



**Auditor of State
Betty Montgomery**

**CITY OF ELYRIA
LORAIN COUNTY**

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**CITY OF ELYRIA
LORAIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/ Pass-Through Grantor/Program Title	Pass Through Entity Number	CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
<i>Direct Federal Assistance Program:</i>			
Community Development Block Grant 04	N/A	14.218	\$ 421,022
Community Development Block Grant 05	N/A	14.218	629,707
Total Community Development Block Grant			<u>1,050,729</u>
<i>Passed Through the Ohio Department of Development:</i>			
HOME - Home Investment Partnership Program	A-C-02-270-2	14.239	<u>95,686</u>
Total U.S. Department of Housing & Urban Development			<u>1,146,415</u>
<u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Passed Through United Way of America:</i>			
Emergency Food and Shelter National Board Program	679000-036	85.523	<u>1,498</u>
Total U.S. Federal Emergency Management Agency			<u>1,498</u>
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Health and Human Services:</i>			
Maternal and Child Health Services Block Grant			
Child and Family Health Services	47-2-001-1-MC-05	93.994	84,496
	47-2-001-1-MC-06	93.994	117,422
Infant Mortality Reduction Initiative Program	47-2-001-1-DM-05	93.994	74,981
Dental Sealant Program	47-2-001-1-AJ-05	93.994	26,525
Total Maternal and Child Health Services Block Grant			<u>303,424</u>
<i>Passed Through Ohio Department of Health and Human Services:</i>			
Infrastructure (Disease/Bioterrorism)			
	47-1-001-2-BI-05	93.996	37,180
	47-1-001-2-BI-06	93.996	16,782
Total Infrastructure (Disease/Bioterrorism)			<u>53,962</u>
<i>Passed Through The Lorain County Department of Job and Family Services:</i>			
ODJFS Client Advocacy Grant Program	860.53.05	93.558	22,003
ODJFS Client Advocacy Grant Program	860.53.06	93.558	19,279
Total ODJFS Client Advocacy Grant Program			<u>41,282</u>
<i>Passed Through the Natl. Assoc. of County & City Health Officials</i>			
NACCHO Grant	N/A	93.283	<u>1,872</u>
Total U.S. Department of Health & Human Services			<u>400,540</u>

**CITY OF ELYRIA
LORAIN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/ Pass-Through Grantor/Program Title	Pass Through Entity Number	CFDA Number	Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through the Ohio Department of Justice:</i>			
Victims of Crime Act	N/A	16.575	28,616
Total U.S. Department of Justice			<u>28,616</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through the Ohio Department of Transportation</i>			
Federal Highway Administration Grant/State (See Note B)	N/A	20.205	212,402
Federal Highway Administration Grant/State Project No 33410	N/A	20.205	1,279,400
Federal Highway Administration Grant/State Project No 437048	N/A	20.205	42,046
Total Federal Highway Administration Grant			<u>1,533,848</u>
<i>Passed Through the Ohio Department of Public Safety</i>			
Governors Highway Safety Office STEP Grant	2005 5038.0	20.600	23,102
Governors Highway Safety Office STEP Grant	LEO-06-47-02-30-00584	20.600	6,188
Total Ohio Department of Public Safety			<u>29,290</u>
Total U.S. Department of Transportation			<u>1,563,138</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
<i>Direct Federal Assistance Program:</i>			
Brownfield Pilots Cooperative Agreements			
Brownfield Assessment Pilot	N/A	66.811	2,771
Total U.S. Environmental Protection Agency			<u>2,771</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>			
<i>Direct Federal Assistance Program:</i>			
Economic Development Technical Assistance Program	N/A	11.303	30,012
Total U.S. Department of Commerce			<u>30,012</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 3,172,990</u>

See Notes to the Federal Awards Expenditures Schedule.

**CITY OF ELYRIA
LORAIN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FEDERAL HIGHWAY ADMINISTRATION GRANT

Included in the Federal Highway Administration Grant/State Project No. 33410 is \$212,402 in federal expenditures for engineering cost that was omitted from the Federal Awards Expenditures Schedule for the year ended December 31, 2004. The Ohio Department of Transportation, acting as the grant coordinator, permits the amount omitted in the December 31, 2005 Schedule.

CFDA – Catalog of Federal Domestic Assistance.

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

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**Auditor of State
Betty Montgomery**

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

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

To the Members of Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 16, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the City's management dated June 16, 2006, we reported other matters involving the internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-001 and 2005-002. In a separate letter to the City's management dated June 16, 2006, we reported other matters related to noncompliance we deemed immaterial.

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City of Elyria
Lorain County
Independent Accountants' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Required by
Government Auditing Standards
Page 2

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

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

Betty Montgomery
Auditor of State

June 16, 2006



Auditor of State Betty Montgomery

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

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

To the Members of Council:

Compliance

We have audited the compliance of the City of Elyria, Lorain County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Elyria complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

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

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

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 16, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

June 16, 2006

**CITY OF ELYRIA
LORAIN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 Section .505**

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	CDBG, CFDA #14.218 Maternal and Child Health Services Block Grant, CFDA #93.994
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	\$300,000
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER	2005-001
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Expenditures Exceeding Appropriations

Ohio Rev. Code Section 5705.41 (B) prohibits a subdivision or taxing unit from making expenditures unless they have been properly appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by Council may not exceed appropriations at the legal level for all funds. The City's legal level of control is the major account level. The following funds had expenditures in excess of appropriations and expenditures plus encumbrances in excess of appropriations at the legal level of control as of July 31, 2005:

CITY OF ELYRIA
LORAIN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2005

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 Section .505
(Continued)

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

FINDING NUMBER	2005-001
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Expenditures Exceeding Appropriations (Continued)

July 31, 2005

FUND/DEPARTMENT/ MAJOR ACCOUNT	APPROPRIATIONS PLUS PRIOR YEAR ENCUMBRANCES	EXPENDITURES PLUS ENCUMBRANCES	VARIANCE
Defiance, Furnace & Other Imp. Defiance, Furnace & Other Imp. Capital Outlay	\$377,291	\$583,109	(\$205,818)
Broad St.-West Ave. to E. Bridge Bridge St.-West Ave. to E. Bridge Capital Outlay	258,071	414,953	(156,882)

We recommend the City verify that all expenditures and encumbrances have proper appropriation authority prior to expending funds or certifying encumbrances and compare appropriations to expenditures plus encumbrances in all funds which are legally required to be budgeted, at the legal level of control (major account level), to maintain compliance with the above requirements.

Officials' Response

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

FINDING NUMBER	2005-002
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Certification of Availability of Funds

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

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

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

**CITY OF ELYRIA
LORAIN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 Section .505
(Continued)**

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

FINDING NUMBER	2005-002
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Certification of Availability of Funds (Continued)

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

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

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

Fifteen percent of expenditures tested (ten (10) of sixty-seven (67)) had purchase orders dated after the corresponding invoice. Failure to properly certify the availability of funds can result in overspending funds and negative cash balances.

Eleven percent of the blanket certificates tested (three (3) of twenty-seven (27)) had dates that ran beyond fiscal year end. Failing to close blanket purchase orders after year end can result in resources of the City being unavailable for needed purchases, canceled purchase commitments of the City going undetected, or expenditures not being posted to the proper period.

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

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

**CITY OF ELYRIA
LORAIN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 Section .505
(Continued)**

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

FINDING NUMBER	2005-002
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Certification of Availability of Funds (Continued)

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

Officials' Response

The Auditor will make an attempt to keep these blanket purchase orders at year end to a minimum. Also, the Auditor will make an attempt to utilize "then and now" certificates when invoice dates precede the purchase order date.

3. FINDINGS FOR FEDERAL AWARDS

None.

**CITY OF ELYRIA
LORAIN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2005**

SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Ohio Rev. Code Section 5705.41 (B), expenditures plus encumbrances in excess of appropriations.	No	Not Corrected. City Auditor will conduct a closer monitoring of budgetary activity to ensure expenditures plus encumbrances do not exceed appropriations.
2004-002	Ohio Rev. Code 5705.10, negative cash fund balances.	No	Partially Corrected. There were some immaterial negative cash fund balances during the year but, none at year end. The City Auditor will continue to advance moneys when necessary to prevent funds from having a negative cash balance.

CITY OF ELYRIA, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended
December 31, 2005

Prepared by:

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

City of Elyria, Ohio
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended, December 31, 2005

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TED M. PILESKE, CPA
City Auditor

JOHN T. FARRELL
Chief Deputy Auditor

June 16, 2006

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

As the elected Auditor of the City of Elyria (the "City"), I am pleased to present the Comprehensive Annual Financial Report ("CAFR") of Elyria, Ohio for the year ended December 31, 2005. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the governmental and business-type activities and various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, received from the Governmental Finance Officers Association of the United States and Canada ("GFOA") in 2004, the City's organization chart and a list of principal officials. The Financial Section includes the Independent Accountants' Report, management's discussion and analysis which provides an assessment of the City's finances for 2005, the basic financial statements, notes to the financial statements and related footnotes, and relevant supplemental financial statement schedules for 2005. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

GOVERNMENTAL STRUCTURE

The City was incorporated on February 23, 1833 under the laws of the State of Ohio. The City operates under a Mayor-Council form of government as provided by its Charter adopted on November 2, 1965.

The City provides a full range of services. These services include: police and fire protection, the construction and maintenance of highways, streets and infrastructure, recreational activities,

family and child health care, community planning, zoning and development, and water, sewer and sanitation services. In addition, the Elyria Municipal Court is included in the reporting entity. The Elyria City School District, the Elyria Memorial Hospital and the Elyria Public Library have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

ECONOMIC CONDITION & OUTLOOK

The City is located on the Black River approximately ten miles south of Lake Erie.

The City developed as an industrial community in the early 1800's. As the seat of Lorain County, the City's economy continued to diversify throughout the early 1900's. Another large industrial expansion took place during the late 1940's and early 1950's. In recent years, the face of Elyria's economy has begun to change. Throughout the 1980's and 1990's, the largest employers in the City were manufacturing firms such as Invacare, General Motors and York International. Today, Invacare Corporation is the only one of these companies that still remains in Elyria. As a result, a shift of the largest employers in the City from manufacturing to service oriented employers has taken place. Lorain County Government is the largest employer in regards to income tax revenues received by the City, while the Invacare Corporation, EMH Regional Medical Center, Elyria City School District and Lorain County Community College follow. Despite the change in top employers, Elyria's economy remains diversified with a strong income tax base. Income tax revenues in the General Fund rose significantly in 2005 from \$16,915,894 (cash basis in 2004) to \$19,410,148 (cash basis in 2005), an increase of 14.74%.

The primary reasons for this significant growth in income tax revenues were the reduction of the income tax credit given to residents who work in and pay income tax to other municipalities and a large jump in income tax revenues received from the State of Ohio for utility companies. Elyria City Council reduced the income tax credit from 100% to 50% for the period beginning July 1, 2004 and ending December 31, 2004. Because individual income tax returns were due in April 2005 for tax year 2004, much of this additional income tax revenue was received in 2005 (approximately \$1,000,000). In addition, income tax revenues received from the State of Ohio for utility companies increased 517.90% from \$103,350 in 2004 to \$638,604 in 2005.

MAJOR INITIATIVES

FOR THE YEAR:

The City addressed the following infrastructure problems in 2005.

The repair and reconstruction of Broad Street from West Avenue to East Bridge Street, West River Street from Second Street to State Route 57, portions of Lake Avenue, North Olive Street, and Furnace Street and all of Defiance Avenue and Clemens Avenue were completed in 2005. All of these projects were funded with 89% State Issue II grant funds and 11% City funds.

In addition, the repair and reconstruction of West Avenue from Oberlin Road to Parkview Court was completed in 2005, as well as the construction of a new storm sewer on Third Street from

Middle Avenue to West Avenue. The West Avenue project was funded with 64% State Issue II grant funds, 19% State Issue II non-interest bearing loan funds and 17% City funds. The Third Street Storm Sewer project was funded with 44% State Issue II non-interest bearing loan funds, 40% special assessments from property owners benefiting from the installation of the storm sewer and 16% City funds.

FOR THE FUTURE:

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

The repair and reconstruction of Broad Street from West Avenue to West Bridge Street, West Bridge Street from Broad Street to West River Street, Second Street from East Avenue to West Avenue, Middle Avenue from Second Street to Broad Street, Court Street from Second Street to Broad Street, Clark Street from Winckles Street to Abbe Road, East River Road from Broad Street to Clark Street, Furnace Street from West River Road to State Route 57, Foster Avenue from Furnace Street to West River Road and Oberlin Road from West Avenue to the corporation line are all scheduled to begin in 2006. All of these projects have been approved for 89% State Issue II grant funding, with the remaining 11% provided from City funds.

Construction of a new Municipal Court Complex is also scheduled to begin in 2006. The estimated cost of this project is \$8.5 million. The City plans to issue \$7.8 million in general bond anticipation notes to fund this project with the remaining coming from municipal court funds.

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

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

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

Water, Special Parks and Recreation, Sanitation, and Wastewater Pollution Control. Several of the City's major initiatives listed previously are directly related to these operations. The City's **Water Fund** continues to operate while keeping user rates at a minimum. The City is particularly proud of the fact that our system is able to provide plentiful amounts of water even in the worst conditions, such as the droughts experienced in the summers of recent years, and

throughout the “blackout” of August 2003. Also, the City has recently completed construction of two new elevated water storage tanks, the addition of two new booster pumps and other improvements to the system to improve water pressure. This should keep the City’s water operations at a level citizens will appreciate long into the future.

The City has completed a major upgrade of its wastewater treatment plant and construction of the Westside Interceptor sewer and the District II Relief sewer. With these improvements, the City’s **Wastewater Pollution Control** operations should be at a level which is at least as equal to other cities of comparable size.

The City’s **Sanitation Department** continues to provide its citizens with excellent trash collection services at the lowest possible price. In 2005, the City increased sanitation rates to keep up with increasing operating costs.

The City’s fourth enterprise fund, **Special Parks and Recreation**, is fairly minor in nature and is used to account for the operations of concession stands and athletic programs in the City’s parks and recreation facilities.

INTERNAL SERVICE OPERATIONS – The City has two internal service funds relating to risk management. Those funds are the **Employees’ Health Insurance Fund** and **Workers’ Compensation Fund**.

The **Employees’ Health Insurance Fund** is used to account for the operations of the City’s self-insured health plan for all full-time employees and their dependents. Other City funds are charged a premium amount per employee covered by the Employees’ Health Insurance Fund. The Employees’ Health Insurance Fund pays claims and administration costs. The City has specific stop-loss insurance coverage to insure against catastrophic claims.

The **Workers’ Compensation Fund** is used to account for the City’s participation in the State of Ohio workers’ compensation fully insured plan. Under the plan, the City reimburses the State of Ohio for claims paid, administration fees, and premiums for insurance coverage on catastrophic claims. Other City funds are charged a premium amount based on the wages paid to covered employees.

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

DEBT ADMINISTRATION – The City’s most recent bond rating of A2 was obtained from Moody’s Investors Service in 2001 and confirmed in July 2004 and again in April 2005. This favorable bond rating has saved the City thousands of dollars in debt service costs and also shows Moody’s confidence in the City’s operations and financial position.

The City had a number of debt issues outstanding at December 31, 2005. These issues include \$28,905,973 in general obligation bonds, \$9,870,000 in general obligation notes, \$1,342,900 in special assessment bonds, \$13,168,648 in Ohio Water Development Authority loans and

\$255,353 in Ohio Public Works Commission interest free loans. Under the Uniform Bond Act of the Ohio Revised Code, the City has a legal limitation on unvoted general obligation debt based on 5.5% of the assessed valuation of real and personal property. At December 31, 2005, the City's net debt (as defined in the Ohio Revised Code) of \$38,775,972 was well below the legal limit of \$54,607,981.

CASH MANAGEMENT – Monies temporarily idle during the year and invested are governed by the City Charter and the Ohio Revised Code. The City invests these funds in a common group of bank accounts and short-term investments such as certificates of deposit, money market accounts, federal agency securities, repurchase agreements and Star Ohio. The City Auditor's Office has implemented an excellent cash management program. While the City only uses safe, conservative investments, at the same time it takes full advantage of available investment opportunities. Interest earned on investments is allocated to the funds participating in the pool in accordance with the City Charter and Codified Ordinances. Following is a schedule of interest earned (on a cash basis) for the past ten years:

<u>Years</u>	<u>Amount</u>
1996	1,270,705
1997	1,778,733
1998	1,508,901
1999	1,229,010
2000	1,690,000
2001	1,620,592
2002	680,710
2003	431,678
2004	356,060
2005	696,259

Return on investments improved in 2005 due to higher interest rates offered in the marketplace. The overall rate of return on the City's investments for 2005 was approximately 3.40%. The City complied with the various provisions of the Ohio Revised Code and the City Charter and Codified Ordinances pertaining to types of investments held and institutions in which deposits were made. The City also complied with provisions of the Ohio Revised Code concerning security requirements. The Ohio Revised Code does not require security for its public deposits to be maintained in the City's name. Instead, the investment institutions may pledge a pool of government securities, the face value of which is at least 105% of the total value of public monies on deposit. The City monitors compliance with the various statutes mentioned above and will continue to do so in future years.

RISK MANAGEMENT – The City purchases insurance policies in varying amounts to insure City property against loss or misuse and provide coverage for general liability, vehicle liability, property damage, employee and public officials liability, and for errors and omissions. The City also pays unemployment claims to the State of Ohio as incurred.

The City's risk management policies for health insurance and workers' compensation have been discussed previously in the Internal Services Operations section.

PENSION AND POSTEMPLOYMENT BENEFITS PLANS – Full time, permanent employees of the City belong to one of two state operated pension plans (both are cost-sharing, defined benefit, multiple-employer plans). Elected officials and non-uniformed employees are members of the Ohio Public Employees Retirement System (“OPERS”). Police and fire personnel are members of the Ohio Police and Fire Pension Fund (“OP&F”). The plans provide pension benefits as well as postretirement health care coverage to qualifying employees. Contributions to the plans by both the City and participating employees are mandated by state statute. Because both plans operate pursuant to the Ohio Revised Code, the Ohio General Assembly could decide to amend the format of the plans and could revise contribution and benefit levels.

During the year ended December 31, 2005, the City contributed approximately \$4.5 million to the two plans.

INDEPENDENT AUDIT – State statutes require an annual audit. This year the City’s audit was performed by State Auditor, Betty Montgomery. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and the related OMB Circular A-133. The report of independent accountants’ on the basic financial statements is included in the financial section of this report and is unqualified.

AWARDS

The GFOA awarded a **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING** to the City of Elyria for its comprehensive annual financial report for the fiscal year ended December 31, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

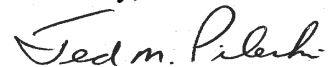
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Elyria has received a Certificate of Achievement for the last **NINETEEN CONSECUTIVE YEARS** (fiscal years ended 1986-2004). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

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

In closing, I would also like to thank the Mayor and members of Elyria City Council, for without your continued support, the preparation of this report to help ensure the continued financial integrity of the City, would not have been possible.

Sincerely,

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

Ted M. Pileski, CPA
Elyria City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Elyria,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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.



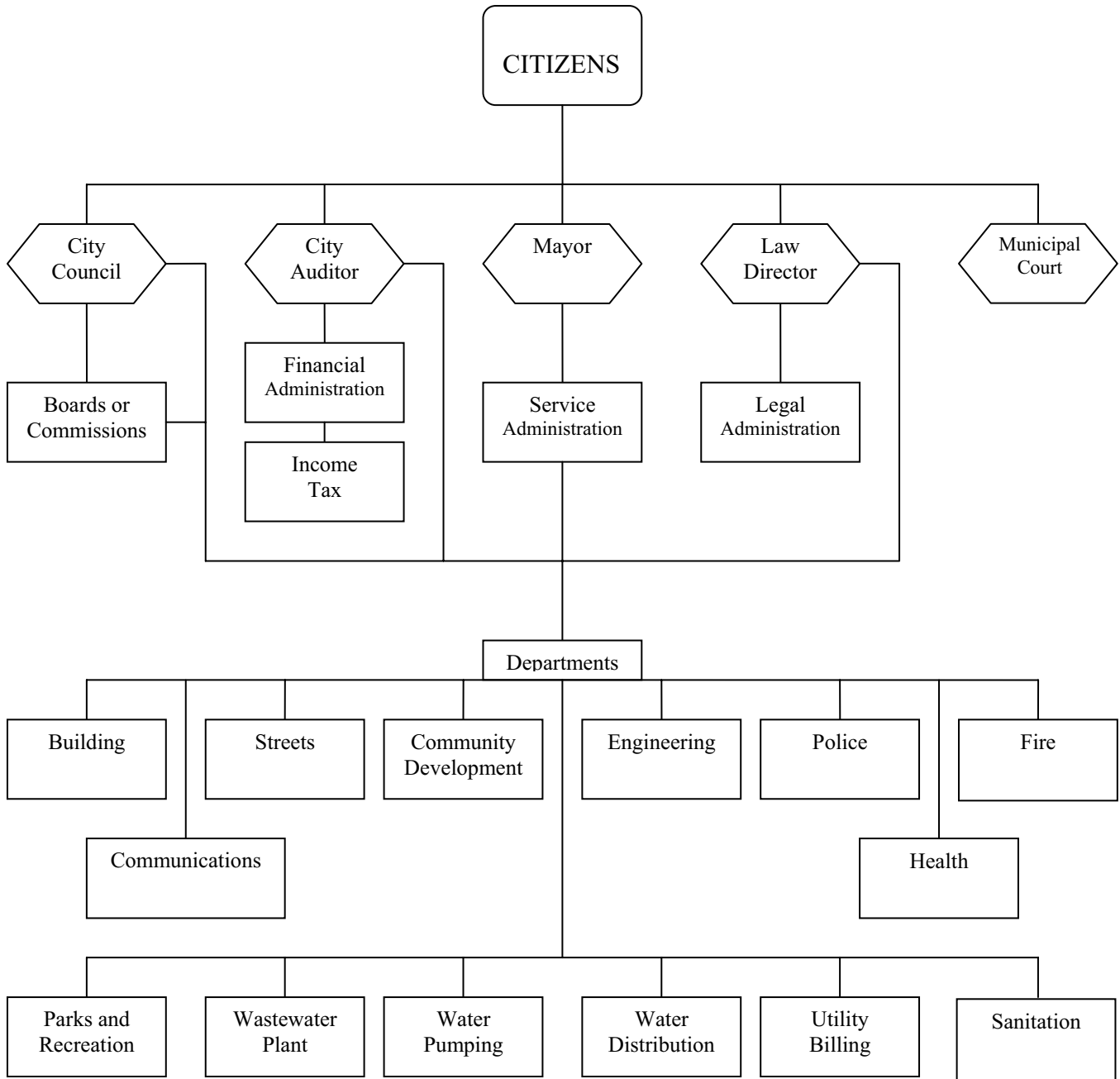
Carla E. Fudge

President

Jeffrey R. Emer

Executive Director

City of Elyria, Ohio Organizational Chart



City of Elyria, Ohio
List of Elected and Appointed Officials
December 31, 2005

Elected Officials

Mayor
Auditor
Law Director
Judge
Judge
Court Clerk
Council Member – Ward 1 (term ended 11/30/05)
Council Member – Ward 1 (term began 12/01/05)
Council Member – Ward 2
Council Member – Ward 3
Council Member – Ward 4 (term ended 11/30/05)
Council Member – Ward 4 (term began 12/01/05)
Council Member – Ward 5 (term ended 11/30/05)
Council Member – Ward 5 (term began 12/01/05)
Council Member – Ward 6
Council Member – Ward 7
Council Member – At large
Council Member – At large (term ended 11/30/05)
Council Member – At large
Council Member – At large (term ended 11/30/05)
Council Member – At large (term began 12/01/05)
Council Member – At large (term began 12/01/05)

William M. Grace
Ted M. Pileski
Terry S. Shilling
Lisa A. Locke-Graves
John R. Musson
Donald J. Rothgery
Charlene K. Gersak
Joseph L. Monteleone Jr.
Forrest L. Bullock
Garry L. Gibbs
Paul E. Blevins
Bonnie R. Ivancic
William D. Ogle
Herman M Larkins
Eddie L. Mitchell
E. Kenneth Burkhard
John A. Baird
Herman M. Larkins
Michael J. Lotko III
Larry W. Tanner
Thomas G. Callahan
Victor F. Stewart III

Appointed Officials

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

Rebecca M. Stewart
Eric J. Rothgery
Terre Lee Moyer
Chris Eichenlaub
James Hutchison
Matthew R. Lundy
LaTaunya V. Conley
J. Terry Robinson
John T. Farrell
Michael E. Szekeley
Jay B. Grunda
Cynthia M. Adams
Michelle D. Nedwick
Quentin J. Nolan
Linda M. Powers
Honey Rothschild
Arthur J. Weber
Nell A. Fike

Department Heads

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

Phillip Lahetta
Charles M. Garay
Carol A. Naworocki
Jon R. Kiner
John Hart
John F. Zielinski
Kathryn C. Boylan
Ted M. Pileski
Dr. Douglas M. McDonald
Frank J. Gustoff
Michael Medders
Gary M. Dickerson
Thomas A. Brand
Gregory F. Worcester
Harold Connerth
Sandra O. Vozar



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To The Members of Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, (the City) as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elyria, Lorain County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

Betty Montgomery
Auditor of State

June 16, 2006

CITY OF ELYRIA, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

As management of the City of Elyria, we offer readers of the City of Elyria's financial statements this narrative overview and analysis of the financial activities of the City of Elyria for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 7 of this report.

Financial Highlights

- The assets of the City of Elyria exceeded its liabilities at the close of the most recent fiscal year by \$88,636,339 (*net assets*). Of this amount, \$69,533,417 or 78% represents investments in capital assets, net of related debt.
- The General Fund balance increased \$1,428,568 or 34.7%. This increase is the result of increased income tax revenues due to the reduction of the income tax credit given to residents of the City of Elyria who work outside of the city from 100% to 50%. This reduction of the income tax credit approved by City Council was in effect from July 1, 2004 to December 31, 2004. Most of this increased income tax revenue from the reduced credit was received in 2005 when the tax returns for 2004 were due.
- The City of Elyria's short-term debt decreased by \$3,430,000 as the City retired one-year general obligation bond anticipation notes for the following projects: \$1.8 million for the Industrial Parkway project and \$6.3 million for various water system projects. The City also retired an additional \$5.2 million in one-year general obligation bond anticipation notes for other projects with short-term debt proceeds and/or existing monies. The City issued one-year general obligation bond anticipation notes for the following projects: \$1.4 million for various water system improvements, \$3.6 million for various wastewater pollution control plant improvements and re-issued \$170,000 for sanitation trucks, \$1.9 million for the City Hall project and \$2.8 million for the Chestnut Commons project resulting in the net decrease of \$3,430,000.
- The City's long-term debt increased by \$5,724,704 as the City issued long-term general obligation bonds for the following projects: \$1,831,910 for the Industrial Parkway project and \$6,404,109 for Water System Improvement projects. The City also issued long-term general obligation bonds in the amount of \$9,592,856, the proceeds of which retired (advance refunded) the 1997 Various Purpose Improvement Bonds totaling \$8,910,000. Principal retired on other existing bonds and construction loans amounted to \$3,438,393 and long-term compensated absences increased by \$244,220 resulting in the net increase of \$5,724,704.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Elyria's basic financial statements. The City of Elyria's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial

CITY OF ELYRIA, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

CITY OF ELYRIA, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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

The City of Elyria maintains forty-one (41) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Chestnut Commons/Ridge Improvement Fund, both of which are considered to be major funds under generally accepted accounting principles. Data from the other thirty-nine (39) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Special Parks and Recreation, Sanitation, and Wastewater Pollution Control operations, all of which are considered to be major funds of the City of Elyria. Conversely, our Employee Health Insurance and Worker's Compensation internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* on pages 142-144 of this report.

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-74 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Elyria, assets exceeded liabilities by \$88,636,339 at the close of the most recent fiscal year.

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

CITY OF ELYRIA, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 30,593,629	\$ 30,206,706	\$ 11,800,793	\$ 7,489,750	\$ 42,394,422	\$ 37,696,456
Capital assets	61,048,659	58,692,166	56,238,226	58,330,255	117,286,885	117,022,421
Total assets	<u>91,642,288</u>	<u>88,898,872</u>	<u>68,039,019</u>	<u>65,820,005</u>	<u>159,681,307</u>	<u>154,718,877</u>
Current liabilities	13,559,356	15,848,920	6,741,450	8,138,030	20,300,806	23,986,950
Non-Currenet liabilities outstanding	28,285,857	27,193,615	22,458,305	17,725,995	50,744,162	44,919,610
Total liabilities	<u>41,845,213</u>	<u>43,042,535</u>	<u>29,199,755</u>	<u>25,864,025</u>	<u>71,044,968</u>	<u>68,906,560</u>
Net assets:						
Invested in capital assets, net of related debt	35,063,198	33,372,096	34,470,219	35,624,042	69,533,417	68,996,138
Restricted	8,028,277	8,379,971			8,028,277	8,379,971
Unrestricted	6,705,600	4,104,270	4,369,045	4,331,938	11,074,645	8,436,208
Total net assets	<u>\$ 49,797,075</u>	<u>\$ 45,856,337</u>	<u>\$ 38,839,264</u>	<u>\$ 39,955,980</u>	<u>\$ 88,636,339</u>	<u>\$ 85,812,317</u>

An additional portion of the City of Elyria's net assets at December 31, 2005 (9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining net assets of \$11,074,645 at December 31, 2005 are unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Table 2 on Page 18 indicates the changes in net assets for the years ended December 31, 2005 and 2004.

Governmental activities. In 2005, the net assets for the governmental activities of the City increased by \$3,940,738. Tax revenue accounts for \$30,017,285 of the \$42,882,065 total revenue for governmental activities, or 70%. The major recipients of intergovernmental revenue from state and federal sources (i.e. grants, contributions, gasoline and motor vehicle taxes) were the General Fund, receiving \$3,358,220, the Street Construction Maintenance and Repair fund receiving \$1,727,601 and the Industrial Parkway Fund receiving \$1,290,008.

The City's direct charges to users of governmental services made up \$4,969,842 or 12% of total governmental revenue. These charges are for jail rental fees charged to other governmental entities, fees related to health department activities, fees related to parks and recreation activities, fines and forfeitures related to Elyria Municipal Court activities and various licenses and permits.

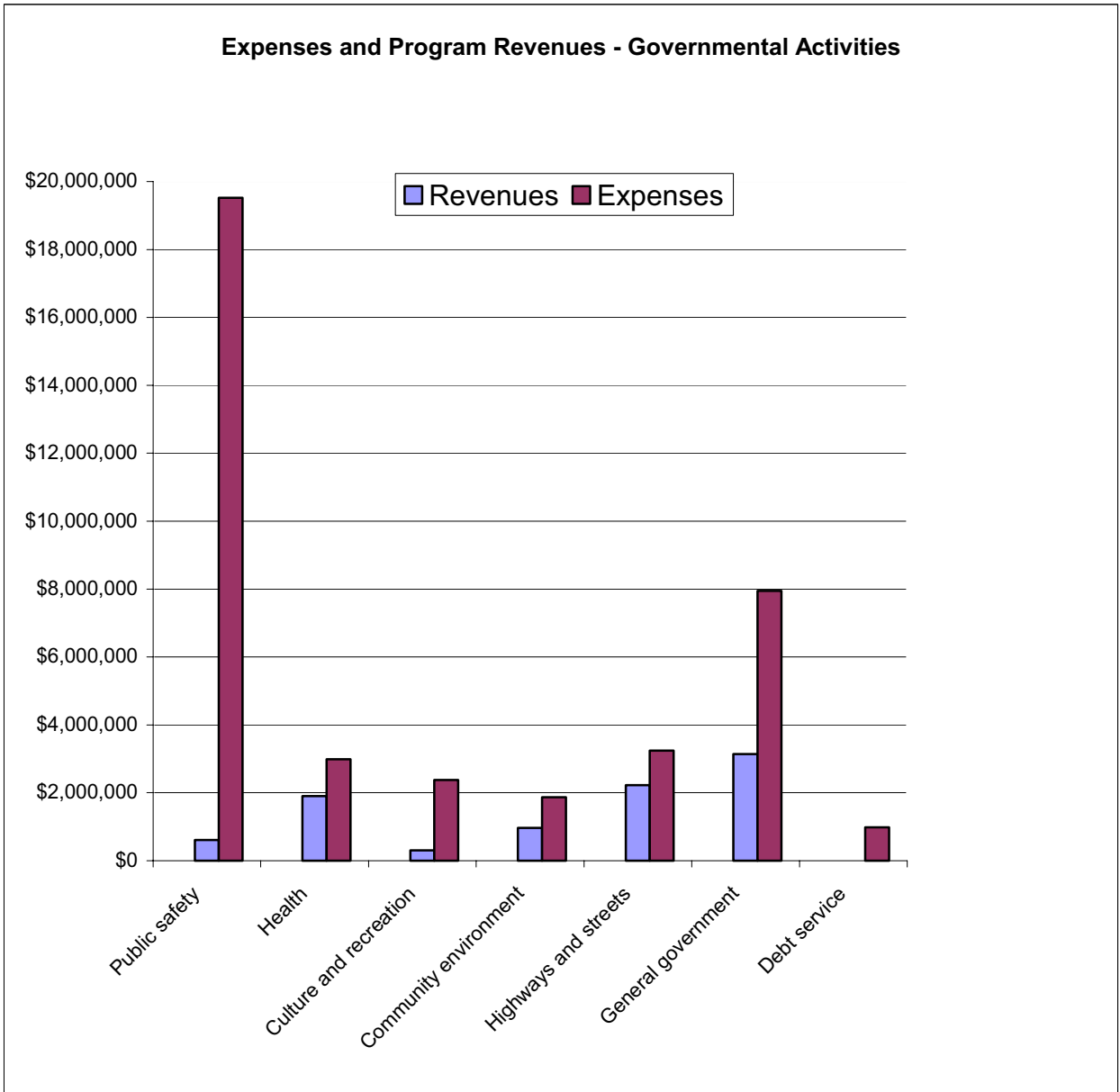
Public safety which includes police and fire protection, safety service, communications and the jail operations accounts for \$19,528,348 of the \$38,941,327 total expenses for governmental activities in 2005, or 50%. The next largest program is general government, which equals \$7,948,645 or 20% of total governmental expenses.

