6,044</u>
<i>Net Change in Fund Balance</i>	(139,289)	(139,289)	52,271	191,560
<i>Fund Balance Beginning of Year</i>	201,735	201,735	201,735	0
<i>Unexpended Prior Year Encumbrances</i>	445	445	445	0
<i>Fund Balance End of Year</i>	<u>\$ 62,891</u>	<u>\$ 62,891</u>	<u>\$ 254,451</u>	<u>\$ 191,560</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Bureau of Justice Grant Fund
 For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 18,813	\$ 18,813	\$ 18,144	\$ (669)
<i>Total Revenues</i>	<u>18,813</u>	<u>18,813</u>	<u>18,144</u>	<u>(669)</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	3,550	3,550	0	3,550
Capital Outlay	44,270	44,270	24,267	20,003
<i>Total Expenditures</i>	<u>47,820</u>	<u>47,820</u>	<u>24,267</u>	<u>23,553</u>
Excess of Revenues				
Under Expenditures	<u>(29,007)</u>	<u>(29,007)</u>	<u>(6,123)</u>	<u>22,884</u>
Other Financing Sources				
Transfers In	4,737	4,737	4,737	0
<i>Total Other Financing Sources</i>	<u>4,737</u>	<u>4,737</u>	<u>4,737</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(24,270)	(24,270)	(1,386)	22,884
<i>Fund Balance Beginning of Year</i>	<u>24,270</u>	<u>24,270</u>	<u>24,270</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,884</u>	<u>\$ 22,884</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Federal Forfeiture Fund
For the Year Ended December 31, 2003

	<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	\$ 8,082	\$ 8,082
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>8,082</u>	<u>8,082</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Capital Outlay	27,514	27,514	4,071	23,443
<i>Total Expenditures</i>	<u>27,514</u>	<u>27,514</u>	<u>4,071</u>	<u>23,443</u>
<i>Net Change in Fund Balance</i>	(27,514)	(27,514)	4,011	31,525
<i>Fund Balance Beginning of Year</i>	<u>27,515</u>	<u>27,515</u>	<u>27,515</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 31,526</u>	<u>\$ 31,525</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Indigent Drivers Alcohol Treatment Fund
 For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 18,000	\$ 18,000	\$ 14,592	\$ (3,408)
<i>Total Revenues</i>	<u>18,000</u>	<u>18,000</u>	<u>14,592</u>	<u>(3,408)</u>
Expenditures				
Current:				
General Government:				
Municipal Court:				
Contractual Services	131,918	131,918	30,750	101,168
<i>Total Expenditures</i>	<u>131,918</u>	<u>131,918</u>	<u>30,750</u>	<u>101,168</u>
<i>Net Change in Fund Balance</i>	(113,918)	(113,918)	(16,158)	97,760
<i>Fund Balance Beginning of Year</i>	<u>138,909</u>	<u>138,909</u>	<u>138,909</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 24,991</u>	<u>\$ 24,991</u>	<u>\$ 122,751</u>	<u>\$ 97,760</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Enforcement and Education Fund
 For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 7,500	\$ 7,500	\$ 125,918	\$ 118,418
<i>Total Revenues</i>	<u>7,500</u>	<u>7,500</u>	<u>125,918</u>	<u>118,418</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Materials and Supplies	50,000	50,000	7,632	42,368
<i>Total Expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>7,632</u>	<u>42,368</u>
<i>Net Change in Fund Balance</i>	(42,500)	(42,500)	118,286	160,786
<i>Fund Balance Beginning of Year</i>	<u>46,589</u>	<u>46,589</u>	<u>46,589</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,089</u>	<u>\$ 4,089</u>	<u>\$ 164,875</u>	<u>\$ 160,786</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Political Subdivision Fund
For the Year Ended December 31, 2003