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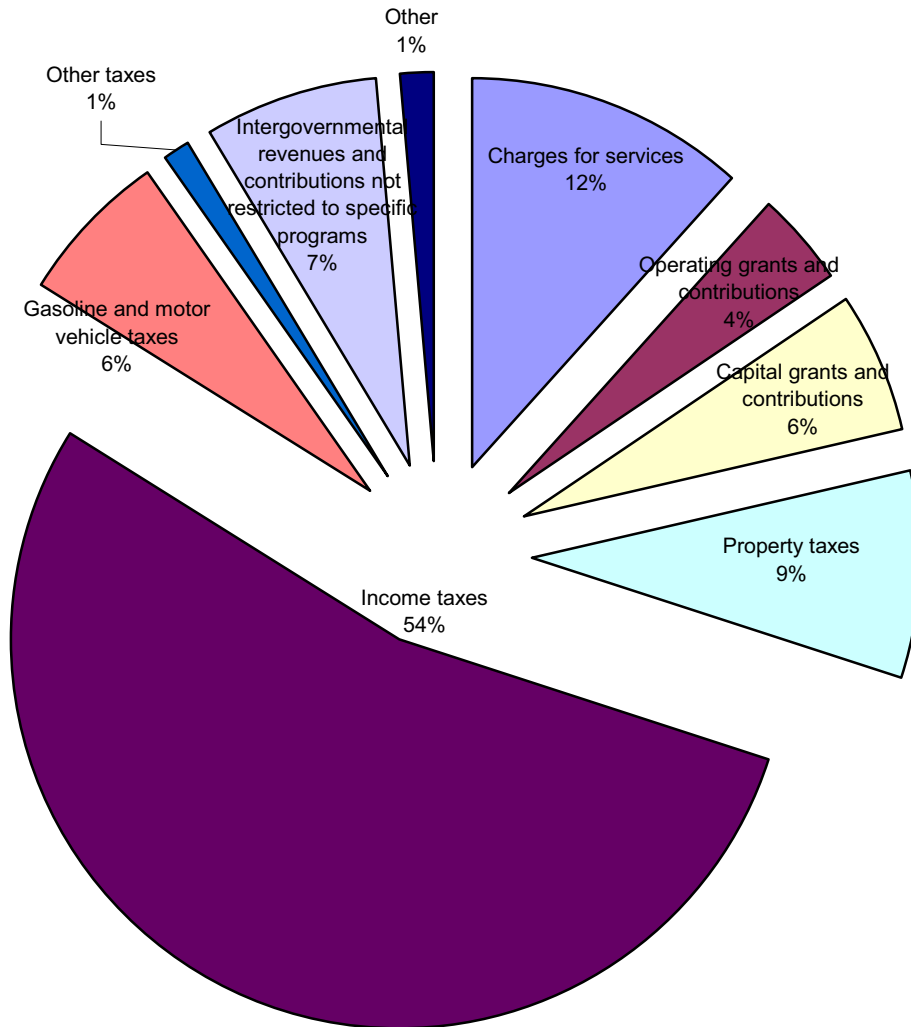
Table 2
CITY OF ELYRIA'S Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 4,969,842	\$ 4,682,723	\$ 18,500,626	\$ 17,083,654	\$ 23,470,468	\$ 21,766,377
Operating grants and contributions	1,653,771	2,235,083	104,008	96,028	1,757,779	2,331,111
Capital grants and contributions	2,528,848	2,829,299	105,505	51,948	2,634,353	2,881,247
General revenues:						
Property taxes	3,726,157	3,699,197			3,726,157	3,699,197
Income taxes	23,057,107	20,722,890			23,057,107	20,722,890
Gasoline and motor vehicle taxes	2,769,274	2,879,983			2,769,274	2,879,983
Other taxes	464,747	512,147			464,747	512,147
Grants and contributions not restricted to specific programs	3,116,189	3,012,969			3,116,189	3,012,969
Other	596,130	653,687	397,896	233,174	994,026	886,861
Total revenues	42,882,065	41,227,978	19,108,035	17,464,804	61,990,100	58,692,782
Expenses:						
Public safety	19,528,348	19,578,462			19,528,348	19,578,462
Health	2,992,268	2,789,743			2,992,268	2,789,743
Culture and recreation	2,374,010	2,522,883			2,374,010	2,522,883
Community environment	1,870,225	2,105,014			1,870,225	2,105,014
Highways and streets	3,240,837	3,079,005			3,240,837	3,079,005
General government	7,948,645	7,390,522			7,948,645	7,390,522
Debt service	986,994	1,237,712			986,994	1,237,712
Water			6,375,523	5,933,824	6,375,523	5,933,824
Special Parks & Recreation			292,998	297,859	292,998	297,859
Sanitation			3,184,255	2,978,122	3,184,255	2,978,122
Wastewater			10,371,975	10,354,570	10,371,975	10,354,570
Total expenses	38,941,327	38,703,341	20,224,751	19,564,375	59,166,078	58,267,716
Increase (decrease) in net assets	3,940,738	2,524,637	(1,116,716)	(2,099,571)	2,824,022	425,066
Net assets - 1/1/2005	45,856,337	43,331,700	39,955,980	42,055,551	85,812,317	85,387,251
Net assets - 12/31/2005	\$ 49,797,075	\$ 45,856,337	\$ 38,839,264	\$ 39,955,980	\$ 88,636,339	\$ 85,812,317

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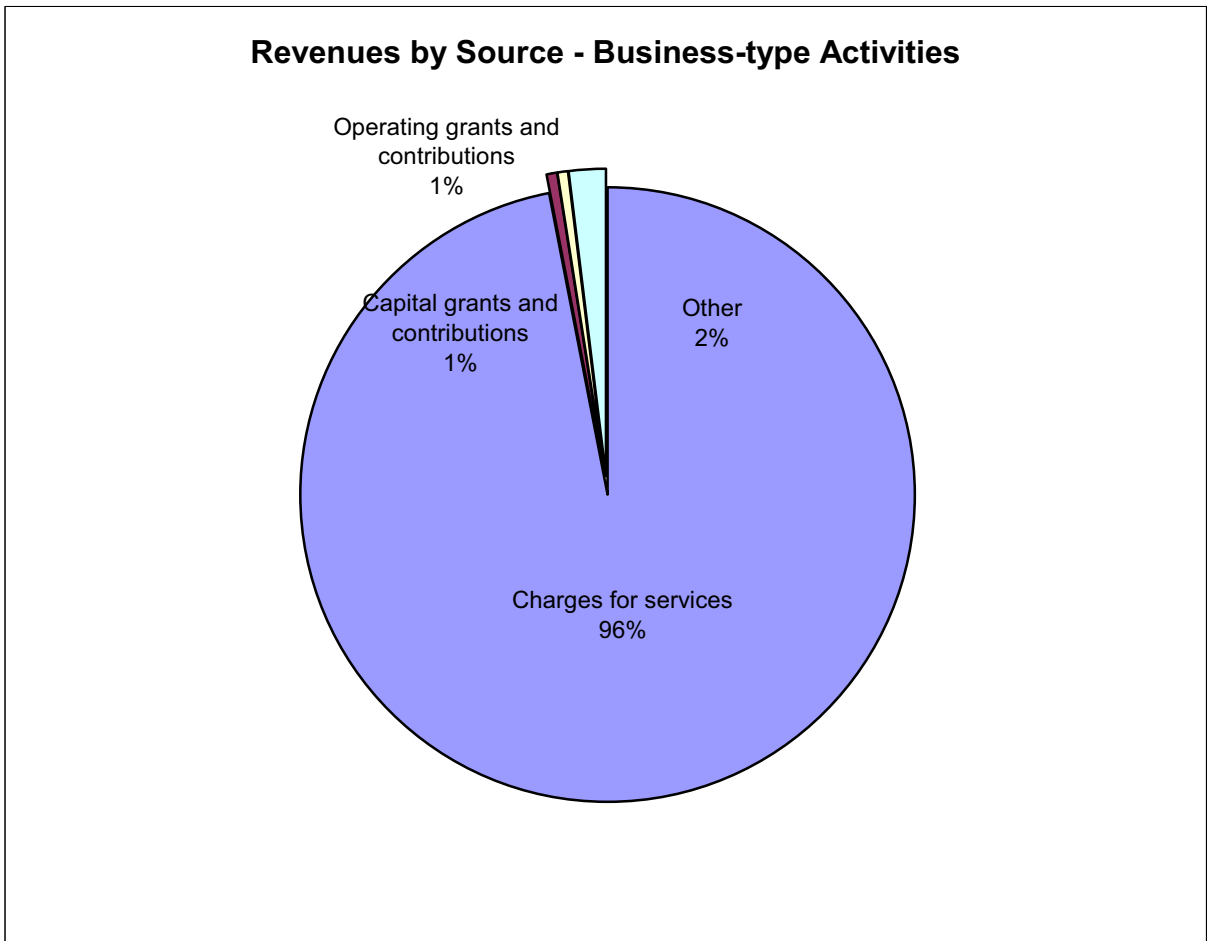
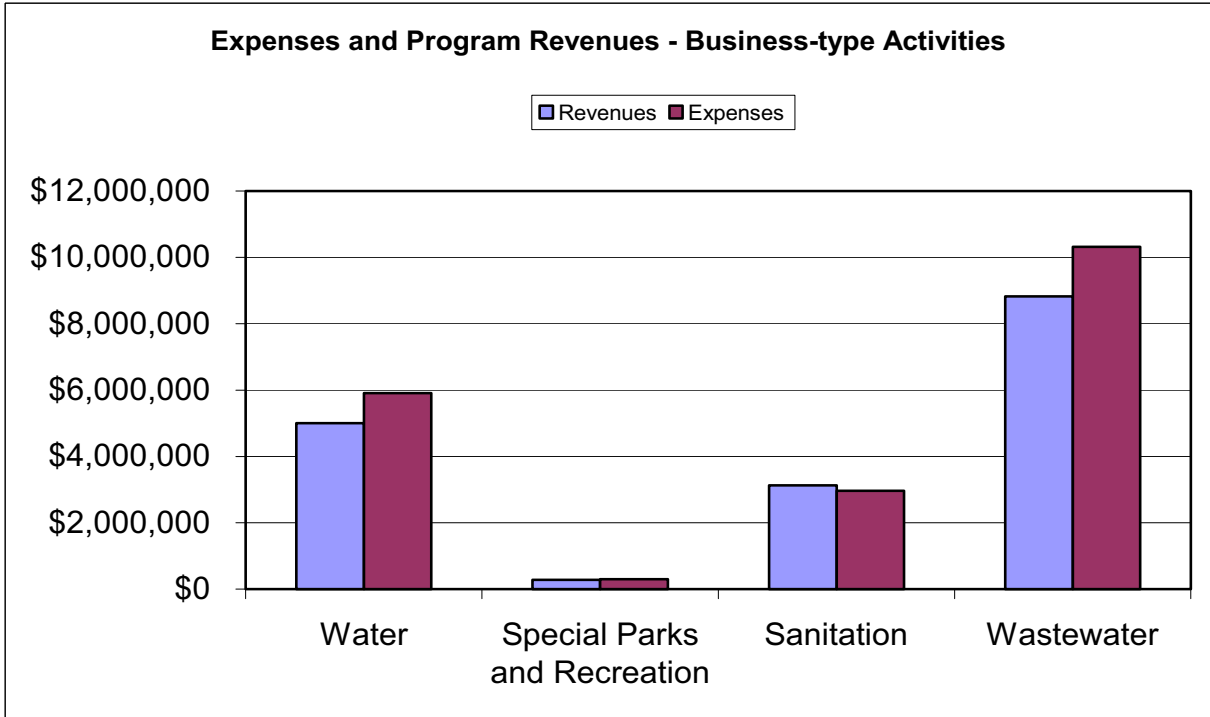


Revenues by Source - Governmental Activities



Business-type activities. The net assets for the business-type activities of the City decreased by \$1,116,716, mainly because the user fees charged for these business-type activities have not been sufficient to meet the increasing expenses of these activities. Elyria City Council has enacted a series of rate increases to correct this difference. The second of these rate increases went into effect January 1, 2005 which helped to decrease the reduction in net assets in 2005 by \$982,855 as compared to the reduction in net assets in 2004. Additional rate increases of 4.5% for water, sanitation and sewer services are scheduled and have been approved by Elyria City Council for January 1, 2006, 2007 and 2008. The major revenue source of the business-type activities was charges for services of \$18,500,626.

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Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,215,590, an increase of \$1,944,718 in comparison with the prior year. Approximately 79% of this total amount is reserved to indicate that it is not readily available for new spending since it has already been committed to 1) liquidate contracts and purchase orders of \$2,967,707, 2) pay for rehabilitation loans totaling \$3,852,268 under the Block Grant and C.H.I.P. Grant programs and 3) to pay debt service of \$1,590,304 and 4) paying for qualified expenditures under an endowment. The unreserved fund deficit of (\$4,756,014) is due to the one year general obligation bond anticipation notes that were issued for various capital projects and reported as a liability in the individual capital project funds because the capital projects do not represent current financial resources, they are not reported in the governmental funds financial statements. The negative fund balances will be eliminated in the capital project funds upon the issuance of long-term general obligation bonds, the proceeds of which will retire the short-term notes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund unreserved fund balance was \$4,248,850 while the total fund balance was \$5,547,401. As a measure of the General Fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 16% of total General Fund expenditures, while total fund balance represents 21% of that same amount.

The General Fund balance increased from \$4,118,833 at December 31, 2004 to \$5,547,401 at December 31, 2005. The following schedule presents a summary of General Fund revenues for the fiscal year ended December 31, 2005 and a comparison to prior year's revenues.

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<u>Revenues</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2004</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$ 20,976,262	75.85%	1,214,898	6.15%
Intergovernmental revenues	3,358,220	12.15%	127,171	3.94%
Charges for services	1,345,163	4.87%	(147,825)	-9.90%
Licenses and permits	572,831	2.07%	72,934	14.59%
Investment income	149,948	0.54%	107,973	257.23%
Special assessments	11,902	0.04%	11,902	
Fines and forfeitures	1,181,031	4.27%	66,118	5.93%
Miscellaneous revenues	<u>58,160</u>	<u>0.21%</u>	<u>(84,313)</u>	-59.18%
Totals	\$ 27,653,517	100.00%	\$ 1,368,858	5.21%

The increase in tax revenues is primarily due to the reduction of the tax credit given to residents of the City who work in and pay income tax to other municipalities which resulted in increased income tax collections. The increase in intergovernmental revenues is primarily due to a grant received by the Elyria Police Department for scanning equipment and to Clean Ohio Grant monies received for final clean up work at the old Tappan Plant site. The increase in investment income was due to higher interest rates offered in the marketplace and more dollars to invest. The decrease in miscellaneous revenues is due to contributions received for the decorating of the new City Hall in 2004 and a donation from Invacare Corporation to help in the costs of lighting the City parks for the Holiday season that were not received in 2005.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended December 31, 2005 and a comparison to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 2004</u>	<u>Percent of Increase (Decrease)</u>
Current:				
Public safety	\$ 14,379,120	55.28%	(601,634)	-4.02%
Health	1,818,477	6.99%	214,610	13.38%
Culture and recreation	1,910,837	7.35%	(158,159)	-7.64%
Community environment	844,095	3.24%	(114,346)	-11.93%
General government	6,760,713	25.99%	218,880	3.35%
Capital outlay	<u>300,368</u>	<u>1.15%</u>	<u>(53,594)</u>	-15.14%
Total	\$ 26,013,610	100.00%	\$ (494,243)	-1.86%

The decrease in public safety, culture and recreation and community environment are all primarily due to the return to the normal 26 pay bi-weekly pay schedule. When following a bi-weekly pay schedule, every eleven years or so, a 27th pay occurs. 2004 was the City's year for that extra pay resulting in higher personnel costs in that year. The increase in health is due to a reduction of grant monies received resulting in a shift of some expenditures from the State Health Grant Special Revenue Fund to the General Fund. The increase in general government is primarily due to increased utility and gasoline costs.

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The other major governmental fund of the City is the Chestnut Commons/Ridge Improvement Fund.

The fund balance for the Chestnut Commons/Ridge Improvement Fund decreased by \$463,649 in 2005 due to the expenditure of general bond anticipation note proceeds that were on hand at December 31, 2004.

Enterprise funds. The City's enterprise funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water, Special Parks and Recreation, Sanitation and Wastewater Pollution Control funds at the end of the year amounted to \$378,622, \$299,623, \$49,876 and \$3,783,350, respectively. The increase / (decrease) in net assets for these funds were (\$723,674), \$42,375, \$56,980 and (\$428,557), respectively, during 2005. Elyria City Council has approved rate increases for each of the next three years for users of the water and wastewater pollution control systems, as well as for garbage pick-up, to increase net assets in the future. Other factors concerning the operations and financial condition of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

As required by State statute, Elyria City Council adopts an annual appropriation (budget) ordinance for all City funds under its control. In addition to the City's General Fund, forty-seven (47) funds representing various governmental, proprietary and fiduciary activities were included in the 2005 appropriation process.

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

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

<u>Function/Activity</u>	<u>2005 Annual Expended*</u>	<u>% Expended</u>
Public Safety	\$16,017,129	56.28
Health	1,805,245	6.35
Culture and Recreation	1,972,245	6.93
Community Environment	842,964	2.96
General Government	<u>7,821,041</u>	<u>27.48</u>
Total Expenditures	<u>\$28,458,624</u>	<u>100.0</u>

* - under the budgetary basis of accounting

Net differences between the original expenditure budget amount of \$27,993,815 and the final budget amount of \$29,893,129 (\$1,899,314 increase in appropriations) were

significant with the largest change being an increase in public safety due to Elyria City Council approval of the purchase of two new fire trucks at a cost of \$775,000 and the hiring of six (6) new firefighters. The other major change was an increase to transfers-out of \$732,050 as Elyria City Council approved a loan from the General Fund to the State Route 57 Rehabilitation Capital Projects Fund to be repaid upon the issuance of short-term bond anticipation notes for that project in the amount of \$710,000 and a transfer from the General Fund to the Street Construction Maintenance and Repair fund in the amount of \$22,050 for equipment purchases.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2005 amounts to \$117,286,885 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, utility distribution and collection systems, infrastructure, machinery and equipment and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$264,464 (an increase of \$2,356,493 for governmental activities and a decrease of \$2,092,029 for business-type activities), net of depreciation expense of \$7.1 million.

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

- Construction of the new Leo Bullocks Memorial Parkway (Industrial Parkway) was completed with additional capitalized costs of \$1,614,366 in 2005.
- Construction of Chestnut Commons Drive was completed in 2005 with additional capitalized costs of \$438,588.
- The renovation of the old Cascade Bathhouse into the new Cascade Park Nature Center was completed in 2005 with total capitalized costs of \$153,748.

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

Long-term Debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$30,248,873. Of this amount, \$21,214,766 comprises debt backed by the full faith and credit of the City, \$1,342,900 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment and \$7,691,207 is business-type activity debt that is retired by user fees collected for business-type activities and also backed by the full faith and credit of the City.

At the end of the current fiscal year, the City also had total short-term bond anticipation general obligation notes outstanding of \$9,870,000. Of this amount, \$1,400,000 represents monies borrowed to finance various water projects, \$2,800,000 for the Chestnut Commons/Ridge project, \$1,900,000 for completion of the new City Hall, \$170,000 for the purchase of new garbage trucks and \$3,600,000 for various improvements to the Wastewater Pollution Control plant. The City plans to issue long-term bonds to retire these short-term notes in 2006.

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In addition to general obligation bonds and notes outstanding at December 31, 2005, the City also had \$13,168,650 of Ohio Water Development Authority loans outstanding to finance sewer projects and \$255,353 of State Issue II Ohio Public Works Commission loans outstanding to finance various infrastructure projects.

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

State statutes limit the amount of unvoted general obligation debt the City may issue to 5.5% of its total assessed valuation. The current debt limitation for the City of Elyria is \$54,607,981 which is significantly in excess of the City's outstanding unvoted general obligation debt that is subject to the limitation of \$38,775,972.

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

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the City is currently 5.8%, which is a decrease from a rate of 5.9% a year ago. This compares favorably to the state's average unemployment rate of 5.9% and unfavorably to the national average rate of 5.1%.

During the current fiscal year, unreserved fund balance in the General Fund increased \$441,789, leaving a fund balance at December 31, 2005 of \$5,547,401. The City has appropriated approximately \$1.3 million of this amount for spending in the 2006 fiscal year budget.

City Council voted to reduce the credit given to residents who pay municipal income tax to other cities from 100% to 50%. This credit was in affect from July 1, 2004 through December 31, 2004. Elyria City Council sought voter approval in the November 2004 election to continue this reduced credit beyond December 31, 2004 but the measure was defeated. Approximately \$1,000,000 of reduced credit payments were realized in 2005 and were the primary reason for the increase in income tax revenues in 2005.

The water, sanitation and sewer rates were all increased 4.5% for the 2005 budget year to meet increasing operating costs.

All of these factors were considered in preparing the City's budget for the 2006 fiscal year.

Requests for Information

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

City of Elyria, Ohio
Statement of Net Assets
December 31, 2005

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in pooled cash and cash equivalents	\$ 6,020,142	\$ 7,313,060	\$ 13,333,202
Cash with fiscal agents	1,344		1,344
Investments	5,475,626	2,262,014	7,737,640
Receivables:			
Property tax	3,184,083		3,184,083
Income tax	6,342,730		6,342,730
Other local tax	93,763		93,763
Accounts	200,106	1,310,882	1,510,988
Accrued interest	48,018	59,894	107,912
Rehabilitation loans	3,852,268	300,552	4,152,820
Settlements		42,000	42,000
Special assessments	1,594,667	38,721	1,633,388
Due from other funds	142,426		142,426
Due from other governments	3,253,513		3,253,513
Inventory of supplies		261,215	261,215
Prepaid expenses	202,507	108,346	310,853
Bond issuance costs	182,436	104,109	286,545
Capital assets (net of accumulated depreciation):			
Land	6,181,570	656,488	6,838,058
Buildings and system	20,482,955	13,417,079	33,900,034
Improvements	889,849	4,134,265	5,024,114
Utility distribution and collection systems	5,800,965	34,715,897	40,516,862
Infrastructure	25,143,177		25,143,177
Machinery and equipment	1,817,866	2,337,461	4,155,327
Construction in progress	732,277	977,036	1,709,313
Total capital assets	<u>61,048,659</u>	<u>56,238,226</u>	<u>117,286,885</u>
Total assets	<u>91,642,288</u>	<u>68,039,019</u>	<u>159,681,307</u>
LIABILITIES			
Accounts payable	320,840	160,524	481,364
Contracts payable	620,782	329,201	949,983
Accrued wages and benefits	1,373,417	228,139	1,601,556
Compensated absences payable	391,742	104,659	496,401
Claims payable	779,197		779,197
Due to other funds		142,426	142,426
Accrued interest payable	154,880	517,107	671,987
Unearned revenue	5,218,498	89,394	5,307,892
General obligation notes payable	4,700,000	5,170,000	9,870,000
Non-current liabilities:			
Due within one year	1,597,349	2,297,963	3,895,312
Due in more than one year	26,688,508	20,160,342	46,848,850
Total liabilities	<u>41,845,213</u>	<u>29,199,755</u>	<u>71,044,968</u>
NET ASSETS			
Invested in capital assets, net of related debt	35,063,198	34,470,219	69,533,417
Restricted for:			
Expendable:			
Public safety	1,074,095		1,074,095
Health	105,422		105,422
Community environment	3,806,528		3,806,528
Highways and streets	838,063		838,063
Debt service	1,590,304		1,590,304
Other purposes	191,675		191,675
Nonexpendable:			
Health	422,190		422,190
Unrestricted	6,705,600	4,369,045	11,074,645
Total net assets	<u>\$ 49,797,075</u>	<u>\$ 38,839,264</u>	<u>\$ 88,636,339</u>

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

City of Elyria, Ohio
Statement of Activities
For the Year Ended December 31, 2005

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Business-type		
					Governmental Activities	Activities	Total
Governmental activities:							
Public safety	\$ 19,528,348	\$ 464,291	\$ 105,771	\$ 39,928	\$ (18,918,358)	\$	\$ (18,918,358)
Health	2,992,268	1,189,172	710,328		(1,092,768)		(1,092,768)
Culture and recreation	2,374,010	170,072		134,909	(2,069,029)		(2,069,029)
Community environment	1,870,225	4,795	837,672		(900,156)		(900,156)
Highways and streets	3,240,837			2,226,409	(1,014,428)		(1,014,428)
General government	7,948,645	3,141,512			(4,807,133)		(4,807,133)
Interest and fiscal charges	986,994				(986,994)		(986,994)
Total governmental activities	<u>38,941,327</u>	<u>4,969,842</u>	<u>1,653,771</u>	<u>2,528,848</u>	<u>(29,788,866)</u>		<u>(29,788,866)</u>
Business-type activities:							
Water	6,375,523	5,528,430			(847,093)		(847,093)
Special parks & recreation	292,998	292,890	9,513		9,405		9,405
Sanitation	3,184,255	3,017,630	94,495	105,505	33,375		33,375
Wastewater	10,371,975	9,661,676			(710,299)		(710,299)
Total business-type activities	<u>20,224,751</u>	<u>18,500,626</u>	<u>104,008</u>	<u>105,505</u>	<u>(1,514,612)</u>		<u>(1,514,612)</u>
Total primary government	<u>\$ 59,166,078</u>	<u>\$ 23,470,468</u>	<u>\$ 1,757,779</u>	<u>\$ 2,634,353</u>	<u>(29,788,866)</u>		<u>(31,303,478)</u>
General revenues:							
Property taxes					3,726,157		3,726,157
Municipal income taxes					23,057,107		23,057,107
Gasoline and motor vehicle taxes					2,769,274		2,769,274
Other local taxes					464,747		464,747
Intergovernmental revenues and contributions not restricted to specific programs					3,116,189		3,116,189
Investment earnings					414,181	248,600	662,781
Miscellaneous					146,041	149,296	295,337
Gain on sale of capital assets					35,908		35,908
Total general revenues					<u>33,729,604</u>	<u>397,896</u>	<u>34,127,500</u>
Change in net assets					<u>3,940,738</u>	<u>(1,116,716)</u>	<u>2,824,022</u>
Net assets - beginning					<u>45,856,337</u>	<u>39,955,980</u>	<u>85,812,317</u>
Net assets - ending					<u>\$ 49,797,075</u>	<u>\$ 38,839,264</u>	<u>\$ 88,636,339</u>

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

City of Elyria, Ohio
Balance Sheet
Governmental Funds
December 31, 2005

	General	Chestnut Commons/Ridge Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in pooled cash and cash equivalents	\$ 3,065,923	\$ 106,958	\$ 2,337,434	\$ 5,510,315
Cash with fiscal agents			1,344	1,344
Investments	197,562	355,600	3,588,443	4,141,605
Accounts receivable	146,345		53,002	199,347
Rehabilitation loans receivable		1,354	3,852,268	3,852,268
Accrued interest receivable	10,020		25,346	36,720
Due from other funds	183,583			183,583
Due from other governments	1,653,442		1,600,071	3,253,513
Income tax receivable	5,444,929		897,801	6,342,730
Property tax receivable	1,286,668		1,897,415	3,184,083
Other local tax receivable	93,763			93,763
Special assessments receivable			1,594,667	1,594,667
Total assets	\$ 12,082,235	\$ 463,912	\$ 15,847,791	\$ 28,393,938

LIABILITIES AND FUND BALANCES

Liabilities:				
Accounts payable	\$ 188,920		\$ 131,920	\$ 320,840
Contracts payable	241,021		349,511	614,532
Accrued wages and benefits	1,139,050	24,000	234,231	1,373,281
Compensated absences payable	343,754		47,865	391,619
Matured interest payable			1,344	1,344
Due to other funds			183,583	183,583
Deferred revenue	4,622,089		4,971,060	9,593,149
Notes payable		2,800,000	1,900,000	4,700,000
Total liabilities	6,534,834	2,824,000	7,819,514	17,178,348

Fund balances:

Reserved for:				
Encumbrances	\$ 1,298,551	\$ 51,782	\$ 1,617,374	\$ 2,967,707
Rehabilitation loans			3,852,268	3,852,268
Endowment			422,190	422,190
Debt service			1,590,304	1,590,304
Unreserved, reported in:				
General fund	4,248,850			4,248,850
Special revenue funds			2,890,285	2,890,285
Capital projects funds		(2,411,870)	(2,344,144)	(4,756,014)
Total fund balances	5,547,401	(2,360,088)	8,028,277	11,215,590
Total liabilities and fund balances	\$ 12,082,235	\$ 463,912	\$ 15,847,791	\$ 28,393,938

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

City of Elyria, Ohio
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
December 31, 2005

Governmental Fund Balances	\$ 11,215,590
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	61,048,659
Other assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	4,374,651
Internal service funds are used by management to charge the costs of employee health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	1,212,625
Long-term liabilities, including loans payable, are not due and payable in the current period and therefore are not reported in the funds.	(28,285,857)
Accrued interest on long-term debt is not normally expected to be liquidated with available financial resources and therefore is not reported in the funds.	(153,536)
The expenditures for prepaid items are recognized immediately in the funds and therefore are not reported as an asset in the funds.	202,507
The expenditure for bond issuance costs are recognized immediately in the funds and therefore are not reported as an asset in the funds.	<u>182,436</u>
Net assets of governmental activities	<u>\$ 49,797,075</u>

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

City of Elyria, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	<u>General</u>	<u>Chestnut Commons/ Ridge Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes:				
Property	\$ 1,509,151	\$	\$ 2,217,006	\$ 3,726,157
Income	19,002,364		3,178,110	22,180,474
Other Local	464,747			464,747
Intergovernmental revenues	3,358,220		6,801,089	10,159,309
Charges for service	1,345,163		348,629	1,693,792
Licenses and permits	572,831		66,871	639,702
Investment income	149,948	23,970	240,263	414,181
Special assessments	11,902		386,422	398,324
Fines and forfeitures	1,181,031		658,913	1,839,944
Contributions			121,587	121,587
Miscellaneous revenues	58,160		87,881	146,041
Total Revenues	<u>27,653,517</u>	<u>23,970</u>	<u>14,106,771</u>	<u>41,784,258</u>
EXPENDITURES				
Current:				
Public safety	14,379,120		4,021,142	18,400,262
Health	1,818,477		1,076,511	2,894,988
Culture and recreation	1,910,837		29,957	1,940,794
Community environment	844,095		772,412	1,616,507
Highways and streets			1,631,160	1,631,160
General government	6,760,713		360,013	7,120,726
Capital outlay	300,368	417,619	4,838,235	5,556,222
Debt service:				
Principal retirement			1,588,077	1,588,077
Interest and fiscal charges			930,508	1,000,508
Total expenditures	<u>26,013,610</u>	<u>70,000</u>	<u>15,248,015</u>	<u>41,749,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,639,907</u>	<u>(463,649)</u>	<u>(1,141,244)</u>	<u>35,014</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	(241,050)		552,458	552,458
Proceeds from sale of notes / bonds			(311,408)	(552,458)
Refunding bonds issued (net of issuance costs)			1,795,000	1,795,000
Payment to refunded bond escrow agent			9,447,330	9,447,330
Premium on sale of bonds/notes			(9,447,330)	(9,447,330)
Gain on sale of capital assets	29,711		78,796	78,796
Total other financing sources (uses)	<u>(211,339)</u>		<u>6,197</u>	<u>35,908</u>
Net change in fund balances	1,428,568	(463,649)	979,799	1,944,718
Fund balances - beginning	4,118,833	(1,896,439)	7,048,478	9,270,872
Fund balances - ending	<u>\$ 5,547,401</u>	<u>\$ (2,360,088)</u>	<u>\$ 8,028,277</u>	<u>\$ 11,215,590</u>

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

City of Elyria, Ohio
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended December 31, 2005

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

Net change in fund balances - total governmental funds	\$	1,944,718
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures exceeded depreciation in the current period.		2,356,493
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until such amounts are measurable and available.		1,061,899
Cash activity pertaining to bonded indebtedness and compensated absence obligations is recorded as revenues and expenditures of the funds but is applied directly to the obligations in the government-wide financial statements and is not recorded in the statement of changes in net assets. In addition, increases in the compensated absence liability are recorded in the statement of changes in net assets but are not recorded in the funds.		(1,092,242)
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(16,227)
Governmental funds report prepaid items such as insurance coverage as expenditures. However, in the Statement of Activities, the rest of those assets are expensed during the period to which the benefits relate.		(14,272)
Governmental funds report bond issuance costs as expenditures. However, in the Statement of Activities, these assets are amortized over the life of the bonds.		182,436
Internal service funds are used by management to charge the costs of employees' health insurance and workers' compensation insurance. The net expense of certain activities of internal service funds is reported with governmental activities.		(482,067)
Change in net assets of governmental activities.	<u>\$</u>	<u>3,940,738</u>

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

CITY OF ELYRIA, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	GENERAL FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 19,298,000	\$ 20,628,000	\$ 20,801,986	\$ 173,986
Intergovernmental revenues	3,046,820	3,454,418	3,966,911	512,493
Charges for services	1,907,900	1,907,900	1,916,256	8,356
Licenses and permits	498,600	501,002	572,831	71,829
Interest earnings	40,000	70,000	139,628	69,628
Special assessments	20,000	20,000	11,902	(8,098)
Fines and forfeitures	625,000	625,000	741,392	116,392
Miscellaneous revenues	302,300	302,300	271,577	(30,723)
TOTAL REVENUES	<u>25,738,620</u>	<u>27,508,620</u>	<u>28,422,483</u>	<u>913,863</u>
EXPENDITURES				
PUBLIC SAFETY				
Police				
Personal services	4,783,696	4,532,048	4,522,958	9,090
Fringe benefits	1,347,165	1,260,165	1,250,478	9,687
Operation and maintenance	330,568	380,568	367,074	13,494
Capital outlay	20,000	137,548	128,135	9,413
Total Police	<u>6,481,429</u>	<u>6,310,329</u>	<u>6,268,645</u>	<u>41,684</u>
Fire				
Personal services	4,744,651	5,036,551	5,007,962	28,589
Fringe benefits	1,499,239	1,564,239	1,529,144	35,095
Operation and maintenance	396,300	450,300	440,267	10,033
Capital outlay	199,850	1,042,850	1,042,433	417
Total Fire	<u>6,840,040</u>	<u>8,093,940</u>	<u>8,019,806</u>	<u>74,134</u>
Communications				
Personal services	151,405	86,605	85,680	925
Fringe benefits	26,480	26,480	25,951	529
Operation and maintenance	21,900	21,900	20,616	1,284
Capital outlay	4,100	4,100	3,997	103
Total Communications	<u>203,885</u>	<u>139,085</u>	<u>136,244</u>	<u>2,841</u>
Safety Service				
Personal services	234,674	234,674	231,129	3,545
Fringe benefits	66,354	66,354	63,959	2,395
Operation and maintenance	16,700	16,700	11,040	5,660
Total Safety Service	<u>317,728</u>	<u>317,728</u>	<u>306,128</u>	<u>11,600</u>
Prisoner Support				
Personal services	759,212	724,212	716,969	7,243
Fringe benefits	262,887	298,887	289,142	9,745
Operation and maintenance	257,586	283,586	280,195	3,391
Capital outlay	2,191			
Total Prisoner Support	<u>1,281,876</u>	<u>1,306,685</u>	<u>1,286,306</u>	<u>20,379</u>
TOTAL PUBLIC SAFETY	<u>15,124,958</u>	<u>16,167,767</u>	<u>16,017,129</u>	<u>150,638</u>

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CITY OF ELYRIA, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	GENERAL FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
HEALTH				
Health Center				
Personal services	840,895	839,458	828,696	10,762
Fringe benefits	246,249	236,686	234,052	2,634
Operation and maintenance	220,249	284,049	276,067	7,982
Capital outlay		7,645	7,645	
Total Health Center	<u>1,307,393</u>	<u>1,367,838</u>	<u>1,346,460</u>	<u>21,378</u>
NACCHO Grant				
Operation and maintenance	2,000	2,000	1,872	128
Total NACCHO Grant	<u>2,000</u>	<u>2,000</u>	<u>1,872</u>	<u>128</u>
Health - Solid Waste				
Personal services	41,570	41,570	39,361	2,209
Fringe benefits	12,020	12,020	11,303	717
Operation and maintenance	16,019	16,019	7,403	8,616
Capital outlay		11,679	11,678	1
Total Health - Solid Waste	<u>69,609</u>	<u>81,288</u>	<u>69,745</u>	<u>11,543</u>
Health - ODJFS - Client Advocacy				
Personal services	26,357	26,357	25,381	976
Fringe benefits	13,987	13,987	13,718	269
Operation and maintenance	1,392	2,656	2,183	473
Total Health - ODJFS Client Advocacy	<u>41,736</u>	<u>43,000</u>	<u>41,282</u>	<u>1,718</u>
Cemetery				
Personal services	255,415	260,415	258,697	1,718
Fringe benefits	82,865	84,865	83,034	1,831
Operation and maintenance	6,000	6,000	4,155	1,845
Total Cemetery	<u>344,280</u>	<u>351,280</u>	<u>345,886</u>	<u>5,394</u>
TOTAL HEALTH	<u>1,765,018</u>	<u>1,845,406</u>	<u>1,805,245</u>	<u>40,161</u>
CULTURE AND RECREATION				
Parks and Recreation				
Personal services	1,003,359	983,359	970,848	12,511
Fringe benefits	321,431	316,431	301,910	14,521
Operation and maintenance	379,100	379,100	376,791	2,309
Capital outlay	10,000	10,000	8,873	1,127
Total Parks and Recreation	<u>1,713,890</u>	<u>1,688,890</u>	<u>1,658,422</u>	<u>30,468</u>
Swimming Pools				
Personal services	70,000	77,208	77,207	1
Fringe benefits	10,500	11,582	11,581	1
Operation and maintenance	80,550	72,260	71,966	294
Total Swimming Pools	<u>161,050</u>	<u>161,050</u>	<u>160,754</u>	<u>296</u>
Ice Rink				
Personal services	28,000	30,500	30,114	386
Fringe benefits	4,500	4,500	4,517	(17)
Operation and maintenance	122,100	122,100	118,438	3,662
Total Ice Rink	<u>154,600</u>	<u>157,100</u>	<u>153,069</u>	<u>4,031</u>
TOTAL CULTURE AND RECREATION	<u>2,029,540</u>	<u>2,007,040</u>	<u>1,972,245</u>	<u>34,795</u>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
COMMUNITY ENVIRONMENT				
Community Planning and Zoning				
Personal services	71,735	71,735	71,704	31
Fringe benefits	15,207	15,207	14,789	418
Operation and maintenance	2,229	4,229	3,557	672
Total Community Planning and Zoning	89,171	91,171	90,050	1,121
Community Development				
Personal services	17,602	17,602	17,480	122
Fringe benefits	5,570	5,570	5,481	89
Operation and maintenance	5,150	5,150	4,359	791
Total Community Development	28,322	28,322	27,320	1,002
Housing Code Enforcement				
Personal services	605,367	530,280	523,295	6,985
Fringe benefits	149,370	142,370	141,509	861
Operation and maintenance	51,747	68,834	60,790	8,044
Capital outlay	2,000			
Total Housing Code Enforcement	808,484	741,484	725,594	15,890
TOTAL COMMUNITY ENVIRONMENT	925,977	860,977	842,964	18,013
GENERAL GOVERNMENT				
Mayor				
Personal services	142,985	145,585	144,117	1,468
Fringe benefits	34,595	34,595	34,336	259
Operation and maintenance	6,350	6,350	5,801	549
Total Mayor	183,930	186,530	184,254	2,276
Administrative Support				
Personal services	86,280	71,280	66,886	4,394
Fringe benefits	31,425	23,425	22,113	1,312
Operation and maintenance	21,200	16,200	14,407	1,793
Total Administrative Support	138,905	110,905	103,406	7,499
Elyria Historical Commission				
Operation and maintenance	3,500	3,500	391	3,109
Total Elyria Historical Commission	3,500	3,500	391	3,109
JEDD Income Tax Department				
Personal services	39,519	44,519	43,992	527
Fringe benefits	10,046	11,546	10,457	1,089
Operation and maintenance	170,000	170,000	66,761	103,239
Total JEDD Income Tax Department	219,565	226,065	121,210	104,855

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
Finance Administration				
Personal services	488,086	472,953	458,156	14,797
Fringe benefits	136,990	136,990	132,512	4,478
Operation and maintenance	30,500	30,500	28,096	2,404
Total Finance Administration	<u>655,576</u>	<u>640,443</u>	<u>618,764</u>	<u>21,679</u>
Legal Administration				
Personal services	515,398	495,398	492,310	3,088
Fringe benefits	199,502	164,502	157,287	7,215
Operation and maintenance	49,450	54,450	49,168	5,282
Total Legal Administration	<u>764,350</u>	<u>714,350</u>	<u>698,765</u>	<u>15,585</u>
Legislative Activity				
Personal services	253,100	254,300	254,272	28
Fringe benefits	99,970	103,970	102,089	1,881
Operation and maintenance	48,800	48,800	35,691	13,109
Capital outlay	18,000			
Total Legislative Activity	<u>419,870</u>	<u>407,070</u>	<u>392,052</u>	<u>15,018</u>
Presiding Judge				
Personal services	374,810	372,010	367,961	4,049
Fringe benefits	122,152	124,952	123,119	1,833
Operation and maintenance	37,750	37,750	36,351	1,399
Total Presiding Judge	<u>534,712</u>	<u>534,712</u>	<u>527,431</u>	<u>7,281</u>
Judge				
Personal services	329,611	337,611	336,729	882
Fringe benefits	114,918	118,818	118,571	247
Operation and maintenance	37,850	37,850	37,030	820
Total Judge	<u>482,379</u>	<u>494,279</u>	<u>492,330</u>	<u>1,949</u>
Clerk of Courts				
Personal services	999,400	999,400	993,517	5,883
Fringe benefits	326,000	326,000	319,054	6,946
Operation and maintenance	138,600	138,600	127,339	11,261
Total Clerk of Courts	<u>1,464,000</u>	<u>1,464,000</u>	<u>1,439,910</u>	<u>24,090</u>
Civil Service Commission				
Personal services	24,877	24,877	24,758	119
Fringe benefits	3,611	3,611	3,594	17
Operation and maintenance	25,675	25,675	12,353	13,322
Total Civil Service Commission	<u>54,163</u>	<u>54,163</u>	<u>40,705</u>	<u>13,458</u>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	GENERAL FUND			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Buildings and Lands				
Personal services	95,485	95,485	91,321	4,164
Fringe benefits	31,275	31,275	29,730	1,545
Operation and maintenance	283,500	311,000	301,052	9,948
Total Buildings and Lands	<u>410,260</u>	<u>437,760</u>	<u>422,103</u>	<u>15,657</u>
Engineering				
Personal services	208,402	195,372	191,317	4,055
Fringe benefits	38,909	50,939	50,423	516
Operation and maintenance	20,100	23,100	21,104	1,996
Total Engineering	<u>267,411</u>	<u>269,411</u>	<u>262,844</u>	<u>6,567</u>
Central Maintenance Garage				
Personal services	340,171	346,171	337,001	9,170
Fringe benefits	113,030	113,030	107,499	5,531
Operation and maintenance	470,800	510,800	498,928	11,872
Total Central Maintenance Garage	<u>924,001</u>	<u>970,001</u>	<u>943,428</u>	<u>26,573</u>
Miscellaneous General Government				
Operation and maintenance	1,507,700	1,648,700	1,573,448	75,252
Total Miscellaneous General Government	<u>1,507,700</u>	<u>1,648,700</u>	<u>1,573,448</u>	<u>75,252</u>
TOTAL GENERAL GOVERNMENT	<u>8,030,322</u>	<u>8,161,889</u>	<u>7,821,041</u>	<u>340,848</u>
TOTAL EXPENDITURES	<u>27,875,815</u>	<u>29,043,079</u>	<u>28,458,624</u>	<u>584,455</u>
Excess (deficiency) of revenues over expenditures	<u>(2,137,195)</u>	<u>(1,534,459)</u>	<u>(36,141)</u>	<u>1,498,318</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	47,100	757,100	48,364	(708,736)
Transfers out	(118,000)	(850,050)	(424,260)	425,790
Other financing sources	953,100	953,100	1,063,173	110,073
TOTAL OTHER FINANCING SOURCES (USES)	<u>882,200</u>	<u>860,150</u>	<u>687,277</u>	<u>(172,873)</u>
Net change in fund balances	(1,254,995)	(674,309)	651,136	1,325,445
Adjustment for prior year encumbrances	547,046	547,046	547,046	
FUND BALANCE AT BEGINNING OF YEAR	<u>710,829</u>	<u>710,829</u>	<u>710,829</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 2,880</u>	<u>\$ 583,566</u>	<u>\$ 1,909,011</u>	<u>\$ 1,325,445</u>

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

City of Elyria, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2005

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	
ASSETS					
Current Assets:					
Equity in pooled cash and cash equivalents	\$ 1,803,380	\$ 118,311	\$ 117,801	\$ 5,273,568	\$ 7,313,060
Investments		173,100	52,600	2,036,314	2,262,014
Interest receivable	11,003	1,130	630	47,131	59,894
Accounts receivable (net of allowance for uncollectibles)	377,886		259,120	673,876	1,310,882
Rehabilitation loans				300,552	300,552
Settlements receivable				42,000	42,000
Special assessments	38,721	10,438		55,910	38,721
Inventories	194,867			58,646	261,215
Prepaid items	31,839		17,861		108,346
Total current assets	<u>2,457,696</u>	<u>302,979</u>	<u>448,012</u>	<u>8,487,997</u>	<u>11,696,684</u>
Noncurrent Assets:					
Bond issuance costs	104,109				104,109
Capital assets:					
Land	55,169		20,744	580,575	656,488
Buildings	8,053,312	156,826	161,331	24,657,584	33,029,053
Improvements other than buildings	5,159,483	136,661	58,000	20,627,818	25,981,962
Utility distribution and collection systems	17,841,583	20,000		34,007,037	51,868,620
Machinery and equipment	4,612,499	93,900	2,187,431	3,905,485	10,799,315
Construction in progress	321,405			655,631	977,036
Less accumulated depreciation	<u>(19,741,506)</u>	<u>(213,146)</u>	<u>(1,922,893)</u>	<u>(45,196,703)</u>	<u>(67,074,248)</u>
Total capital assets (net of accumulated depreciation)	<u>16,301,945</u>	<u>194,241</u>	<u>504,613</u>	<u>39,237,427</u>	<u>56,238,226</u>
Total assets	<u>18,863,750</u>	<u>497,220</u>	<u>952,625</u>	<u>47,725,424</u>	<u>68,039,019</u>
					<u>1,855,905</u>

(Continued on subsequent page)

City of Elyria, Ohio
Statement of Net Assets
Proprietary Funds
December 31, 2005

	Business-type Activities-Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 89,942	\$ 519	\$ 16,459	\$ 53,604	\$ 160,524
Accrued wages and benefits	76,053	2,575	53,710	95,801	228,139
Compensated absences	42,912	262	9,793	51,692	104,659
Claims payable					779,197
Contracts payable	56,061		95,089	178,051	329,201
Accrued interest payable	27,348			489,759	517,107
Unearned revenue	38,721		50,673		89,394
General obligation notes - current	1,400,000		170,000	3,600,000	5,170,000
General obligation bonds - current	234,261			79,070	313,331
Construction loans payable - current				1,713,052	1,713,052
Total current liabilities	<u>1,965,298</u>	<u>3,356</u>	<u>395,724</u>	<u>6,261,029</u>	<u>785,706</u>
Noncurrent liabilities:					
General obligation bonds payable (net of unamortized discounts)	7,377,876		172,412	772,995	7,377,876
Compensated absences - long-term	653,043			11,455,596	1,598,450
Construction loans payable - long-term				12,228,591	11,455,596
Total noncurrent liabilities	<u>8,030,919</u>		<u>172,412</u>	<u>18,489,620</u>	<u>20,431,922</u>
Total liabilities	<u>9,996,217</u>	<u>3,356</u>	<u>568,136</u>	<u>29,057,329</u>	<u>785,706</u>
NET ASSETS					
Invested in capital assets, net of related debt	8,488,911	194,241	334,613	25,452,454	34,470,219
Unrestricted	378,622	299,623	49,876	3,783,350	4,511,471
Total net assets	<u>\$ 8,867,533</u>	<u>\$ 493,864</u>	<u>\$ 384,489</u>	<u>\$ 29,235,804</u>	<u>\$ 38,981,690</u>
				<u>(142,426)</u>	
					<u>\$ 38,839,264</u>

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

Net assets of business-type activities

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

City of Elyria, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2005

**Business-type Activities -
Enterprise Funds**

	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals	Governmental Activities - Internal Service Funds
Operating revenues:						
Charges for sales and services	\$ 5,417,841	\$ 292,890	\$ 3,017,630	\$ 9,530,653	\$ 18,259,014	\$ 4,829,594
Tap fees	110,589			131,023	241,612	
Other	13,780	24,100	366	111,050	149,296	14,145
Total operating revenues	<u>5,542,210</u>	<u>316,990</u>	<u>3,017,996</u>	<u>9,772,726</u>	<u>18,649,922</u>	<u>4,843,739</u>
Operating expenses:						
Personal services	2,537,245	114,643	1,319,053	3,555,614	7,526,555	17,795
Fringe benefits	753,325	17,208	432,627	1,061,729	2,264,889	5,360,867
Operating and maintenance	1,476,464	130,029	1,278,675	2,385,101	5,270,269	47,774
Depreciation	1,225,742	31,118	137,135	2,333,610	3,727,605	
Total operating expenses	<u>5,992,776</u>	<u>292,998</u>	<u>3,167,490</u>	<u>9,336,054</u>	<u>18,789,318</u>	<u>5,426,436</u>
Operating income (loss)	<u>(450,566)</u>	<u>23,992</u>	<u>(149,494)</u>	<u>436,672</u>	<u>(139,396)</u>	<u>(582,697)</u>
Nonoperating revenues (expenses) :						
Recycling grant		9,513			104,008	
Investment income	85,087	8,870			248,600	36,790
Interest expense	(358,195)		(4,000)	144,169	(1,371,593)	
Total nonoperating revenue (expenses)	<u>(273,108)</u>	<u>18,383</u>	<u>100,969</u>	<u>(865,229)</u>	<u>(1,018,985)</u>	<u>36,790</u>
Income (loss) before contributions and transfers	<u>(723,674)</u>	<u>42,375</u>	<u>(48,525)</u>	<u>(428,557)</u>	<u>(1,158,381)</u>	<u>(545,907)</u>
Capital contributions - recycling grant			105,505		105,505	
Changes in net assets	<u>(723,674)</u>	<u>42,375</u>	<u>56,980</u>	<u>(428,557)</u>	<u>(1,052,876)</u>	<u>(545,907)</u>
Total net assets - beginning	9,591,207	451,489	327,509	29,664,361	1,616,106	1,616,106
Total net assets - ending	<u>\$ 8,867,533</u>	<u>\$ 493,864</u>	<u>\$ 384,489</u>	<u>\$ 29,235,804</u>	<u>\$ (63,840)</u>	<u>\$ 1,070,199</u>

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

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

City of Elyria, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Special Parks and Recreation	Sanitation	Wastewater Pollution Control	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 5,484,841	\$ 292,890	\$ 2,996,553	\$ 9,584,422	\$ 18,358,706
Cash payments to suppliers for goods and services	(2,049,484)	(148,971)	(1,778,754)	(4,002,306)	(7,979,515)
Cash payments to employees for services	(2,677,855)	(115,077)	(1,194,720)	(2,966,651)	(6,954,303)
Settlement proceeds				195,000	195,000
Other operating revenues	13,780	24,100	366	111,050	149,296
Net cash provided by (used for) operating activities	771,282	52,942	23,445	2,921,515	3,769,184
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from the sale of notes / bonds (net of issuance costs)	7,700,000		170,000	3,600,000	11,470,000
Capital grants received	9,513	200,000			209,513
Acquisition and construction of capital assets	(827,181)	(43,656)	(115,505)	(791,169)	(1,777,511)
Principal and interest paid on notes, bonds and loans payable	(6,715,037)		(204,000)	(2,734,152)	(9,653,189)
Net cash provided by (used for) capital and related financing activities	157,782	(34,143)	50,495	74,679	248,813
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	75,784	8,114	10,339	128,915	223,152
Short-term investments converted to cash				1,993,800	1,993,800
Purchase of short-term investments	(75,784)	(173,100)	(52,600)	(2,036,314)	(2,262,014)
Net cash provided by (used for) investing activities	0	(164,986)	(42,261)	86,401	(45,062)
Net increase (decrease) in cash and cash equivalents	1,004,848	(146,187)	31,679	3,082,595	3,972,935
Cash and cash equivalents, January 1	798,532	264,498	86,122	2,190,973	3,340,125
Cash and cash equivalents, December 31	\$ 1,803,380	\$ 118,311	\$ 117,801	\$ 5,273,568	\$ 7,313,060
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:					
Operating income (loss)	\$ (450,566)				\$ (582,697)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,225,742				
Changes in assets and liabilities:					
Accounts receivable	(43,589)				
Rehabilitation loans receivable			137,135	2,333,610	3,727,605
Settlements receivable			(20,965)	(77,254)	(141,808)
Special assessments receivable	9,681	(304)		(3,310)	(157)
Inventory of supplies	(5,676)			195,000	195,000
Prepaid expenses	2,251			(1,628)	9,681
Accounts payable	(29,278)		1,263	4,144	(7,608)
Contracts payable relating to operating activities	6,881	(1,188)	(8,464)	(40,491)	(10,767)
Accrued wages and benefits	14,692	(938)	32,932	26,247	66,060
Compensated absences payable	50,825	262	5,938	14,315	34,007
Deferred revenue	(9,681)		25,212	34,210	110,509
Total adjustments	1,221,848	28,950	172,939	2,484,843	3,908,580
Net cash provided by (used for) operating activities	\$ 771,282	\$ 52,942	\$ 23,445	\$ 2,921,515	\$ 3,769,184
Noncash investing, capital, and financing activities					
Unrealized appreciation (depreciation) in fair value of investments	\$	\$	\$	\$ (35,686)	\$ (13,996)

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

City of Elyria, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2005

ASSETS

Equity in pooled cash and cash equivalents	\$ 730,961
Cash and cash equivalents-segregated accounts	538,711
Investments	238,756
Receivables:	
Property taxes	749,562
Income taxes	20,318
Accrued interest	11,401
Total assets	<u>\$ 2,289,709</u>

LIABILITIES

Accounts payable	\$ 458,250
Due to other governments	823,635
Other liabilities	1,007,824
Total liabilities	<u>\$ 2,289,709</u>

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

**CITY OF ELYRIA, OHIO
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 1 – DESCRIPTION OF CITY OPERATIONS

(A) THE CITY

The City of Elyria (the “City”) was incorporated on February 23, 1833 under the laws of the State of Ohio. The city operates under a Mayor-Council form of government as provided by its Charter adopted on November 2, 1965.

(B) THE REPORTING ENTITY

The City has followed the provisions of Statement No. 14 and Statement No. 39 of the Governmental Accounting Standards Board (“GASB Statement No. 14” and “GASB Statement No. 39”) regarding the definition of its financial reporting entity. For financial reporting purposes, the City’s reporting entity includes all funds, agencies, boards and commissions for which the City is financially accountable, as well as any organizations that raise or hold economic resources for the direct benefit of the City. The notion of financial accountability includes not only the organizations that constitute the City’s legal entity; it also can include legally separate organizations in certain instances. Legally separate organizations are included in the reporting entity if the City’s officials appoint a voting majority of an organization’s governing body and, as a result, the City is able either to impose its will on that organization or there is a potential for the organization to provide specific benefits to, or to impose specific financial burdens on the City. On this basis, the reporting entity of the City includes the following services: public safety (police and fire), health (health department), culture and recreation (parks and recreation), community environment (planning, zoning and community development), basic utility services (water, sanitation, and wastewater pollution control), highways and streets (street and highway maintenance), and general government (administrative services including the municipal court). In addition, no other organization raises and holds resources for the direct benefit of the City.

Included as part of the City’s primary government in the determination of the City’s reporting entity is the Elyria Municipal Court (the “Court”). Although the Court’s territorial jurisdiction extends beyond the boundaries of the City and the Judges of the Court are separately elected, the Court’s operations are not legally separate from the City. In addition, the City is responsible for budgeting and appropriating funds for the operation of the Court, establishing the compensation of certain Court employees, and is ultimately responsible for any operating deficits sustained by the Court. The City’s share of the fines collected by the Court, along with its share of the Court’s administration and operating costs are recorded in the City’s General Fund. Monies held by the Court in a fiduciary capacity are included in an agency fund in the accompanying financial statements.

The following entities which conduct their activities near or within the City’s boundaries for the benefit of the City and/or its residents are excluded from the accompanying financial statements because they are legally separate from the City and the City is not financially accountable for their operations.

Elyria City School District
Elyria Memorial Hospital
Elyria Public Library

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed in statements and interpretations issued by the Governmental Accounting Standards Board (the "GASB").

(A) BASIS OF PRESENTATION – FUND ACCOUNTING

The accounting system is organized on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. The acquisition and use of the City's expendable financial resources and the related current liabilities (except for those accounted for in proprietary or fiduciary funds) are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the City's governmental fund types:

General Fund – This fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Elyria and the general laws of Ohio.

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or restricted for major capital projects or debt service) that are legally restricted to expenditure for specified purposes.

Debt Service Funds – These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities or equipment (other than those financed by proprietary funds and trust funds).

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

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to achieve sound financial administration. The measurement focus is based upon determination of net income, financial position and changes in financial position.

Enterprise Funds – These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds – These funds are used to account for the financing of goods or services the City's self-insured health plan and workers' compensation plan provided to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis.

Fiduciary Fund Types

Private-purpose Trust Funds – Private-purpose trust funds are used to account for trust arrangements which benefit individuals, private organizations, or other governments. For accounting measurement purposes, the private-purpose trust funds are accounted for in essentially the same manner as proprietary funds. During 2005, the City did not utilize any such trust funds.

Agency Funds – Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. For accounting measurement purposes, the agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations but do, however, use the accrual basis of accounting to recognize receivables and payables.

Other Fiduciary Funds – Other fiduciary funds include pension trust funds and investment trust funds. During 2005, the City did not utilize any such trust funds.

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

(B) GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the City as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. The effect of interfund activity has been removed from these statements, with the exception of certain receivables due from other fiduciary funds of the City which are not included in the government-wide financial statements.

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

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

(C) FUND FINANCIAL STATEMENTS

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

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

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

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

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

(D) BASIS OF ACCOUNTING

(1) Government-Wide Financial Statements

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the governmental-wide statements and the statements for governmental funds.

(2) Governmental Fund Financial Statements

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

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

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

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

(3) Proprietary Fund Financial Statements

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation are recorded in the proprietary funds. In accordance with Statement No. 20 of the Governmental Standards Board "Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting", the City has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The City will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

(E) BUDGETARY ACCOUNTING AND CONTROL

The City adopts an annual operating budget for all funds except agency funds. During June of each year, the Mayor submits to City Council a proposed operating budget for the upcoming fiscal year. This budget is kept on file for 30 days and must be passed by the City Council by July 15 for certification of the City's estimated financial resources for the upcoming year to the

County Budget Commission as required by Ohio law. This budget is based on estimates of future cash revenues, cash expenditures and encumbrances for the next fiscal year for all non-agency funds and serves as the basis for the County Budget Commission's certification of the City's estimated financial resources for the upcoming year.

By January 1 of the succeeding year, Council must adopt a temporary appropriations ordinance. The temporary appropriations ordinance remains in effect until March 31 or until the permanent appropriations ordinance is adopted by City Council, whichever occurs first. A permanent appropriations ordinance must be adopted no later than April 1 under State law and appropriations therein must not exceed the estimated financial resources certified by the County Budget Commission.

Budget control is exercised at the major account level (personal services, fringe benefits, operation and maintenance, capital outlay, debt service, transfers-out and reimbursements) within each City department. All appropriations lapse at year-end. Reported budgeted amounts are as originally adopted and amended by appropriation ordinances passed by Council. The budget for each fund is represented by appropriations and, according to City Charter, can only be modified by Council ordinance.

The General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts and disbursements. The major differences between the budget basis and the GAAP (accounting principles generally accepted in the United States of America) basis are:

- (1) Revenues recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
- (2) Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when the liability is incurred (GAAP);
- (3) Encumbrances are recorded as expenditures (budget) as opposed to a reservation of fund balance (GAAP). In addition, encumbrances outstanding at year-end are included in the appropriation ordinance in the subsequent year and certain amounts shown as capital outlay and debt service expenditures on a GAAP basis are shown as public safety, health, culture and recreation, community environment, highways and streets and general government expenditures on a budgetary basis.

A reconciliation of the results of operations for the year from the GAAP basis to the budgetary basis is shown below:

Net Change in Fund Balance	
	<u>General Fund</u>
GAAP Basis	\$ 1,428,568
Increase (decrease) due to:	
Net Adjustment for Revenue Accruals:	1,850,792
Net Adjustment for Expenditure Accruals:	(2,628,224)
Budget basis	<u>\$ 651,136</u>

(F) ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

(1) Equity in Pooled and Segregated Cash, Cash Equivalents, and Other Short-term investments.

Cash balances of the City’s funds, except for the Court, are pooled and invested in cash equivalents and other short-term investments in order to provide improved cash management. Cash equivalents consist of deposits in the State Treasury Asset Reserve of Ohio (“STAR Ohio”), certificates of deposit and money market accounts with an original maturity of 90 days or less. Other short-term investments consist of certificates of deposit and Federal Home Loan Bank notes with a maturity of more than 90 days but less than 5 years.

Interest earned on investments is allocated to the funds participating in the pool in accordance with the City Charter and Codified Ordinances.

The City’s investments with maturities greater than one year are stated at fair value (based on quoted market prices) in the accompanying financial statements and the change in the fair value of the investments is recorded as investment income along with the interest earned on the investments.

The City has invested funds in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer’s office which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the Securities and Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price which is the price at which the investment could be redeemed.

(2) Receivables

Receivables at December 31, 2005 consist of property taxes, income taxes withheld by employers, other local taxes, accounts (billings for user charged services and fine monies collected by the Elyria Municipal Court which are initially accounted for in the Municipal Court Agency Fund), accrued interest on investments, rehabilitation loans (see Note 15 on page 73 for more detail), settlements (proceeds to be received per agreement by the City as a result of a

lawsuit filed by the City against several parties involved in the design and installation of the Westside Interceptor sewer), special assessments, amounts due from other funds which represents advances made by the General Fund to the Block Grant Fund and the USEPA Brownfield Grant Fund which will be repaid from monies to be received from other governments and to the State Route 57 Rehabilitation Fund which will be repaid upon the borrowing of funds for that project.

(3) Inventories and Prepaid Items

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

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

(4) Capital Assets and Depreciation

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

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

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

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

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

(5) Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate employees for the benefit through time off or some other means. Sick leave

benefits are accrued using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

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

(6) Claims

As described in Note 4, the City is self-insured for employee health and workers' compensation benefits. The City recognizes a liability for such claims if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

(7) Long-term Obligations

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

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

(8) Encumbrances

Encumbrances represent purchase commitments for goods and services that have not yet been received or provided. Encumbrance accounting is a form of budgetary control to ensure that appropriations are not exceeded. Encumbrances outstanding at year-end are reported as reservations of fund balances in the governmental fund types as the City will honor such commitments during the subsequent year.

(9) Fund Equity / Net Assets

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

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

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

(A) ACCOUNTABILITY

At December 31, 2005, the following funds had a deficit fund or net assets balance:

	<u>Deficit Balance</u>
Special Revenue Funds –	
USEPA Brownfield Grant	\$ 862
Food Service Operations	1,716
Capital Projects Funds –	
Chestnut Commons/Ridge Improvement	2,360,088
State Route 57 Rehabilitation	306,758
Municipal Building Construction	1,873,518
Internal Service Fund –	
Employees’ Health Insurance	515,015

The deficit in the USEPA Brownfield Grant Fund balance will be eliminated through the receipt of grant monies. The deficit in the Food Service Operations Fund will be eliminated through the receipt of licenses and permits fees or through the receipt of monies from the City’s General Fund. The deficit in the Chestnut Commons/Ridge Improvement Fund balance will be eliminated through the issuance of special assessment long-term bonds, the proceeds of which will be used to retire the outstanding general obligation notes in the City’s Chestnut Commons/Ridge Improvement Fund. The deficit in the State Route 57 Rehabilitation Fund balance will be eliminated through the receipt of monies from the City’s General Bond Retirement Fund and/or the issuances of general obligation long-term bonds. The deficit in the Municipal Building Construction Fund will be eliminated through the receipt of monies from the City’s General Bond Retirement Fund, and/or the issuance of general obligation long-term bonds, the proceeds of which will be used to retire the outstanding general obligation notes in the City’s Municipal Building Construction Fund. The Employees’ Health Insurance Fund deficit will be eliminated through increased charges to other City funds and increased contributions from employees.

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

(B) LEGAL COMPLIANCE

Contrary to Section 5705.41 of the Ohio Revised Code, the following funds had expenditures plus encumbrances exceeding appropriations at the legal level of budgetary control at December 31, 2005.