	<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	\$ 5,000	\$ 4,457	\$ (543)
<i>Total Revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>4,457</u>	<u>(543)</u>
Excess of Revenues Over Expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,457</u>	<u>(543)</u>
Other Financing Uses				
Transfers Out	(5,000)	(5,000)	(5,000)	0
<i>Total Other Financing Uses</i>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	(543)	(543)
<i>Fund Balance Beginning of Year</i>	<u>1,881</u>	<u>1,881</u>	<u>1,881</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,881</u>	<u>\$ 1,881</u>	<u>\$ 1,338</u>	<u>\$ (543)</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Computer Research and Maintenance Fund
 For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 23,756	\$ 3,756
<i>Total Revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>23,756</u>	<u>3,756</u>
Expenditures				
Current:				
General Government:				
Municipal Court:				
Contractual Services	76,500	78,500	50,329	28,171
Capital Outlay	30,000	28,000	22,939	5,061
<i>Total Expenditures</i>	<u>106,500</u>	<u>106,500</u>	<u>73,268</u>	<u>33,232</u>
<i>Net Change in Fund Balance</i>	(86,500)	(86,500)	(49,512)	36,988
<i>Fund Balance Beginning of Year</i>	<u>114,622</u>	<u>114,622</u>	<u>114,622</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 28,122</u>	<u>\$ 28,122</u>	<u>\$ 65,110</u>	<u>\$ 36,988</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 35,000	\$ 35,000	\$ 36,745	\$ 1,745
<i>Total Revenues</i>	<u>35,000</u>	<u>35,000</u>	<u>36,745</u>	<u>1,745</u>
Expenditures				
Current:				
General Government:				
Municipal Court:				
Salaries	26,208	27,243	26,896	347
Fringe Benefits	3,792	3,792	4,035	(243)
Contractual Services	<u>15,000</u>	<u>13,965</u>	<u>1,002</u>	<u>12,963</u>
<i>Total Expenditures</i>	<u>45,000</u>	<u>45,000</u>	<u>31,933</u>	<u>13,067</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	4,812	14,812
<i>Fund Balance Beginning of Year</i>	<u>12,777</u>	<u>12,777</u>	<u>12,777</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,777</u>	<u>\$ 2,777</u>	<u>\$ 17,589</u>	<u>\$ 14,812</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Court Probation Services Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Fines and Forfeitures	\$ 25,000	\$ 32,000	\$ 31,733	\$ (267)
<i>Total Revenues</i>	<u>25,000</u>	<u>32,000</u>	<u>31,733</u>	<u>(267)</u>
Expenditures				
Current:				
General Government:				
Municipal Court:				
Salaries	30,000	30,000	0	30,000
Fringe Benefits	4,500	4,500	0	4,500
Contractual Services	15,500	13,050	0	13,050
Materials and Supplies	0	2,000	701	1,299
Other	0	450	450	0
<i>Total Expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>1,151</u>	<u>48,849</u>
<i>Net Change in Fund Balance</i>	(25,000)	(18,000)	30,582	48,582
<i>Fund Balance Beginning of Year</i>	<u>18,054</u>	<u>18,054</u>	<u>18,054</u>	<u>0</u>
<i>Fund Balance(Deficit) End of Year</i>	<u><u>\$ (6,946)</u></u>	<u><u>\$ 54</u></u>	<u><u>\$ 48,636</u></u>	<u><u>\$ 48,582</u></u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Emergency Shelter Grant Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 128,541	\$ 130,371	\$ 90,254	\$ (40,117)
<i>Total Revenues</i>	<u>128,541</u>	<u>130,371</u>	<u>90,254</u>	<u>(40,117)</u>
Expenditures				
Current:				
Community Environment:				
Planning and Development:				
Salaries	23,500	23,500	23,498	2
Fringe Benefits	3,546	3,546	3,546	0
Contractual Services	<u>103,325</u>	<u>103,325</u>	<u>60,725</u>	<u>42,600</u>
<i>Total Expenditures</i>	<u>130,371</u>	<u>130,371</u>	<u>87,769</u>	<u>42,602</u>
<i>Net Change in Fund Balance</i>	(1,830)	0	2,485	2,485
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (1,830)</u>	<u>\$ 0</u>	<u>\$ 2,485</u>	<u>\$ 2,485</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 HOME Investment Program Fund
 For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 450,000	\$ 575,000	\$ 275,000	\$ (300,000)
<i>Total Revenues</i>	<u>450,000</u>	<u>575,000</u>	<u>275,000</u>	<u>(300,000)</u>
Expenditures				
Current:				
Community Environment:				
Planning and Development:				
Other	602,500	602,500	220,000	382,500
<i>Total Expenditures</i>	<u>602,500</u>	<u>602,500</u>	<u>220,000</u>	<u>382,500</u>
<i>Net Change in Fund Balance</i>	(152,500)	(27,500)	55,000	82,500
<i>Fund Balance Beginning of Year</i>	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>0</u>
<i>Fund Balance(Deficit) End of Year</i>	<u>\$ (140,000)</u>	<u>\$ (15,000)</u>	<u>\$ 67,500</u>	<u>\$ 82,500</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Lead-Based Paint Hazard Control Fund
 For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 64,243	\$ (185,757)
<i>Total Revenues</i>	<u>250,000</u>	<u>250,000</u>	<u>64,243</u>	<u>(185,757)</u>
Expenditures				
Current:				
Community Environment:				
Planning and Development:				
Other	250,000	250,000	92,128	157,872
<i>Total Expenditures</i>	<u>250,000</u>	<u>250,000</u>	<u>92,128</u>	<u>157,872</u>
Excess of Revenues Under Expenditures	<u>0</u>	<u>0</u>	<u>(27,885)</u>	<u>(27,885)</u>
Other Financing Sources				
Advances In	0	0	27,885	(27,885)
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>27,885</u>	<u>(27,885)</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance(Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Children's Trust Grant Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
<i>Total Revenues</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>324</u>	<u>324</u>	<u>324</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 324</u>	<u>\$ 324</u>	<u>\$ 324</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Little Links Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 23,053	\$ 23,053	\$ 15,871	\$ (7,182)
Miscellaneous	500	500	292	(208)
<i>Total Revenues</i>	<u>23,553</u>	<u>23,553</u>	<u>16,163</u>	<u>(7,390)</u>
Expenditures				
Current:				
Community Environment:				
Youth				
Salaries	15,420	15,550	9,044	6,506
Fringe Benefits	2,313	2,313	1,356	957
Communications	220	220	0	220
Materials and Supplies	1,750	1,742	1,462	280
Other	3,850	3,728	3,287	441
<i>Total Expenditures</i>	<u>23,553</u>	<u>23,553</u>	<u>15,149</u>	<u>8,404</u>
<i>Net Change in Fund Balance</i>	0	0	1,014	1,014
<i>Fund Balance Beginning of Year</i>	<u>5,081</u>	<u>5,081</u>	<u>5,081</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 5,081</u>	<u>\$ 5,081</u>	<u>\$ 6,095</u>	<u>\$ 1,014</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Juvenile Accountability Incentive Block Grant Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 20,701	\$ (4,299)
<i>Total Revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>20,701</u>	<u>(4,299)</u>
Expenditures				
Community Environment:				
Youth				
Salaries	19,860	19,860	17,834	2,026
Fringe Benefits	2,979	2,979	2,637	342
Travel and Transportation	363	363	0	363
Capital Outlay	1,800	1,800	0	1,800
<i>Total Expenditures</i>	<u>25,002</u>	<u>25,002</u>	<u>20,471</u>	<u>4,531</u>
<i>Net Change in Fund Balance</i>	(2)	(2)	230	232
<i>Fund Balance Beginning of Year</i>	<u>111</u>	<u>111</u>	<u>111</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 109</u>	<u>\$ 109</u>	<u>\$ 341</u>	<u>\$ 232</u>

City of Lakewood, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Byrne Memorial Grant Fund
 For the Year Ended December 31, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 0	\$ 0	\$ 1,908	\$ 1,908
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>1,908</u>	<u>1,908</u>
 Expenditures				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	1,908	1,908
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,908</u>	<u>\$ 1,908</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Help-to-Others Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 5,000	\$ 5,000	\$ 5,862	\$ 862
Miscellaneous	32,100	41,990	21,687	(20,303)
<i>Total Revenues</i>	<u>37,100</u>	<u>46,990</u>	<u>27,549</u>	<u>(19,441)</u>
Expenditures				
Current:				
Community Environment:				
Youth				
Salaries	35,890	35,890	22,156	13,734
Fringe Benefits	5,384	5,384	3,323	2,061
Travel and Transportation	300	300	0	300
Professional Services	620	220	0	220
Communications	300	700	688	12
Materials and Supplies	4,600	4,600	1,269	3,331
Other	900	900	113	787
<i>Total Expenditures</i>	<u>47,994</u>	<u>47,994</u>	<u>27,549</u>	<u>20,445</u>
<i>Net Change in Fund Balance</i>	(10,894)	(1,004)	0	1,004
<i>Fund Balance Beginning of Year</i>	<u>1,445</u>	<u>1,445</u>	<u>1,445</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ (9,449)</u>	<u>\$ 441</u>	<u>\$ 1,445</u>	<u>\$ 1,004</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Child and Adult Day Care Program Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 0	\$ 176,000	\$ 11,487	\$ (164,513)
<i>Total Revenues</i>	<u>0</u>	<u>176,000</u>	<u>11,487</u>	<u>(164,513)</u>
Expenditures				
Current:				
Community Environment:				
Youth				
Salaries	0	26,633	4,396	22,237
Fringe Benefits	0	3,995	659	3,336
Professional Services	0	35	0	35
Communications	0	500	0	500
Contractual Services	0	144,287	9,089	135,198
Other	0	550	90	460
<i>Total Expenditures</i>	<u>0</u>	<u>176,000</u>	<u>14,234</u>	<u>161,766</u>
Excess of Revenues				
Under Expenditures	<u>0</u>	<u>0</u>	<u>(2,747)</u>	<u>(2,747)</u>
Other Financing Sources				
Advances In	<u>0</u>	<u>0</u>	<u>2,747</u>	<u>(2,747)</u>
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>2,747</u>	<u>(2,747)</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Lakehouse Breakwall Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$ 45,204	\$ 45,204	\$ 44,604	\$ (600)
<i>Total Revenues</i>	<u>45,204</u>	<u>45,204</u>	<u>44,604</u>	<u>(600)</u>
Expenditures				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	2,100	2,100	2,100	0
<i>Total Expenditures</i>	<u>42,100</u>	<u>42,100</u>	<u>42,100</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	3,104	3,104	2,504	(600)
<i>Fund Balance Beginning of Year</i>	<u>7,007</u>	<u>7,007</u>	<u>7,007</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 10,111</u>	<u>\$ 10,111</u>	<u>\$ 9,511</u>	<u>\$ (600)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
<i>Total Revenues</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures				
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
City Park Improvement Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 0	\$ (15,000)
<i>Total Revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>(15,000)</u>
Expenditures				
Current:				
Leisure Time Activities:				
Parks				
Capital Outlay	15,000	15,000	0	15,000
<i>Total Expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>10</u>	<u>10</u>	<u>10</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 0</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Parking Facilities Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 275,000	\$ 275,000	\$ 278,749	\$ 3,749
Miscellaneous	0	0	2,258	2,258
<i>Total Revenues</i>	<u>275,000</u>	<u>275,000</u>	<u>281,007</u>	<u>6,007</u>
Expenses				
Personal Services	172,542	172,542	171,226	1,316
Contractual Services	127,435	127,835	107,659	20,176
Materials and Supplies	5,250	4,850	2,135	2,715
Capital Outlay	20,000	20,000	6,351	13,649
<i>Total Expenses</i>	<u>325,227</u>	<u>325,227</u>	<u>287,371</u>	<u>37,856</u>
<i>Net Change in Fund Equity</i>	(50,227)	(50,227)	(6,364)	43,863
<i>Fund Equity Beginning of Year</i>	<u>88,348</u>	<u>88,348</u>	<u>88,348</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 38,121</u>	<u>\$ 38,121</u>	<u>\$ 81,984</u>	<u>\$ 43,863</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Winterhurst Ice Rink Fund
For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	\$ 787,400	\$ 887,400	\$ 703,212	\$ (184,188)
Miscellaneous	3,400	3,400	3,512	112
Advances In	0	0	124,073	124,073
<i>Total Revenues</i>	<u>790,800</u>	<u>890,800</u>	<u>830,797</u>	<u>(60,003)</u>
Expenses				
Personal Services	481,564	481,564	441,049	40,515
Contractual Services	26,386	25,816	23,371	2,445
Materials and Supplies	11,700	12,050	11,740	310
Capital Outlay	25,000	21,021	20,716	305
Utility	481,058	485,257	471,248	14,009
Debt Service:				
Principal Retirement	23,200	23,200	23,200	0
Interest and Fiscal Charges	64,036	64,036	64,036	0
<i>Total Expenses</i>	<u>1,112,944</u>	<u>1,112,944</u>	<u>1,055,360</u>	<u>57,584</u>
Excess of Revenues				
Under Expenses	(322,144)	(222,144)	(224,563)	(2,419)
Transfers In	200,000	200,000	200,000	0
<i>Net Change in Fund Equity</i>	(122,144)	(22,144)	(24,563)	(2,419)
<i>Fund Equity Beginning of Year</i>	24,379	24,379	24,379	0
<i>Unexpended Prior Year Encumbrances</i>	184	184	184	0
<i>Fund Equity (Deficit) End of Year</i>	<u>\$ (97,581)</u>	<u>\$ 2,419</u>	<u>\$ 0</u>	<u>\$ (2,419)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Congregate Living Facility Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 8,100	\$ 8,100	\$ 8,700	\$ 600
<i>Total Revenues</i>	<u>8,100</u>	<u>8,100</u>	<u>8,700</u>	<u>600</u>
Expenses				
Contractual Services	1,295	1,095	531	564
Materials and Supplies	8,800	9,000	9,256	(256)
<i>Total Expenses</i>	<u>10,095</u>	<u>10,095</u>	<u>9,787</u>	<u>308</u>
<i>Net Change in Fund Equity</i>	(1,995)	(1,995)	(1,087)	908
<i>Fund Equity Beginning of Year</i>	<u>3,704</u>	<u>3,704</u>	<u>3,704</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 1,709</u>	<u>\$ 1,709</u>	<u>\$ 2,617</u>	<u>\$ 908</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Hospitalization Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 3,437,663	\$ 4,483,419	\$ 4,133,419	\$ (350,000)
Miscellaneous	<u>132,000</u>	<u>132,000</u>	<u>145,514</u>	<u>13,514</u>
<i>Total Revenues</i>	<u>3,569,663</u>	<u>4,615,419</u>	<u>4,278,933</u>	<u>(336,486)</u>
Expenses				
Claims	4,065,307	4,065,307	3,608,763	456,544
Contractual Services	<u>40,000</u>	<u>40,000</u>	<u>32,943</u>	<u>7,057</u>
<i>Total Expenses</i>	<u>4,105,307</u>	<u>4,105,307</u>	<u>3,641,706</u>	<u>463,601</u>
<i>Net Change in Fund Equity</i>	(535,644)	510,112	637,227	127,115
<i>Fund Equity Beginning of Year</i>	<u>40,302</u>	<u>40,302</u>	<u>40,302</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u>\$ (495,342)</u>	<u>\$ 550,414</u>	<u>\$ 677,529</u>	<u>\$ 127,115</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
Workers' Compensation Fund
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$ 519,471	\$ 494,470	\$ 244,470	\$ (250,000)
Miscellaneous	0	0	30,356	30,356
<i>Total Revenues</i>	<u>519,471</u>	<u>494,470</u>	<u>274,826</u>	<u>(219,644)</u>
Expenses				
Claims	400,000	400,000	206,826	193,174
Premium	225,000	223,500	216,609	6,891
Contractual Services	25,000	26,500	26,500	0
<i>Total Expenses</i>	<u>650,000</u>	<u>650,000</u>	<u>449,935</u>	<u>200,065</u>
<i>Net Change in Fund Equity</i>	(130,529)	(155,530)	(175,109)	(19,579)
<i>Fund Equity Beginning of Year</i>	<u>2,050,501</u>	<u>2,050,501</u>	<u>2,050,501</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 1,919,972</u>	<u>\$ 1,894,971</u>	<u>\$ 1,875,392</u>	<u>\$ (19,579)</u>