<u>Fund / Department / Major Account</u>	<u>Appropriation</u>	<u>Expenditure & Encumbrance</u>	<u>Excess</u>
General			
Ice Rink			
Fringe Benefits	\$4,500	\$4,517	\$17
Health Grant			
Infant Mortality Program			
Personal Services	78,522	79,229	707
Block Grant			
Block Grant Administration			
Personal Services	105,751	106,685	934
Food Service Operations			
Food Service Operations			
Personal Services	61,047	61,256	209
Swimming Pool Inspection			
Swimming Pool Inspection			
Personal Services	2,954	3,003	49

The City also had other funds during the year that had expenditures plus encumbrances in excess of appropriations contrary to Ohio Revised Code 5705.41 which were corrected by year-end.

NOTE 4 – RISK MANAGEMENT

The City utilizes two funds relating to its risk management program. Both funds have been classified as internal service funds.

(A) The Employees’ Health Insurance Fund is used to account for the operations of the City’s self-insured health plan. All City funds are charged a premium amount per employee covered by the Employees’ Health Insurance Fund. The premium amounts are set by union contract and City ordinance. Claims and administrative fees are then paid out of the Employee Health Insurance Fund. The City pays premiums for specific stop-loss insurance coverage to insure against catastrophic claims over \$75,000 per individual.

(B) The Workers’ Compensation Fund is used to account for the funding of the City’s workers’ compensation plan. During the period January 1, 1989 through December 31, 1997, the City was enrolled in a retrospective rating plan offered by the State of Ohio. Under the plan, the

City is charged by the State of Ohio for claims paid, administrative fees, and a premium for individual claim limits and aggregate claim limits. All City funds are normally charged a premium amount per employee covered by the Workers' Compensation Fund. The premium amounts are set based on claims experience. Claims and administrative fees are paid to the State of Ohio. The City has a maximum yearly claim limit amount for all claims, which varies each policy year. Since January 1, 1998, the City has participated in the fully insured plan offered by the Bureau of Workers' Compensation of the State of Ohio.

(C) The City purchases insurance policies in varying amounts for general liability, vehicle liability, property damage, employee and public official's liability, professional liability for health department employees and errors and omissions. The City also pays unemployment claims to the State of Ohio as incurred. There were no significant changes in the City's insurance coverage during 2005.

(D) The changes in the liabilities for self-insured risks for the years ended December 31, 2005 and 2004 are as follows:

	Health Benefits	Workers' Compensation Benefits
Balance January 1, 2004	\$ 1,182,049	\$ 280,526
Incurred claims, net of changes in estimates	3,985,680	378,862
Payments	<u>(4,574,022)</u>	<u>(407,745)</u>
Balance December 31, 2004	593,707	251,643
Incurred claims, net of changes in estimates	5,053,794	240,920
Payments	<u>(5,074,613)</u>	<u>(286,254)</u>
Balance December 31, 2005	<u>\$ 572,888</u>	<u>\$ 206,309</u>

The liabilities above represent the City's best estimates based upon available information and the requirements of the GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and Statement No. 30, *Risk Financing Omnibus – an Amendment of GASB Statement No. 10*, and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic factors.

Settled claims have not exceeded the City's insurance coverage in any of the last three years.

NOTE 5 – CONTINGENCIES

(A) ENVIRONMENTAL MATTERS

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

- (2) The City continues to offer a sanitary lateral repair loan program to property owners with defective sanitary laterals, and continues to perform sanitary sewer rehabilitation under a bid maintenance contract.
- (3) The City has begun a City-wide Brownfields inventory with grant money obtained from the United States Environmental Protection Agency. The City has also begun a Phase I Environmental Site Assessment on City-owned property on Elm Street.
- (4) The City has proceeded with a sewer overflow characterization that includes an outfall survey along all sections of the Black river within City limits, flow monitoring, hydraulic analysis, and water quality analysis. This work is being performed to acquiesce the City's Wet Weather Plan.

(B) CONTINGENCIES UNDER GRANT PROGRAMS

The City participates in several federal grants which have been audited in accordance with the Single Audit Act (the "Act"). Provisions of the Act allow federal agencies to conduct any additional audit work necessary to carry out their responsibilities under federal law or regulations. Such federal audits could lead to a request for reimbursement to the grantor agency for any costs questioned as not being appropriate expenditures under the terms of the grants. At December 31, 2005, there were no questioned costs that had not been resolved with federal agencies. In the opinion of City officials, no material grant expenditures will be disallowed as a result of federal audits.

(C) JUDGMENTS AND CLAIMS

The City is party to various legal proceedings. The City's management is of the opinion that the ultimate outcome of such litigation will not result in a material adverse effect on the City's financial position.

The City brought legal action against several companies that provided engineering services, materials and construction work on the Westside Interceptor sanitary sewer and one user of the sewer in 1997. The basis for the lawsuit was the deterioration of the sewer after only a few years of use. The City repaired the sewer in 1998 and 1999 and expensed the repairs. All of the companies that provided services and materials for the Westside Interceptor sewer settled with the City before going to trial resulting in settlements of \$3,815,503, of which \$42,000 remains outstanding at December 31, 2005. The settlement proceeds to be received in future years are recorded as settlements receivable in the Wastewater Pollution Control enterprise fund.

NOTE 6 – POOLED AND SEGREGATED CASH, CASH EQUIVALENTS AND OTHER INVESTMENTS

Monies of the Court are deposited and maintained in individual, segregated bank accounts and invested in cash equivalents which are also specifically segregated. Monies of all other funds of the City are maintained or invested in a common group of bank accounts, in cash equivalents and other short-term investments. The common bank accounts and investments are displayed on the accompanying statement of net assets and balance sheets as "Equity in pooled cash and cash equivalents" and "Investments" and the segregated amounts are separately disclosed.

The investment and deposit of City monies is governed by the provisions of the Charter, Codified Ordinances of the City, and the Ohio Revised Code. Accordingly, only financial institutions that qualify under Section 135.14 (M)(I) of the Ohio Revised Code are eligible to hold public deposits. The City may invest its monies in certificates of deposit, savings accounts, money market accounts, the state treasurer's investment pool ("Star Ohio"), and obligations of the United States government or certain agencies thereof. The City may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation or may pledge a pool of government securities the face value of which is at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of, or guaranteed by, the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the City's name.

The City is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a "derivative"). The City is also prohibited from investing in reverse purchase agreements.

During 2005, the City complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made, as well as the provisions of the statutes concerning security deposits. The City will continue to monitor compliance with applicable statutes in the future pertaining to its deposits and investments. At December 31, 2005, all of the City's deposits and investments (excluding Star Ohio) were held by local banks or financial institutions that qualify under Section 135.14 (M)(I) of the Ohio Revised Code.

(A) DEPOSITS

At December 31, 2005, the carrying amount of the City's pooled and segregated deposits was \$9,544,723 and the bank balance was \$13,174,176. Of the bank balance, \$600,000 was covered by federal depository insurance and \$12,574,176 was uninsured and uncollateralized as defined by the Governmental Accounting Standards Board. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the City's name, as permitted under Ohio law.

(B) INVESTMENTS

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

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

At December 31, 2005 the fair value of the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value / Carry Value</u>
Repurchase Agreements	\$ 3,120,000
U.S. Agency Obligations	4,772,397
State Treasury Asset	
Reserve Fund (Star Ohio)	5,143,494
	<u>\$ 13,035,891</u>

Interest Rate Risk

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

At December 31, 2005, the City's investments had maturities as follows:

	<u>Portfolio Weighted Average Maturity</u>
Less than 1 year	52.07%
1 to 5 years	47.93%

Credit Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As noted earlier, at December 31, 2005, the carrying amount of the City's deposits was \$9,544,723 and the bank balance was \$13,174,176. Of the bank balance \$600,000 was covered by federal depository insurance and \$12,574,176 was covered by pooled and /or pledged collateral, as allowed by the Ohio Revised Code, but not necessarily held in the City's name (uncollateralized). The City has no written policy limiting the dollar amount of holdings by any single counterparty.

(C) RECONCILIATION TO COMBINED BALANCE SHEET CLASSIFICATION

A summary of the deposits and investments as of December 31, 2005 follows:

Deposits	\$ 9,544,723
Investments	<u>13,035,891</u>
TOTAL	<u>\$ 22,580,614</u>

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

Government-wide Financial Statements

Unrestricted:

Equity in pooled cash and cash equivalents	\$ 13,333,202
Cash with fiscal agents	1,344
Investments	<u>7,737,640</u>
	<u>\$ 21,072,186</u>

Fund Financial Statements

Balance Sheet - Governmental Funds:

Equity in pooled cash and cash equivalents	\$ 5,510,315
Cash with fiscal agents	1,344
Investments	4,141,605

Statement of Net Assets - Proprietary Funds:

Cash and cash equivalents	7,822,887
Investments	<u>3,596,035</u>
Total Governmental and Proprietary Funds	21,072,186

Statement of Fiduciary Net Assets:

Equity in pooled cash and cash equivalents	730,961
Cash and cash equivalents - segregated accounts	538,711
Investments	<u>238,756</u>
	<u>\$ 22,580,614</u>

NOTE 7 – TAXES

(A) PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied on January 1 in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Three years after each revaluation all property values are reviewed and revised, as necessary, as part of a triannual update based on the reported sales of properties. The last revaluation was completed in 2000 and the last triannual update occurred in 2003. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20, with the remainder payable June 20. In certain instances, State statute permits earlier or later payment dates to be established.

Taxpayers (other than public utilities) become liable for tangible personal property taxes on January 1 of the current calendar year based on tax rates determined in the preceding year and assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Public utility real and tangible personal property taxes collected in one calendar year are levied on January 1 in the preceding calendar year on assessed values determined as of January 1 of that preceding year, the lien date.

Public utility tangible personal property currently is assessed at varying percentages of its true value and public utility real property is assessed at 35% of its true (market) value. Public utility property taxes are payable on the same dates as real property taxes described above. The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Elyria. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively.

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

The assessed value upon which the 2004 levy (collected in 2005) was based was approximately \$993 million. Ohio law limits unvoted property taxation, combined for all overlapping taxing authorities, to 10 mills. The City's current share of unvoted property tax is 4.2 mills of assessed value. The total property tax revenue recognized by the City during 2005 was \$3,726,157.

(B) INCOME TAXES

The City levies an income tax of 1.75% on substantially all income earned within the City. In addition, residents of the City are required to pay City income tax on income they earn outside the City; however, a 100% credit up to 1.75% is allowed for income taxes paid to other municipalities. Of the total income tax levy, 1.25% is a permanent tax levy, .25% of which is a special levy to be used only for law enforcement purposes. The remaining .5% of the total levy is a temporary levy enacted by a vote of the citizens which has been extended through June 2009. The proceeds from the special .25% levy are included in the Police Levy Special Revenue Fund. The remaining proceeds are included in the General Fund. Employers within the City are

required to withhold income taxes on employee compensation and remit withholdings to the City at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The total income tax revenue recognized by the City during 2005 in the fund financial statements was \$22,180,474.

NOTE 8 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2005 was as follows:

	Balance at January 1, 2005	Increases	Decreases	Balance at December 31, 2005
<u>Governmental activities</u>				
Not being depreciated:				
Land	\$ 6,144,923	\$ 36,647	\$	\$ 6,181,570
Construction in progress	5,481,979	684,343	(5,434,045)	732,277
Subtotal	<u>11,626,902</u>	<u>720,990</u>	<u>(5,434,045)</u>	<u>6,913,847</u>
Other capital assets:				
Buildings and systems	28,015,627	223,688		28,239,315
Improvements	2,331,446	66,404		2,397,850
Utility distribution and collection systems	13,428,982			13,428,982
Infrastructure	41,186,663	9,510,900		50,697,563
Machinery and equipment	11,201,243	661,240	(522,843)	11,339,640
Subtotal	<u>96,163,961</u>	<u>10,462,232</u>	<u>(522,843)</u>	<u>106,103,350</u>
Accumulated depreciation:				
Buildings and systems	(6,872,860)	(883,500)		(7,756,360)
Improvements	(1,363,952)	(144,049)		(1,508,001)
Utility distribution and collection systems	(7,408,875)	(219,142)		(7,628,017)
Infrastructure	(24,048,178)	(1,506,208)		(25,554,386)
Machinery and equipment	(9,404,832)	(639,785)	522,843	(9,521,774)
Subtotal	<u>(49,098,697)</u>	<u>(3,392,684)</u>	<u>522,843</u>	<u>(51,968,538)</u>
Net other capital assets	<u>47,065,264</u>	<u>7,069,548</u>		<u>54,134,812</u>
Net capital assets	<u>\$ 58,692,166</u>	<u>\$ 7,790,538</u>	<u>\$ (5,434,045)</u>	<u>\$ 61,048,659</u>

Depreciation was charged to the functions as follows:

Governmental activities:	
Public safety	\$ 580,430
Health	25,188
Culture and recreation	380,766
Community environment	209,189
Highways and streets	1,573,552
General government	623,559
TOTAL	<u>\$ 3,392,684</u>

	Balance at January 1, 2005	Increases	Decreases	Balance at December 31, 2005
<u>Business-type activities</u>				
Not being depreciated:				
Land	\$ 656,488	\$	\$	\$ 656,488
Construction in progress		977,036		977,036
Subtotal	656,488	977,036		1,633,524
Other capital assets:				
Buildings	33,032,427	25,000	(28,373)	33,029,054
Improvements	25,948,306	33,656		25,981,962
Utility distribution and collection systems	51,740,434	128,186		51,868,620
Machinery and equipment	10,316,494	500,070	(17,250)	10,799,314
Subtotal	121,037,661	686,912	(45,623)	121,678,950
Accumulated depreciation:				
Buildings	(18,927,136)	(684,839)		(19,611,975)
Improvements	(20,482,953)	(1,364,744)		(21,847,697)
Utility distribution and collection systems	(16,326,132)	(826,591)		(17,152,723)
Machinery and equipment	(7,627,673)	(851,430)	17,250	(8,461,853)
Subtotal	(63,363,894)	(3,727,604)	17,250	(67,074,248)
Net other capital assets	57,673,767	(3,040,692)	(28,373)	54,604,702
Net capital assets	<u>\$ 58,330,255</u>	<u>\$ (2,063,656)</u>	<u>\$ (28,373)</u>	<u>\$ 56,238,226</u>

Depreciation was charged to the functions as follows:

Business-type activities:	
Water	\$ 1,225,741
Special Parks & Recreation	31,118
Sanitation	137,135
Wastewater Pollution Control	2,333,610
TOTAL	<u>\$ 3,727,604</u>

Construction in progress - The City has active construction projects as of December 31, 2005 under governmental activities of \$308,961 for the new Elyria Municipal Court Complex, and \$144,516 for the Third Street Storm Sewer Project, \$167,457 on the State Route 57 Rehabilitation Project, and \$111,343 for various parks and recreation projects. The City also has active construction projects as of December 31, 2005 under business-type activities of \$208,655 for the Filter Backwash Improvement Project, \$112,749 for various improvement projects at the Water Pumping Plant, \$502,108 for the Wastewater Pollution Control Rehabilitation Project and \$153,524 for the Third Street Storm Sewer Project.

NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES

The following balances at December 31, 2005 represent interfund receivables and payables:

<u>GOVERNMENTAL FUNDS</u>	<u>Receivables</u>	<u>Payables</u>
GENERAL FUND	\$ 183,583	\$
SPECIAL REVENUE FUNDS:		
Block Grant		14,891
USEPA Brownfield Grant		862
CAPITAL PROJECTS FUND:		
State Issue II Projects		373
State Route 57 Rehabilitation		167,457
TOTAL GOVERNMENTAL FUNDS	<u>\$ 183,583</u>	<u>\$ 183,583</u>
<u>GOVERNMENT-WIDE</u>		
Governmental Activities	\$ 142,426	\$
Business-Type Activities		<u>142,426</u>

The governmental funds interfund balances represent grant program expenditures that had not been reimbursed as of December 31, 2005. The government-wide interfund balance represents the business-type activities share of the net loss for the City's Internal Service Funds.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

(A) EMPLOYEES AND PLANS

Full-time, permanent employees of the City and certain part-time employees belong to one of two state-operated, cost-sharing, multiple-employer pension plans. Non-uniformed employees are members of the Ohio Public Employees Retirement System ("OPERS"). Full-time police and fire personnel are members of the Ohio Police and Fire Pension Fund ("OP&F"). The Ohio Revised Code requires participation by the above mentioned employees. Elected officials participate in OPERS on a voluntary basis. The payrolls for employees covered by OPERS and OP&F for the year ended December 31, 2005 were \$18,013,440 and \$9,617,835, respectively. The City's total payroll for 2005 was \$28,442,471.

(B) OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements and required supplementary information. The financial report may be obtained by making a written request to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5% of their covered payroll to OPERS. The 2005 employer contribution rate for local government employer units was 13.55% of covered payroll including 4.00% that is used to fund postretirement health care benefits. The City's total contributions to OPERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2005, 2004, and 2003 were \$1,720,371, \$1,784,053, and \$1,490,220 respectively, which equaled the required contribution for each year.

(C) OHIO POLICE AND FIRE PENSION FUND (OP&F)

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

Members of the OP&F become partially vested after 15 years of service and fully vested after 25 years of service. Members are eligible for normal retirement benefits at age 48 with 25 years of service credit or at age 62 with 15 years of service credit. The normal retirement benefit is equal to 2.5 percent of annual earnings for each of the first 20 years of service, 2.0 percent for each of the next five years of service, and 1.5 percent for each year of service thereafter; however, this normal retirement benefit is not to exceed 72 percent of the members' average annual salary for the three years during which total earnings were the greatest. Early retirement with reduced benefits is available to members with 15 years of service credit who have attained age 48 or 25 years from the date the member became a qualified employee. This reduced benefit is equal to 1.5% of the average annual salary multiplied by the number of complete years of service. Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively, for police officers and firefighters. The City's total contributions to OP&F for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2005, 2004, and 2003 were \$1,337,028, \$1,391,575 and \$1,324,890, respectively, which equaled the required contribution for each year.

(D) CONTRIBUTIONS TO THE PLANS

Contributions to the plans by State statute for the year ended December 31, 2005 are summarized as follows:

<u>Plan/Contributor</u>	<u>Statutorily Determined</u>	
	<u>Contribution Rate (%)</u>	<u>Contribution \$'s</u>
OP&F:		
Fire Personnel		
By City	24.00%	\$ 1,103,196
By Employees	10.00%	459,624
	<u>34.00%</u>	<u>1,562,820</u>
Police Personnel		
By City	19.50%	979,214
By Employees	10.00%	502,162
	<u>29.50%</u>	<u>1,481,376</u>
Less -		
Health Care Portion	(7.75%)	<u>(745,382)</u>
Total OP&F Contributions		<u>2,298,814</u>
OPERS:		
By City	13.55%	2,440,945
By Employees	8.50%	1,531,207
	<u>22.05%</u>	<u>3,972,152</u>
Less -		
Health Care Portion	(4.00%)	<u>(720,574)</u>
Total OPERS Contributions		<u>3,251,578</u>
TOTAL PENSION PLAN CONTRIBUTIONS		<u>\$ 5,550,392</u>

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

OPERS:

In addition to the pension benefits described in Note 10, OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credits. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an other postemployment benefit (OPEB) as described in GASB Statement No. 12, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers*.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The total employer contribution rate for OPERS is 13.55% of covered payroll, of which 4.00% is the portion that is used to fund health care benefits under OPERS.

Other postemployment benefits are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

The principal assumptions used for the 2004 actuarial computations (latest available) were as follows:

Funding Method. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

Investment Return. The investment assumption rate for 2004 was 8.00 percent.

Active Employee Total Payroll. An annual increase of 4.00 percent, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00 percent increase, were assumed to range from 0.50 percent to 6.30 percent.

Health Care. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% annually for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

The number of active contributing participants as of December 31, 2005 was 376,109. The City's actual contributions for 2005, which were used to fund postemployment benefits, were \$720,574. OPERS's net assets available for payment of other postemployment benefits at December 31, 2004 (latest information available) were \$10.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used were \$29.5 billion and \$18.7 billion, respectively. The fund's total health care expenses for the year ended December 31, 2004 were \$963 million.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan ("HCPP") with an effective date of January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

OP&F:

OP&F also provides health care coverage to any person who receives or is eligible to receive a monthly retirement benefit or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18, whether or not the child is attending school, or

under the age of 22 if attending school full time or on a defined part-time basis. The Ohio Revised Code provides the statutory authority requiring the fund's board of trustees to provide health care coverage to all eligible individuals. The health care coverage provided by the retirement system is considered an other postemployment benefit as described in GASB Statement No. 12.

The Ohio Revised Code provides that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total contribution rate for fire personnel is 24% of covered payroll of which 7.75% is applied to the postemployment health care program. Health care funding and accounting is on a pay-as-you-go basis.

The portion of the City's actual contribution to OP&F for 2005 that was used to fund postemployment benefits was \$389,174 for police and \$356,208 for fire personnel. The fund's total health care expenses for the year ended December 31, 2004 (the latest information available) were \$102,173,796. The total number of participants in OP&F who were eligible to receive health care benefits at December 31, 2004 (the latest information available) was 13,812 police and 10,528 fire personnel.

NOTE 12 – DEFERRED COMPENSATION PROGRAMS

The City's employees and elected officials participate in three deferred compensation plans created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. The deposits under the plans are forwarded to trustees. Under the terms of the plans, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the plans' participants and their beneficiaries. The plan agreements state that the City has no fiduciary responsibility under the plans with the exception of fraud or wrongful taking.

The amount on deposit in the plans is not reflected in the government-wide statement of net assets as of December 31, 2005 because it is held in trust for the exclusive benefit of plan participants and their beneficiaries.

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

The original issue date, maturity date, interest rate, and original issuance amount for each of the City's bonds, notes, and other long-term obligations outstanding as of December 31, 2005 is listed below:

GOVERNMENTAL ACTIVITIES	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
Special Assessment Debt				
East Broad Street Storm Sewer Bonds	1990	2006	6.100	1,045,000
Ford Road Improvement Bonds	1992	2013	6.350	850,000
Sewer Overflow Elimination Bonds	1994	2009	7.375	96,626
Murray Ridge Watermain Bonds	1994	2009	7.375	103,507
Griswold Road Improvement Bonds	1995	2015	5.875	475,000
Westway Garden Improvement Bonds	1996	2008	5.250	1,440,000
Weller Rd. State Issue II Loan	1997	2007	0.000	309,557
General Obligation Debt				
Griswold Road State Issue II Loan	1995	2006	0.000	245,271
Recreational Facilities Bonds	1999	2009	3.150	1,870,000
Fire Station Construction Bonds	1999	2012	3.150	1,720,000
Police and Fire Pension Liability Bonds	1999	2023	3.150	1,285,000
City Hall Construction Bonds	2001	2026	2.200	8,200,000
Schaden Road State Issue II Loan	1999	2009	0.000	72,312
Middle Avenue State Issue II Loan	1999	2009	0.000	67,809
E. Broad St./St. Route 57 Issue II Loan	2000	2010	0.000	43,414
Murray Ridge Rd./Garford Ave. Issue II Loan	2001	2012	0.000	138,234
David Drive/Gulf Road State Issue II Loan	2002	2013	0.000	114,118
City Hall Construction Notes	2004	2005	2.000	2,200,000
City Hall Construction Notes	2005	2006	4.000	1,900,000
Various Purpose Improvement Bonds	2005	2022	4.410	9,592,856
Industrial Parkway Bonds	2005	2024	4.410	6,831,910
Chestnut Commons Construction Notes	2004	2005	2.500	2,800,000
Chestnut Commons Construction Notes	2005	2006	4.000	2,800,000
Industrial Parkway Improvement Notes	2004	2005	2.000	1,800,000
U.S. Department of Housing and Urban Development 108 Loan				
Block Grant 108 Loan	2000	2005	7.140	500,000
BUSINESS-TYPE ACTIVITIES				
	Original Issue Date	Maturity Date	Interest Rate	Original Issue Amount
General Obligation Debt				
Wastewater Plant Improvement OWDA Loan	1986	2014	8.480	17,125,478
Westside Interceptor Sewer OWDA Loan	1987	2009	7.110	11,695,507
East Broad Street Storm Sewer Bonds	1990	2006	6.100	708,900
Water System Improvement Bonds	1999	2019	3.400	1,440,000
Murray Ridge Watermain Bonds	1994	2009	7.375	244,867
Water Pumping Improvement Notes	2004	2005	2.000	800,000
Refuse Packer Notes	2004	2005	2.000	200,000
Waterworks System Improvement Notes	2004	2005	2.000	5,500,000
Waterworks System Improvement Bonds	2005	2030	4.410	6,404,109
Water System Improvement Notes	2005	2006	4.000	1,400,000
Refuse Packer Notes	2005	2006	4.000	170,000
Sanitary Sewer System Improvement Notes	2005	2006	4.000	3,600,000

A listing of changes in the bonds, notes and other long-term obligations of the City for the year ended December 31, 2005 are as follows:

GOVERNMENTAL ACTIVITIES

<u>Special Assessment Debt:</u>	Balance <u>January 1, 2005</u>	<u>Additions</u>	<u>(Reductions)</u>	Balance <u>December 31, 2005</u>
6.10% - 11.00% 1990 East Broad Street Storm Sewer Bonds Due 2006	\$ 54,195	\$	\$ (23,265)	\$ 30,930
6.35% 1992 Ford Road Improvement Bonds Due 2013	505,000		(45,000)	460,000
7.375% 1994 Sewer Overflow Elimination Bonds Due 2009	42,353		(7,600)	34,753
7.375% 1994 Murray Ridge Watermain Bonds Due 2009	45,358		(8,141)	37,217
5.875% 1995 Griswold Road Improvement Bonds Due 2015	355,000		(20,000)	335,000
5.295% 1996 Westway Garden Improvement Bonds Due 2008	580,000		(135,000)	445,000
0.00% 1997 State Issue II Loan Weller Road Due 2007	61,908		(30,954)	30,954
	<u>61,908</u>		<u>(30,954)</u>	<u>30,954</u>
Total Special Assessment Debt	\$ 1,643,814	\$	\$ (269,960)	\$ 1,373,854

**General Obligation Bonds
And Construction Loans:**

0.00% 1995 State Issue II Loan Griswold Road Due 2006	\$ 24,528	\$	\$ (24,528)	\$
5.247% 1997 Various Purpose Improvement Bonds Due 2022	8,910,000		(8,910,000)	
3.15% - 4.25% 1999 Recreational Facilities Bonds Due 2009	995,000		(185,000)	810,000
3.15% - 4.45% 1999 Fire Station Construction Bonds Due 2012	1,340,000		(145,000)	1,195,000
3.15% - 5.00% 1999 Police and Fire Pension Liability Bonds Due 2023	1,105,000		(40,000)	1,065,000
4.75% 2001 City Hall Construction Bonds Due 2026	7,600,000		(225,000)	7,375,000
0.00% 1999 State Issue II Loan Schaden Road Due 2009	28,926		(7,231)	21,695
0.00% 1999 State Issue II Loan Middle Avenue Due 2009	27,123		(6,781)	20,342
0.00% 2000 State Issue II Loan E. Broad St. / State Rt. 57 Intersection Due 2010	23,879		(4,341)	19,538
0.00% 2001 State Issue II Loan Murray Ridge Rd. / Garford Ave. Due 2012	96,765		(13,823)	82,942

(Continued on subsequent page)

GOVERNMENTAL ACTIVITIES (continued)

General Obligation Bonds And Construction Loans (continued):	Balance January 1, 2005	Additions	(Reductions)	Balance December 31, 2005
0.00% 2002 State Issue II Loan David Drive / Gulf Road Due 2013	91,294		(11,412)	79,882
4.41% 2005 Various Purpose Improvement Bonds Due 2022		9,592,856	(560,000)	9,032,856
4.41% 2005 Industrial Parkway Bonds Due 2024		1,831,910	(95,000)	1,736,910
Total General Obligation Bonds And Construction Loans	\$ 20,242,515	\$ 11,424,766	\$ (10,228,116)	\$ 21,439,165

General Obligation Bond Anticipation Notes

Capital Projects Notes Payable	Balance January 1, 2005	Additions	(Reductions)	Balance December 31, 2005
2.00% 2004 City Hall Construction Notes Due July 2005	\$ 2,200,000	\$	\$ (2,200,000)	\$
4.00% City Hall Construction Noted Due July 2006		1,900,000		1,900,000
2.50% 2004 Chestnut Commons Construction Notes Due October 2005	2,800,000		(2,800,000)	
4.00% Chestnut Commons Construction Notes Due October 2006		2,800,000		2,800,000
2.00% 2004 Industrial Parkway Improvement Notes Due July 2005	1,800,000		(1,800,000)	
Total Capital Projects Notes Payable	\$ 6,800,000	\$ 4,700,000	\$ (6,800,000)	\$ 4,700,000

Other Obligations	Balance January 1, 2005	Additions	(Reductions)	Balance December 31, 2005
Block Grant Fund U.S. Department of Housing and Urban Development 108 Loan	\$ 99,850	\$	\$ (99,850)	\$
Compensated absences - non-current portion	5,307,286	387,548	(221,996)	5,472,838
Total Other Obligations	\$ 5,407,136	\$ 387,548	\$ (321,846)	\$ 5,472,838
TOTAL GOVERNMENTAL ACTIVITIES DEBT AND OTHER LONG-TERM OBLIGATIONS	\$ 34,093,465	\$ 16,512,314	\$ (17,619,922)	\$ 32,985,857

(Continued on subsequent page)

BUSINESS-TYPE ACTIVITIES

General Obligation Bonds And Construction Loans:	Balance January 1, 2005	Additions	(Reductions)	Balance December 31, 2005
8.48% 1986 OWDA Loan				
Wastewater Plant Improvement Due 2014	\$ 10,600,990	\$	\$ (771,613)	\$ 9,829,377
7.11% 1987 OWDA Loan				
Westside Interceptor Sewer Due 2009	4,157,129		(817,858)	3,339,271
6.10% - 11.00% 1990 East Broad Street				
Storm Sewer Bonds Due 2006	160,805		(81,735)	79,070
4.2275% 1999 Water System Improvement				
Bonds Due 2019	1,180,000		(60,000)	1,120,000
7.375% 1994 Murray Ridge Watermain				
Bonds Due 2009	107,289		(19,261)	88,028
4.41% 2005 Waterworks System				
Improvement Bonds Due 2030		6,404,109		6,404,109
Total General Obligation Bonds And Construction Loans	\$ 16,206,213	\$ 6,404,109	\$ (1,750,467)	\$ 20,859,855
	Balance			Balance
General Obligation Bond Anticipation Notes	January 1, 2005	Additions	(Reductions)	December 31, 2005
2.00% 2004 Water Pumping Improvement				
Notes Due July 2005	\$ 800,000	\$	\$ (800,000)	\$
2.00% 2004 Refuse Packer				
Notes Due July 2005	200,000		(200,000)	
4.00% 2005 Refuse Packer Notes				
Due July 2006		170,000		170,000
2.00% 2004 Waterworks System Improvement	5,500,000		(5,500,000)	
Notes Due July 2005				
4.00% Water System Improvement				
Notes Due October 2006		1,400,000		1,400,000
4.00% Sanitary Sewer System Improvement				
Notes Due October 2006		3,600,000		3,600,000
Total General Obligation Bond Anticipation Notes	\$ 6,500,000	\$ 5,170,000	\$ (6,500,000)	\$ 5,170,000
Other Obligations				
Compensated absences - non-current portion	\$ 1,519,782	\$ 125,327	\$ (46,659)	\$ 1,598,450
TOTAL BUSINESS ACTIVITIES DEBT AND OTHER LONG-TERM OBLIGATIONS	\$ 24,225,995	\$ 11,699,436	\$ (8,297,126)	\$ 27,628,305

All notes have been issued in anticipation of long-term financing. Ohio Law permits the issuance and renewal of bond anticipation notes such that the notes may remain outstanding for twenty years consecutively before such notes must be retired either from available funds of the City or from the proceeds of bonds issued to redeem the anticipation notes. If such notes and renewals of such notes remain outstanding for a period in excess of five years, any such period in excess of five years must be deducted from the permitted maximum maturity of bonds anticipated. Furthermore, a certain portion of the principal amount of such notes must be retired

in the amounts and at the times that would have been required for payment of principal maturities on the bonds anticipated as if the bonds had been issued at the expiration of the initial five-year period.

ADVANCE REFUNDING

During 2005, the City advance refunded the 1997 Various Purpose Improvement general obligation bonds with a general obligation refunding. The City issued \$9,592,856 in general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt, which had an outstanding balance of \$8,910,000 at December 31, 2005. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next seventeen (17) years by \$605,823 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$437,387.

FUTURE DEBT SERVICE REQUIREMENTS

A summary of the City's future debt service requirements for its bond and note obligations as of December 31, 2005 follows:

GOVERNMENTAL ACTIVITIES

Due In	Special Assessment Debt		Other Bonds, Notes and Construction Loans	
	Principal	Interest	Principal	Interest
2006	\$ 287,626	\$ 85,820	\$ 5,833,994	\$ 1,084,880
2007	242,988	65,215	1,173,994	860,565
2008	252,988	51,404	1,208,995	821,798
2009	105,237	36,256	1,239,982	780,905
2010	90,000	30,270	1,047,815	737,745
Thereafter	395,015	62,723	15,634,385	5,784,410
TOTALS	\$ 1,373,854	\$ 331,688	\$ 26,139,165	\$ 10,070,303

BUSINESS-TYPE ACTIVITIES

Due In	OWDA Loans		Other Bonds and Notes	
	Principal	Interest	Principal	Interest
2006	\$ 1,713,052	\$ 921,805	\$ 5,487,495	\$ 534,977
2007	1,846,317	801,892	246,176	320,010
2008	1,990,030	672,650	256,176	311,451
2009	1,588,528	533,121	268,928	302,483
2010	1,159,171	422,150	249,164	292,898
Thereafter	4,871,552	805,182	6,353,268	3,201,683
TOTALS	\$ 13,168,650	\$ 4,156,800	\$ 12,861,207	\$ 4,963,502

All bonds and notes are backed by the full faith and credit of the City. While special assessments have been levied to pay the debt service of the special assessment bonds, the bonds are also backed by the full faith and credit of the City. No reserve or sinking fund has been established to cover defaults by property owners. Although the bonds and notes of the enterprise funds are general obligations of the City, the City's policy is to have the debt serviced by the revenues of the respective enterprise funds. The Ohio Water Development Authority construction loans are secured by the revenues of the City's wastewater treatment operations. The loans require, among other things, that the City charge sufficient rates and fees for wastewater treatment services to enable the revenues to service the loan principal and interest payments and provide resources for the payment of the necessary operating and maintenance expenses of the facility. The City was not required to pledge the general resources or general credit of the City to secure the repayment of the loans.

Under the Uniform Bond Act of the Ohio Revised Code, at December 31, 2005, the City had the capacity to issue approximately \$ 17,421,693 of additional, unvoted general obligation debt.

Long-term liability activity excluding activity pertaining to short-term Capital Projects bond anticipation notes payable and the U.S. Department of Housing and Urban Renewal 108 Loan for the year ended December 31, 2005, was as follows:

	Balance January 1, 2005	Additions	Reductions	Balance December 31, 2005	Amount Due in One Year
Governmental Activities:					
Bonds Payable					
General Obligation Bonds	\$ 19,950,000	\$ 11,424,766	\$ (10,160,000)	\$ 21,214,766	\$ 1,090,406
Special Assessment Bonds with Government Commitment	1,581,906		(239,006)	1,342,900	256,670
Total Bonds Payable	<u>21,531,906</u>	<u>11,424,766</u>	<u>(10,399,006)</u>	<u>22,557,666</u>	<u>1,347,076</u>
State Issue II					
Construction Loans	354,423		(99,070)	255,353	74,544
Compensated Absences	<u>5,307,286</u>	<u>387,518</u>	<u>(221,966)</u>	<u>5,472,838</u>	<u>175,729</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 27,193,615</u>	<u>\$ 11,812,284</u>	<u>\$ (10,720,042)</u>	<u>\$ 28,285,857</u>	<u>\$ 1,597,349</u>
Business-Type Activities					
General Obligation Bonds	\$ 1,448,094	\$ 6,404,109	\$ (160,996)	7,691,207	\$ 317,495
OWDA Loans	14,758,119		(1,589,469)	13,168,650	1,713,052
Compensated Absences	<u>1,519,782</u>	<u>125,327</u>	<u>(46,659)</u>	<u>1,598,450</u>	<u>267,416</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 17,725,995</u>	<u>\$ 6,529,436</u>	<u>\$ (1,797,124)</u>	<u>\$ 22,458,307</u>	<u>\$ 2,297,963</u>

NOTE 14 – COMMITMENTS

The City has entered into a contract for the construction of two new fire trucks. The total cost to build these trucks is \$775,000. The City will initially fund the purchase of these trucks with short-term bond anticipation notes that will be issued in 2006. The City will retire these notes with General Fund and/or General Bond Retirement Fund revenues.

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

The City has also entered into a contract for the design of a new Municipal Court Complex. The estimated cost of the design work is \$437,500 and is being funded with court costs deposited in the Municipal Court Construction / Improvement Fund. The design of this building will be completed in early 2006 with construction scheduled to begin in the summer of 2006.

The City has also entered into a contract for the design work for the rehabilitation of State Route 57 from Chestnut Ridge Road to Lorain Boulevard. The estimated cost of this contract is \$710,000. Initially, this contract will be funded by a loan from the General Fund to the State Route 57 Rehabilitation Fund. In 2006, the City will issue short-term bond anticipation notes for this project and repay the General Fund.

The City has also entered into a contract for improvements to the filter backwash system at the Water Pumping Plant. The total estimated cost of this project is \$382,862 and is being funded with short-term bond anticipation notes that are expected to ultimately be replaced with general obligation bonds.

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

NOTE 15 – REHABILITATION LOANS

In the Block Grant and Comprehensive Housing Improvement Program Grant Special Revenue Funds, rehabilitation loans represent non-interest bearing loans made under the City's federal community development block grant to qualifying citizens for the rehabilitation of residential property within the City. In the Wastewater Pollution Control Enterprise Fund, rehabilitation loans represent non-interest bearing loans made under the City's sewer lateral program for the rehabilitation of sanitary sewer laterals within the City. The loans are secured by mortgages against the individual residences and are not due until the earlier of the following:

- 1.) The sale of the home.
- 2.) The death of the owner of the home.

NOTE 16 – NEW ACCOUNTING STANDARDS

During March 2003, the GASB issued Statement No. 40, *Deposits and Investment Risk Disclosures (an amendment of GASB Statement No. 3)*. This Statement addresses disclosures

related to common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this Statement also should be disclosed. The provisions of this Statement are effective for the City in 2005. See Note 6 beginning on Page 55.

During November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement establishes accounting and financial reporting standards for impairment of capital assets. Under provisions of this Statement, a capital asset is considered impaired when its service has declined significantly and unexpectedly. This Statement also clarifies and establishes accounting requirements for insurance recoveries. The provisions of this Statement were implemented by the City in 2005. This statement has no impact on the City.

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

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

NOTE 17 – SUBSEQUENT EVENT

On April 13, 2006, the City of Elyria received \$456,500 in full settlement of a lawsuit filed by the City on September 13, 2003 against York International Corporation. The lawsuit was filed in response to York International closing its Elyria facility during a 10-year tax abatement agreement between the City and York International Corporation. The settlement monies were deposited into the City’s General Fund.

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than amounts relating to expendable trust or restricted for major capital projects or debt service) that are restricted to expenditure for specified purposes.

* * * * *

Street Construction, Maintenance and Repair

Required by State law to account for the portion of gasoline taxes and motor vehicle license fees that is designated for maintenance of streets within the City.

State Highway

Required by State law to account for the portion of gasoline taxes and motor vehicle license fees that is designated for maintenance of State highways within the City.

Fire Pension

To accumulate property taxes levied for the payment of amounts due for fire fighters to the state administered disability and pension fund.

Police Pension

To accumulate property taxes levied for the payment of amounts due for police to the state administered disability and pension fund.

Health Grant

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

Municipal Motor Vehicle Tax

Required by State law to account for local license fees designated for the maintenance of streets within the City.

Block Grant

To account for monies received from the Federal government designated for community development within the City.

Comprehensive Housing Improvement Program ("C.H.I.P.") Grant

To account for monies received from the Federal government designated for home rehabilitation within the City.

USEPA Brownfield Grant

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

Muni Court Technology

To account for revenue received from fees on court cases that are restricted for the computerization of the Clerk of Municipal Courts office.

SPECIAL REVENUE FUNDS (cont.)

Muni Court Security

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

Muni Court Construction and Improvement

To account for revenue received from fees on court cases that are restricted for Court construction and / or improvement.

Special Parking Fines

Permitted by State law to account for the collection of fines imposed for disabled parking violations that are restricted for use in support of persons with disabilities.

Legal Research and Court Computerization

To account for revenue received from fees on court cases that are restricted for legal research for, and computerization of, the offices of the Municipal Judges and Municipal Court.

Muni Court Special Collections

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

Food Service Operations

Required by State law to account for the portion of license fees that is designated for inspection of food establishments within the City.

Dental Health Grant

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

Special Traffic Magistrate

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

Swimming Pool Inspection

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

Law Enforcement

Required by State law to account for the collection of proceeds from the sale of contraband.

Mandatory Drug Fine

Required by State law to account for the collection of fines imposed on certain drug offenses and disbursed to local governmental units.

Indigent Drivers Alcohol Treatment

Required by State law to account for the collection of fines imposed on certain alcohol offenses and disbursed to rehabilitation centers.

SPECIAL REVENUE FUNDS (cont.)

Alcohol Enforcement and Education

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

Police Levy

To account for revenue received as a result of a .25% permanent income tax approved by the citizens of the City of Elyria that is restricted for law enforcement purposes.

Wagner Trust

To accumulate donations to provide for park and recreation expenditures.

Findley Trust

To accumulate donations to provide for park and recreation expenditures.

Cemetery Maintenance and Improvement

To accumulate monies from cemetery lot sales to provide for the repair, maintenance and improvement of City cemeteries.

DEBT SERVICE FUNDS

Debt Service Funds are established to account for the accumulation of resources for, and the repayment of, general long-term debt principal and interest.

* * * * *

General Bond Retirement

To account for the accumulation of resources for, and the repayment of, general long-term debt principal and interest.

Special Assessment Bond Retirement

To account for the accumulation of resources for, and the repayment of, special assessment long-term debt principal and interest.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for financial resources to be used for the acquisition or construction of capital facilities or equipment (other than those financed by proprietary funds and trust funds).

* * * * *

Bridge Projects

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

CAPITAL PROJECTS FUNDS (Cont.)

Parks Improvement

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

Two Falls Trail Improvement

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

Clean Ohio Grant (Tappan)

To account for monies received from the Federal and State government for use in the cleanup of the Tappan manufacturing building site.

Cascade / Elywood

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

State Issue II Capital Projects

To account for monies restricted for various improvement projects approved by the Ohio Public Works Commission of the State of Ohio.

State Route 57 Rehabilitation

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

South Recreation Construction

To account for monies restricted for the construction of a new South Recreation Center.

Municipal Building Construction

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

Industrial Parkway

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

PERMANENT FUND

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

* * * * *

Cemetery Trust

To accumulate monies from cemetery lot sales. The original amounts received must be preserved intact. Interest earnings are transferred to the Cemetery Maintenance and Improvement Fund.

City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2005

	Special Revenue						
	Street Construction Maintenance and Repair	State Highway	Fire Pension	Police Pension	Health Grant	Municipal Motor Vehicle Tax	Block Grant
ASSETS							
Equity in pooled cash and cash equivalents	\$ 156,676	\$ 138,872	\$ 1,080	\$ 1,068	\$ 6,381	\$ 319,925	\$
Cash with fiscal agents			85,300	74,600			
Accounts receivable							1,769,275
Rehabilitation loans receivable	473	34	24	21		183	
Accrued interest receivable							
Due from other governments	919,829	74,582	21,846	21,846	260,440	126,636	14,886
Income tax receivable							
Property tax receivable			227,763	227,763			
Special assessments receivable							
Total assets	<u>\$ 1,076,978</u>	<u>\$ 213,488</u>	<u>\$ 336,013</u>	<u>\$ 325,298</u>	<u>\$ 266,821</u>	<u>\$ 446,744</u>	<u>\$ 1,784,161</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 22,041	\$	\$	\$	\$ 68,182	\$	\$ 9,638
Contracts payable		78,175			27,642		12,950
Accrued wages and benefits	31,701				13,041		12,317
Compensated absences payable	10,229				2,784		3,658
Matured interest payable							
Due to other funds							14,891
Deferred revenue	700,225	56,776	248,352	248,352	143,526		
General obligation notes payable							
Total liabilities	<u>764,196</u>	<u>134,951</u>	<u>248,352</u>	<u>248,352</u>	<u>255,175</u>		<u>53,454</u>
FUND BALANCES							
Reserved for encumbrances	95,968	38,473			1,581	180,661	76,703
Reserved for rehab loans							1,769,275
Reserved for endowment							
Reserved for debt service							
Unreserved, undesignated	216,814	40,064	87,661	76,946	10,065	266,083	(115,271)
Total fund balances	<u>312,782</u>	<u>78,537</u>	<u>87,661</u>	<u>76,946</u>	<u>11,646</u>	<u>446,744</u>	<u>1,730,707</u>
Total liabilities and fund balances	<u>\$ 1,076,978</u>	<u>\$ 213,488</u>	<u>\$ 336,013</u>	<u>\$ 325,298</u>	<u>\$ 266,821</u>	<u>\$ 446,744</u>	<u>\$ 1,784,161</u>

(Continued on subsequent page)

City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2005

	Special Revenue						Legal Research and Court Computerization
	CHIP Grant	USEPA Brownfield Grant	Muni Court Technology	Muni Court Security	Muni Court Construction and Improvement	Special Parking Fines	
ASSETS							
Equity in pooled cash and cash equivalents	\$ 15,700	\$	\$ 77,473	\$ 50,402	\$ 119,610	\$ 12,659	\$ 167,309
Cash with fiscal agents			14,400	63,300	417,638	20,400	
Investments			13,082	5,207	20,031	948	3,910
Accounts receivable	2,082,993		1,622	202	4,601	68	
Rehabilitation loans receivable							
Accrued interest receivable							
Due from other governments							
Income tax receivable							
Property tax receivable							
Special assessments receivable							
Total assets	<u>\$ 2,098,693</u>	<u>\$</u>	<u>\$ 106,577</u>	<u>\$ 119,111</u>	<u>\$ 561,880</u>	<u>\$ 34,075</u>	<u>\$ 171,219</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$	\$ 2,636	\$ 315	\$ 679	\$	\$
Contracts payable	21,155				50,739		
Accrued wages and benefits	850			1,720			
Compensated absences payable	867			1,854			
Matured interest payable							
Due to other funds		862					
Deferred revenue							
General obligation notes payable							
Total liabilities	<u>22,872</u>	<u>862</u>	<u>2,636</u>	<u>3,889</u>	<u>51,418</u>		
FUND BALANCES							
Reserved for encumbrances	21,155		19,064	1,775	179,957	390	1,864
Reserved for rehab loans	2,082,993						
Reserved for endowment							
Reserved for debt service							
Unreserved, undesignated	(28,327)	(862)	84,877	113,447	330,505	33,685	169,355
Total fund balances	<u>2,075,821</u>	<u>(862)</u>	<u>103,941</u>	<u>115,222</u>	<u>510,462</u>	<u>34,075</u>	<u>171,219</u>
Total liabilities and fund balances	<u>\$ 2,098,693</u>	<u>\$</u>	<u>\$ 106,577</u>	<u>\$ 119,111</u>	<u>\$ 561,880</u>	<u>\$ 34,075</u>	<u>\$ 171,219</u>

(Continued on subsequent page)

City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2005

	Special Revenue						
	Muni Court Special Collections	Food Service Operations	Dental Health Grant	Special Traffic Magistrate	Swimming Pool Inspection	Law Enforcement	Mandatory Drug Fine
ASSETS							
Equity in pooled cash and cash equivalents	\$ 114,491	\$ 660	\$ 41,702	\$ 3,821	\$ 1,473	\$ 43,755	\$ 21,307
Cash with fiscal agents						41,300	12,900
Investments	6,020			2,407			62
Accounts receivable							
Rehabilitation loans receivable							
Accrued interest receivable			19,587			34	15
Due from other governments							213
Income tax receivable							
Property tax receivable							
Special assessments receivable							
Total assets	<u>\$ 120,511</u>	<u>\$ 660</u>	<u>\$ 61,289</u>	<u>\$ 6,228</u>	<u>\$ 1,473</u>	<u>\$ 85,089</u>	<u>\$ 34,497</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable		\$	\$ 1,916	\$	\$	\$ 800	\$ 700
Contracts payable							
Accrued wages and benefits		1,923	456	638	95		
Compensated absences payable		453	128		4		
Matured interest payable							
Due to other funds							
Deferred revenue			7,500				
General obligation notes payable							
Total liabilities		<u>2,376</u>	<u>10,000</u>	<u>638</u>	<u>99</u>	<u>800</u>	<u>700</u>
FUND BALANCES							
Reserved for encumbrances			2,098			14,939	8,855
Reserved for rehab loans							
Reserved for endowment							
Reserved for debt service							
Unreserved, undesignated	120,511	(1,716)	49,191	5,590	1,374	69,350	24,942
Total fund balances	<u>120,511</u>	<u>(1,716)</u>	<u>51,289</u>	<u>5,590</u>	<u>1,374</u>	<u>84,289</u>	<u>33,797</u>
Total liabilities and fund balances	<u>\$ 120,511</u>	<u>\$ 660</u>	<u>\$ 61,289</u>	<u>\$ 6,228</u>	<u>\$ 1,473</u>	<u>\$ 85,089</u>	<u>\$ 34,497</u>

(Continued on subsequent page)

City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2005

	Special Revenue						
	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Police Levy	Wagner Trust	Findley Trust	Cemetery Maintenance and Improvement	Total Special Revenue Funds
ASSETS							
Equity in pooled cash and cash equivalents	\$ 140,065	\$ 30	\$ 511,161	\$ 77	\$ 33,578	\$ 35,175	\$ 2,014,450
Cash with fiscal agents							
Investments	336,200	19,000		8,000	120,100	9,900	1,223,038
Accounts receivable	1,136	199					53,002
Rehabilitation loans receivable							3,852,268
Accrued interest receivable	1,433	23	2,143		634	78	11,588
Due from other governments							1,459,865
Income tax receivable			897,801				897,801
Property tax receivable							455,526
Special assessments receivable							
Total assets	<u>\$ 478,834</u>	<u>\$ 19,252</u>	<u>\$ 1,411,105</u>	<u>\$ 8,077</u>	<u>\$ 154,312</u>	<u>\$ 45,153</u>	<u>\$ 9,967,538</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 6,946		\$ 15,163		\$ 1,458	\$ 1,446	\$ 131,920
Contracts payable			6,836				197,497
Accrued wages and benefits			170,546		163	733	234,183
Compensated absences payable			27,743			145	47,865
Matured interest payable							
Due to other funds							15,753
Deferred revenue							1,804,146
General obligation notes payable							
Total liabilities	<u>6,946</u>		<u>619,703</u>		<u>1,621</u>	<u>2,324</u>	<u>2,431,364</u>
FUND BALANCES							
Reserved for encumbrances		630			2,330	2,852	793,621
Reserved for rehab loans							3,852,268
Reserved for endowment							
Reserved for debt service							
Unreserved, undesignated	471,888	18,622	647,076	8,077	150,361	39,977	2,890,285
Total fund balances	<u>471,888</u>	<u>19,252</u>	<u>791,402</u>	<u>8,077</u>	<u>152,691</u>	<u>42,829</u>	<u>7,536,174</u>
Total liabilities and fund balances	<u>\$ 478,834</u>	<u>\$ 19,252</u>	<u>\$ 1,411,105</u>	<u>\$ 8,077</u>	<u>\$ 154,312</u>	<u>\$ 45,153</u>	<u>\$ 9,967,538</u>

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City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2005

	Debt Service		Capital Projects			
	General Bond Retirement	Special Assessment Bond Retirement	Total Debt Service	Bridge Projects	Parks Improvement	Cascade / Elywood
ASSETS						
Equity in pooled cash and cash equivalents	\$ 24,390	\$ 620	\$ 25,010	\$ 54	\$ 60,008	\$ 37,028
Cash with fiscal agents		1,344	1,344			
Investments	1,546,600		1,546,600	1,100	20,000	
Accounts receivable						
Rehabilitation loans receivable						
Accrued interest receivable	10,736		10,736		163	9
Due from other governments	138,316		138,316			
Income tax receivable						
Property tax receivable	1,441,889		1,441,889			
Special assessments receivable		1,594,667	1,594,667			
Total assets	<u>\$ 3,161,931</u>	<u>\$ 1,596,631</u>	<u>\$ 4,758,562</u>	<u>\$ 1,154</u>	<u>\$ 80,171</u>	<u>\$ 37,037</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$	\$	\$	\$	\$ 12,713
Contracts payable						
Accrued wages and benefits						
Compensated absences payable		1,344	1,344			
Matured interest payable						
Due to other funds						
Deferred revenue	1,572,247	1,594,667	3,166,914			
General obligation notes payable						
Total liabilities	<u>1,572,247</u>	<u>1,596,011</u>	<u>3,168,258</u>			<u>12,713</u>
FUND BALANCES						
Reserved for encumbrances						18,236
Reserved for rehab loans		620	1,590,304			
Reserved for endowment						
Reserved for debt service						
Unreserved, undesignated	1,589,684					
Total fund balances	<u>1,589,684</u>	<u>620</u>	<u>1,590,304</u>	<u>1,154</u>	<u>80,171</u>	<u>6,088</u>
Total liabilities and fund balances	<u>\$ 3,161,931</u>	<u>\$ 1,596,631</u>	<u>\$ 4,758,562</u>	<u>\$ 1,154</u>	<u>\$ 80,171</u>	<u>\$ 37,037</u>

(Continued on subsequent page)

City of Elyria, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2005

	Capital Projects					Permanent Fund	Total Nonmajor Governmental Funds
	State Issue II Capital Projects	State Route 57 Rehabilitation	Muni Building Construction	Industrial Parkway	Total Capital Projects Funds		
ASSETS							
Equity in pooled cash and cash equivalents	\$ 623	\$	\$ 75	\$ 200,097	\$ 297,885	\$ 89	\$ 2,337,434
Cash with fiscal agents							1,344
Investments	2,600		26,400	348,700	398,800	420,005	3,588,443
Accounts receivable							53,002
Rehabilitation loans receivable							3,852,268
Accrued interest receivable			7	747	926	2,096	25,346
Due from other governments	1,890				1,890		1,600,071
Income tax receivable							897,801
Property tax receivable							1,897,415
Special assessments receivable							1,594,667
Total assets	\$ 5,113	\$	\$ 26,482	\$ 549,544	\$ 699,501	\$ 422,190	\$ 15,847,791

LIABILITIES AND FUND BALANCES

Liabilities:							
Accounts payable	\$	\$	\$	\$	\$	\$	\$
Contracts payable		139,301			152,014		349,511
Accrued wages and benefits	48				48		234,231
Compensated absences payable							47,865
Matured interest payable							1,344
Due to other funds	373	167,457			167,830		183,583
Deferred revenue							4,971,060
General obligation notes payable			1,900,000		1,900,000		1,900,000
Total liabilities	421	306,758	1,900,000		2,219,892		7,819,514
FUND BALANCES							
Reserved for encumbrances	13,035	542,293	16,173	234,016	823,753		1,617,374
Reserved for rehab loans						422,190	3,852,268
Reserved for endowment							422,190
Reserved for debt service							1,590,304
Unreserved, undesignated	(8,343)	(849,051)	(1,889,691)	315,528	(2,344,144)		546,141
Total fund balances	4,692	(306,758)	(1,873,518)	549,544	(1,520,391)	422,190	8,028,277
Total liabilities and fund balances	\$ 5,113	\$	\$ 26,482	\$ 549,544	\$ 699,501	\$ 422,190	\$ 15,847,791

City of Elyria, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	Special Revenue						
	Street	State	Fire	Police	Health	Municipal	CHIP
	Construction	Highway	Pension	Pension	Grant	Motor	Grant
	Maintenance					Tax	
	and Repair						Grant
REVENUES							
Taxes:							
Property			\$ 266,277	\$ 266,277	\$		\$
Income							
Intergovernmental revenues		140,076	29,126	29,126	510,687	901,597	935,263
Charges for service	1,727,601				255,906		
Licenses and permits		892	8,062	8,013		16,547	
Interest earnings	4,686						
Special assessments							
Fines and forfeitures							
Contributions							
Miscellaneous revenues	135						
Total revenues	<u>1,732,422</u>	<u>140,968</u>	<u>303,465</u>	<u>303,416</u>	<u>766,593</u>	<u>918,144</u>	<u>170</u>
							<u>197</u>
							<u>197</u>
EXPENDITURES							
Current:							
Public safety	424,296		254,607	279,610	874,921		
Health							
Culture and recreation							
Community environment						9,998	72,137
Highways and streets	1,331,761	289,401					
General government							
Capital outlay	123,618					805,069	28,500
Debt service:							
Principal retirement			26,400	13,600			
Interest and fiscal charges			30,675	20,450		7,290	
Total expenditures	<u>1,879,675</u>	<u>289,401</u>	<u>311,682</u>	<u>313,660</u>	<u>874,921</u>	<u>815,067</u>	<u>100,637</u>
Excess (deficiency) of revenues							
over (under) expenditures	<u>(147,253)</u>	<u>(148,433)</u>	<u>(8,217)</u>	<u>(10,244)</u>	<u>(108,328)</u>	<u>103,077</u>	<u>(100,440)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	22,050						
Transfers out		200,000					
Proceeds from sale of notes / bonds							
Refunding bonds issued (net of issuance costs)							
Payment to refunded bond escrow agent							
Premiums from sale of notes / bonds							
Gain on sale of capital assets							
Total other financing sources (uses)	<u>22,050</u>	<u>200,000</u>	<u>(8,217)</u>	<u>(10,244)</u>	<u>(108,328)</u>	<u>103,077</u>	<u>(100,440)</u>
Net change in fund balances	<u>(125,203)</u>	<u>51,567</u>	<u>95,878</u>	<u>87,190</u>	<u>119,974</u>	<u>343,667</u>	<u>2,176,261</u>
Fund balances - beginning	<u>437,985</u>	<u>26,970</u>	<u>\$ 87,661</u>	<u>\$ 76,946</u>	<u>\$ 11,646</u>	<u>\$ 446,744</u>	<u>\$ 2,075,821</u>
Fund balances - ending	<u>\$ 312,782</u>	<u>\$ 78,537</u>	<u>\$ 87,661</u>	<u>\$ 76,946</u>	<u>\$ 11,646</u>	<u>\$ 446,744</u>	<u>\$ 2,075,821</u>

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City of Elyria, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2005

	Special Revenue								
	Special Traffic Magistrate	Swimming Pool Inspection	Law Enforcement	Mandatory Drug Fine	Indigent Drivers Alcohol Treatment	Alcohol Enforcement and Education	Police Levy	Wagner Trust	Findley Trust
REVENUES									
Taxes:									
Property Income							\$ 3,178,110		
Intergovernmental revenues							10,784		
Charges for service		3,740							
Licenses and permits		55	1,199	1,166	15,248	603	22,737	252	4,894
Interest earnings									
Special assessments	12,638			6,493	44,635	1,360		2,892	42,195
Fines and forfeitures									620
Contributions									
Miscellaneous revenues			86,759						
Total revenues	<u>12,638</u>	<u>3,795</u>	<u>87,958</u>	<u>7,659</u>	<u>59,883</u>	<u>1,963</u>	<u>3,211,631</u>	<u>3,144</u>	<u>47,709</u>
EXPENDITURES									
Current:									
Public safety			11,293	9,115			3,042,221		
Health		3,546							29,957
Culture and recreation									
Community environment									
Highways and streets									
General government	7,048				19,477		202,704		
Capital outlay									
Debt service:									
Principal retirement									
Interest and fiscal charges									
Total expenditures	<u>7,048</u>	<u>3,546</u>	<u>11,293</u>	<u>9,115</u>	<u>19,477</u>		<u>3,244,925</u>		<u>29,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,590</u>	<u>249</u>	<u>76,665</u>	<u>(1,456)</u>	<u>40,406</u>	<u>1,963</u>	<u>(33,294)</u>	<u>3,144</u>	<u>17,752</u>
OTHER FINANCING SOURCES (USES)									
Transfers in									
Transfers out									
Proceeds from sale of notes / bonds									
Refunding bonds issued (net of issuance costs)									
Payment to refunded bond escrow agent									
Premiums from sale of notes / bonds									
Gain on sale of capital assets			6,197						
Total other financing sources (uses)			<u>6,197</u>						
Net change in fund balances	<u>5,590</u>	<u>249</u>	<u>82,862</u>	<u>(1,456)</u>	<u>40,406</u>	<u>1,963</u>	<u>(33,294)</u>	<u>3,144</u>	<u>17,752</u>
Fund balances - beginning		<u>1,125</u>	<u>1,427</u>	<u>35,253</u>	<u>431,482</u>	<u>17,289</u>	<u>824,696</u>	<u>4,933</u>	<u>134,939</u>
Fund balances - ending	<u>\$ 5,590</u>	<u>\$ 1,374</u>	<u>\$ 84,289</u>	<u>\$ 33,797</u>	<u>\$ 471,888</u>	<u>\$ 19,252</u>	<u>\$ 791,402</u>	<u>\$ 8,077</u>	<u>\$ 152,691</u>

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City of Elyria, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2005

	Special Revenue		Debt Service			Capital Projects			
	Cemetery Maintenance and Improvement	Total Special Revenue	General Bond Retirement	Special Assessment Bond/Retirement	Total Debt Service	Bridge Projects	Parks Improvement	Two Falls Trail Improvement	Cascade / Elywood
REVENUES									
Taxes:									
Property Income	\$	\$ 532,554	\$ 1,684,452	\$	\$ 1,684,452	\$	\$	\$	\$
Intergovernmental revenues		3,178,110	184,466		184,466			58,409	
Charges for service	78,177	4,331,805							
Licenses and permits		334,916							
Interest earnings	2,234	66,871	78,003	5,454	83,457	35	2,467		2,282
Special assessments		112,856		386,422	386,422				
Fines and forfeitures		658,858							
Contributions		45,087							
Miscellaneous revenues		87,881							76,500
Total revenues	80,411	9,348,938	1,946,921	391,876	2,338,797	35	2,467	58,409	78,782
EXPENDITURES									
Current:									
Public safety		4,021,142							
Health	76,855	1,076,511							
Culture and recreation		29,957							
Community environment		772,412							
Highways and streets		1,631,160							
General government		310,532	33,463	16,018	49,481			58,409	118,748
Capital outlay	38,014	1,686,655							
Debt service:									
Principal retirement		40,000	1,278,116	269,960	1,548,076				
Interest and fiscal charges		58,415	766,816	105,278	872,094				
Total expenditures	114,869	9,626,784	2,078,395	391,256	2,469,651			58,409	118,748
Excess (deficiency) of revenues over (under) expenditures	(34,458)	(277,846)	(131,474)	620	(130,854)	35	2,467		(39,966)
OTHER FINANCING SOURCES (USES)									
Transfers in	11,408	252,458							
Transfers out			(300,000)		(300,000)				
Proceeds from sale of notes / bonds									
Refunding bonds issued (net of issuance costs)			9,447,330		9,447,330				
Payment to refunded bond escrow agent			(9,447,330)		(9,447,330)				
Premiums from sale of notes / bonds			78,796		78,796				
Gain on sale of capital assets		6,197							
Total other financing sources (uses)	11,408	258,655	(221,204)		(221,204)				
Net change in fund balances	(23,050)	(19,191)	(352,678)	620	(352,058)	35	2,467		(39,966)
Fund balances - beginning	65,879	7,553,365	1,942,362		1,942,362	1,119	77,704		64,290
Fund balances - ending	\$ 42,829	\$ 7,536,174	\$ 1,589,684	\$ 620	\$ 1,590,304	\$ 1,154	\$ 80,171	\$	\$ 24,324

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City of Elyria, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2005

	Capital Projects					Permanent Fund	Total Nonmajor Governmental Funds
	State Issue II Capital Projects	State Rt. 57 Rehabilitation	South Recreation Construction	Municipal Building Construction	Industrial Parkway		
REVENUES							
Taxes:							
Property Income							\$ 2,217,006
Intergovernmental revenues	936,401				1,290,008		3,178,110
Charges for service						13,713	6,801,089
Licenses and permits							348,629
Interest earnings	923		2,386		33,508	2,404	66,871
Special assessments							240,318
Fines and forfeitures							386,422
Contributions							658,858
Miscellaneous revenues							121,587
Total revenues	937,324			2,386	1,323,516	16,117	87,881
							14,106,771
EXPENDITURES							
Current:							
Public safety							4,021,142
Health							1,076,511
Culture and recreation							29,957
Community environment							772,412
Highways and streets							1,631,160
General government							360,013
Capital outlay	961,565	306,758	200	91,533	1,614,367		4,838,235
Debt service:							1,588,076
Principal retirement							930,509
Interest and fiscal charges							15,248,015
Total expenditures	961,565	306,758	200	91,533	1,614,367		
Excess (deficiency) of revenues over (under) expenditures	(24,241)	(306,758)	(200)	(89,147)	(290,851)	16,117	(1,141,244)
OTHER FINANCING SOURCES (USES)							
Transfers in				300,000			552,458
Proceeds from sale of notes / bonds						(11,408)	(311,408)
Refunding bonds issued (net of issuance costs)							1,795,000
Payment to refunded bond escrow agent					1,795,000		9,447,330
Premiums from sale of notes / bonds							(9,447,330)
Gain on sale of capital assets							78,796
Total other financing sources (uses)				300,000	1,795,000		6,197
Net change in fund balances	(24,241)	(306,758)	(200)	300,000	1,795,000	(11,408)	2,121,043
Fund balances - beginning	28,933		200	210,853	1,504,149	4,709	979,799
Fund balances - ending	\$ 4,692	\$ (306,758)	\$	\$ (2,084,371)	\$ (954,605)	417,481	7,048,478
Fund balances - ending							\$ 8,028,277