City of Lakewood, Ohio
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget (Non-GAAP Basis) and Actual
General Liability Insurance Fund
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 0	\$ 0	\$ 3,344	\$ 3,344
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>3,344</u>	<u>3,344</u>
Expenses				
Claims	50,000	50,000	191	49,809
<i>Total Expenses</i>	<u>50,000</u>	<u>50,000</u>	<u>191</u>	<u>49,809</u>
<i>Net Change in Fund Equity</i>	(50,000)	(50,000)	3,153	53,153
<i>Fund Equity Beginning of Year</i>	<u>127,010</u>	<u>127,010</u>	<u>127,010</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 77,010</u>	<u>\$ 77,010</u>	<u>\$ 130,163</u>	<u>\$ 53,153</u>

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Statistical Section

City of Lakewood
*General Governmental Revenues by Source
and Expenditures by Function (1)
Last Ten Years*

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Revenues										
Taxes	\$ 26,959,567	\$ 27,936,619	\$ 29,200,745	\$ 26,402,731	\$ 26,034,232	\$ 25,490,469	\$ 23,902,222	\$ 23,567,526	\$ 23,640,358	\$ 21,848,436
Charges for Services	3,776,654	2,684,835	2,584,971	2,415,852	1,648,298	1,507,362	1,586,422	435,942	427,789	424,800
Licenses, Permits and Fees	718,147	698,661	765,485	632,935	631,768	676,407	630,359	524,842	494,786	497,104
Fines and Forfeitures	1,594,776	1,235,195	1,163,004	1,180,221	1,237,830	1,366,319	1,335,419	1,258,374	1,102,146	1,198,849
Intergovernmental	12,180,349	12,821,281	11,344,560	10,538,724	11,658,560	11,115,956	8,893,521	9,139,319	9,232,199	8,957,267
Special Assessments	196,560	167,359	115,561	96,663	100,171	75,125	97,745	118,089	152,627	137,478
Interest	483,266	839,181	1,166,804	1,808,779	1,096,232	1,114,273	784,784	665,181	775,871	381,706
Miscellaneous	408,462	1,137,725	325,033	1,228,711	1,315,096	1,396,790	1,441,451	1,666,400	1,564,646	2,484,437
Total	\$ 46,317,781	\$ 47,520,856	\$ 46,666,163	\$ 44,304,616	\$ 43,722,187	\$ 42,742,701	\$ 38,671,923	\$ 37,375,673	\$ 37,390,422	\$ 35,930,077
Expenditures										
General Government	\$ 8,335,408	\$ 7,132,996	\$ 6,137,933	\$ 6,231,767	\$ 6,133,239	\$ 5,674,800	\$ 5,678,394	\$ 5,348,489	\$ 5,688,446	\$ 5,115,010
Security of Persons and Property	-	17,408,734	21,757,271	16,041,238	14,915,340	14,065,155	13,766,277	13,926,743	12,425,334	12,972,604
Police	10,118,491	NA	NA	NA	NA	NA	NA	NA	NA	NA
Fire	9,394,378	NA	NA	NA	NA	NA	NA	NA	NA	NA
Public Health Services	3,532,193	3,137,717	3,074,905	3,667,836	3,475,385	3,515,540	3,363,386	3,335,468	3,400,716	3,251,198
Transportation	2,337,498	1,912,861	2,252,170	2,018,050	1,892,215	1,783,005	1,887,794	2,437,848	2,184,838	2,535,672
Community Environment	6,060,535	6,420,753	5,519,228	4,356,872	5,663,246	5,535,532	4,745,928	4,560,362	4,684,217	5,960,287
Basic Utility Services	4,340,840	4,172,822	3,840,908	4,000,709	4,004,465	3,478,201	3,478,512	3,404,363	3,549,232	3,236,134
Leisure Time Activities	1,930,211	1,904,606	1,869,277	1,801,349	1,628,933	1,599,116	1,676,056	2,281,561	2,256,905	1,511,121
Capital Outlay	2,848,800	3,510,525	3,810,178	3,087,475	3,021,957	2,783,019	755,171	877,016	1,852,111	1,854,365
Debt Service	3,714,992	3,371,003	5,724,977	2,699,299	2,451,751	6,238,617	5,471,169	4,864,305	13,780,132	8,522,637
Total	\$ 52,613,346	\$ 48,972,017	\$ 53,986,847	\$ 43,904,595	\$ 43,186,531	\$ 44,672,985	\$ 40,822,687	\$ 41,036,155	\$ 49,821,931	\$ 44,959,028

Source: City Financial Records

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.
Modified Accrual Basis.

Information for governmental activities will be provided when enough years are
available for comparison.