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CHESTNUT COMMONS / RIDGE IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>CHESTNUT COMMONS / RIDGE IMPROVEMENT FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Interest earnings	\$ 15,000	\$ 61,867	\$ 24,264	\$ (37,603)
TOTAL REVENUES	<u>15,000</u>	<u>61,867</u>	<u>24,264</u>	<u>(37,603)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Chestnut Commons / Ridge Impr.				
Operating and maintenance	66,251	66,251	35,036	31,215
Debt service - principal retirement	2,800,000	2,800,000	2,800,000	
Interest	70,000	70,000	70,000	
Capital outlay	828,697	828,697	411,534	417,163
Total Chestnut Commons / Ridge Impr.	<u>3,764,948</u>	<u>3,764,948</u>	<u>3,316,570</u>	<u>448,378</u>
TOTAL COMMUNITY ENVIRONMENT	<u>3,764,948</u>	<u>3,764,948</u>	<u>3,316,570</u>	<u>448,378</u>
TOTAL EXPENDITURES	<u>3,764,948</u>	<u>3,764,948</u>	<u>3,316,570</u>	<u>448,378</u>
Excess (deficiency) of revenues over expenditures	(3,749,948)	(3,703,081)	(3,292,306)	410,775
OTHER FINANCING SOURCES				
Proceed of notes	2,870,000	2,800,000	2,800,000	
TOTAL OTHER FINANCING SOURCES	<u>2,870,000</u>	<u>2,800,000</u>	<u>2,800,000</u>	
Net change in fund balance	(879,948)	(903,081)	(492,306)	410,775
Adjustment for prior year encumbrances	644,948	644,948	644,948	
FUND BALANCE AT BEGINNING OF YEAR	<u>258,133</u>	<u>258,133</u>	<u>258,133</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 23,133</u>	<u>\$</u>	<u>\$ 410,775</u>	<u>\$ 410,775</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 1,825,000	\$ 1,835,000	\$ 1,807,913	\$ (27,087)
Charges for service			135	135
Interest earnings	2,000	2,000	4,314	2,314
Miscellaneous revenues	10,000	10,000	5,443	(4,557)
TOTAL REVENUES	<u>1,837,000</u>	<u>1,847,000</u>	<u>1,817,805</u>	<u>(29,195)</u>
EXPENDITURES				
PUBLIC SAFETY				
Traffic Lights				
Personal services	273,690	258,690	256,986	1,704
Fringe benefits	90,550	85,950	84,454	1,496
Operation and maintenance	102,680	101,680	74,192	27,488
Capital outlay	99,700	92,300	84,303	7,997
Total Traffic Lights	<u>566,620</u>	<u>538,620</u>	<u>499,935</u>	<u>38,685</u>
TOTAL PUBLIC SAFETY	<u>566,620</u>	<u>538,620</u>	<u>499,935</u>	<u>38,685</u>
HIGHWAYS AND STREETS				
Street				
Personal services	784,922	809,922	783,324	26,598
Fringe benefits	218,460	221,460	217,616	3,844
Operation and maintenance	352,900	352,900	352,682	218
Capital outlay	101,568	123,618	123,618	
Total Street	<u>1,457,850</u>	<u>1,507,900</u>	<u>1,477,240</u>	<u>30,660</u>
TOTAL HIGHWAYS AND STREETS	<u>1,457,850</u>	<u>1,507,900</u>	<u>1,477,240</u>	<u>30,660</u>
TOTAL EXPENDITURES	<u>2,024,470</u>	<u>2,046,520</u>	<u>1,977,175</u>	<u>69,345</u>
Excess (deficiency) of revenues over expenditures	(187,470)	(199,520)	(159,370)	40,150
OTHER FINANCING SOURCES				
Transfers in			22,050	22,050
TOTAL OTHER FINANCING SOURCES			<u>22,050</u>	<u>22,050</u>
Net change in fund balance	(187,470)	(199,520)	(137,320)	62,200
Adjustment for prior year encumbrances	138,952	138,952	138,952	
FUND BALANCE AT BEGINNING OF YEAR	<u>61,082</u>	<u>61,082</u>	<u>61,082</u>	
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 12,564</u>	<u>\$ 514</u>	<u>\$ 62,714</u>	<u>\$ 62,200</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
STATE HIGHWAY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	STATE HIGHWAY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 147,000	\$ 147,000	\$ 146,588	\$ (412)
Interest earnings	200	200	865	665
TOTAL REVENUES	<u>147,200</u>	<u>147,200</u>	<u>147,453</u>	<u>253</u>
EXPENDITURES				
HIGHWAYS AND STREETS				
State Highway				
Operation and maintenance	299,615	299,615	299,469	146
Total State Highway	<u>299,615</u>	<u>299,615</u>	<u>299,469</u>	<u>146</u>
TOTAL HIGHWAYS AND STREETS	<u>299,615</u>	<u>299,615</u>	<u>299,469</u>	<u>146</u>
TOTAL EXPENDITURES	<u>299,615</u>	<u>299,615</u>	<u>299,469</u>	<u>146</u>
Excess (deficiency) of revenues over expenditures	(152,415)	(152,415)	(152,016)	399
OTHER FINANCING SOURCES				
Transfers in	100,000	200,000	200,000	
TOTAL OTHER FINANCING SOURCES	<u>100,000</u>	<u>200,000</u>	<u>200,000</u>	
Net change in fund balance	(52,415)	47,585	47,984	399
Adjustments for prior year encumbrances	34,870	34,870	34,870	
FUND BALANCE AT BEGINNING OF YEAR	<u>17,545</u>	<u>17,545</u>	<u>17,545</u>	
FUND BALANCE AT END OF YEAR	<u>\$</u>	<u>\$ 100,000</u>	<u>\$ 100,399</u>	<u>\$ 399</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
FIRE PENSION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	FIRE PENSION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 279,900	\$ 273,600	\$ 266,233	\$ (7,367)
Intergovernmental revenues	26,000	26,000	29,126	3,126
Interest earnings	1,000	1,000	8,876	7,876
TOTAL REVENUES	<u>306,900</u>	<u>300,600</u>	<u>304,235</u>	<u>3,635</u>
EXPENDITURES				
PUBLIC SAFETY				
Fire Pension				
Fringe benefits	250,000	250,000	250,000	
Operation and maintenance	4,800	4,800	4,607	193
Debt service - principal retirement	26,400	26,400	26,400	
Interest	30,675	30,675	30,675	
Total Fire Pension	<u>311,875</u>	<u>311,875</u>	<u>311,682</u>	<u>193</u>
TOTAL PUBLIC SAFETY	<u>311,875</u>	<u>311,875</u>	<u>311,682</u>	<u>193</u>
TOTAL EXPENDITURES	<u>311,875</u>	<u>311,875</u>	<u>311,682</u>	<u>193</u>
Net change in fund balance	(4,975)	(11,275)	(7,447)	3,828
FUND BALANCE AT BEGINNING OF YEAR	<u>93,831</u>	<u>93,831</u>	<u>93,831</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 88,856</u>	<u>\$ 82,556</u>	<u>\$ 86,384</u>	<u>\$ 3,828</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
POLICE PENSION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	POLICE PENSION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 279,900	\$ 273,500	\$ 266,233	\$ (7,267)
Intergovernmental revenues	26,000	26,000	29,126	3,126
Interest earnings	1,000	1,000	8,789	7,789
TOTAL REVENUES	<u>306,900</u>	<u>300,500</u>	<u>304,148</u>	<u>3,648</u>
EXPENDITURES				
PUBLIC SAFETY				
Police Pension				
Fringe benefits	275,000	275,000	275,000	
Operation and maintenance	4,800	4,800	4,609	191
Debt service - principal retirement	13,600	13,600	13,600	
Interest	20,450	20,450	20,450	
Total Police Pension	<u>313,850</u>	<u>313,850</u>	<u>313,659</u>	<u>191</u>
TOTAL PUBLIC SAFETY	<u>313,850</u>	<u>313,850</u>	<u>313,659</u>	<u>191</u>
TOTAL EXPENDITURES	<u>313,850</u>	<u>313,850</u>	<u>313,659</u>	<u>191</u>
Net change in fund balance	(6,950)	(13,350)	(9,511)	3,839
FUND BALANCE AT BEGINNING OF YEAR	<u>85,176</u>	<u>85,176</u>	<u>85,176</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 78,226</u>	<u>\$ 71,826</u>	<u>\$ 75,665</u>	<u>\$ 3,839</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
 HEALTH GRANT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	HEALTH GRANT FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Intergovernmental revenues	\$ 627,272	\$ 629,452	\$ 562,088	\$ (67,364)
Charges for services	230,000	259,295	255,906	(3,389)
TOTAL REVENUES	<u>857,272</u>	<u>888,747</u>	<u>817,994</u>	<u>(70,753)</u>
EXPENDITURES				
HEALTH				
Child and Family Health Services				
Personal services	139,653	135,091	134,220	871
Fringe benefits	41,928	38,713	37,525	1,188
Operation and maintenance	139,706	147,483	146,186	1,297
Total Child and Family Health Services	<u>321,287</u>	<u>321,287</u>	<u>317,931</u>	<u>3,356</u>
Infant Mortality Program				
Personal services	83,022	78,522	79,229	(707)
Fringe benefits	35,143	33,143	32,921	222
Operation and maintenance	31,835	38,335	26,908	11,427
Total Infant Mortality Program	<u>150,000</u>	<u>150,000</u>	<u>139,058</u>	<u>10,942</u>
CFHS Project Income				
Personal services	127,274	137,274	134,522	2,752
Fringe benefits	44,683	44,683	44,003	680
Operation and maintenance	28,693	42,693	19,903	22,790
Total CFHS Project Income	<u>200,650</u>	<u>224,650</u>	<u>198,428</u>	<u>26,222</u>
Infrastructure (Disease/Bioterrorism)				
Personal services	35,177	37,477	37,234	243
Fringe benefits	12,239	12,939	12,840	99
Operation and maintenance	3,714	6,131	5,368	763
Total Infrastructure (Disease/Bioterrorism)	<u>51,130</u>	<u>56,547</u>	<u>55,442</u>	<u>1,105</u>
Womens' Health Grant				
Personal services	55,211	37,211	29,458	7,753
Fringe benefits	21,567	16,567	10,789	5,778
Operation and maintenance	27,177	47,177	26,544	20,633
Total Womens' Health Grant	<u>103,955</u>	<u>100,955</u>	<u>66,791</u>	<u>34,164</u>
Tobacco Grant				
Personal services	2,579	6,071	5,828	243
Fringe benefits	412	996	934	62
Operation and maintenance	1,009	1,991	1,482	509
Total Tobacco Grant	<u>4,000</u>	<u>9,058</u>	<u>8,244</u>	<u>814</u>
TOTAL HEALTH	<u>831,022</u>	<u>862,497</u>	<u>785,894</u>	<u>76,603</u>
TOTAL EXPENDITURES	<u>831,022</u>	<u>862,497</u>	<u>785,894</u>	<u>76,603</u>

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CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
 HEALTH GRANT FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2005

HEALTH GRANT FUND				
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Excess (deficiency) of revenues over expenditures	26,250	26,250	32,100	5,850
OTHER FINANCING USES				
Transfers out	(26,249)	(26,249)	(26,249)	
TOTAL OTHER FINANCING USES	(26,249)	(26,249)	(26,249)	
Net change in fund balance	1	1	5,851	5,850
Adjustment for prior year encumbrances	16,920	16,920	16,920	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	(16,920)	(16,920)	(16,920)	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 1	\$ 1	\$ 5,851	\$ 5,850

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNICIPAL MOTOR VEHICLE TAX FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>MUNICIPAL MOTOR VEHICLE TAX FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 920,000	\$ 920,000	\$ 910,995	\$ (9,005)
Interest earnings	6,000	6,000	16,412	10,412
TOTAL REVENUES	<u>926,000</u>	<u>926,000</u>	<u>927,407</u>	<u>1,407</u>
EXPENDITURES				
HIGHWAYS AND STREETS				
Municipal Motor Vehicle Tax				
Operation and maintenance	1,500	1,500	1,073	427
Capital outlay	950,000	1,271,111	1,160,774	110,337
Total Municipal Motor Vehicle Tax	<u>951,500</u>	<u>1,272,611</u>	<u>1,161,847</u>	<u>110,764</u>
TOTAL HIGHWAYS & STREETS	<u>951,500</u>	<u>1,272,611</u>	<u>1,161,847</u>	<u>110,764</u>
TOTAL EXPENDITURES	<u>951,500</u>	<u>1,272,611</u>	<u>1,161,847</u>	<u>110,764</u>
Net change in fund balance	(25,500)	(346,611)	(234,440)	112,171
Adjustment for prior year encumbrances	282,408	282,408	282,408	
FUND BALANCE AT BEGINNING OF YEAR	<u>91,296</u>	<u>91,296</u>	<u>91,296</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 348,204</u>	<u>\$ 27,093</u>	<u>\$ 139,264</u>	<u>\$ 112,171</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
BLOCK GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BLOCK GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 1,150,000	\$ 1,150,000	\$ 926,801	\$ (223,199)
Miscellaneous revenues	50,000	50,000	111,687	61,687
TOTAL REVENUES	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,038,488</u>	<u>(161,512)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Administration				
Personal services	97,251	105,751	106,685	(934)
Fringe benefits	23,150	24,050	23,983	67
Operation and maintenance	164,625	166,657	161,315	5,342
Debt service - principal retirement	100,000	100,000	100,000	
Interest	7,140	7,140	7,140	
Capital outlay	236,413	224,981	202,083	22,898
Total Administration	<u>628,579</u>	<u>628,579</u>	<u>601,206</u>	<u>27,373</u>
Rehab/Operations				
Personal services	287,247	301,447	301,315	132
Fringe benefits	82,165	84,665	84,234	431
Operation and maintenance	141,000	174,300	142,648	31,652
Total Rehab/Operations	<u>510,412</u>	<u>560,412</u>	<u>528,197</u>	<u>32,215</u>
TOTAL COMMUNITY ENVIRONMENT	<u>1,138,991</u>	<u>1,188,991</u>	<u>1,129,403</u>	<u>59,588</u>
TOTAL EXPENDITURES	<u>1,138,991</u>	<u>1,188,991</u>	<u>1,129,403</u>	<u>59,588</u>
Excess (deficiency) of revenues over expenditures	61,009	11,009	(90,915)	(101,924)
OTHER FINANCING SOURCES (USES)				
Transfers in			14,891	14,891
Other financing sources			1,472	1,472
Transfers out	(7,146)	(7,146)	(7,146)	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,146)</u>	<u>(7,146)</u>	<u>9,217</u>	<u>16,363</u>
Net change in fund balance	53,863	3,863	(81,698)	(85,561)
Adjustment for prior year encumbrances	92,253	92,253	92,253	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>(87,758)</u>	<u>(87,758)</u>	<u>(87,758)</u>	
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 58,358</u>	<u>\$ 8,358</u>	<u>\$ (77,203)</u>	<u>\$ (85,561)</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
C.H.I.P. GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	C.H.I.P. GRANT FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 150,000	\$	\$	\$
Miscellaneous revenues	80,000	30,000	17,750	(12,250)
TOTAL REVENUES	<u>230,000</u>	<u>30,000</u>	<u>17,750</u>	<u>(12,250)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
C.H.I.P. Grant				
Personal services	44,633	24,633	22,137	2,496
Fringe benefits	10,985	5,885	5,343	542
Operation and maintenance	72,600	62,100	60,862	1,238
Capital outlay		30,000	28,500	1,500
Total C.H.I.P. Grant	<u>128,218</u>	<u>122,618</u>	<u>116,842</u>	<u>5,776</u>
TOTAL COMMUNITY ENVIRONMENT	<u>128,218</u>	<u>122,618</u>	<u>116,842</u>	<u>5,776</u>
TOTAL EXPENDITURES	<u>128,218</u>	<u>122,618</u>	<u>116,842</u>	<u>5,776</u>
Excess (deficiency) of revenues over expenditures	101,782	(92,618)	(99,092)	(6,474)
OTHER FINANCING SOURCES				
Other financing sources			173	173
TOTAL OTHER FINANCING SOURCES			<u>173</u>	<u>173</u>
Net change in fund balance	101,782	(92,618)	(98,919)	(6,301)
Adjustment for prior year encumbrances	2,583	2,583	2,583	
FUND BALANCE AT BEGINNING OF YEAR	<u>90,869</u>	<u>90,869</u>	<u>90,869</u>	
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 195,234</u>	<u>\$ 834</u>	<u>\$ (5,467)</u>	<u>\$ (6,301)</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
USEPA BROWNFIELD GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

USEPA BROWNFIELD GRANT FUND				
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$	229,138	\$	\$ (229,138)
TOTAL REVENUES		229,138		(229,138)
EXPENDITURES				
COMMUNITY ENVIRONMENT				
USEPA Brownfield				
Operation and maintenance		230,000	194,862	35,138
Total USEPA Brownfield		230,000	194,862	35,138
TOTAL COMMUNITY ENVIRONMENT		230,000	194,862	35,138
TOTAL EXPENDITURES		230,000	194,862	35,138
Excess (deficiency) of revenues over expenditures		(862)	(194,862)	(194,000)
OTHER FINANCING SOURCES				
Transfers in		862	862	
TOTAL OTHER FINANCING SOURCES		862	862	
Net change in fund balance			(194,000)	(194,000)
FUND BALANCE AT BEGINNING OF YEAR				
FUND BALANCE (DEFICIT) AT END OF YEAR	\$	\$	\$ (194,000)	\$ (194,000)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNI COURT TECHNOLOGY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	MUNI COURT TECHNOLOGY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 100	\$ 100	\$ 579	\$ 479
Fines and forfeitures	175,000	175,000	174,550	(450)
TOTAL REVENUES	<u>175,100</u>	<u>175,100</u>	<u>175,129</u>	<u>29</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Muni Court Technology				
Personal services	28,800	28,800	26,593	2,207
Fringe benefits	8,773	8,773	7,677	1,096
Operation and maintenance	150,700	150,700	118,437	32,263
Capital outlay	25,000	25,000	15,000	10,000
Total Muni Court Technology	<u>213,273</u>	<u>213,273</u>	<u>167,707</u>	<u>45,566</u>
TOTAL GENERAL GOVERNMENT	<u>213,273</u>	<u>213,273</u>	<u>167,707</u>	<u>45,566</u>
TOTAL EXPENDITURES	<u>213,273</u>	<u>213,273</u>	<u>167,707</u>	<u>45,566</u>
Net change in fund balance	(38,173)	(38,173)	7,422	45,595
Adjustment for prior year encumbrances	26,242	26,242	26,242	
FUND BALANCE AT BEGINNING OF YEAR	<u>39,702</u>	<u>39,702</u>	<u>39,702</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 27,771</u>	<u>\$ 27,771</u>	<u>\$ 73,366</u>	<u>\$ 45,595</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNI COURT SECURITY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	MUNI COURT SECURITY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 1,500	\$ 1,500	\$ 3,842	\$ 2,342
Fines and forfeitures	70,000	70,000	69,754	(246)
TOTAL REVENUES	<u>71,500</u>	<u>71,500</u>	<u>73,596</u>	<u>2,096</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Muni Court Security				
Personal services	43,000	58,700	57,344	1,356
Fringe benefits	5,655	10,155	8,602	1,553
Operation and maintenance	11,000	16,000	14,242	1,758
Total Muni Court Security	<u>59,655</u>	<u>84,855</u>	<u>80,188</u>	<u>4,667</u>
TOTAL GENERAL GOVERNMENT	<u>59,655</u>	<u>84,855</u>	<u>80,188</u>	<u>4,667</u>
TOTAL EXPENDITURES	<u>59,655</u>	<u>84,855</u>	<u>80,188</u>	<u>4,667</u>
Net change in fund balance	11,845	(13,355)	(6,592)	6,763
FUND BALANCE AT BEGINNING OF YEAR	<u>117,891</u>	<u>117,891</u>	<u>117,891</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 129,736</u>	<u>\$ 104,536</u>	<u>\$ 111,299</u>	<u>\$ 6,763</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNI COURT CONSTRUCTION AND IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>MUNI COURT CONSTRUCTION AND IMPROVEMENT FUND</u>			
	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget Positive (Negative)</u>
REVENUES				
Interest earnings	\$ 7,000	\$ 7,000	\$ 18,810	\$ 11,810
Fines and forfeitures	170,000	170,000	225,799	55,799
TOTAL REVENUES	<u>177,000</u>	<u>177,000</u>	<u>244,609</u>	<u>67,609</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Muni Court Constr/Imp				
Operation and maintenance	6,010	29,362	25,950	3,412
Capital outlay	500,000	642,894	476,837	166,057
Total Muni Court Constr/Imp	<u>506,010</u>	<u>672,256</u>	<u>502,787</u>	<u>169,469</u>
TOTAL GENERAL GOVERNMENT	<u>506,010</u>	<u>672,256</u>	<u>502,787</u>	<u>169,469</u>
TOTAL EXPENDITURES	<u>506,010</u>	<u>672,256</u>	<u>502,787</u>	<u>169,469</u>
Net change in fund balance	(329,010)	(495,256)	(258,178)	237,078
Adjustment for prior year encumbrances	2,322	2,322	2,322	
FUND BALANCE AT BEGINNING OF YEAR	<u>614,491</u>	<u>614,491</u>	<u>614,491</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 287,803</u>	<u>\$ 121,557</u>	<u>\$ 358,635</u>	<u>\$ 237,078</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SPECIAL PARKING FINES FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>SPECIAL PARKING FINES FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 500	\$ 500	\$ 999	\$ 499
Fines and forfeitures	13,000	13,000	9,187	(3,813)
TOTAL REVENUES	<u>13,500</u>	<u>13,500</u>	<u>10,186</u>	<u>(3,314)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Special Parking Fine				
Operation and maintenance	9,000	19,000	7,856	11,144
Capital outlay	20,000	10,000	5,140	4,860
Total Special Parking Fine	<u>29,000</u>	<u>29,000</u>	<u>12,996</u>	<u>16,004</u>
TOTAL GENERAL GOVERNMENT	<u>29,000</u>	<u>29,000</u>	<u>12,996</u>	<u>16,004</u>
TOTAL EXPENDITURES	<u>29,000</u>	<u>29,000</u>	<u>12,996</u>	<u>16,004</u>
Net change in fund balance	(15,500)	(15,500)	(2,810)	12,690
Adjustments for prior year encumbrances	6,609	6,609	6,609	
FUND BALANCE AT BEGINNING OF YEAR	<u>28,870</u>	<u>28,870</u>	<u>28,870</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 19,979</u>	<u>\$ 19,979</u>	<u>\$ 32,669</u>	<u>\$ 12,690</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
LEGAL RESEARCH & COURT COMPUTERIZATION FUND - LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>LEGAL RESEARCH & COURT COMPUTERIZATION FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 53,000	\$ 53,000	\$ 53,259	\$ 259
TOTAL REVENUES	<u>53,000</u>	<u>53,000</u>	<u>53,259</u>	<u>259</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Legal Research & Court Computerization				
Operation and maintenance	33,050	33,050	18,853	14,197
Capital outlay	25,000	25,000		25,000
Total Legal Research & Court Comp.	<u>58,050</u>	<u>58,050</u>	<u>18,853</u>	<u>39,197</u>
TOTAL GENERAL GOVERNMENT	<u>58,050</u>	<u>58,050</u>	<u>18,853</u>	<u>39,197</u>
TOTAL EXPENDITURES	<u>58,050</u>	<u>58,050</u>	<u>18,853</u>	<u>39,197</u>
Net change in fund balance	(5,050)	(5,050)	34,406	39,456
Adjustments for prior year encumbrances	1,697	1,697	1,697	
FUND BALANCE AT BEGINNING OF YEAR	<u>129,340</u>	<u>129,340</u>	<u>129,340</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 125,987</u>	<u>\$ 125,987</u>	<u>\$ 165,443</u>	<u>\$ 39,456</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNI COURT SPECIAL COLLECTIONS FUND - LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	MUNI COURT SPECIAL COLLECTIONS FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 33,000	\$ 33,000	\$ 50,184	\$ 17,184
TOTAL REVENUES	<u>33,000</u>	<u>33,000</u>	<u>50,184</u>	<u>17,184</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Muni Court Special Collections				
Capital outlay	12,000	12,000	11,257	743
Total Muni Court Special Collections	<u>12,000</u>	<u>12,000</u>	<u>11,257</u>	<u>743</u>
TOTAL GENERAL GOVERNMENT	<u>12,000</u>	<u>12,000</u>	<u>11,257</u>	<u>743</u>
TOTAL EXPENDITURES	<u>12,000</u>	<u>12,000</u>	<u>11,257</u>	<u>743</u>
Net change in fund balance	21,000	21,000	38,927	17,927
FUND BALANCE AT BEGINNING OF YEAR	<u>75,563</u>	<u>75,563</u>	<u>75,563</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 96,563</u>	<u>\$ 96,563</u>	<u>\$ 114,490</u>	<u>\$ 17,927</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
FOOD SERVICE OPERATIONS FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	FOOD SERVICE OPERATIONS FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 59,300	\$ 63,100	\$ 63,132	\$ 32
Interest earnings	300	550	793	243
TOTAL REVENUES	<u>59,600</u>	<u>63,650</u>	<u>63,925</u>	<u>275</u>
EXPENDITURES				
HEALTH				
Food Service				
Personal services	58,847	61,047	61,256	(209)
Fringe benefits	20,298	19,324	19,299	25
Operation and maintenance	2,694	5,968	5,937	31
Total Food Service	<u>81,839</u>	<u>86,339</u>	<u>86,492</u>	<u>(153)</u>
TOTAL HEALTH	<u>81,839</u>	<u>86,339</u>	<u>86,492</u>	<u>(153)</u>
TOTAL EXPENDITURES	<u>81,839</u>	<u>86,339</u>	<u>86,492</u>	<u>(153)</u>
Excess (deficiency) of revenues over expenditures	(22,239)	(22,689)	(22,567)	122
OTHER FINANCING SOURCES				
Transfers in	18,000	19,000	19,000	
TOTAL OTHER FINANCING SOURCES	<u>18,000</u>	<u>19,000</u>	<u>19,000</u>	
Net change in fund balance	(4,239)	(3,689)	(3,567)	122
Adjustment for prior year encumbrances	314	314	314	
FUND BALANCE AT BEGINNING OF YEAR	<u>3,925</u>	<u>3,925</u>	<u>3,925</u>	
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$</u>	<u>\$ 550</u>	<u>\$ 672</u>	<u>\$ 122</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
DENTAL HEALTH GRANT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	DENTAL HEALTH GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 70,000	\$ 43,000	\$ 42,958	\$ (42)
Charges for services			833	833
TOTAL REVENUES	70,000	43,000	43,791	791
EXPENDITURES				
HEALTH				
Dental Sealant Program				
Personal services	23,616	23,616	16,608	7,008
Fringe benefits	3,778	3,778	2,491	1,287
Operation and maintenance	19,261	19,261	9,523	9,738
Total Dental Sealant Program	46,655	46,655	28,622	18,033
Pediatric Dental Care				
Personal services	5,749	5,749	2,272	3,477
Fringe benefits	919	919	188	731
Operation and maintenance	18,332	18,332	4,962	13,370
Total Pediatric Dental Care	25,000	25,000	7,422	17,578
TOTAL HEALTH	71,655	71,655	36,044	35,611
TOTAL EXPENDITURES	71,655	71,655	36,044	35,611
Net change in fund balance	(1,655)	(28,655)	7,747	36,402
Adjustment for prior year encumbrances	482	482	482	
FUND BALANCE AT BEGINNING OF YEAR	31,254	31,254	31,254	
FUND BALANCE AT END OF YEAR	\$ 30,081	\$ 3,081	\$ 39,483	\$ 36,402

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SPECIAL TRAFFIC MAGISTRATE FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

SPECIAL TRAFFIC MAGISTRATE FUND				
	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Fines and forfeitures	\$	9,500	\$ 10,231	\$ 731
TOTAL REVENUES		9,500	10,231	731
EXPENDITURES				
GENERAL GOVERNMENT				
Special Traffic Magistrate				
Personal services		6,000	5,759	241
Fringe benefits		1,000	864	136
Total Special Traffic Magistrate		7,000	6,623	377
TOTAL GENERAL GOVERNMENT		7,000	6,623	377
TOTAL EXPENDITURES		7,000	6,623	377
Net change in fund balance		2,500	3,608	1,108
FUND BALANCE AT BEGINNING OF YEAR				
FUND BALANCE AT END OF YEAR	\$	2,500	\$ 3,608	\$ 1,108

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SWIMMING POOL INSPECTION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	SWIMMING POOL INSPECTION FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 3,700	\$ 3,700	\$ 3,740	\$ 40
Interest earnings			57	57
TOTAL REVENUES	<u>3,700</u>	<u>3,700</u>	<u>3,797</u>	<u>97</u>
EXPENDITURES				
HEALTH				
Swimming Pool Inspection				
Personal services	2,854	2,954	3,003	(49)
Fringe benefits	545	545	510	35
Operation and maintenance	601	601	45	556
Total Swimming Pool Inspection	<u>4,000</u>	<u>4,100</u>	<u>3,558</u>	<u>542</u>
TOTAL HEALTH	<u>4,000</u>	<u>4,100</u>	<u>3,558</u>	<u>542</u>
TOTAL EXPENDITURES	<u>4,000</u>	<u>4,100</u>	<u>3,558</u>	<u>542</u>
Net change in fund balance	(300)	(400)	239	639
FUND BALANCE AT BEGINNING OF YEAR	<u>1,235</u>	<u>1,235</u>	<u>1,235</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 935</u>	<u>\$ 835</u>	<u>\$ 1,474</u>	<u>\$ 639</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
LAW ENFORCEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	LAW ENFORCEMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$ 600	\$ 1,166	\$ 566
Miscellaneous revenues	56,500	92,900	92,956	56
TOTAL REVENUES	56,500	93,500	94,122	622
EXPENDITURES				
PUBLIC SAFETY				
Law Enforcement				
Operation and maintenance	47,912	47,912	17,133	30,779
Capital outlay	10,000	10,000	8,300	1,700
Total Law Enforcement	57,912	57,912	25,433	32,479
TOTAL PUBLIC SAFETY	57,912	57,912	25,433	32,479
TOTAL EXPENDITURES	57,912	57,912	25,433	32,479
Net change in fund balance	(1,412)	35,588	68,689	33,101
FUND BALANCE AT BEGINNING OF YEAR	1,426	1,426	1,426	
FUND BALANCE AT END OF YEAR	\$ 14	\$ 37,014	\$ 70,115	\$ 33,101

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MANDATORY DRUG FINE FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	MANDATORY DRUG FINE FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 400	\$ 400	\$ 1,166	\$ 766
Fines and forfeitures	20,000	20,000	6,628	(13,372)
Miscellaneous revenues			280	280
TOTAL REVENUES	<u>20,400</u>	<u>20,400</u>	<u>8,074</u>	<u>(12,326)</u>
EXPENDITURES				
PUBLIC SAFETY				
Mandatory Drug Fine				
Operation and maintenance	18,400	18,400	11,215	7,185
Capital outlay	9,395	9,395	7,455	1,940
Total Mandatory Drug Fine	<u>27,795</u>	<u>27,795</u>	<u>18,670</u>	<u>9,125</u>
TOTAL PUBLIC SAFETY	<u>27,795</u>	<u>27,795</u>	<u>18,670</u>	<u>9,125</u>
TOTAL EXPENDITURES	<u>27,795</u>	<u>27,795</u>	<u>18,670</u>	<u>9,125</u>
Net change in fund balance	(7,395)	(7,395)	(10,596)	(3,201)
Adjustment for prior year encumbrances	2,100	2,100	2,100	
FUND BALANCE AT BEGINNING OF YEAR	<u>33,848</u>	<u>33,848</u>	<u>33,848</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 28,553</u>	<u>\$ 28,553</u>	<u>\$ 25,352</u>	<u>\$ (3,201)</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
INDIGENT DRIVERS ALCOHOL TREATMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>INDIGENT DRIVERS ALCOHOL TREATMENT FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 5,000	\$ 5,000	\$ 14,816	\$ 9,816
Fines and forfeitures	50,000	50,000	44,553	(5,447)
TOTAL REVENUES	<u>55,000</u>	<u>55,000</u>	<u>59,369</u>	<u>4,369</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Indigent Drivers Alcohol Treatment				
Operation and maintenance	65,100	65,100	12,531	52,569
Total Indigent Drivers Alcohol Treatment	<u>65,100</u>	<u>65,100</u>	<u>12,531</u>	<u>52,569</u>
TOTAL GENERAL GOVERNMENT	<u>65,100</u>	<u>65,100</u>	<u>12,531</u>	<u>52,569</u>
TOTAL EXPENDITURES	<u>65,100</u>	<u>65,100</u>	<u>12,531</u>	<u>52,569</u>
Net change in fund balance	(10,100)	(10,100)	46,838	56,938
FUND BALANCE AT BEGINNING OF YEAR	<u>429,428</u>	<u>429,428</u>	<u>429,428</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 419,328</u>	<u>\$ 419,328</u>	<u>\$ 476,266</u>	<u>\$ 56,938</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
ALCOHOL ENFORCEMENT AND EDUCATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	ALCOHOL ENFORCEMENT AND EDUCATION FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Interest earnings	\$ 100	\$ 100	\$ 610	\$ 510
Fines and forfeitures	1,500	1,500	1,164	(336)
TOTAL REVENUES	<u>1,600</u>	<u>1,600</u>	<u>1,774</u>	<u>174</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Alcohol Enforcement and Education				
Operation and maintenance	6,000	6,000	630	5,370
Total Alcohol Enforcement and Education	<u>6,000</u>	<u>6,000</u>	<u>630</u>	<u>5,370</u>
TOTAL GENERAL GOVERNMENT	<u>6,000</u>	<u>6,000</u>	<u>630</u>	<u>5,370</u>
TOTAL EXPENDITURES	<u>6,000</u>	<u>6,000</u>	<u>630</u>	<u>5,370</u>
Net change in fund balance	(4,400)	(4,400)	1,144	5,544
Adjustment for prior year encumbrances	630	630	630	
FUND BALANCE AT BEGINNING OF YEAR	<u>16,629</u>	<u>16,629</u>	<u>16,629</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 12,859</u>	<u>\$ 12,859</u>	<u>\$ 18,403</u>	<u>\$ 5,544</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
POLICE LEVY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	POLICE LEVY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,095,000	\$ 3,237,000	\$ 3,239,058	\$ 2,058
Intergovernmental revenues		10,700	10,784	84
Interest earnings	5,000	19,700	20,652	952
Miscellaneous revenues	10,000	41,260	41,260	
TOTAL REVENUES	3,110,000	3,308,660	3,311,754	3,094
EXPENDITURES				
PUBLIC SAFETY				
Police Levy				
Personal services	2,174,589	2,097,041	2,016,955	80,086
Fringe benefits	698,682	698,682	648,003	50,679
Operation and maintenance	412,441	412,441	397,758	14,683
Capital outlay	277,000	354,880	345,384	9,496
Total Police Levy	3,562,712	3,563,044	3,408,100	154,944
TOTAL PUBLIC SAFETY	3,562,712	3,563,044	3,408,100	154,944
TOTAL EXPENDITURES	3,562,712	3,563,044	3,408,100	154,944
Excess (deficiency) of revenues over expenditures	(452,712)	(254,384)	(96,346)	158,038
OTHER FINANCING SOURCES				
Other financing sources			6,192	6,192
TOTAL OTHER FINANCING SOURCES			6,192	6,192
Net change in fund balance	(452,712)	(254,384)	(90,154)	164,230
Adjustment for prior year encumbrances	35,279	35,279	35,279	
FUND BALANCE AT BEGINNING OF YEAR	418,197	418,197	418,197	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 764	\$ 199,092	\$ 363,322	\$ 164,230

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WAGNER TRUST FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

WAGNER TRUST FUND			
	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>with Final Budget Positive (Negative)</u>
REVENUES			
Interest earnings	\$	\$	\$ 253
Miscellaneous revenues	3,000	3,000	(108)
TOTAL REVENUES	3,000	3,000	145
Net change in fund balance	3,000	3,000	145
FUND BALANCE AT BEGINNING OF YEAR	4,933	4,933	
FUND BALANCE AT END OF YEAR	\$ 7,933	\$ 7,933	\$ 145

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
FINDLEY TRUST FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	FINDLEY TRUST FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Interest earnings	\$ 1,000	\$ 1,000	\$ 4,947	\$ 3,947
Miscellaneous revenues	43,000	43,000	42,815	(185)
TOTAL REVENUES	44,000	44,000	47,762	3,762
EXPENDITURES				
Findley Trust				
Personal services	20,000	20,000	1,421	18,579
Fringe benefits	3,200	3,200	213	2,987
Operation and maintenance	43,750	43,750	32,495	11,255
Capital outlay	35,000	35,000	5,000	30,000
Total Findley Trust	101,950	101,950	39,129	62,821
TOTAL EXPENDITURES	101,950	101,950	39,129	62,821
Net change in fund balance	(57,950)	(57,950)	8,633	66,583
Adjustment for prior year encumbrances	9,309	9,309	9,309	
FUND BALANCE AT BEGINNING OF YEAR	133,401	133,401	133,401	
FUND BALANCE AT END OF YEAR	\$ 84,760	\$ 84,760	\$ 151,343	\$ 66,583

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CEMETERY MAINTENANCE AND IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	CEMETERY MAINTENANCE AND IMPROVEMENT FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 91,000	\$ 91,000	\$ 78,177	\$ (12,823)
Interest earnings	1,000	1,000	2,304	1,304
TOTAL REVENUES	<u>92,000</u>	<u>92,000</u>	<u>80,481</u>	<u>(11,519)</u>
EXPENDITURES				
Cemetery Maintenance and Improvement				
Personal services	50,000	50,000	32,180	17,820
Fringe benefits	7,800	7,800	4,827	2,973
Operation and maintenance	69,050	69,050	41,729	27,321
Capital outlay	40,000	40,000	38,557	1,443
Total Cemetery Maintenance and Improvement	<u>166,850</u>	<u>166,850</u>	<u>117,293</u>	<u>49,557</u>
TOTAL EXPENDITURES	<u>166,850</u>	<u>166,850</u>	<u>117,293</u>	<u>49,557</u>
Excess (deficiency) of revenues over expenditures	(74,850)	(74,850)	(36,812)	38,038
OTHER FINANCING SOURCES				
Transfers in	8,000	8,000	11,408	3,408
TOTAL OTHER FINANCING SOURCES	<u>8,000</u>	<u>8,000</u>	<u>11,408</u>	<u>3,408</u>
Net change in fund balance	(66,850)	(66,850)	(25,404)	41,446
Adjustment for prior year encumbrances	2,202	2,202	2,202	
FUND BALANCE AT BEGINNING OF YEAR	<u>65,416</u>	<u>65,416</u>	<u>65,416</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 768</u>	<u>\$ 768</u>	<u>\$ 42,214</u>	<u>\$ 41,446</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GENERAL BOND RETIREMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	GENERAL BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,753,000	\$ 1,753,000	\$ 1,684,179	\$ (68,821)
Intergovernmental revenues	157,000	157,000	184,466	27,466
Interest earnings	35,000	35,000	86,022	51,022
Miscellaneous revenues			2,277	2,277
TOTAL REVENUES	1,945,000	1,945,000	1,956,944	11,944
EXPENDITURES				
DEBT SERVICE				
General Bond Retirement				
Operation and maintenance	51,000	51,000	35,740	15,260
Principal retirement	1,375,000	1,578,116	1,578,116	
Interest	982,640	779,524	765,302	14,222
Total General Bond Retirement	2,408,640	2,408,640	2,379,158	29,482
TOTAL DEBT SERVICE	2,408,640	2,408,640	2,379,158	29,482
TOTAL EXPENDITURES	2,408,640	2,408,640	2,379,158	29,482
Excess (deficiency) of revenues over expenditures	(463,640)	(463,640)	(422,214)	41,426
OTHER FINANCING SOURCES				
Premium on bond sales			10,210	10,210
Premium on note sales			68,586	68,586
TOTAL OTHER FINANCING SOURCES			78,796	78,796
Net change in fund balance	(463,640)	(463,640)	(343,418)	120,222
FUND BALANCE AT BEGINNING OF YEAR	1,895,284	1,895,284	1,895,284	
FUND BALANCE AT END OF YEAR	\$ 1,431,644	\$ 1,431,644	\$ 1,551,866	\$ 120,222

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SPECIAL ASSESSMENT BOND RETIREMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	SPECIAL ASSESSMENT BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 1,000	\$ 5,818	\$ 5,454	\$ (364)
Special assessments	316,585	386,421	386,422	1
TOTAL REVENUES	<u>317,585</u>	<u>392,239</u>	<u>391,876</u>	<u>(363)</u>
EXPENDITURES				
DEBT SERVICE				
Special Assessment Bond Retirement				
Operation and maintenance	17,000	17,000	16,018	982
Principal retirement	239,005	269,961	269,961	
Interest	61,580	105,278	105,278	
Total Special Assessment Bond Retirement	<u>317,585</u>	<u>392,239</u>	<u>391,257</u>	<u>982</u>
TOTAL DEBT SERVICE	<u>317,585</u>	<u>392,239</u>	<u>391,257</u>	<u>982</u>
TOTAL EXPENDITURES	<u>317,585</u>	<u>392,239</u>	<u>391,257</u>	<u>982</u>
Net change in fund balance			619	619
FUND BALANCE AT BEGINNING OF YEAR				
FUND BALANCE AT END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ 619</u>	<u>\$ 619</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
BRIDGE PROJECTS FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	BRIDGE PROJECTS FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$ 36	\$ 36
TOTAL REVENUES			36	36
Net change in fund balance			36	36
FUND BALANCE AT BEGINNING OF YEAR	1,118	1,118	1,118	
FUND BALANCE AT END OF YEAR	\$ 1,118	\$ 1,118	\$ 1,154	\$ 36

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
PARKS IMPROVEMENT FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	PARKS IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Interest earnings	\$	\$	\$ 2,672	\$ 2,672
TOTAL REVENUES			2,672	2,672
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Parks Improvement				
Capital outlay	77,336			
Total Parks Improvement	77,336			
TOTAL COMMUNITY ENVIRONMENT	77,336			
TOTAL EXPENDITURES	77,336			
Net change in fund balance	(77,336)		2,672	2,672
FUND BALANCE AT BEGINNING OF YEAR	77,336	77,336	77,336	
FUND BALANCE AT END OF YEAR	\$	\$ 77,336	\$ 80,008	\$ 2,672

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
TWO FALLS TRAIL IMPROVEMENT PROJECT FUND - LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>TWO FALLS TRAIL IMPROVEMENT PROJECT FUND</u>			
	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental revenues	\$ 150,000	\$ 650,000	\$ 58,409	\$ (591,591)
TOTAL REVENUES	<u>150,000</u>	<u>650,000</u>	<u>58,409</u>	<u>(591,591)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Two Falls Trail Improvement Project				
Operation and maintenance	150,000	150,000	58,409	91,591
Capital outlay		500,000		500,000
Total Two Falls Trail Improvement Project	<u>150,000</u>	<u>650,000</u>	<u>58,409</u>	<u>591,591</u>
TOTAL COMMUNITY ENVIRONMENT	<u>150,000</u>	<u>650,000</u>	<u>58,409</u>	<u>591,591</u>
TOTAL EXPENDITURES	<u>150,000</u>	<u>650,000</u>	<u>58,409</u>	<u>591,591</u>
Net change in fund balance				
Adjustment for prior year encumbrances	25,850	25,850	25,850	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>(25,850)</u>	<u>(25,850)</u>	<u>(25,850)</u>	
FUND BALANCE AT END OF YEAR	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CLEAN OHIO GRANT (TAPPAN) FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>CLEAN OHIO GRANT (TAPPAN) FUND</u>			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 18,346	\$ 18,346	\$ 17,858	\$ (488)
TOTAL REVENUES	<u>18,346</u>	<u>18,346</u>	<u>17,858</u>	<u>(488)</u>
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Clean Ohio Grant (Tappan)				
Operation and maintenance	<u>7,228</u>	<u>7,228</u>	<u>6,741</u>	<u>487</u>
Total Clean Ohio Grant (Tappan)	<u>7,228</u>	<u>7,228</u>	<u>6,741</u>	<u>487</u>
TOTAL COMMUNITY ENVIRONMENT	<u>7,228</u>	<u>7,228</u>	<u>6,741</u>	<u>487</u>
TOTAL EXPENDITURES	<u>7,228</u>	<u>7,228</u>	<u>6,741</u>	<u>487</u>
Excess (deficiency) of revenues over expenditures	11,118	11,118	11,117	(1)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(11,118)</u>	<u>(11,118)</u>	<u>(11,117)</u>	<u>1</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,118)</u>	<u>(11,118)</u>	<u>(11,117)</u>	<u>1</u>
Net change in fund balance				
Adjustment for prior year encumbrances	7,228	7,228	7,228	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>(7,228)</u>	<u>(7,228)</u>	<u>(7,228)</u>	
FUND BALANCE AT END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CASCADE/ELYWOOD FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>CASCADE/ELYWOOD FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$ 2,422	\$ 2,422
Miscellaneous revenues	70,000	70,000	76,500	6,500
TOTAL REVENUES	<u>70,000</u>	<u>70,000</u>	<u>78,922</u>	<u>8,922</u>
EXPENDITURES				
CULTURE AND RECREATION				
Cascade/Elywood				
Operating and maintenance		3,100	3,100	
Capital outlay	134,141	131,041	121,171	9,870
Total Cascade/Elywood	<u>134,141</u>	<u>134,141</u>	<u>124,271</u>	<u>9,870</u>
TOTAL CULTURE AND RECREATION	<u>134,141</u>	<u>134,141</u>	<u>124,271</u>	<u>9,870</u>
TOTAL EXPENDITURES	<u>134,141</u>	<u>134,141</u>	<u>124,271</u>	<u>9,870</u>
Net change in fund balance	(64,141)	(64,141)	(45,349)	18,792
FUND BALANCE AT BEGINNING OF YEAR	<u>64,142</u>	<u>64,142</u>	<u>64,142</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 18,793</u>	<u>\$ 18,792</u>

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
 STATE ISSUE II CAPITAL PROJECTS FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	STATE ISSUE II CAPITAL PROJECTS FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 615,124	\$ 1,402,172	\$ 936,383	\$ (465,789)
Interest earnings			927	927
Special assessments		125,145		(125,145)
TOTAL REVENUES	<u>615,124</u>	<u>1,527,317</u>	<u>937,310</u>	<u>(590,007)</u>
EXPENDITURES				
HIGHWAYS AND STREETS				
Defiance, Furnace and Other Improvement				
Personal services	2,900	1,600	1,597	3
Fringe benefits	409	218	217	1
Capital outlay	<u>377,291</u>	<u>334,656</u>	<u>334,656</u>	
Total Defiance, Furnace and Other Improvement	<u>380,600</u>	<u>336,474</u>	<u>336,470</u>	<u>4</u>
Broad St. - West Ave. to E. Bridge				
Personal services	2,800	4,005	4,005	
Fringe benefits	400	545	545	
Capital outlay	<u>259,236</u>	<u>199,752</u>	<u>199,751</u>	<u>1</u>
Total Broad St. - West Ave. to E. Bridge	<u>262,436</u>	<u>204,302</u>	<u>204,301</u>	<u>1</u>
Third Street Storm Sewer				
Personal services		8,000	6,303	1,697
Fringe benefits		2,000	864	1,136
Capital outlay		<u>324,478</u>	<u>150,383</u>	<u>174,095</u>
Total Third Street Storm Sewer		<u>334,478</u>	<u>157,550</u>	<u>176,928</u>
West Ave. / Oberlin to Parkview				
Personal services		6,000	2,769	3,231
Fringe benefits		2,000	376	1,624
Operating and maintenance		1,000	518	482
Capital outlay		<u>439,606</u>	<u>176,379</u>	<u>263,227</u>
Total West Ave. / Oberlin to Parkview		<u>448,606</u>	<u>180,042</u>	<u>268,564</u>
West River Rd. / 2nd Street to S.R. 57				
Personal services		5,000	1,183	3,817
Fringe benefits		2,000	161	1,839
Operating and maintenance		1,000	526	474
Capital outlay		<u>219,864</u>	<u>94,026</u>	<u>125,838</u>
Total West River Rd. / 2nd Street to S.R. 57		<u>227,864</u>	<u>95,896</u>	<u>131,968</u>
TOTAL HIGHWAYS AND STREETS	<u>643,036</u>	<u>1,551,724</u>	<u>974,259</u>	<u>577,465</u>

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
STATE ISSUE II CAPITAL PROJECTS FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	STATE ISSUE II CAPITAL PROJECTS FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
TOTAL EXPENDITURES	<u>643,036</u>	<u>1,551,724</u>	<u>974,259</u>	<u>577,465</u>
Excess (deficiency) of revenues over expenditures	<u>(27,912)</u>	<u>(24,407)</u>	<u>(36,949)</u>	<u>(12,542)</u>
OTHER FINANCING (USES)				
Transfers out	<u>(1,343)</u>	<u>(2,167)</u>	<u>(2,166)</u>	<u>1</u>
TOTAL OTHER FINANCING (USES)	<u>(1,343)</u>	<u>(2,167)</u>	<u>(2,166)</u>	<u>1</u>
Net change in fund balance	(29,255)	(26,574)	(39,115)	(12,541)
Adjustment for prior year encumbrances	636,527	636,527	636,527	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>(607,266)</u>	<u>(607,266)</u>	<u>(607,266)</u>	
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 6</u>	<u>\$ 2,687</u>	<u>\$ (9,854)</u>	<u>\$ (12,541)</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
STATE ROUTE 57 REHABILITATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

STATE ROUTE 57 REHABILITATION FUND			
	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	
EXPENDITURES			
HIGHWAYS AND STREETS			
State Route 57 Rehabilitation			
Operation and maintenance	710,000	709,750	250
Total State Route 57 Rehabilitation	710,000	709,750	250
TOTAL HIGHWAYS AND STREETS	710,000	709,750	250
TOTAL EXPENDITURES	710,000	709,750	250
Excess (deficiency) of revenues over expenditures	(710,000)	(709,750)	250
OTHER FINANCING SOURCES			
Transfers in	710,000	167,457	(542,543)
TOTAL OTHER FINANCING SOURCES	710,000	167,457	(542,543)
Net change in fund balance		(542,293)	(542,293)
FUND BALANCE AT BEGINNING OF YEAR	_____	_____	_____
FUND BALANCE (DEFICIT) AT END OF YEAR \$	\$ _____	\$ (542,293)	\$ (542,293)

CITY OF ELYRIA, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
 SOUTH RECREATION CONSTRUCTION FUND-LEGAL APPROPRIATION LEVEL
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>SOUTH RECREATION CONSTRUCTION FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$	\$
TOTAL REVENUES				
EXPENDITURES				
COMMUNITY ENVIRONMENT				
South Recreation Construction				
Operating and maintenance	200	200	200	
Total South Recreation Construction	200	200	200	
TOTAL COMMUNITY ENVIRONMENT	200	200	200	
TOTAL EXPENDITURES	200	200	200	
Net change in fund balance	(200)	(200)	(200)	
FUND BALANCE AT BEGINNING OF YEAR	200	200	200	
FUND BALANCE AT END OF YEAR	\$	\$	\$	\$

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
MUNICIPAL BUILDING CONSTRUCTION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>MUNICIPAL BUILDING CONSTRUCTION FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$	\$	\$ 2,398	\$ 2,398
TOTAL REVENUES			2,398	2,398
EXPENDITURES				
COMMUNITY ENVIRONMENT				
Municipal Building Const/Imp				
Operation and maintenance	12,174	12,174	12,173	1
Capital outlay	129,316	129,316	129,316	
Principal retirement	1,900,000	1,900,000	1,900,000	
Total Municipal Bldg Const/Imp	2,041,490	2,041,490	2,041,489	1
TOTAL COMMUNITY ENVIRONMENT	2,041,490	2,041,490	2,041,489	1
TOTAL EXPENDITURES	2,041,490	2,041,490	2,041,489	1
Excess (deficiency) of revenues over expenditures	(2,041,490)	(2,041,490)	(2,039,091)	2,399
OTHER FINANCING SOURCES				
Proceeds of notes	1,900,000	1,900,000	1,900,000	
Other sources			500	500
TOTAL OTHER FINANCING SOURCES	1,900,000	1,900,000	1,900,500	500
Net change in fund balance	(141,490)	(141,490)	(138,591)	2,899
Adjustment for prior year encumbrances	141,488	141,488	141,488	
Adjustment for prior year principal retirement	(2,200,000)	(2,200,000)	(2,200,000)	
FUND BALANCE AT BEGINNING OF YEAR	2,207,405	2,207,405	2,207,405	
FUND BALANCE AT END OF YEAR	\$ 7,403	\$ 7,403	\$ 10,302	\$ 2,899

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
INDUSTRIAL PARKWAY FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	INDUSTRIAL PARKWAY FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 1,211,965	\$ 1,211,965	\$ 1,290,008	\$ 78,043
Interest earnings	10,000	10,000	33,274	23,274
TOTAL REVENUES	<u>1,221,965</u>	<u>1,221,965</u>	<u>1,323,282</u>	<u>101,317</u>
EXPENDITURES				
HIGHWAYS AND STREETS				
Industrial Parkway				
Operation and maintenance	599,551	603,851	401,971	201,880
Capital outlay	1,456,102	1,456,393	1,456,393	
Principal retirement	1,800,000	1,800,000	1,800,000	
Total Industrial Parkway	<u>3,855,653</u>	<u>3,860,244</u>	<u>3,658,364</u>	<u>201,880</u>
TOTAL HIGHWAYS AND STREETS	<u>3,855,653</u>	<u>3,860,244</u>	<u>3,658,364</u>	<u>201,880</u>
TOTAL EXPENDITURES	<u>3,855,653</u>	<u>3,860,244</u>	<u>3,658,364</u>	<u>201,880</u>
Excess (deficiency) of revenues over expenditures	(2,633,688)	(2,638,279)	(2,335,082)	303,197
OTHER FINANCING SOURCES				
Proceeds of bonds	1,800,000	1,800,000	1,795,000	(5,000)
TOTAL OTHER FINANCING SOURCES	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,795,000</u>	<u>(5,000)</u>
Net change in fund balance	(833,688)	(838,279)	(540,082)	298,197
Adjustment for prior year encumbrances	2,055,652	2,055,652	2,055,652	
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>(1,200,787)</u>	<u>(1,200,787)</u>	<u>(1,200,787)</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 21,177</u>	<u>\$ 16,586</u>	<u>\$ 314,783</u>	<u>\$ 298,197</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
CEMETERY TRUST FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	CEMETERY TRUST FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 15,700	\$ 15,700	\$ 13,714	\$ (1,986)
Interest earnings	8,000	13,000	11,274	(1,726)
TOTAL REVENUES	<u>23,700</u>	<u>28,700</u>	<u>24,988</u>	<u>(3,712)</u>
OTHER FINANCING (USES)				
Transfers out	(8,000)	(13,000)	(11,408)	1,592
TOTAL OTHER FINANCING (USES)	<u>(8,000)</u>	<u>(13,000)</u>	<u>(11,408)</u>	<u>1,592</u>
Net change in fund balance	15,700	15,700	13,580	(2,120)
FUND BALANCE AT BEGINNING OF YEAR	<u>410,457</u>	<u>410,457</u>	<u>410,457</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 426,157</u>	<u>\$ 426,157</u>	<u>\$ 424,037</u>	<u>\$ (2,120)</u>

PROPRIETARY FUNDS

Proprietary Funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

* * * * *

Water

To account for the operations of the City's water utility.

Special Parks and Recreation

To account for the operations of the concession stands and athletic programs in the various City parks.

Sanitation

To account for the operations of the City's rubbish and garbage collection operations.

Wastewater Pollution Control

To account for the operations and improvement of the City's wastewater treatment plant and sanitary sewer system.

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WATER FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	WATER FUND			
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Charges for service	\$ 5,089,000	\$ 5,089,000	\$ 5,326,968	\$ 237,968
Licenses and permits	138,000	138,000	113,289	(24,711)
Interest earnings	30,000	30,000	72,481	42,481
Special assessments	11,000	11,000	5,543	(5,457)
Fines and forfeitures	30,000	30,000	39,070	9,070
Miscellaneous revenues	10,000	10,000	14,966	4,966
TOTAL REVENUES	<u>5,308,000</u>	<u>5,308,000</u>	<u>5,572,317</u>	<u>264,317</u>
EXPENSES				
Public Utility Services				
Personal services	891,500	891,500	809,883	81,617
Fringe benefits	304,450	304,450	258,123	46,327
Operation and maintenance	248,600	248,600	238,550	10,050
Total Public Utilities	<u>1,444,550</u>	<u>1,444,550</u>	<u>1,306,556</u>	<u>137,994</u>
Water Pumping				
Personal services	1,140,124	1,156,124	1,151,498	4,626
Fringe benefits	337,762	339,262	339,000	262
Operation and maintenance	1,143,997	1,143,997	1,125,187	18,810
Capital outlay	305,058	295,058	191,144	103,914
Total Water Pumping	<u>2,926,941</u>	<u>2,934,441</u>	<u>2,806,829</u>	<u>127,612</u>
Water Distribution				
Personal services	470,072	477,072	473,395	3,677
Fringe benefits	159,688	159,688	145,196	14,492
Operation and maintenance	199,670	215,170	198,654	16,516
Capital outlay	82,000	82,000	74,665	7,335
Total Water Distribution	<u>911,430</u>	<u>933,930</u>	<u>891,910</u>	<u>42,020</u>
Water Miscellaneous				
Personal services	241,000	245,000	243,080	1,920
Fringe benefits	71,255	71,255	70,400	855
Operation and maintenance	221,908	226,908	225,775	1,133
Capital outlay	2,088,342	918,342	909,489	8,853
Debt service:				
Principal retirement	6,379,261	6,379,260	6,379,260	
Interest	185,145	335,777	335,777	
Reimbursements	245,000	285,000	263,595	21,405
Total Water Miscellaneous	<u>9,431,911</u>	<u>8,461,542</u>	<u>8,427,376</u>	<u>34,166</u>
TOTAL EXPENSES	14,714,832	13,774,463	13,432,671	341,792

(Continued on subsequent page)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WATER FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	WATER FUND			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Operating loss	(9,406,832)	(8,466,463)	(7,860,354)	606,109
NONOPERATING REVENUES				
Proceeds of bonds	6,300,000	6,300,000	6,300,000	
Proceeds of notes	1,800,000	1,400,000	1,400,000	
Other sources	600,000	600,000	647,579	47,579
TOTAL NONOPERATING REVENUES	8,700,000	8,300,000	8,347,579	47,579
TRANSFERS IN	2,000	2,000	3,303	1,303
Net change in fund equity	(704,832)	(164,463)	490,528	654,991
Adjustments for prior year encumbrances	491,783	491,783	491,783	
FUND EQUITY AT BEGINNING OF YEAR	306,029	306,029	306,029	
FUND EQUITY AT END OF YEAR	\$ 92,980	\$ 633,349	\$ 1,288,340	\$ 654,991

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SPECIAL PARKS AND RECREATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

SPECIAL PARKS AND RECREATION FUND				
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$	\$	\$ 9,513	\$ 9,513
Charges for service	210,000	210,000	226,999	16,999
Interest earnings	2,000	2,000	8,113	6,113
Miscellaneous revenues	82,000	82,000	107,502	25,502
TOTAL REVENUES	<u>294,000</u>	<u>294,000</u>	<u>352,127</u>	<u>58,127</u>
EXPENSES				
Special Parks and Recreation				
Personal services	121,000	121,000	115,077	5,923
Fringe benefits	19,361	19,361	17,262	2,099
Operation and maintenance	198,170	198,170	156,671	41,499
Capital outlay	57,000	57,000	43,656	13,344
Total Special Parks and Recreation	<u>395,531</u>	<u>395,531</u>	<u>332,666</u>	<u>62,865</u>
TOTAL EXPENSES	<u>395,531</u>	<u>395,531</u>	<u>332,666</u>	<u>62,865</u>
Net change in fund equity	(101,531)	(101,531)	19,461	120,992
Adjustments for prior year encumbrances	8,747	8,747	8,747	
FUND EQUITY AT BEGINNING OF YEAR	<u>255,740</u>	<u>255,740</u>	<u>255,740</u>	
FUND EQUITY AT END OF YEAR	<u>\$ 162,956</u>	<u>\$ 162,956</u>	<u>\$ 283,948</u>	<u>\$ 120,992</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
SANITATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

SANITATION FUND				
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 200,000	\$ 200,000	\$ 200,000	\$
Charges for services	2,940,000	2,978,000	2,996,552	18,552
Interest earnings	2,000	7,000	7,036	36
Miscellaneous revenues			366	366
TOTAL REVENUES	<u>3,142,000</u>	<u>3,185,000</u>	<u>3,203,954</u>	<u>18,954</u>
EXPENSES				
Sanitation				
Personal services	1,207,100	1,207,100	1,194,720	12,380
Fringe benefits	404,285	404,285	400,402	3,883
Operation and maintenance	1,070,700	1,116,700	1,116,480	220
Capital outlay	22,000	22,000	19,110	2,890
Debt service:				
Principal retirement	200,000	200,000	200,000	
Interest	4,000	4,000	4,000	
Reimbursements	190,000	220,000	210,548	9,452
Total Sanitation	<u>3,098,085</u>	<u>3,174,085</u>	<u>3,145,260</u>	<u>28,825</u>
Recycling				
Operation and maintenance	88,915	88,915	81,440	7,475
Capital outlay	174,499	174,499	174,382	117
Total Recycling	<u>263,414</u>	<u>263,414</u>	<u>255,822</u>	<u>7,592</u>
TOTAL EXPENSES	<u>3,361,499</u>	<u>3,437,499</u>	<u>3,401,082</u>	<u>36,417</u>
Operating loss	<u>(219,499)</u>	<u>(252,499)</u>	<u>(197,128)</u>	<u>55,371</u>
NON-OPERATING REVENUES				
Proceeds of notes	170,000	170,000	170,000	
TOTAL NON-OPERATING REVENUES	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>	
TRANSFERS IN	<u>2,000</u>	<u>2,000</u>	<u>3,303</u>	<u>1,303</u>
Net change in fund equity	(47,499)	(80,499)	(23,825)	56,674
Adjustments for prior year encumbrances	82,690	82,690	82,690	
FUND EQUITY AT BEGINNING OF YEAR	<u>3,432</u>	<u>3,432</u>	<u>3,432</u>	
FUND EQUITY AT END OF YEAR	<u>\$ 38,623</u>	<u>\$ 5,623</u>	<u>\$ 62,297</u>	<u>\$ 56,674</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WASTEWATER POLLUTION CONTROL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

WASTEWATER POLLUTION CONTROL FUND				
	<u>Budgeted Amounts</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 9,205,000	\$ 9,205,000	\$ 9,453,403	\$ 248,403
Fees, licenses and permits	120,000	120,000	131,023	11,023
Interest earnings	65,000	66,470	124,030	57,560
Miscellaneous revenues	260,000	260,000	326,608	66,608
TOTAL REVENUES	<u>9,650,000</u>	<u>9,651,470</u>	<u>10,035,064</u>	<u>383,594</u>
EXPENSES				
Wastewater Pollution Control				
Personal services	2,776,682	2,776,682	2,649,967	126,715
Fringe benefits	868,184	868,184	825,160	43,024
Operation and maintenance	1,792,250	1,792,250	1,729,688	62,562
Capital outlay	391,245	391,245	319,011	72,234
Total Wastewater Pollution Control	<u>5,828,361</u>	<u>5,828,361</u>	<u>5,523,826</u>	<u>304,535</u>
Wastewater Pollution Control Miscellaneous				
Personal services	373,900	343,900	316,684	27,216
Fringe benefits	97,000	97,000	70,742	26,258
Operation and maintenance	243,352	391,852	379,026	12,826
Capital outlay	2,975,900	2,992,400	2,878,305	114,095
Debt service:				
Principal retirement	1,671,205	1,671,205	1,671,204	1
Interest	1,033,069	1,078,421	1,033,068	45,353
Reimbursement	1,000,000	1,075,000	1,045,191	29,809
Total Wastewater Pollution Control Miscellaneous	<u>7,394,426</u>	<u>7,649,778</u>	<u>7,394,220</u>	<u>255,558</u>
TOTAL EXPENSES	<u>13,222,787</u>	<u>13,478,139</u>	<u>12,918,046</u>	<u>560,093</u>
Operating loss	<u>(3,572,787)</u>	<u>(3,826,669)</u>	<u>(2,882,982)</u>	<u>943,687</u>

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CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WASTEWATER POLLUTION CONTROL FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>WASTEWATER POLLUTION CONTROL FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
NONOPERATING REVENUES				
Proceeds of notes		3,600,000	3,600,000	
Other financing sources			227	227
TOTAL NONOPERATING REVENUES		<u>3,600,000</u>	<u>3,600,227</u>	<u>227</u>
TRANSFERS IN	<u>2,000</u>	<u>2,000</u>	<u>3,303</u>	<u>1,303</u>
Net change in fund equity	<u>(3,570,787)</u>	<u>(224,669)</u>	<u>720,548</u>	<u>945,217</u>
Adjustments for prior year encumbrances	483,243	483,243	483,243	
FUND EQUITY AT BEGINNING OF YEAR	<u>3,707,336</u>	<u>3,707,336</u>	<u>3,707,336</u>	
FUND EQUITY AT END OF YEAR	<u>\$ 619,792</u>	<u>\$ 3,965,910</u>	<u>\$ 4,911,127</u>	<u>\$ 945,217</u>

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INTERNAL SERVICE FUNDS

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

* * * * *

Employees' Health Insurance

To account for the operations of the City's self-insured health plan.

Workers' Compensation

To account for the operations of the City's workers' compensation plan.