City of Lakewood
Real Property Taxes – Levies and Collections
Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percent of Accumulated Delinquent Taxes to Total Tax Levy</u>
1994	\$ 9,999,539	\$ 9,623,095	96.2%	\$ 306,196	3.1%
1995	11,418,201	11,022,758	96.5%	320,934	2.8%
1996	11,566,075	11,157,257	96.5%	382,558	3.3%
1997	11,594,830	10,903,108	94.0%	378,054	3.3%
1998	12,473,945	11,784,898	94.5%	457,346	3.7%
1999	12,587,879	11,630,669	92.4%	436,824	3.5%
2000	12,007,848	11,715,488	97.6%	420,589	3.5%
2001	14,025,782	13,088,922	93.3%	585,260	4.2%
2002	14,093,147	12,965,025	92.0%	608,167	4.3%
2003	14,158,214	13,011,236	91.8%	786,456	6.0%

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood
Assessed Valuations and Estimated True Values of Taxable Property
Last Ten Years

<u>Collection Year</u>	<u>Assessed Valuations</u>				<u>Estimated True Value Taxable Property</u>
	<u>Real Property</u>	<u>Public Utility Property</u>	<u>Tangible Personal Property</u>	<u>Total</u>	
1994	\$ 536,580,590	\$ 28,451,190	\$ 28,638,909	\$ 593,670,689	\$ 1,671,688,240
1995	622,501,030	28,842,580	28,955,261	680,298,871	1,927,171,075
1996	619,624,830	26,532,660	28,143,010	674,300,500	1,913,079,447
1997	621,449,470	25,640,400	29,693,104	676,782,974	1,923,479,148
1998	674,651,070	24,653,550	28,969,777	728,274,397	2,071,468,991
1999	674,308,020	24,235,630	30,270,945	728,814,595	2,075,218,611
2000	672,238,960	22,218,700	29,495,988	723,953,648	2,063,915,218
2001	762,193,100	21,740,390	30,919,012	814,852,502	2,326,075,608
2002	762,148,140	16,758,320	31,518,033	810,424,493	2,322,681,791
2003	760,550,790	16,001,560	28,345,579	804,897,929	2,299,708,369

The current assessed valuation is computed at approximately the following percentages of estimated true value: real property – 35 percent; tangible personal property – 25 percent of true value for capital assets and 23 percent of true value for inventory; public utility tangible personal property 88 percent or 100 percent of the true value, depending on the nature of the public utility.

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood

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

<u>Tax Year/ Collection Year</u>	<u>City</u>	<u>Cuyahoga County (1)</u>	<u>Lakewood City School District</u>	<u>Special Taxing Districts (2)</u>	<u>Total</u>
1994/1995	\$ 17.10	\$ 12.32	\$ 86.00	\$ 4.48	\$ 119.90
1995/1996	17.30	12.12	91.60	4.48	125.50
1996/1997	17.30	12.12	91.60	4.48	125.50
1997/1998	17.30	12.12	91.40	4.48	125.30
1998/1999	17.30	10.82	91.40	4.48	124.00
1999/2000	17.30	10.82	96.20	4.48	128.80
2000/2001	17.30	11.72	95.80	4.48	129.30
2001/2002	17.30	14.65	93.45	3.80	129.20
2002/2003	17.30	14.65	93.45	3.80	129.20
2003/2004	17.40	13.52	101.60	7.98	140.50

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

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

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood
Special Assessment Billings and Collections
Last Ten Years

<u>Collection Year</u>	<u>Billed Amount</u>	<u>Collected Amount</u>	<u>Percent Collected</u>
1994	\$181,600	\$143,779	79.17%
1995	140,481	137,719	98.03%
1996	125,426	124,671	99.40%
1997	95,303	97,402	102.20%
1998	74,820	76,185	101.82%
1999	55,867	53,027	94.92%
2000	67,378	64,553	95.81%
2001	93,531	96,100	102.75%
2002	80,874	83,561	103.32%
2003	157,611	146,678	93.06%

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

Source: Cuyahoga County, Ohio; County Auditor

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

<u>Fiscal Year</u>	<u>Population*</u>	<u>Assessed Value (1)</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Bonded Debt Payable from Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt Per Capita</u>
1994	59,718	\$ 593,670,689	\$ 23,295,000	\$ 862,899	\$ 12,556,500	\$ 9,875,601	1.66%	\$ 165.37
1995	59,718	680,298,871	38,010,000	-	17,715,000	20,295,000	2.98%	339.85
1996	59,718	674,300,500	36,055,000	1,255,410	16,299,000	18,500,590	2.74%	309.80
1997	59,718	676,782,974	34,120,000	1,465,329	15,398,000	17,256,671	2.55%	288.97
1998	59,718	728,274,397	38,805,000	1,099,474	16,242,800	21,462,726	2.95%	359.40
1999	59,718	728,814,595	36,810,000	1,978,231	15,445,000	19,386,769	2.66%	324.64
2000	56,646	723,953,648	34,680,000	2,023,608	14,612,200	18,044,192	2.49%	318.54
2001	56,646	814,852,502	40,880,000	784,864	13,865,400	26,229,736	3.21%	463.04
2002	56,646	810,424,493	39,610,000	868,636	14,268,600	24,472,764	3.02%	432.03
2003	56,646	804,897,929	45,560,100	1,162,940	16,701,400	27,695,760	3.44%	488.93

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

(1) Cuyahoga County, Ohio; County Auditor

City of Lakewood
Computation of Legal Debt Margin
December 31, 2003

Gross Indebtedness		\$	50,360,600
Less:			
Water Revenue Bonds	\$		6,180,000
Police & Fire Disability & Pension Fund			4,910,000
Special Assessment Bonds/Notes			<u>452,000</u>
Total Exempt Debt	\$		<u><u>11,542,000</u></u>
Net Indebtedness Subject to 10-1/2% Debt Limitation		\$	<u><u>38,818,600</u></u>
Net Indebtedness Subject to 5-1/2% Debt Limitation		\$	<u><u>38,818,600</u></u>
Assessed Valuation of City		\$	804,897,929
10-1/2% of Valuation (Maximum Voted and Unvoted Non-exempt General Obligation Bond Debt Allowed)		\$	84,514,282
Net Indebtedness Subject to 10-1/2% Debt Limitation			<u>38,818,600</u>
Legal 10-1/2% Margin		\$	<u><u>45,695,682</u></u>
5-1/2% of Valuation (Maximum Unvoted and Unvoted Non-exempt General Obligation Bond Debt Allowed)		\$	44,269,386
Net Indebtedness Subject to 5-1/2% Debt Limitation			<u>38,818,600</u>
Legal 5-1/2% Margin		\$	<u><u>5,450,786</u></u>