City of Elyria, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2005

	<u>Employees'</u> <u>Health Insurance</u>	<u>Workers'</u> <u>Compensation</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 57,114	\$ 452,713	\$ 509,827
Investments		1,334,021	1,334,021
Accounts receivable	759		759
Interest receivable		11,298	11,298
Total current assets	<u>57,873</u>	<u>1,798,032</u>	<u>1,855,905</u>
Total assets	<u>57,873</u>	<u>1,798,032</u>	<u>1,855,905</u>
LIABILITIES			
Current liabilities:			
Contracts payable		6,250	6,250
Accrued wages and benefits		136	136
Compensated absences payable		123	123
Claims payable	572,888	206,309	779,197
Total current liabilities	<u>572,888</u>	<u>212,818</u>	<u>785,706</u>
NET ASSETS			
Unrestricted	(515,015)	1,585,214	1,070,199
Total net assets	<u>\$ (515,015)</u>	<u>\$ 1,585,214</u>	<u>\$ 1,070,199</u>

City of Elyria, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2005

	Employees'	Workers'	Total
	Health Insurance	Compensation	
Operating revenues:			
Charges for services	\$ 4,829,594	\$	\$ 4,829,594
Other		14,145	14,145
Total operating revenues	4,829,594	14,145	4,843,739
Operating expenses:			
Personal services		17,795	17,795
Fringe benefits	5,074,613	286,254	5,360,867
Operating and maintenance	13,064	34,710	47,774
Total operating expenses	5,087,677	338,759	5,426,436
Operating income (loss)	(258,083)	(324,614)	(582,697)
Nonoperating revenues (expenses)			
Investment income	1,400	35,390	36,790
Change in net assets	(256,683)	(289,224)	(545,907)
Total net assets - beginning of year	(258,332)	1,874,438	1,616,106
Total net assets - end of year	\$ (515,015)	\$ 1,585,214	\$ 1,070,199

City of Elyria, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2005

	Employees'	Workers'	Total
	Health Insurance	Compensation	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 4,829,437		\$ 4,829,437
Cash payments to suppliers for goods and services	(5,108,496)	(359,789)	(5,468,285)
Cash paid to employees for services		(17,795)	(17,795)
Other operating revenues		14,145	14,145
Net cash provided by (used for) operating activities	(279,059)	(363,439)	(642,498)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,435		52,109
Short-term investments converted to cash		1,979,417	1,979,417
Purchase of short-term investments		(1,334,021)	(1,334,021)
Net cash provided by investing activities	1,435	696,070	697,505
Net increase (decrease) in cash and cash equivalents	(277,624)	332,631	55,007
Cash and cash equivalents - January 1, 2005	334,738	120,082	454,820
Cash and cash equivalents - December 31, 2005	\$ 57,114	\$ 452,713	\$ 509,827
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (258,083)	\$ (324,614)	\$ (582,697)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Changes in assets and liabilities:			
Accounts receivable	(157)		(157)
Accounts payable	(4,517)	(6,250)	(10,767)
Contracts payable		6,250	6,250
Accrued wages and benefits		(245,222)	(245,222)
Compensated absences payable		88	88
Claims payable	(16,302)	206,309	190,007
Total adjustments	(4,674)	(38,825)	(59,801)
Net cash provided by (used for) operating activities	\$ (262,757)	\$ (363,439)	\$ (642,498)
Noncash investing, capital and financing activities:			
Unrealized appreciation (depreciation) in fair value of investments		\$ (13,996)	\$ (13,996)

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
EMPLOYEES' HEALTH INSURANCE FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>EMPLOYEES' HEALTH INSURANCE FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 4,611,000	\$ 4,828,262	\$ 4,829,594	\$ 1,332
Interest earnings	3,000	3,000	1,436	(1,564)
TOTAL REVENUES	<u>4,614,000</u>	<u>4,831,262</u>	<u>4,831,030</u>	<u>(232)</u>
EXPENSES				
GENERAL GOVERNMENT				
Employees' Health Insurance				
Fringe benefits	4,700,000	5,140,000	5,094,033	45,967
Operation and maintenance	26,000	26,000	15,337	10,663
Total Employees' Health Insurance	<u>4,726,000</u>	<u>5,166,000</u>	<u>5,109,370</u>	<u>56,630</u>
TOTAL GENERAL GOVERNMENT	<u>4,726,000</u>	<u>5,166,000</u>	<u>5,109,370</u>	<u>56,630</u>
TOTAL EXPENSES	<u>4,726,000</u>	<u>5,166,000</u>	<u>5,109,370</u>	<u>56,630</u>
Net change in fund equity	(112,000)	(334,738)	(278,340)	56,398
FUND EQUITY AT BEGINNING OF YEAR	<u>334,739</u>	<u>334,739</u>	<u>334,739</u>	
FUND EQUITY AT END OF YEAR	<u>\$ 222,739</u>	<u>\$ 1</u>	<u>\$ 56,399</u>	<u>\$ 56,398</u>

CITY OF ELYRIA, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
WORKERS' COMPENSATION FUND-LEGAL APPROPRIATION LEVEL
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>WORKERS' COMPENSATION FUND</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 40,000	\$ 40,000	\$ 54,650	\$ 14,650
Miscellaneous revenues			14,145	14,145
TOTAL REVENUES	<u>40,000</u>	<u>40,000</u>	<u>68,795</u>	<u>28,795</u>
EXPENSES				
Workers' Compensation				
Personal services	17,635	17,735	17,660	75
Fringe benefits	454,050	333,050	331,475	1,575
Operation and maintenance	32,740	36,890	28,460	8,430
Total Workers' Compensation	<u>504,425</u>	<u>387,675</u>	<u>377,595</u>	<u>10,080</u>
TOTAL EXPENSES	<u>504,425</u>	<u>387,675</u>	<u>377,595</u>	<u>10,080</u>
Net change in fund equity	(464,425)	(347,675)	(308,800)	38,875
FUND EQUITY AT BEGINNING OF YEAR	<u>2,108,252</u>	<u>2,108,252</u>	<u>2,108,252</u>	
FUND EQUITY AT END OF YEAR	<u>\$ 1,643,827</u>	<u>\$ 1,760,577</u>	<u>\$ 1,799,452</u>	<u>\$ 38,875</u>

AGENCY FUNDS

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

* * * * *

Consumer Deposits

Security deposits charged by the public utilities division for water services.

Excavating Permits

Security deposits held by the City for excavating projects.

State Health Fees

Fees collected by the City for the State of Ohio.

Unclaimed Monies

Monies left unclaimed which are held for five years and then deposited to the General Fund per Section 9.39 of the Ohio Revised Code.

Municipal Court

Fines and fees collected by the Elyria Municipal Court to be disbursed to various parties.

Land Purchase Deposits

To account for deposits on the sale of City owned land.

Lorain County Utility Charges

To account for the collection of utility charges for other jurisdictions to be paid to Lorain County.

Payroll Revolving

To account for monies withheld from employees' salaries and wages to be disbursed to other governmental entities.

Fire Damage Deposits

Insurance proceeds held by the City to guarantee the proper repair, securing or removal of fire damage buildings.

Police Department Deposit

Evidence monies held by the City to be disbursed to various parties as decreed by the Elyria Municipal Court.

State Building Fees

Ohio Board of Building Standards Assessment fees collected by the City for the State of Ohio.

Lower Black River Water Quality

To account for monies deposited with the City by various entities to be used for a cooperative study of the water quality of the lower Black River as mandated by the State of Ohio Environmental Protection Agency.

AGENCY FUNDS (cont.)

Contractors' Deposits

Security deposits held by the City so contractors obtain a certificate of occupancy on building projects upon completion.

Employee Cafeteria Plan

To account for monies withheld from employees' salaries and wages for reimbursement of Section 125 Plan health care and dependent care expenses.

Elyria Township JEDD Income Tax Fund

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

Elyria Public Library Property Tax Fund

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

**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
CONSUMER DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 199,325	\$ 464,573	\$ 401,772	\$ 262,126
Other short-term investments	220,000	201,156	220,000	201,156
Accrued interest receivable	3,094	11,391	3,094	11,391
Total assets	<u>\$ 422,419</u>	<u>\$ 677,120</u>	<u>\$ 624,866</u>	<u>\$ 474,673</u>
Liabilities:				
Other liabilities	<u>\$ 422,419</u>	<u>\$ 244,574</u>	<u>\$ 192,320</u>	<u>\$ 474,673</u>
EXCAVATING PERMITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 8,085	\$ 3,050	\$ 1,450	\$ 9,685
Liabilities:				
Other liabilities	<u>\$ 8,085</u>	<u>\$ 3,050</u>	<u>\$ 1,450</u>	<u>\$ 9,685</u>
STATE HEALTH FEES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 12,249	\$ 76,993	\$ 75,574	\$ 13,668
Liabilities:				
Due to other governments	<u>\$ 12,249</u>	<u>\$ 76,993</u>	<u>\$ 75,574</u>	<u>\$ 13,668</u>
UNCLAIMED MONIES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 61	\$ 61,355	\$ 61,384	\$ 32
Other short-term investments	46,200	37,600	46,200	37,600
Accrued interest receivable	7	10	7	10
Total assets	<u>\$ 46,268</u>	<u>\$ 98,965</u>	<u>\$ 107,591</u>	<u>\$ 37,642</u>
Liabilities:				
Other liabilities	<u>\$ 46,268</u>	<u>\$ 15,155</u>	<u>\$ 23,781</u>	<u>\$ 37,642</u>
MUNICIPAL COURT FUND				
Assets:				
Cash and cash equivalents-segregated accounts	\$ 490,113	\$ 4,244,321	\$ 4,195,723	\$ 538,711
Liabilities:				
Accounts payable	\$ 124,221	\$ 142,469	\$ 124,221	\$ 142,469
Other liabilities	365,892	396,242	365,892	396,242
Total liabilities	<u>\$ 490,113</u>	<u>\$ 538,711</u>	<u>\$ 490,113</u>	<u>\$ 538,711</u>
LAND PURCHASE DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,385	\$	\$	\$ 1,385
Liabilities:				
Other liabilities	<u>\$ 1,385</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,385</u>

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**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
LORAIN COUNTY UTILITY CHARGES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 31,271	\$ 253,359	\$ 249,041	\$ 35,589
Liabilities:				
Due to other governments	\$ 31,271	\$ 253,359	\$ 249,041	\$ 35,589
PAYROLL REVOLVING FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 186,740	\$ 28,442,471	\$ 28,345,874	\$ 283,337
Liabilities:				
Accounts payable	\$ 186,253	\$ 3,819,830	\$ 3,723,159	\$ 282,924
Due to other governments	487	4,830,214	4,830,288	413
Total liabilities	\$ 186,740	\$ 8,650,044	\$ 8,553,447	\$ 283,337
FIRE DAMAGE DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 67,800	\$ 32,840	\$ 68,500	\$ 32,140
Liabilities:				
Accounts payable	\$ 67,800	\$ 32,840	\$ 68,500	\$ 32,140
POLICE DEPARTMENT DEPOSIT FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 63,538	\$	\$	\$ 63,538
Liabilities:				
Other liabilities	\$ 63,538	\$	\$	\$ 63,538
STATE BUILDING FEES FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,985	\$ 8,447	\$ 9,347	\$ 4,085
Liabilities:				
Due to other governments	\$ 4,985	\$ 8,447	\$ 9,347	\$ 4,085
LOWER BLACK RIVER WATER QUALITY FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 717	\$	\$	\$ 717
Liabilities:				
Accounts payable	\$ 717	\$	\$	\$ 717

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**CITY OF ELYRIA, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
CONTRACTORS' DEPOSITS FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 14,325	\$ 11,900	\$ 15,000	\$ 11,225
Liabilities:				
Other liabilities	\$ 14,325	\$ 11,900	\$ 15,000	\$ 11,225
EMPLOYEE CAFETERIA PLAN FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 10,887	\$ 46,017	\$ 43,470	\$ 13,434
Liabilities:				
Other liabilities	\$ 10,887	\$ 46,017	\$ 43,470	\$ 13,434
ELYRIA TOWNSHIP JEDD INCOME TAX FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 18,250	\$ 99,839	\$ 118,089	\$ 20,318
Income tax receivable	12,980	20,318	12,980	20,318
Total assets	\$ 31,230	\$ 120,157	\$ 131,069	\$ 20,318
Liabilities:				
Due to other governments	\$ 31,230	\$ 20,318	\$ 31,230	\$ 20,318
ELYRIA PUBLIC LIBRARY PROPERTY TAX FUND				
Assets:				
Equity in pooled cash and cash equivalents	\$ 527,599	\$ 749,562	\$ 527,599	\$ 749,562
Property tax receivable	749,562	1,277,161	527,599	749,562
Total assets	\$ 1,277,161	\$ 1,277,161	\$ 527,599	\$ 749,562
Liabilities:				
Due to other governments	\$ 749,562	\$ 749,562	\$ 749,562	\$ 749,562
TOTAL AGENCY FUNDS				
Assets:				
Equity in pooled cash and cash equivalents	\$ 619,618	\$ 30,028,443	\$ 29,917,100	\$ 730,961
Cash and cash equivalents-segregated accounts	490,113	4,244,321	4,195,723	538,711
Investments	266,200	238,756	266,200	238,756
Property tax receivable	12,980	749,562	12,980	749,562
Income tax receivable	3,101	20,318	3,101	20,318
Accrued interest receivable	1,392,012	11,401	3,101	11,401
Total assets	\$ 1,392,012	\$ 35,292,801	\$ 34,395,104	\$ 2,289,709
Liabilities:				
Accounts payable	\$ 378,991	\$ 3,995,139	\$ 3,915,880	\$ 458,250
Due to other governments	80,222	5,938,893	5,195,480	823,635
Other liabilities	932,799	716,938	641,913	1,007,824
Total Liabilities	\$ 1,392,012	\$ 10,650,970	\$ 9,753,273	\$ 2,289,709

City of Elyria, Ohio
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
Before Accumulated Depreciation
December 31, 2005

	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Machinery and Equipment</u>	<u>Utilities Distribution and Collection Systems</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
Function and Activity								
Public safety	\$ 1,445,314	\$ 10,231,720	\$ 90,683	\$ 6,226,635	\$	\$	\$	\$ 17,994,352
Health	37,068	151,026	117,208	642,491		13,865		961,658
Culture and recreation	616,373	5,576,307	1,161,831	929,465			111,343	8,395,319
Community environment	429,924	130,140	476,668	182,992	23,916			1,243,640
Highways and streets	1,279,128	27,738		1,811,992		50,683,698	167,457	53,970,013
General government	2,373,763	12,122,384	551,460	1,546,065	13,405,066		453,477	30,462,215
Total governmental fund capital assets	<u>\$ 6,181,570</u>	<u>\$ 28,239,315</u>	<u>\$ 2,397,850</u>	<u>\$ 11,339,640</u>	<u>\$ 13,428,982</u>	<u>\$ 50,697,563</u>	<u>\$ 732,277</u>	<u>\$ 113,017,197</u>

City of Elyria, Ohio
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Before Accumulated Depreciation
For the Fiscal Year Ended December 31, 2005

	Governmental Funds Capital Assets January 1, 2005	Additions	Deductions	Governmental Funds Capital Assets December 31, 2005
Function and Activity				
Public safety	\$ 18,015,946	\$ 483,749	\$ (505,343)	\$ 17,994,352
Health	916,320	57,338	(12,000)	961,658
Culture and recreation	8,210,935	187,297	(2,913)	8,395,319
Community environment	1,082,936	166,204	(5,500)	1,243,640
Highways and streets	49,613,035	9,788,110	(5,431,132)	53,970,013
General government	29,951,691	500,524		30,452,215
Total	<u>\$ 107,790,863</u>	<u>\$ 11,183,222</u>	<u>\$ (5,956,888)</u>	<u>\$ 113,017,197</u>

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**CITY OF ELYRIA, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	Public Safety	Health	Culture & Recreation	Community Environment	General Government	Total (1)
1996	\$ 12,313,487	\$ 919,244	\$ 1,842,942	\$ 607,872	\$ 5,164,729	\$ 20,848,274
1997	12,077,021	1,047,259	1,991,904	621,052	5,060,306	20,797,542
1998	12,194,712	1,055,016	1,927,025	648,110	5,568,544	21,393,407
1999	13,060,557	1,337,812	2,615,917	672,576	5,541,966	23,228,828
2000	13,849,756	1,521,251	2,183,968	701,736	5,820,754	24,077,465
2001	14,227,350	1,557,719	1,986,733	768,354	5,814,895	24,355,051
2002	15,164,257	1,522,250	2,113,008	817,160	6,356,140	25,972,815
2003	14,870,702	1,590,671	2,108,540	929,707	6,801,459	26,301,079
2004	15,325,616	1,603,867	2,068,996	958,441	6,550,933	26,507,853
2005	14,648,975	1,839,388	1,920,439	844,095	6,760,713	26,013,610

Source: Annual audited financial statements of the City.

NOTE:

(1) Capital outlay and debt service expenditures were allocated to the function to which they relate.

CITY OF ELYRIA, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Taxes (1)	Intergovernmental (1)	Charges for Services	Licenses & Permits	Investment Income	Special Assessments	Fines & Forfeitures	Miscellaneous Revenues	Total
1996	\$ 19,025,880	\$ 250,424	\$ 423,589	\$ 432,727	\$ 210,874	\$	\$ 1,372,815	\$ 107,680	\$ 21,823,989
1997	18,646,493	202,842	568,146	410,859	219,627		1,319,272	80,559	21,447,798
1998	19,690,620	449,784	692,196	443,879	256,008		1,377,144	96,399	23,006,030
1999	21,380,874	366,157	862,012	413,692	254,481		1,576,407	94,097	24,947,720
2000	21,525,719	281,397	1,061,440	440,160	245,386		1,435,765	81,751	25,071,618
2001	22,319,733	324,748	1,230,862	653,022	189,646		1,188,660	65,570	25,972,241
2002	17,494,375	4,704,524	1,478,621	770,671	88,552		1,245,362	24,583	25,806,688
2003	18,228,760	3,775,898	1,464,701	580,593	49,956		1,127,481	53,877	25,281,266
2004	19,761,364	3,231,049	1,492,988	499,897	41,975		1,114,913	142,473	26,284,659
2005	20,976,262	3,358,220	1,345,163	572,831	149,948	11,902	1,181,031	58,160	27,653,517

Source: Annual audited financial statements of the City.

NOTE:

(1) Beginning in 2002, State revenues previously recorded as Taxes were reclassified and recorded as Intergovernmental Revenues.

CITY OF ELYRIA, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1996	\$ 2,132,334	\$ 2,071,973	97.2%	\$ 72,532	\$ 2,144,505	100.6%	\$ 94,170	4.4%
1997	2,131,157	2,059,683	96.7%	58,436	2,118,119	99.4%	94,616	4.4%
1998	2,442,132	2,354,220	96.4%	62,784	2,417,004	99.0%	114,687	4.7%
1999	2,711,525	2,614,812	96.4%	73,834	2,688,646	99.2%	135,307	5.0%
2000	2,761,298	2,659,149	96.3%	79,967	2,739,116	99.2%	142,766	5.2%
2001	3,195,744	3,082,725	96.5%	94,646	3,177,371	99.4%	159,358	5.0%
2002	3,207,572	3,083,848	96.1%	84,844	3,168,692	98.8%	184,434	5.7%
2003	3,258,706	3,149,562	96.7%	124,685	3,274,247	100.5%	185,923	5.7%
2004	3,452,984	3,340,625	96.7%	119,191	3,459,816	100.2%	172,612	5.0%
2005	3,510,722	3,368,313	95.9%	118,928	3,487,241	99.3%	207,688	5.9%

Source: Lorain County Auditor's Office

CITY OF ELYRIA, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Amounts in 000s)

Tax Year	Collection Year	REAL PROPERTY		PUBLIC UTILITY PROPERTY		TANGIBLE PERSONAL PROPERTY		TOTAL
		Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	
1995	1996	\$ 333,403	\$ 952,580	\$ 218,838	\$ 625,251	\$ 122,146	\$ 488,584	\$ 2,066,415
1996	1997	339,108	968,880	216,724	619,212	133,573	534,292	2,122,384
1997	1998	403,302	1,152,291	234,595	670,271	135,854	543,416	2,365,978
1998	1999	408,310	1,166,600	237,244	677,840	137,173	548,692	2,393,132
1999	2000	418,460	1,195,600	242,705	693,443	140,810	563,240	2,452,283
2000	2001	508,046	1,451,460	255,037	728,677	150,928	603,712	2,783,849
2001	2002	511,474	1,461,354	260,310	743,743	150,857	603,428	2,808,525
2002	2003	514,777	1,470,791	259,606	741,731	152,252	609,008	2,821,530
2003	2004	546,966	1,562,760	272,645	778,986	134,118	536,472	2,878,218
2004	2005	570,444	1,629,841	284,420	812,628	138,008	552,033	2,994,502

Source: Lorain County Auditor's Office

NOTE:

(1) The assessed value is computed at approximately the following percentages of the estimated actual value of property: real property - 35%; public utilities - 35% (real property) and 100% (personal property) and tangible personal property - 25%.

CITY OF ELYRIA, OHIO
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION)

CITY OF ELYRIA

Tax Year	Collection Year	General Fund	Debt Service Fund	Police Pension Fund	Fire Pension Fund	Elyria Public Library (1)	Total		Lorain County		Total
							Elyria School District	Elyria School District	Vocational School	County	
1995	1996	\$ 2.30	\$ 1.30	\$ 0.30	\$ 0.30	\$	\$ 4.20	\$ 53.58	\$ 2.45	\$ 12.69	\$ 72.92
1996	1997	1.90	1.70	0.30	0.30		4.20	53.58	2.45	12.69	72.92
1997	1998	1.90	1.70	0.30	0.30		4.20	52.81	2.45	10.79	70.25
1998	1999	1.90	1.70	0.30	0.30		4.20	52.71	2.45	10.79	70.15
1999	2000	1.90	1.70	0.30	0.30		4.20	57.11	2.45	10.79	74.55
2000	2001	1.90	1.70	0.30	0.30		4.20	57.11	2.45	10.79	74.55
2001	2002	1.70	1.90	0.30	0.30		4.20	56.81	2.45	12.89	76.35
2002	2003	1.70	1.90	0.30	0.30		4.20	56.73	2.45	12.89	76.27
2003	2004	1.70	1.90	0.30	0.30		4.20	56.73	2.45	12.89	76.27
2004	2005	1.70	1.90	0.30	0.30	1.00	5.20	56.48	2.45	13.19	77.32

Source: Lorain County, County Treasurer

(1) On March 2, 2004 voters approved a 1.0 mil 5 year tax for current operation of the Elyria Public Library.

**CITY OF ELYRIA, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Current Assessments Billed	Current Assessments Collected (1)	Collections As A Percentage Of Amount Due
1996	\$ 496,597	\$ 471,089	94.9%
1997	722,926	660,467	91.4%
1998	613,055	576,301	94.0%
1999	683,552	636,400	93.1%
2000	583,095	513,012	88.0%
2001	670,914	669,458	99.8%
2002	612,665	590,037	96.3%
2003	787,582	640,006	81.3%
2004	773,932	616,173	79.6%
2005	552,463	403,867	73.1%

Source: Lorain County Auditor

NOTE:

(1) Collections made by County Auditor only.
Does not include delinquent amounts collected.

CITY OF ELYRIA, OHIO
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	General Gross Bonded Debt (1)	Debt Service Monies Available (3)	Debt Payable From Enterprise Revenues	Net Bonded Debt	Net Bonded Debt As A Percentage Of Assessed Values	Net Bonded Debt Per Capita
1996	56,746 (2)	\$ 674,386,318	\$ 11,745,177	\$ 1,019,819	\$ 2,130,177	\$ 8,595,181	1.27%	\$151.47
1997	56,746 (2)	689,404,520	18,005,856	1,452,787	2,565,856	13,987,213	2.03	246.49
1998	56,746 (2)	773,751,630	16,728,784	1,378,661	2,113,784	13,236,339	1.71	233.26
1999	56,746 (2)	782,727,713	20,576,712	1,656,849	5,096,712	13,823,151	1.77	243.60
2000	55,953 (2)	801,974,850	19,079,639	1,993,416	4,184,639	12,901,584	1.61	230.58
2001	55,953 (2)	914,011,190	27,152,566	2,533,386	4,062,566	20,556,614	2.25	367.39
2002	55,953 (2)	912,696,530	30,457,742	2,424,827	1,732,742	26,300,173	2.88	470.04
2003	55,953 (2)	926,635,030	35,357,918	2,243,278	1,592,918	31,521,722	3.40	563.36
2004	55,953 (2)	953,729,200	34,698,094	1,942,362	7,948,094	24,807,638	2.60	443.37
2005	55,953 (2)	992,872,386	38,775,973	1,589,684	12,861,207	24,325,082	2.45	434.74

NOTES:

- (1) Includes all general obligation debt except for general obligation debt to be paid from special assessments.
- (2) Source - Bureau of Census
- (3) Includes monies in the General Bond Retirement Debt Service Fund only.

**CITY OF ELYRIA, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2005**

**CITY OF ELYRIA, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2005**

OVERALL DEBT LIMITATION		
10 1/2 % of assessed valuation	\$	104,251,601
Gross indebtedness - outstanding	\$	53,542,875
Less: Debt exempt from limitation		<u>(14,766,903)</u>
Debt subject to 10 1/2 % limitation		38,775,972
Less: Applicable debt service fund balance		<u>(1,589,684)</u>
Net debt within 10 1/2 % limitation		<u>37,186,288</u>
LEGAL DEBT MARGIN WITHIN 10 1/2 % LIMITATION	\$	<u>67,065,313</u>
<hr/>		
UNVOTED DEBT LIMITATION		
5 1/2 % OF ASSESSED VALUATION	\$	54,607,981
Gross indebtedness - outstanding	\$	53,542,875
Less: Debt exempt from limitation		<u>(14,766,903)</u>
Debt subject to 5 1/2% limitation		38,775,972
Less: Applicable debt service fund balance		<u>(1,589,684)</u>
Net debt within 5 1/2 % limitation		<u>37,186,288</u>
LEGAL DEBT MARGIN WITHIN 5 1/2 % LIMITATION	\$	<u>17,421,693</u>

Jurisdiction	Debt Outstanding (1)	Percentage Applicable To City of Elyria (2)	Amount Applicable To City of Elyria
City of Elyria	\$ 25,914,766	100.00%	\$ 25,914,766
Lorain County	26,890,000	16.00%	4,302,400
TOTAL- OVERLAPPING DEBT	26,890,000		4,302,400
TOTAL- ALL DEBT	\$ 52,804,766		\$ 30,217,166

NOTES:

- (1) Source: Individual Jurisdictions (general obligation bonds reported in the business-type activities and special assessment debt have been excluded)
- (2) The percentage of net debt outstanding applicable to the City was determined by dividing each jurisdiction's assessed valuation within the City by the jurisdiction's total assessed valuation.

CITY OF ELYRIA, OHIO
RATIO OF ANNUAL DEBT SERVICE
FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS

FISCAL YEAR	PRINCIPAL (1)	INTEREST (1)	TOTAL		TOTAL GENERAL FUND EXPENDITURES	DEBT SERVICE AS A PERCENTAGE OF TOTAL GENERAL FUND EXPENDITURES
			DEBT SERVICE (1)	DEBT SERVICE (1)		
1996	\$ 3,940,000	\$ 444,451	\$ 4,384,451	\$	20,848,274	21.03%
1997	12,575,000	741,491	13,316,491		20,797,542	64.03%
1998	825,000	973,303	1,798,303		21,393,407	8.41%
1999	775,000	714,188	1,489,188		23,228,828	6.41%
2000	585,000	746,102	1,331,102		24,077,465	5.53%
2001	605,000	722,783	1,327,783		24,355,051	5.45%
2002	795,000	1,108,974	1,903,974		25,972,815	7.33%
2003	1,433,293	1,184,030	2,617,323		26,301,079	9.95%
2004	7,585,000	1,093,278	8,678,278		26,507,853	32.74%
2005	16,960,000	820,427	17,780,427		26,013,610	68.35%

Source: Annual audited financial statements of the City.

NOTE:

(1) Includes all general obligation notes and bonds except for State Issue II loans and debt intended to be paid from special assessments or business-type activity revenues.

CITY OF ELYRIA, OHIO
WASTEWATER POLLUTION CONTROL
REVENUE LOAN COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	
1996	\$ 9,254,816	\$ 5,423,182	\$ 3,831,634	\$ 849,358	\$ 2,037,037	\$ 2,886,395	1.33
1997	9,739,476	6,048,454	3,691,022	917,815	1,970,329	2,888,144	1.28
1998	9,742,854	9,131,441	611,413	766,402	1,891,744	2,658,146	0.23
1999	9,960,677	5,306,248	4,654,429	944,858	1,921,282	2,866,140	1.62
2000 (3)	12,948,897	6,240,652	6,708,245	1,142,078	1,721,912	2,863,990	2.34
2001	9,934,251	5,981,175	3,953,076	1,236,880	1,629,409	2,866,289	1.38
2002	9,544,225	6,852,152	2,692,073	1,333,311	1,532,139	2,865,450	0.94
2003	9,112,363	6,983,835	2,128,528	1,436,889	1,427,357	2,864,246	0.74
2004	8,943,652	6,938,083	2,005,569	1,543,177	1,148,234	2,691,411	0.75
2005	9,916,895	7,002,444	2,914,451	1,671,204	987,717	2,658,921	1.10

Source: Annual audited financial statements of the City.

NOTES:

- (1) Gross revenue includes operating revenue plus interest income.
- (2) Direct operating expenses include total operating expenses exclusive of depreciation.
- (3) The large increase in gross revenue is due to settlement proceeds.

CITY OF ELYRIA, OHIO
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Year	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		BANK DEPOSITS (AMOUNTS IN 000'S)		PROPERTY VALUE (AMOUNTS IN 000'S)	
	Number of Permits (1)	Value (1)	Number of Permits (1)	Value (1)	Amount (2)	Industrial / Commercial (3)	Residential (3)	
1996	198	\$ 37,777,498	1,422	\$ 17,200,726	\$ 1,329,795	\$ 218,838	\$ 333,403	
1997	199	39,150,586	1,599	17,236,096	920,050	216,724	339,108	
1998	367	40,662,114	1,580	20,528,636	444,974	234,595	403,302	
1999	308	27,867,892	1,357	20,870,414	483,871	237,244	408,310	
2000	255	21,241,393	1,482	18,755,518	513,102	269,710	508,046	
2001	267	39,872,060	1,462	23,057,586	555,591	260,310	511,474	
2002	240	54,770,652	1,590	25,109,046	614,592	255,118	506,721	
2003	185	23,737,258	1,488	24,163,319	741,024	258,973	515,410	
2004	186	16,014,850	1,351	21,356,400	685,900	272,102	547,509	
2005	211	19,895,189	1,065	13,484,851	738,948	279,985	562,791	

NOTES:

- (1) Source: City of Elyria, Building Department
- (2) Source: Federal Reserve Bank, Cleveland, Ohio for Lorain County
- (3) Source: Lorain County Auditor's Office

**CITY OF ELYRIA, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS**

Year	Population	School Enrollment (1)	Unemployment Rate % (2)
1995	56,746 (3)	9,012	7.0
1996	56,746 (3)	8,746	6.9
1997	56,746 (3)	8,753	6.3
1998	56,746 (3)	8,257	5.4
1999	56,746 (3)	8,257	5.2
2000	55,953 (3)	8,361	5.5
2001	55,953 (3)	8,551	6.1
2002	55,953 (3)	8,270	7.4
2003	55,953 (3)	8,348	7.9
2004	55,953 (3)	8,130	5.9

NOTES:

- (1) Source - City of Elyria Board of Education
- (2) Source - Ohio Bureau of Employment Services
- (3) Source - Bureau of Census

**CITY OF ELYRIA, OHIO
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2005**

Taxpayer	Type of Business	2005 Assessed Valuation	Percent of Total Assessed Valuation
WEA Midway LLC	Property Management	\$ 15,246,870	1.54%
Ohio Edison	Electric Utility	10,594,940	1.07%
Alltel Ohio	Telephone Utility	8,871,350	0.89%
New Plan of Midway Inc.	Retail Store	6,870,810	0.69%
First Interstate	Retail Store	6,229,160	0.63%
HK New Plan Exchange	Property Management	3,225,890	0.32%
Hunters Crossing	Property Management	3,223,710	0.32%
Elyria United Methodist Village	Retirement / Assisted Living	3,141,700	0.32%
Invacare Corporation	Home Medical Products	3,106,340	0.31%
Holiday Inn of Elyria	Hotel	3,092,780	0.31%
TOTAL PRINCIPAL TAXPAYERS		\$ 63,603,550	6.41%
TOTAL CITY ASSESSED VALUATION		\$ 992,872,386	

Source: Lorain County Treasurer's Office

CITY OF ELYRIA, OHIO
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2005

Date of incorporation.....	February 23, 1833	Municipal water department:	
Form of government.....	Mayor-Council	Active accounts.....	22,851
Current population.....	55,953	Average daily consumption.....	9.6 million gallons
Area.....	20.12 square miles	Miles of water mains.....	220 miles (approximately)
Miles of streets	192.0	Sewers:	
Number of street lights.....	5,231	Miles of sanitary sewers.....	184.0 miles (approximately)
Fire protection:		Miles of storm sewers.....	113.0 miles (approximately)
Number of stations.....	4	Building permits issued.....	1,276
Number of firefighters and officers.....	73	Recreation and culture:	
Police protection:		Number of parks.....	18
Number of stations.....	1	Number of libraries.....	2
Number of policepersons and officers.....	92	Number of library volumes.....	377,201 (approximately)
Education (elementary only):		Employees (full time):	
Attendance centers.....	14	Classified service.....	520
Number of classrooms.....	241	Exempt.....	6
Number of teachers.....	226		
Number of students.....	4,581		



**Auditor of State
Betty Montgomery**

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CITY OF ELYRIA

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 13, 2006**