City of Lakewood
Computation of Direct and Overlapping Debt
 December 31, 2003

<u>Jurisdiction</u>	Gross Indebtedness (Bonds & Bond Anticipation Notes)	Percentage Applicable to City*	<u>Direct</u>	Overlapping Estimated Debt Applicable to City	<u>Total</u>
City	\$ 45,560,100	100.00%	\$ 45,560,100	\$ -	\$ 45,560,100
Lakewood School District	21,784,989	100.00%	-	21,784,989	21,784,989
Cuyahoga County	183,239,636	2.82%	-	5,167,358	5,167,358
Greater Cleveland Regional Transit Authority	<u>136,310,000</u>	2.82%	<u>-</u>	<u>3,843,942</u>	<u>3,843,942</u>
	\$ <u><u>386,894,725</u></u>		\$ <u><u>45,560,100</u></u>	\$ <u><u>30,796,289</u></u>	\$ <u><u>76,356,389</u></u>

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

City of Lakewood
*Ratio of Annual Debt Principal Expenditures for General Obligation Bonded Debt to
Total Governmental Fund Expenditures
Last Ten Years*

<u>Fiscal Year</u>	<u>Debt Principal Expenditures</u>	<u>Governmental Fund Expenditures</u>	<u>Ratio of Debt Principal to Total Governmental Fund Expenditures</u>
1994	\$988,500	\$44,959,028	2.20%
1995	1,094,000	49,821,931	2.20%
1996	879,000	41,036,155	2.14%
1997	1,004,000	40,822,687	2.46%
1998	9,484,800 (1)	44,672,985	21.23%
1999	1,134,400	43,186,531	2.63%
2000	1,232,800	43,904,595	2.81%
2001	1,208,000	53,986,847	2.24%
2002	1,577,200	48,972,017	3.22%
2003	1,546,800	52,613,346	2.86%

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

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

City of Lakewood
Principal Real Property Taxpayers
 December 31, 2003

<u>Taxpayer</u>	<u>2002 Assessed Valuation (Tax Duplicate) For Collection in 2003</u>	<u>Percentage of Total Assessed Valuation</u>
1. Cleveland Electric Illuminating Company	\$ 7,248,960	0.90%
2. Ohio Bell Telephone Company	5,829,610	0.72%
3. Lakewood Operating Associates	2,309,130	0.29%
4. Lakewood Senior Citizens, Inc.	2,231,010	0.28%
5. Marine Towers	2,096,990	0.26%
6. Castlewood Association	1,994,760	0.25%
7. Fame-Midamco Company	1,720,990	0.21%
8. Lakewood Health Care	1,690,860	0.21%
9. Lakewood Association	1,641,230	0.20%
10. Lakeshore Associates	<u>1,596,360</u>	<u>0.20%</u>
	\$ <u>28,359,900</u>	<u>3.52%</u>
Total Assessed Valuation	\$ <u>804,897,929</u>	

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

Source: Cuyahoga County, Ohio; County Auditor

City of Lakewood
Property Values, Construction and Bank Deposits
Last Ten Years

<u>Year</u>	<u>Residential Construction Value</u>	<u>Commercial Construction Value</u>	<u>Bank Deposits in the County[^] (in thousands)</u>	<u>Deposits of Financial Institutions Headquartered in the City * (in thousands)</u>
1994	\$ 6,363,567	\$ 6,155,776	\$ 21,101,872	\$ 541,527
1995	6,148,509	6,557,742	22,694,304	615,975
1996	7,587,079	4,361,563	27,068,211	675,661
1997	6,921,499	3,427,818	53,941,971	722,417
1998	8,167,951	5,911,359	58,904,596	757,514
1999	6,613,136	5,928,044	57,816,942	796,092
2000	8,492,331	7,501,961	61,942,764	833,343
2001	10,814,661	13,680,618	63,893,769	882,031
2002	10,852,908	8,293,988	95,761,917	940,277
2003	10,184,576	9,524,390	97,238,973	948,764

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

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

City of Lakewood
*Revenue Bond Coverage – Water System Mortgage Revenue Bonds
 Last Ten Years*

<u>Year</u>	<u>Gross Revenues (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Annual Debt Service Requirements (3)</u>	<u>Coverage</u>
1994	\$ 7,169,384	\$ 5,992,506	\$ 1,176,878	\$ 437,895	2.69
1995	7,976,981	6,035,217	1,941,764	426,270	4.56
1996	7,451,692	6,095,646	1,356,046	657,896	2.06
1997	7,857,587	6,250,920	1,606,667	635,645	2.53
1998	8,466,107	6,966,612	1,499,495	649,175	2.31
1999	8,780,617	6,994,242	1,786,375	650,788	2.74
2000	8,563,531	6,523,005	2,040,526	645,893	3.16
2001	8,651,628	7,084,088	1,567,540	645,442	4.12
2002	8,803,266	8,156,070	647,196	648,857	(10.02)
2003	8,520,217	7,085,228	1,434,989	740,501	5.16

- (1) Gross revenues include operating revenues, intergovernmental revenues and interest income.
- (2) Direct operating expenses include operating expenses less depreciation.
- (3) Annual debt service requirements include principal and interest on revenue bonds issued in 1995.

City of Lakewood
Insurance Summary
December 31, 2003

<u>Type of Coverage</u>	<u>Carrier</u>	<u>Liability Limits</u>	<u>Deductible</u>	<u>Effective Date</u>	
General Liability	Arch	\$ 1,000,000 per occurrence	\$ 0	10/01/03	09/30/04
		3,000,000 aggregate	0	10/01/03	09/30/04
Automobile	Arch	1,000,000 Liability	0	10/01/03	09/30/04
		Comprehensive	250	10/01/03	09/30/04
		Collision	1,000	10/01/03	09/30/04
Law Enforcement	Arch	1,000,000 Liability	5,000	10/01/03	09/30/04
Public Officials	Arch	1,000,000 Liability	5,000	10/01/03	09/30/04
Professional (Health Dept)	Admiral	1,000,000 per occurrence	2,500	10/01/03	09/30/04
		3,000,000 aggregate	0	10/01/03	09/30/04
Employee Bonds	Hartford Fire	100,000 Director of Finance	0	01/03/04	01/03/05
	Brook Stafford	25,000 Court Employees	0	09/01/02	09/01/05
	Brook Stafford	50,000 Clerk of Courts	0	09/01/02	09/01/05
	Arch	100,000 Employee Dishonesty	250	10/01/03	09/30/04
Blanket Building & Contents	Arch	93,624,617	1,000	10/01/03	09/30/04
Inland Marine	Arch	6,220,982	1,000	10/01/03	09/30/04
		2,571,887 EDP Equipment	1,000	10/01/03	09/30/04
Boiler & Machinery	Federal Insurance Co.	50,000,000	5,000	10/01/03	09/30/04
Umbrella	Arch	10,000,000 per occurrence	0	10/01/03	09/30/04
Municipal Pools	Century Surety Co.	5,000,000 per occurrence	0	02/05/03	02/05/04
		5,000,000 aggregate	0		
Medical Professional	Admiral Insurance Co.	1,000,000 per occurrence	2,500	10/01/03	10/01/04
		3,000,000 aggregate	0		
Pollution (Lead Abatement Policy)	Gulf	1,000,000	2,500	10/01/03	10/01/04
Earthquake and Flood	Arch	5,000,000	50,000	10/01/03	10/01/04

City of Lakewood
Top Ten Largest Employers
December 31, 2003

	<u>Number Of Employees*</u>
Lakewood Hospital	1,410
Lakewood Board of Education	1,301
City of Lakewood	658
New York Life Insurance Company	173
Lake Erie Screw Corporation	172
Aristocrat Lakewood	168
First Federal Saving & Loan Association of Lakewood	136
United Transportation Union	115
Bonne Bell Inc.	106
Graph-Tech, Inc.	105

* includes part-time/seasonal employees

City of Lakewood
Miscellaneous Statistics
 December 31, 2003

Date of Incorporation	1911
Form of Government	Mayor - Council
Area	5.66 square miles
Miles of streets	93
Number of street lights	3,554
 <u>Fire Protection</u>	
Number of fire stations	3
Number of firemen and officers	78
 <u>Police Protection</u>	
Number of police stations	1
Number of policemen and officers	87
 Lakewood Hospital	 400 beds
 <u>Education (K-5 only):</u>	
Number of teachers	131
Number of students	2,827
 <u>Education (6-8 only):</u>	
Number of teachers	96
Number of students	1,596
 <u>Education (9-12 only):</u>	
Number of teachers	135
Number of students	2,285
 <u>Municipal Water Department</u>	
Number of water accounts	14,327
Average daily consumption (cubic feet)	623,601
Miles of water mains	111
 <u>Sewers</u>	
Sanitary sewers	74.53 miles
Storm sewers	65.91 miles
Combined	<u>25.28 miles</u>
Total Sewers	165.72 miles
 Building permits issued	 3,305
 Number of full-time employees	 553
 Number of part-time employees	 105

City of Lakewood
Demographic Statistics
 December 31, 2003

Population

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

Age Distribution (Per 2000 Census)

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

Median Age = 34.2 years

Population by Gender

Males	27,275
Females	29,371

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City Of Lakewood, Ohio

Single Audit Reports

December 31, 2003

City of Lakewood, Ohio

For The Year Ended December 31, 2003

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CPAs and Business Advisors

**Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Mayor Thomas George and
Members of the City Council of the
City of Lakewood, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, Ohio, as of and for the year ended December 31, 2003, which collectively comprise the city's basic financial statements and have issued our report thereon dated June 2, 2004, wherein we noted the City of Lakewood adopted *Government Accounting Standards Board Statement No. 34*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Lakewood's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 03-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lakewood's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Lakewood in a separate letter dated June 2, 2004.



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Honorable Mayor Thomas George and
Members of the City Council of the
City of Lakewood, Ohio

This report is intended solely for the information and use of the Finance Committee, City Council, management, 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.

Ciini & Baricchi, Inc.

Cleveland, Ohio
June 2, 2004



CPAs and Business Advisors

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Honorable Mayor Thomas George and
Members of the City Council of the
City of Lakewood, Ohio

Compliance

We have audited the compliance of the City of Lakewood, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The City of Lakewood's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Lakewood's management. Our responsibility is to express an opinion on the City of Lakewood's compliance based on our audit.

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

In our opinion, the City of Lakewood complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

 **C&P Advisors, LLC**
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Honorable Mayor Thomas George and
Members of the City Council of the
City of Lakewood, Ohio

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood as of and for the year ended December 31, 2003, which collectively comprise the City of Lakewood's basic financial statements and have issued our report there dated June 2, 2004. 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.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakewood's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 solely for the information and use of the Finance Committee, City Council, management, 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.

Cini & Banicki, Inc.

Cleveland, Ohio
June 2, 2004

City of Lakewood, Ohio

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2003

Program Title Federal Grantor and/or Pass-Through Grantor	Federal CFDA No.	Pass-Through Entity/Grant Number	Program or Award Amount	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture Passed-Through the Western Reserve Area Agency on Aging Nutrition Program for the Elderly	10.570	N/A	\$ <u>32,591</u>	\$ <u>-</u>	\$ <u>32,591</u>	\$ <u>-</u>	\$ <u>32,591</u>
U.S. Department of Housing and Urban Development Direct Program							
Community Development Block Grant	14.218	B-02-MC-39-007	2,615,000	1,847,072	-	1,703,922	-
Community Development Block Grant	14.218	B-03-MC-39-007	<u>2,624,000</u>	<u>775,728</u>	<u>-</u>	<u>917,684</u>	<u>-</u>
Total Community Development Block Grant			<u>5,239,000</u>	<u>2,622,800</u>	<u>-</u>	<u>2,621,606</u>	<u>-</u>
Emergency Shelter Grant	14.231	S-02-MC-39-0007	91,000	42,370	-	40,371	-
Emergency Shelter Grant	14.231	S-03-MC-39-0007	<u>90,000</u>	<u>47,884</u>	<u>-</u>	<u>47,382</u>	<u>-</u>
Total Emergency Shelter Grant			<u>181,000</u>	<u>90,254</u>	<u>-</u>	<u>87,753</u>	<u>-</u>
Passed-Through Cuyahoga County Housing Consortium							
HOME Investment Partnerships Program Grant	14.239	M-01-DC396216-AC	<u>367,276</u>	<u>175,000</u>	<u>-</u>	<u>220,000</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>5,787,276</u>	<u>2,888,054</u>	<u>-</u>	<u>2,929,359</u>	<u>-</u>
U.S. Department of Justice Direct Program							
Local Law Enforcement Block Grant	16.592	02-LB-VX-2286	<u>61,171</u>	<u>18,144</u>	<u>-</u>	<u>57,234</u>	<u>-</u>
U.S. Department of Health and Human Services Passed through the Western Reserve Area Agency on Aging							
Special Programs for the Aging – Title IIIB	93.044	N/A	158,946	158,946	-	158,946	-
Special Programs for the Aging – Title IIIC	93.045	N/A	86,436	50,739	35,697	50,739	35,697
Medical Assistance Program (Passport Services)	93.778	N/A	<u>86,976</u>	<u>86,976</u>	<u>-</u>	<u>86,976</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>332,358</u>	<u>296,661</u>	<u>35,697</u>	<u>296,661</u>	<u>35,697</u>
Total Expenditures of Federal Awards			\$ <u>6,213,396</u>	\$ <u>3,202,859</u>	\$ <u>68,288</u>	\$ <u>3,283,254</u>	\$ <u>68,288</u>

The accompanying notes are an integral part of this schedule

City of Lakewood, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2003

Note 1: Significant Accounting Policies

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

Note 2: Subrecipients

The City passes-through certain Federal assistance received from the U.S. Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As described in Note 1, the City records expenditures of Federal awards to subrecipients when paid in cash.

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

Note 3: Matching Requirements

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

Note 4: U.S. Department of Housing and Urban Development and Home Program Grants

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans directly to the City. The initial loan of this money is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2003, the gross amount of loans outstanding under this program is \$2,037,571. The Emergency Shelter grant is directly received by the City. The U.S. Department of Housing and Urban Development HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

Note 5: U.S. Department of Health and Human Services

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

City of Lakewood, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2003

Note 6: U.S. Department of Justice

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

Note 7: Food Distribution

Non-monetary assistance, such as meals received from the Western Reserve Area Office on Aging, is reported in the Schedule at the value of \$1.88 per meal served. Of the value of an individual meal served, the U.S. Department of Agriculture allocates \$.60 per meal and the U.S. Department of Health and Human Services allocates \$1.28 per meal. For the year ended December 31, 2003, the City served 27,888 and 26,430 meals through the City's Office on Aging congregate meal program and home delivered meal program; therefore, the U.S. Department of Agriculture allocation was \$32,591 and the U.S. Department of Health and Human Services allocation was \$35,697.

City Of Lakewood, Ohio

Schedule of Findings
OMB Circular A-133, Section .505

December 31, 2003

1. Summary of Auditor's Results

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	No
(d)(I)(vii)	Major Programs	Community Development Block Grant; CFDA # 14.218
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d)(I)(ix)	Low Risk Auditee?	Yes

City of Lakewood, Ohio

Schedule Of Findings
OMB Circular A-133, Section .505 (Continued)

December 31, 2003

2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

03-1 Contrary to Section 5705.39 Ohio Revised Code, the following funds had original appropriations in excess of original estimated revenue available for expenditures.

	<u>Certificate of Estimate Resources</u>	<u>Original Appropriations</u>	<u>Excess</u>
<i>Special Revenue Funds:</i>			
Community Development Block Grant Fund	\$ 4,481,683	\$ 5,175,977	\$ 694,294
Court Probation Services Fund	43,054	50,000	6,946
Emergency Shelter Grant Fund	128,541	130,371	1,830
HOME Investment Program Fund	462,500	602,500	140,000
Help-to-Others Fund	38,545	47,994	9,449
<i>Capital Projects Fund:</i>			
Permanent Capital Improvement Fund	3,273,187	3,380,130	106,943
<i>Enterprise Fund:</i>			
Winterhurst Ice Rink Fund	815,179	1,112,760	97,581
<i>Internal Service Fund:</i>			
Hospitalization Fund	3,609,965	4,105,307	495,342

3. Findings for Federal Awards

None.

City of Lakewood, Ohio

Schedule of Prior Audit Findings
OMB Circular A-133, Section .315(B)

December 31, 2003

Finding No.	Finding Summary	Fully Corrected	Explanation
02-1	<p>Ohio Revised Code 5705.41B states that expenditures plus encumbrances should not exceed appropriations.</p> <p>At December 31, 2002, expenditures plus encumbrances were in excess of appropriations in the following funds: Just Friends Grant, Juvenile Accountability Incentive Block Grant and Hospitalization.</p>	Yes	The auditor noted no instances of noncompliance while testing O.R.C. 5705.41B during the audit of compliance.
02-2	<p>Ohio Revised Code Section 5705.39 states that the total appropriations made during the fiscal year from any fund shall not exceed the amount set forth as available for expenditure from such fund in the official certificate of estimated resources, or any amendment thereof, certified prior to the making of the appropriation or supplemental appropriation.</p> <p>Appropriations exceeded the final certificate of estimated resources for the following funds: Emergency Shelter Grant, HOME Investment Program, Lead Paint Program, Little Links, Cuyahoga County Violence Prevention, Byrne Memorial Grant, Help to Others Special Revenue Funds, Permanent Capital Improvement, City Park Improvement Capital Projects Funds, and the Water and Winterhurst Ice Rink Enterprise Funds.</p>	No	The City had noncompliance in this area again in 2003.

City Of Lakewood

12650 Detroit Avenue
Lakewood, Ohio 44107
(216) 529-6093

Response to Findings Associated with Audit Conducted
in Accordance with *Government Auditing Standards*
for the Year Ended December 31, 2003

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
03-1	The City will monitor appropriations and estimated resources and amend appropriations and estimated resources as needed.	Immediately	Vic Nogalo, Finance Director



**Auditor of State
Betty Montgomery**

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CITY OF LAKEWOOD

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 5, 2004**